

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2022 (Japanese Accounting Standards)

August 13, 2021

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Scheduled date for submission of quarterly securities report: August 13, 2021

Scheduled date for payment of dividends: —

Supplementary documents for quarterly results: No

Quarterly results briefing: No

(Figures rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter (April 1, 2021 to June 30, 2021)

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

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2021	152,607	18.9	2,875	—	5,142	—	1,232	—
June 30, 2020	128,373	(16.3)	(4,681)	—	(4,846)	—	(6,382)	—

Note: Comprehensive income Three months ended June 30, 2021 1,516 million yen(- %)

Three months ended June 30, 2020 (6,645) million yen(- %)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	8.10	-
June 30, 2020	(41.71)	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per share
	Million yen	Million yen	%	Yen
June 30, 2021	416,805	85,773	20.4	559.00
March 31, 2021	396,023	85,430	21.5	560.87

Note: Shareholders' Equity: June 30, 2021 85,038 million yen March 31, 2021 85,322 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, 2021	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (forecast)		10.00	-	10.00	20.00

Note: Revisions to dividend forecasts published recently : No

3. Consolidated Forecasts for Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentages (%) indicate changes from the previous year for annual figures and year-on year changes for quarterly figures)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Q2 (Cumulative)	336,091	16.7	9,530	—	8,643	—	3,627	—	23.84
Full year	688,063	15.6	22,516	86.3	20,789	70.2	9,139	304.5	60.08

Note: Revisions to consolidated financial forecasts published recently : No

Notes

- (1) Changes of important subsidiaries during the period : 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 : Yes
 - (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 June 30, 2021	154,862,825 shares	As of March 31, 2021	154,862,825 shares
(ii) Number of treasury stocks at the end of the period	As of June 30, 2021	2,738,076 shares	As of March 31, 2021	2,736,827 shares
(iii) Average number of shares outstanding during the term (quarter cumulative)	As of June 30, 2021	152,125,239 shares	As of June 30, 2020	153,022,740 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 First Quarter Ended June 30, 2021

(1) Details of Consolidated Financial Results

In the first quarter of the fiscal year under review (from April 1, 2021 to June 30, 2021), economic conditions in Japan remained harsh due to stagnant personal economic activities resulted from the spread of COVID-19.

In the restaurant industry as well, business environment remains harsh, as the COVID-19 prevention measures such as shorter operating hours were requested under the emergency declaration and the quasi-state of emergency declaration issued in urban areas.

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 114.0%, 124.4%, and 118.5% year-on-year, respectively.

At the end of June, 2021, the number of stores stood at 9,944 (including 4,409 franchised restaurants), as a result of 101 store openings and 103 closures.

Consequently, the business performance in the first quarter of the fiscal year under review showed sales of 152,607 million yen (up 18.9% year-on-year), operating profit of 2,875 million yen (loss of 4,681 million yen in the same period of previous year), ordinary profit of 5,142 million yen (loss of 4,846 million yen in the same period of previous year), and profit attributable to owners of parent of 1,232 million yen (loss of 6,382 million yen in the same period of previous year).

The "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the first quarter of the fiscal year under review. For more information, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on Quarterly Consolidated Financial Statements, Changes in Accounting Policies".

As described in "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on Quarterly Consolidated Financial Statements, Additional Information, Changes in Presentation", presentation of business performance has been changed from the beginning of the first quarter of the fiscal year under review, and the year-on-year comparison is done using the restated figures of the first quarter of previous year.

An overview of conditions by business segment is provided below.

i) Restaurant business

Sales of the restaurant business in the first quarter of the fiscal year under review were 132,925 million yen (up 26.7% year-on-year), and the operating profit was 2,839 million yen (loss of 5,521 million yen in the same period of previous year) due to an impact of the spread of COVID-19.

In the backdrop of the prolonged impact of COVID-19, Zensho Group has been working to develop products and reinforce its sales operation to reflect the change of customers' lifestyle.

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

(Gyudon category)

Sales in the Gyudon category in the first quarter of the fiscal year under review totaled 54,091 million yen (up 16.5% year-on-year).

Sukiya, a Gyudon chain operated by Sukiya Co., Ltd., has made efforts to enhance the product competitiveness by launching new products such as "Gyudon w/ Stir-Fried Noodles" (regular size: 500 yen), "Gyudon w/ Stir-Fried Noodles, Omelet, & Curry" (regular size: 690 yen), "Gyudon w/ Caesar Salad" (regular size: 500 yen), and "Gyudon w/ Caesar Salad, Kale, Almond & Walnut" (regular size: 630 yen).

