

Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2021 (Japanese Accounting Standards)

November 13, 2020

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Scheduled date for submission of quarterly securities report: November 13, 2020
Scheduled date for payment of dividends: December 8, 2020
Supplementary documents for quarterly results : Yes
Quarterly results briefing : Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Financial Results for the Cumulative Second Quarter (April 1, 2020 to September 30, 2020)

(1) Consolidated Financial Results (Percentages (%) indicate changes from the previous year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2020	287,975	(10.0)	(524)	—	(433)	—	(1,912)	—
September 30, 2019	319,853	6.7	13,364	29.2	12,856	27.7	7,586	51.8

Note: Comprehensive income Six months ended September 30, 2020 -2,583 million yen(- %)
Six months ended September 30, 2019 4,654 million yen(-22.4 %)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	(12.51)	-
September 30, 2019	51.64	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per share
	Million yen	Million yen	%	Yen
September 30, 2020	377,799	79,609	21.0	521.52
March 31, 2020	365,853	86,793	23.7	563.30

Note: Shareholders' Equity: September 30, 2020 79,453 million yen March 31, 2020 86,613 million yen

2. Dividends

	Dividend per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2021	-	10.00	-	-	-
Fiscal year ending March 31, 2021 (forecast)	-	-	-	10.00	20.00

Note: Revisions to dividend forecasts published recently : None

3. Consolidated Forecasts for Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentages (%) indicate changes from the previous year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Attributable to owners of parent per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	625,403	(0.8)	8,839	(57.7)	7,396	(62.8)	1,000	(91.7)	6.56

Note: Revisions to consolidated financial forecasts published recently : None

※ Notes

(1) Changes of important subsidiaries during the period
(changes in specified subsidiaries resulting in change in scope of consolidation) : None

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies caused by revision of accounting standards : None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Shares issued and outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury stock)	As of September 30, 2020	154,862,825	shares	As of March 31, 2020	154,862,825	shares
(ii) Number of treasury stocks at the end of the period	As of September 30, 2020	2,513,426	shares	As of March 31, 2020	1,102,736	shares
(iii) Average number of shares outstanding during the term (quarter cumulative)	As of September 30, 2020	152,888,028	shares	As of September 30, 2019	146,904,809	shares

* This quarterly consolidated financial results report is exempt from quarterly review of certified accountants and/or auditing firms.

* Explanation and other special notes concerning the appropriate use of forecasted business performance

(Notes on forecasted business performance and others)

The forecast figures indicated above are projections based on the information available at the time of the announcement and certain assumptions include some degree of uncertainty. Actual business performance and other results may differ from the forecast depending on the changes in business conditions and others. Please refer to p.4 of the Appendix for information on the above forecast.

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1. Qualitative Information on Results for the Cumulative Second Quarter Ended September 30, 2020

(1) Details of Consolidated Financial Results

In the cumulative second quarter of the fiscal year under review (from April 1, 2020 to September 30, 2020), economic conditions in Japan deteriorated sharply due to stagnant personal consumption and economic activities resulting from the global spread of the COVID-19. Although economic activities have been gradually recovering in some business since the lift of emergency declaration, situation still remains unpredictable.

In the restaurant industry, although some signs of recovery are seen after the lift of emergency declaration, it is likely that COVID-19 effects are protracted and the situation remains uncertain.

Under these circumstances, the same-store sales in the Gyudon category including Sukiya, the Family Dining category including Coco's and Jolly-Pasta, and the Fast Food Service category including Hamazushi were 92.3%, 71.5%, and 83.2% year-on-year, respectively.

At the end of September 2020, the number of stores was 9,870 (including 4,337 franchised stores), resulting from 158 store openings and 112 closures.

Consequently, the business performance in the cumulative second quarter of the fiscal year under review showed sales of 287,975 million yen (down 10.0% year-on-year), operating loss of 524 million yen (profit of 13,364 million yen in the same period of previous year), ordinary loss of 433 million yen (profit of 12,856 million yen in the same period of previous year), and loss attributable to owners of parent of 1,912 million yen (profit of 7,586 million yen in the same period of previous year).