At the same time, based on the theme of "delicious food at home", Sukiya has been working to accommodate customers' new lifestyle by offering a new type Gyudon lunch box, "Sukimix" (regular size: 580 yen), which customers eat after mixing Gyudon and side dishes well with a spoon.

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 line up.

The number of restaurants in the Gyudon category at the end of June 2021 was 3,071 (including 9 franchised restaurants), as a result of 21 restaurant openings and 14 closures.

(Family Dining category)

Sales in the Family Dining category in the first quarter of the fiscal year under review were 20,424 million yen (up 15.2% 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 Jukusei Yakiniku Ichiban, Takarajima, 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 Japanese cuisine 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 June, 2021 stood at 1,249 (including 79 franchised restaurants), as a result of 9 restaurant openings and 24 closures.

(Fast Food Service category)

Sales in the Fast Food Service category in the first quarter of the fiscal year under review were 34,011 million yen (up 22.5% 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 take out products line up.

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 June, 2021 stood at 962 (including 1 franchised restaurant), as a result of 9 restaurant openings and 4 closures.

(Other category)

Sales in the Other category in the first quarter of the fiscal year under review were 24,398 million yen (up 87.4% 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 foods for home use, 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 June, 2021 stood at 4,533 (including 4,320 franchised stores), as a result of 61 store openings and 61 closures.

ii) Retail Business

Sales in the retail business in the first quarter of the fiscal year under review were 19,681 million yen (down 16.0% year-on-year), and the operating profit was 35 million yen (operating profit of 839 million yen in the same period of previous year).

The retail business includes the supermarket business operated by JOY MART 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 June 2021 stood at 129 as a result of 1 store opening.

(2) Details of Consolidated Financial Position

(Total Assets)

Total assets stood at 416,805 million yen as of June 30, 2021, an increase of 20,781 million yen compared with the previous fiscal year-end. This increase was mainly due to an increase in cash and deposits.

(Liabilities)

Liabilities amounted to 331,031 million yen as of June 30, 2021, an increase of 20,438 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 85,773 million yen as of June 30, 2021, an increase of 343 million yen compared with the previous fiscal year-end. This increase was mainly due to an increase in non-controlling interests, which was resulted from the inclusion of 6 companies, such as Worldfood To Go, S.L., into the scope of consolidation from the first quarter of fiscal year under review based on the increasing materiality.

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

There are no changes to the consolidated business performance forecasts announced on May 14, 2021, for the period ending March 31, 2022.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

	(Million yen)	
	End of Previous fiscal year (As of March 31, 2021)	End of 1Q, Current fiscal year (As of June 30, 2021)
Assets		
Current Assets		
Cash and deposits	37,643	64,465
Notes and accounts receivable – trade	22,401	19,424
Merchandise and finished goods	16,841	16,628
Work in process	813	796
Raw materials and supplies	7,810	7,190
Other	23,629	20,294
Allowance for doubtful accounts	(112)	(112)
Total current assets	109,026	128,688
Non-current assets		
Property, plant and equipment, net		
Buildings and structures	204,127	205,848
Accumulated Depreciation	(120,920)	(121,821)
Buildings and structures, net	83,207	84,027
Machinery, equipment and vehicles	15,512	15,276
Accumulated Depreciation	(9,161)	(8,920)
Machinery, equipment and vehicles, net	6,351	6,355
Other	140,551	143,442
Accumulated Depreciation	(67,112)	(69,947)
Other, net	73,438	73,494
Total property, plant and equipment	162,997	163,877
Intangible assets		
Trademark right	38,812	41,403
Goodwill	15,186	14,790
Other	4,244	4,311
Total intangible assets	58,242	60,506
Investments and other assets		
Investment securities	2,668	1,142
Guarantee deposits	33,259	33,106
Other	29,788	29,455
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	65,701	63,689
Total non-current assets	286,941	288,074
Deferred assets	55	42
Total assets	396,023	416,805