An overview of conditions by business segment is provided below.

1) Restaurant business

Sales of the restaurant business in the cumulative second quarter of the fiscal year under review were 242,864 million yen (down 13.0% year-on-year), and the operating loss was 1,605 million yen (profit of 13,533 million yen in the same period of previous year) due to a protracted effect of the spread of COVID-19.

The performance of the restaurant business for each major category is as follows.

(Gyudon category)

Sales in the Gyudon category in the cumulative second quarter of the fiscal year under review totaled 105,345 million yen (down 6.1% year-on-year).

Sukiya, a Gyudon chain operated by Sukiya Co., Ltd., has made efforts to enhance the product competitiveness by launching "Gyudon w/ Kale, Lettuce" (regular size: 550 yen [tax included]), "Gyudon w/ Caesar Salad" (regular size: 530 yen [tax included]), "Gyudon w/ Chili Garlic Sprout" (regular size: 500 yen [tax included]), "Gyudon w/ Omelet" (regular size: 520 yen [tax included]), "Okonomiyaki Style Gyudon (Steamed Cabbage, Raw Egg, Mayo & Sauce)" (regular size: 520 yen [tax included]), and "Yokohama Curry Rice (Beef Stock Curry)" (regular size: 480 yen [tax included]) to address the various needs of customers, under the theme of "Let's be Healthy at Sukiya."

Sukiya is striving to further strengthen quality controls and improve its service to allow customers to continue to enjoy safe and delicious products, as well as to pursue the development of restaurants loved by customers.

Nakau, rice bowl dishes and Kyoto-style udon noodle chain, operated by Nakau Co., Ltd., sought to improve its business performance by undertaking effective sales promotions while enhancing product competitiveness through introduction of new and seasonal products, improvement of existing products, and expansion of take-out product lineup.

The number of restaurants in the Gyudon category at the end of September, 2020 was 3,036 (including 9 franchised restaurants), as a result of 56 restaurant openings and 17 closures.

(Family Dining category)

Sales in the Family Dining category in the cumulative second quarter of the fiscal year under review were 44,762 million yen (down 27.8% year-on-year).

Coco's, the standard restaurant chain operated by Coco's Japan Co., Ltd., has made efforts to improve its business performance by enriching the menu, introducing dainty campaign dishes, improving the standard of service across the chain, and further expansion of take out product line up.

Big Boy, the chain of hamburger steak and steak restaurants and other chain operated by Big Boy Japan, Inc., sought to improve its business performance by various ways, such as brushing up the main products, enriching salad bar and soup bar, which are highly supported by customers, and enhancing the take out products.

Jolly-Pasta, the pasta specialty restaurant chain, operated by Jolly-Pasta Co., Ltd., seeks to provide further deliciousness and fun to customers by expanding the line up of the menu, introducing new dishes using safe seasonal ingredients as a "pasta specialty restaurant that pursues deliciousness and fun."

Barbeque restaurants including Takarajima, Jukusei Yakniku Ichiban, Gyu-An, and Ichiban, operated by TAG-1 Co., Ltd., have been working to brush up the business concept, while making efforts to provide high quality products with carefully selected beef and seasonal ingredients, and to improve the quality of service levels at restaurants.

Hanaya Yohei, the Japanesecuisine restaurant chain operated by Hanaya Yohei Co., Ltd., has been working to improve customer satisfaction by various ways, including development of attractive Japanese style products using seasonal ingredients, improvement of service levels at restaurants, and improvement of labor productivity.

The number of restaurants in the Family Dining category at the end of September, 2020 was 1,352 (including 79 franchised restaurants), as a result of 17 restaurant openings and 26 closures.

(Fast Food Service category)

Sales in the Fast Food Service category in the cumulative second quarter of the fiscal year under review were 65,272 million yen (down 14.8% year-on-year).

Hamazushi, 100-yen sushi chain stores (kaiten-sushi restaurants) operated by Hamazushi Co., Ltd., sought to expand its businesses by increasing the number of restaurants, while working on various issues such as introducing special menu using seasonal ingredients, improving quality of products, enhancing service level, conducting promotions at stores, and expanding takeout products lineup.

The Chicken Rice Shop, specialty chicken rice chain stores operated by TCRS Restaurants Sdn. Bhd., obtained a halal certificate and developed shops throughout Malaysia, which are supported by families regardless of age and gender.

The number of restaurants in the Fast Food Service category at the end of September, 2020 was 936 (including 1 franchised restaurant), as a result of 10 restaurant openings and 7 closures.

(Other category)

Sales in the Other category in the cumulative second quarter of the fiscal year under review were 27,483 million yen (down 3.6% year-on-year).

Main businesses in this category include Advanced Fresh Concepts Corp., which operates takeout sushi stores in the U.S., Canada, and Australia; Tolona Japan Co., Ltd., which sells frozen pizza, etc.; Global Fresh Supply Co., Ltd., a company which handles logistics functions for the Zensho Group; and Global Table Supply Co., Ltd., which procures uniforms, equipment etc.

The number of stores in the Other category at the end of September, 2020 was 4,419 (including 4,248 franchised stores), as a result of 75 store openings and 58 closures.

2) Retail Business

Sales in the Retail business in the cumulative second quarter of the fiscal year under review were 45,111 million yen (up 11.0% year-on-year), and the operating profit was 1,080 million yen (loss of 168 million yen in the same period of previous year).

Sales and profits in the retail business increased in line with the gradual recovery of economic activities after the lift of emergency declaration. This was achieved through efforts to secure stable provision of safe and reliable products, while continuously implementing proper measures to prevent infection at stores.

The retail business includes the supermarket business operated by Maruya co., Ltd., Maruei Co., Ltd., Owariya Co., Ltd., Fresh Corporation Co., Ltd., Attack Co., Ltd., and fruit and vegetables stores operated by United Veggies Co., Ltd.

The number of stores in the Retail business category at the end of September, 2020 stood at 127 as a result of 4 store closures.

(2) Details of Consolidated Financial Position

1) Assets, liabilities, and net assets

(Total Assets)

Total assets stood at 377,799 million yen as of September 30, 2020, an increase of 11,945 million yen compared with the previous fiscal year-end. This increase was mainly due to increases in cash and deposits and property, plant and equipment.

(Liabilities)

Liabilities amounted to 298,190 million yen as of September 30, 2020, an increase of 19,129 million yen compared with the previous fiscal year-end. This increase was mainly due to an increase in interest-bearing liabilities.

(Net Assets)

Net Assets came at 79,609 million yen as of September 30, 2020, a decrease of 7,183 million yen compared with the previous fiscal year-end. This decrease was mainly due to a decrease in retained earnings and purchase of treasury shares.

2) Cash flows

(Cash flows from operating activities)

Cash flows from operating activities resulted in an increase in funds of 13,114 million yen (an increase in funds of 17,600 million yen in the same period of previous year). This was mainly due to a decrease in inventory and depreciation.

(Cash flows from investing activities)

Cash flows from investing activities resulted in a decrease in funds of 11,529 million yen (a decrease in funds of 20,143 million yen in the same period of previous year). This was mainly due to purchase of property, plant and equipment to open new stores.

(Cash flows from financing activities)

Cash flows from financing activities resulted in an increase in funds of 12,140 million yen (a decrease in funds of 18,032 million yen in the same period of previous year). This was mainly due to an increase in interest-bearing liabilities.

As a result of the above, cash and cash equivalents increased by 13,808 million yen from the end of previous fiscal year-end and totaled 42,736 million yen at September 30, 2020.

(3) Information on the Future Outlook, Including Consolidated Business Performance Forecasts

There are no changes to the consolidated business performance forecasts announced on August 7, 2020, for the period ending March 31, 2021.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