	(Million yen)	
	End of Previous fiscal year (As of March 31, 2021)	End of 1Q, Current fiscal year (As of June 30, 2021)
Liabilities		
Current Liabilities		
Notes and accounts payable, trade	24,678	22,210
Short-term loans payable	1,149	1,631
Current portions of bonds	20,600	20,600
Current portion of long-term loans payable	35,735	36,826
Income taxes payable	1,111	1,490
Provision	2,224	1,467
Other	44,046	43,485
Total current liabilities	129,545	127,712
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term loans payable	132,641	154,566
Net defined benefit liability	707	706
Asset retirement obligations	3,456	3,431
Other	39,241	39,612
Total non-current liabilities	181,046	203,318
Total liabilities	310,592	331,031
Net assets		
Shareholders' equity		
Capital stock	26,996	26,996
Capital surplus	24,818	24,818
Retained earnings	41,230	40,674
Treasury shares	(5,827)	(5,831)
Total shareholders' equity	87,216	86,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(69)	(71)
Deferred gains or losses on hedges	431	226
Remeasurements of defined benefit plans	(11)	(8)
Foreign currency translation adjustment	(2,244)	(1,764)
Total accumulated other comprehensive income	(1,893)	(1,618)
Non-controlling interests	107	735
Total net assets	85,430	85,773
Total liabilities and net assets	396,023	416,805

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(First Quarter)

	(Million yen)	
	1Q, Previous fiscal year (From April 1, 2020 to June 30, 2020)	1Q, Current fiscal year (From April 1, 2021 to June 30, 2021)
Net Sales	128,373	152,607
Cost of Sales	57,558	70,444
Gross Profit	70,814	82,162
Selling, General and Administrative Expenses	75,496	79,287
Operating Profit (Loss)	(4,681)	2,875
Other Income		
Interest income	96	95
Dividend income	1	1
Foreign exchange gains	115	1
Share of profit of entities accounted for using equity method	0	7
Subsidy income	175	2,848
Other	216	255
Total non-operating income	605	3,209
Non-operating expenses		
Interest expenses	506	644
Other	264	298
Total non-operating expenses	770	942
Ordinary profit (Loss)	(4,846)	5,142
Extraordinary income		
Insurance income	21	—
Compensation income	—	54
Subsidy for cooperation income	—	2,498
Other	0	63
Total extraordinary income	22	2,616
Extraordinary losses		
Loss on retirement of non-current assets	192	476
Loss on COVID-19 infection control measures	3,288	4,162
Other	129	147
Total extraordinary losses	3,610	4,785
Profit (Loss) before income taxes	(8,435)	2,973
Income taxes - current	306	1,392
Income taxes - deferred	(2,367)	347
Total income taxes	(2,060)	1,740
Profit (Loss)	(6,374)	1,232
Profit (Loss) attributable to non-controlling interests	8	0
Profit (Loss) attributable to owners of parent	(6,382)	1,232

(Quarterly Consolidated Statements of Comprehensive Income)
(First Quarter)

	(Million yen)	
	1Q, Previous fiscal year (From April 1, 2020 to June 30, 2020)	1Q, Current fiscal year (From April 1, 2021 to June 30, 2021)
Profit	(6,374)	1,232
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(2)
Deferred gains or losses on hedges	72	(205)
Remeasurements of defined benefit plans, net of tax	2	2
Foreign currency translation adjustment	(343)	488
Share of other comprehensive income of entities accounted for using equity method	(2)	(0)
Total other comprehensive income	(271)	283
Comprehensive income	(6,645)	1,516
(Breakdown)		
Comprehensive income attributable to owners of parent	(6,669)	1,507
Comprehensive income attributable to non- controlling interests	23	8

(3) 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.

(Changes in Accounting Policies)

Application of the Accounting Standard for Revenue Recognition, etc.

The "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020. Hereinafter, "Accounting Standard for Revenue Recognition"), etc. has been applied since the beginning of the first quarter of the fiscal year under review. In accordance with this accounting standard, Zensho (Hereinafter, "the Company") recognizes revenue as the amount expected to be received in exchange for the promised goods or services when the control of the goods or services is transferred to the customer.

Regarding meal tickets, etc. which customers use to pay for the goods or services, the amount paid with such tickets, etc. was previously recorded as "Selling, General and Administrative Expenses". However, the Company has shifted to the method by which it recognizes revenue at the net amount after deducting such amount from the transaction amount. Regarding real estate rental revenue, considering the Company's role (principal or agent) in providing the goods or services, in cases where the Company acts as a principal, the Company has shifted to the method by which it recognizes revenue at the gross amount of consideration. Meanwhile, in the cases where the Company acts as an agent, the Company shifted to the method by which it recognizes revenue at the net amount.