	(Million yen)	
	End of Previous fiscal year (As of March 31, 2020)	End of 2Q, Current fiscal year (As of September 30, 2020)
Assets		
Current Assets		
Cash and deposits	28,928	42,736
Notes and accounts receivable - trade	13,937	16,619
Merchandise and finished goods	20,779	18,565
Work in process	782	905
Raw materials and supplies	6,237	6,046
Other	18,319	16,050
Allowance for doubtful accounts	(131)	(127)
Total current assets	88,853	100,796
Non-current assets		
Property, plant and equipment, net		
Buildings and structures	205,939	207,200
Accumulated Depreciation	(121,479)	(122,927)
Buildings and structures, net	84,459	84,273
Machinery, equipment and vehicles	14,833	15,171
Accumulated Depreciation	(8,985)	(8,854)
Machinery, equipment and vehicles, net	5,847	6,317
Other	120,537	125,285
Accumulated Depreciation	(59,622)	(62,631)
Other, net	60,915	62,653
Total property, plant and equipment	151,223	153,244
Intangible assets		
Trade mark right	37,992	37,097
Goodwill	17,426	16,549
Other	3,428	3,498
Total intangible assets	58,846	57,146
Investments and other assets		
Investment securities	2,507	2,635
Guarantee deposits	33,405	33,272
Other	30,924	30,637
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	66,823	66,531
Total non-current assets	276,894	276,922
Deferred assets	105	80
Total assets	365,853	377,799

	(Million yen)	
	End of Previous fiscal year (As of March 31, 2020)	End of 2Q, Current fiscal year (As of September 30, 2020)
Liabilities		
Current Liabilities		
Notes and accounts payable, trade	20,261	21,742
Short-term loans payable	1,441	1,089
Current portions of bonds	1,600	1,600
Current portion of long-term loans payable	23,647	31,971
Income taxes payable	3,269	1,109
Provision	2,269	1,928
Other	37,574	38,580
Total current liabilities	90,064	98,021
Non-current liabilities		
Bonds payable	25,600	24,800
Long-term loans payable	128,500	140,125
Net defined benefit liability	714	714
Asset retirement obligations	3,336	3,411
Other	30,845	31,117
Total non-current liabilities	188,996	200,168
Total liabilities	279,060	298,190
Net assets		
Shareholders' equity		
Capital stock	26,996	26,996
Capital surplus	24,817	24,817
Retained earnings	42,090	38,582
Treasury shares	(2,260)	(5,264)
Total shareholders' equity	91,643	85,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(79)	(79)
Deferred gains or losses on hedges	(66)	18
Remeasurements of defined benefit plans	(35)	(29)
Foreign currency translation adjustment	(4,849)	(5,588)
Total accumulated other comprehensive income	(5,030)	(5,678)
Non-controlling interests	179	155
Total net assets	86,793	79,609
Total liabilities and net assets	365,853	377,799

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Cumulative Second Quarter)

	(Million yen)	
	Cumulative 2Q, Previous fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative 2Q, Current fiscal year (From April 1, 2020 to September 30, 2020)
Net Sales	319,853	287,975
Cost of Sales	136,032	124,482
Gross Profit	183,821	163,493
Selling, General and Administrative Expenses	170,456	164,018
Operating Profit	13,364	(524)
Other Income		
Interest income	322	184
Dividend income	1	1
Foreign exchange gains	76	13
Share of profit of entities accounted for using equity method	8	1
Subsidy income	228	991
Other	501	442
Total non-operating income	1,138	1,633
Non-operating expenses		
Interest expenses	1,007	1,014
Other	639	528
Total non-operating expenses	1,646	1,542
Ordinary profit	12,856	(433)
Extraordinary income		
Insurance income	21	142
Other	53	9
Total extraordinary income	74	152
Extraordinary losses		
Loss on retirement of non-current assets	527	525
Impairment loss	375	—
Other	329	380
Total extraordinary losses	1,232	905
Profit (loss) before income taxes	11,698	(1,187)
Income taxes - current	3,190	1,070
Income taxes - deferred	976	(312)
Total income taxes	4,167	758
Profit (loss)	7,531	(1,945)
Profit (loss) attributable to non-controlling interests	(54)	(33)
Profit (loss) attributable to owners of parent	7,586	(1,912)

(Quarterly Consolidated Statements of Comprehensive Income)
(Cumulative Second Quarter)

	(Million yen)	
	Cumulative 2Q, Previous fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative 2Q, Current fiscal year (From April 1, 2020 to September 30, 2020)
Profit (Loss)	7,531	(1,945)
Other comprehensive income		
Valuation difference on available-for-sale securities	1	(0)
Deferred gains or losses on hedges	(57)	84
Remeasurements of defined benefit plans, net of tax	103	5
Foreign currency translation adjustment	(2,920)	(721)
Share of other comprehensive income of entities accounted for using equity method	(3)	(7)
Total other comprehensive income	(2,877)	(638)
Comprehensive income	4,654	(2,583)
(Breakdown)		
Comprehensive income attributable to owners of parent	4,715	(2,560)
Comprehensive income attributable to non- controlling interests	(61)	(23)

(3) Quarterly Consolidated Statements of Cash Flows

	(Million yen)	
	Cumulative 2Q, Previous fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative 2Q, Current fiscal year (From April 1, 2020 to September 30, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	11,698	(1,187)
Depreciation	10,606	11,179
Impairment loss	375	—
Amortization of goodwill	852	863
Amortization of negative goodwill	(1)	(1)
Increase (decrease) in allowance for doubtful accounts	(2)	(1)
Increase (decrease) in allowance for bonuses	321	(342)
Increase (decrease) in net defined benefit liability	33	7
Interest and dividend income	(323)	(185)
Interest expenses	1,007	1,014
Foreign exchange losses (gains)	(35)	47
Loss (gain) on sales of investment securities	0	(0)
Loss (gain) on sales of property, plant and equipment	(0)	(1)
Loss on retirement of property, plant and equipment	456	377
Other extraordinary loss (income)	8	37
Other non-operating expenses (income)	(3)	5
Decrease (increase) in notes and accounts receivable - trade	368	(2,826)
Decrease (increase) in inventories	48	2,275
Increase (decrease) in notes and accounts payable - trade	(532)	1,529
Share of (profit) loss of entities accounted for using equity method	(8)	(1)
Increase (decrease) in accrued consumption taxes	(715)	3,581
Decrease (increase) in other current assets	24	(304)
Decrease (increase) in other non-current assets	467	387
Increase (decrease) in other current liabilities	(2,731)	(166)
Increase (decrease) in other non-current liabilities	106	(133)
Subtotal	22,022	16,155
Interest and dividend income received	160	49
Interest expenses paid	(1,002)	(992)
Income taxes paid	(3,580)	(2,098)
Net cash provided by (used in) operating activities	17,600	13,114

	(Million yen)	
	Cumulative 2Q, Previous fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative 2Q, Current fiscal year (From April 1, 2020 to September 30, 2020)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,598)	(10,014)
Proceeds from sales of property, plant and equipment	914	0
Purchase of intangible assets	(503)	(467)
Purchase of long-term prepaid expenses	(107)	(21)
Purchase of long-term investment securities	(332)	(400)
Proceeds from sales of long-term investment securities	0	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,634)	—
Payments of loans receivable	(574)	(141)
Collection of loans receivable	3	98
Payments for guarantee deposits	(566)	(416)
Proceeds from collection of guarantee deposits	603	645
Decrease (increase) in insurance funds	(1)	(4)
Decrease (increase) in premium receivable	(48)	(26)
Purchase of long term prepaid rents	(824)	(608)
Other, net	(474)	(172)
Net cash provided by (used in) investing activities	(20,143)	(11,529)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(67)	(334)
Proceeds from long-term loans payable	689	31,042
Repayments of long-term loans payable	(13,133)	(11,098)
Redemption of bonds	(800)	(800)
Repayments of lease obligations	(1,640)	(2,126)
Purchase of treasury shares	(9)	(3,006)
Proceeds from sales of treasury shares	0	3
Cash dividends paid	(1,308)	(1,536)
Repayments to non-controlling shareholders	(1,802)	—
Dividends paid to non-controlling interests	(87)	(1)
Other, net	127	—
Net cash provided by (used in) financing activities	(18,032)	12,140
Effect of exchange rate change on cash and cash equivalents	(1,196)	34
Net increase (decrease) in cash and cash equivalents	(21,772)	13,758
Beginning balance of cash and cash equivalents	57,240	28,928
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	327	49
Ending balance of cash and cash equivalents	35,795	42,736

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes for Case Where Shareholders' Equity underwent Significant Changes in Value)

Not applicable.