The Accounting Standard for Revenue Recognition has been applied since the beginning of the first quarter of the fiscal year under review pursuant to the transitional treatment stipulated in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition. However, the new accounting policy was not retrospectively applied to contracts where recognitions of nearly all the revenue amounts for periods prior to the beginning of the first quarter under review were recognized according to the previous treatment, by applying the method provided for in Paragraph 86 of the Accounting Standard for Revenue Recognition. Furthermore, for the contracts modified prior to the beginning of the first quarter of the fiscal year under review, the accounting processing was carried out based on the contractual terms after all contract modifications were reflected, by applying the method set forth in item (1) of the supplementary provisions of Paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result of the above, sales and cost of sales increased by 3,213 million yen and 6,166 million yen, respectively, and selling, general and administrative expenses decreased by 2,952 million yen for the first quarter of fiscal year under review. These changes had no impacts on operating profit, ordinary profit, and profit before income taxes for the period. There is no cumulative effect when applying the new accounting policy retrospectively from before the beginning of the first quarter of the fiscal year under review.

Application of Accounting Standard for Fair Value Measurement, etc.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019. Hereinafter, the "Accounting Standard for Fair Value Measurement"), etc. have been applied since the beginning of the first quarter of the fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. in the future.

These changes had no impact on the Company's quarterly consolidated financial statements.

(Additional Information)

Changes in Presentation

In the previous fiscal year, expenses such as personnel expenses, depreciation, and rents (excluding corporate expenses) arose during the period where stores shortened their operating hours or closed temporarily at the request of government and/or municipalities were recorded as “Loss on COVID-19 infection control measures” under “Extraordinary losses”.

The losses incurred from the emergency declaration (issued on April 17, 2020) was recorded as the “Selling, General and Administrative Expenses” in the first quarter of previous fiscal year. In January 2021, however, as the declaration turned out to be issued multiple times, the Company changed the presentation method to record such cost as “Loss on COVID-19 infection control measures” under “Extraordinary losses”, taken into consideration of the fact that the materiality of the cost in the fiscal year increased significantly. In order to reflect the presentation method, financial statements for the first quarter of the previous year were restated accordingly.

As a result of the above, the selling, general and administrative expenses in the first quarter of previous fiscal year is restated to 75,496 million yen from 78,785 million yen, and the loss on COVID-19 infection control measures under extraordinary losses is restated to 3,288 million yen.

(Segment Information)

【Segment Information】

I First quarter of Previous Fiscal Year (From April 1, 2020 to June 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	104,950	23,423	128,373	—	128,373
Intersegment Sales or Transfers	963	6	970	(970)	—
Total	105,914	23,430	129,344	(970)	128,373
Segment Profit/(Loss)	(5,521)	839	(4,681)	(0)	(4,681)

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

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

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

2. Information on impairment loss or goodwill on non-current assets by reporting segment

(Important impairment loss on non-current assets)

Not applicable.

(Major change in goodwill)

Not applicable.

(Major negative goodwill profit)

Not applicable.

3. Information on changes, etc. in reportable segments

As stated in “Changes in Presentation”, considering the impact on the profit and loss of the fiscal year, the losses incurred from the emergency declaration (issued on April 17, 2020) was included in the “Selling, General and Administrative Expenses” in the first quarter of previous fiscal year. The segment information of the first quarter of previous year is restated in the same manner as for the quarterly consolidated statement of income to reflect the presentation method of the previous fiscal year.

The segment information of the first quarter of previous fiscal year is restated, and the sales in the restaurant business decreased by 3,288 million yen, compared with before the restatement.

II First quarter of Fiscal Year under review (From April 1, 2021 to June 30, 2021)

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	132,925	19,681	152,607	—	152,607
Intersegment Sales or Transfers	614	19	633	(633)	—
Total	133,539	19,700	153,240	(633)	152,607
Segment Profit/(Loss)	2,839	35	2,874	0	2,875

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

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

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

2. Information on impairment loss or goodwill on non-current assets by reporting segment

(Important impairment loss on non-current assets)

Not applicable.

(Major change in goodwill)

Not applicable.

(Major negative goodwill profit)

Not applicable.

3. Information on changes, etc. in reportable segments

As stated in “Changes in Accounting Policies”, the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the first quarter of the fiscal year under review and changed the accounting method for revenue recognition. Accordingly, the Company has also changed the method of calculating profit or loss for reportable segments.

As a result of these changes, for the three months ended June 30, 2021, the sales in the restaurant business increased by 4,199 million yen, and the sales in the retail business decreased by 985million yen. There’s no changes in the segment profits.