(Segment Information)

【Segment Information】

I Second quarter of Previous Fiscal Year (From April 1, 2019 to September 30, 2019)

1. Information on net sales, profits or losses by reporting segment

(Units : Millions of yen)

	Reporting segments		Total	Adjustment (Note1)	Amount on consolidated balance sheet (Note2)
	Restaurant business	Retail business			
Net Sales					
Sales to External Customers	279,220	40,633	319,853	—	319,853
Intersegment Sales or Transfers	1,208	16	1,225	(1,225)	—
Total	280,428	40,650	321,079	(1,225)	319,853
Segment Profit/(Loss)	13,533	(168)	13,364	0	13,364

(Note) 1. Adjustment amount of segment profit/(loss) of 0 million yen is mainly elimination of intersegment transactions.

2. The total amount of segment profit/(loss) is adjusted with the operating profit in the quarterly consolidated statement of income.

3. Intersegment sales or transfers amounts are calculated based on prevailing market prices.

2. Information on impairment loss, goodwill, etc. on non-current assets by reportable segment

(Important impairment loss on non-current assets)

In the “Restaurant business” segment, impairment losses of 375 million yen were recognized during the six months ended September 30, 2019. This was relating to the fixed assets at restaurants and a food processing plant.

(Major change in goodwill)

In the “Restaurant business” segment, Zensho Holdings Malaysia Sdn. Bhd., a consolidated subsidiary of Zensho, has acquired all the shares of TCRS Restaurants Sdn. Bhd., and it has been included in the scope of consolidation with effect from the first quarter of fiscal year ending March 31, 2020. With this acquisition, goodwill increased by 1,685 million yen.

(Major negative goodwill profit)

Not applicable.

II Second quarter of Fiscal Year under review (From April 1, 2020 to September 30, 2020)

1. Information on net sales, profits or losses by reporting segment

(Unit : Millions of yen)

	Reporting segments		Total	Adjustment (Note1)	Amount on consolidated balance sheet (Note2)
	Restaurant business	Retail business			
Net Sales					
Sales to External Customers	242,864	45,111	287,975	—	287,975
Intersegment Sales or Transfers	1,618	11	1,630	(1,630)	—
Total	244,482	45,123	289,606	(1,630)	287,975
Segment Profit/(Loss)	(1,605)	1,080	(524)	(0)	(524)

(Note) 1. Adjustment amount of segment profit/(loss) of (0) million yen is mainly elimination of intersegment transactions.

2. The total amount of segment profit/(loss) is adjusted with the operating profit in the quarterly consolidated statement of income.

3. Intersegment sales or transfers amounts are calculated based on prevailing market prices.

4. In line with the significant revision to the initial allocation of the acquisition cost as described in the following “Significant revision to the initial allocation of the acquisition cost in the comparative information” of “Business combinations, etc.” section, the segment information included in the quarterly consolidated financial statements for the six months ended September 30, 2019 have been revised to reflect the change.

2. Information on impairment loss, goodwill, etc. on non-current assets by reportable segment

(Important impairment loss on non-current assets)

Not applicable.

(Major change in goodwill)

Not applicable.

(Major negative goodwill profit)

Not applicable.

(Business combination, etc.)

Significant revision to the initial allocation of the acquisition cost in the comparative information

During the cumulative second quarter ended September 30, 2019, a provisional accounting treatment was applied for the business combination on May 31, 2019 with TCRS Restaurants Sdn. Bhd., and said accounting was finalized on March 31, 2020. In line with the finalization of the provisional accounting treatment, the comparative information included in the quarterly consolidated financial statements for the six months ended September 30, 2020 have been revised to reflect a significant change to the initial allocation of the acquisition cost.

The amount of goodwill totaled 1,685 million yen, a decrease of 3,382 million yen from 5,067 million yen, which was calculated on a provisional basis.

As a result of the above, each of ordinary profit, profit before income taxes, profit, and profit attributable to owners of the parent decreased by 28 million yen in the quarterly consolidated statements for the six months ended September 30, 2019.