Kura Sushi USA Announces Fiscal Third Quarter 2025 Financial Results

July 8, 2025

IRVINE, Calif., July 08, 2025 (GLOBE NEWSWIRE) -- Kura Sushi USA, Inc. (“Kura Sushi” or the “Company”) (NASDAQ: KRUS), a technology-enabled Japanese restaurant concept, today announced financial results for the fiscal third quarter ended May 31, 2025.

Fiscal Third Quarter 2025 Highlights

- Total sales were $74.0 million, compared to $63.1 million in the third quarter of 2024;
- Comparable restaurant sales decreased 2.1% for the third quarter of 2025 as compared to the third quarter of 2024;
- Operating loss was $0.2 million, compared to an operating loss of $1.2 million in the third quarter of 2024;
- Net income was $0.6 million, or $0.05 per diluted share, compared to net loss of $0.6 million, or $(0.05) per diluted share, in the third quarter of 2024;
- Adjusted net income* was $0.6 million, or $0.05 per diluted share, compared to an adjusted net income* of four thousand dollars or $0.00 per diluted share, in the third quarter of 2024;
- Restaurant-level operating profit* was $13.5 million, or 18.2% of sales;
- Adjusted EBITDA* was $5.4 million; and
- Three new restaurants opened during the fiscal third quarter of 2025.

**Adjusted net income (loss), Restaurant-level operating profit and Adjusted EBITDA are non-GAAP measures and are defined below under “Key Financial Definitions.” Please see the reconciliation of non-GAAP measures accompanying this release. See also “Non-GAAP Financial Measures” below.*

Hajime Uba, President and Chief Executive Officer of Kura Sushi, stated, “The third quarter was a very busy one for us, between rolling out the new reservation system, investigating new market opportunities, and building out our IP pipeline and strategizing on how to get the most out of our Bikkurapon collaborations. I’m extremely pleased with the results on all three fronts, and very proud of the efforts by our team members to capture the full opportunity of the summer season and set ourselves up for a great fiscal 2026.”

Review of Fiscal Third Quarter 2025 Financial Results

Total sales were $74.0 million compared to $63.1 million in the third quarter of 2024. Comparable restaurant sales decreased 2.1%, consisting of negative traffic of 2.9% and price/mix of 0.8% for the third quarter of 2025 as compared to the third quarter of 2024.

Food and beverage costs as a percentage of sales were 28.3% compared to 29.2% in the third quarter of 2024. The decrease is primarily due to increases in menu prices and supply chain initiatives, partially offset by food cost inflation.

Labor and related costs as a percentage of sales were 33.1% compared to 32.6% in the third quarter of 2024. The increase is primarily due to increases in wage rates, partially offset by increases in menu prices and operational efficiencies.

Occupancy and related expenses were $5.5 million compared to $4.3 million in the third quarter of 2024. The increase is primarily due to thirteen new restaurants opening since the third quarter of 2024.

Other costs as a percentage of sales were 14.7% compared to 14.1% the third quarter of 2024. The increase is primarily driven by utilities, repairs and maintenance, partially offset by lower marketing expenses.

General and administrative expenses were $8.7 million compared to $8.9 million in the third quarter of 2024. As a percentage of sales, general and administrative expenses decreased to 11.8%, as compared to 14.0% in the third quarter of 2024, primarily due to sales leverage and a decrease in professional fees and litigation expenses.

Operating loss was $0.2 million compared to an operating loss of $1.2 million in the third quarter of 2024.

Income tax expense was $55 thousand compared to income tax expense of $60 thousand in the third quarter of 2024.

Net income was $0.6 million, or $0.05 per diluted share, compared to net loss of $0.6 million, or $(0.05) per diluted share, in the third quarter of 2024.

Adjusted net income* was $0.6 million, or $0.05 per diluted share, compared to adjusted net income* of four thousand dollars or $0.00 per diluted share, in the third quarter of 2024.

Restaurant-level operating profit* was $13.5 million, or 18.2% of sales, compared to $12.6 million, or 20.0% of sales, in the third quarter of 2024.

Adjusted EBITDA* was $5.4 million compared to $4.5 million in the third quarter of 2024.

Restaurant Development

During the fiscal third quarter of 2025, the Company opened three new restaurants in Scottsdale, Arizona; Lynnwood, Washington; and McKinney, Texas. Subsequent to May 31, 2025, the Company opened two new restaurants in The Woodlands, Texas and Salt Lake City, Utah.

Fiscal Year 2025 Outlook

For the full fiscal year of 2025, the Company updates the following annual guidance:

- Total sales of approximately $281 million;
- 15 new restaurants, maintaining an annual unit growth rate above 20%, with average net capital expenditures per unit of approximately $2.5 million; and
- General and administrative expenses as a percentage of sales to be below 13.0% exclusive of legal settlements.

Conference Call

A conference call and webcast to discuss Kura Sushi's financial results is scheduled for 5:00 p.m. EDT today. Hosting the conference call and webcast will be Hajime "Jimmy" Uba, President and Chief Executive Officer, Jeff Uttz, Chief Financial Officer, and Benjamin Porten, SVP Investor Relations & System Development.

Interested parties may listen to the conference call via telephone by dialing 201-689-8471. A telephone replay will be available shortly after the call has concluded and can be accessed by dialing 412-317-6671; the passcode is 13751708. The webcast will be available at www.kurasushi.com under the investor relations section and will be archived on the site shortly after the call has concluded.

About Kura Sushi USA, Inc.

Kura Sushi USA, Inc. is a leading technology-enabled Japanese restaurant concept with 78 locations across 21 states and Washington DC. The Company offers guests a distinctive dining experience built on authentic Japanese cuisine and an engaging revolving sushi service model. Kura Sushi USA, Inc. was established in 2008 as a subsidiary of Kura Sushi, Inc., a Japan-based revolving sushi chain with more than 650 restaurants internationally and 45 years of brand history. For more information, please visit www.kurasushi.com.

Key Financial Definitions

Adjusted Net Income (Loss), a non-GAAP measure, is defined as net income (loss) before certain items, such as litigation expenses, that the Company believes are not indicative of its core operating results. Adjusted net income (loss) per diluted share represents adjusted net income (loss) divided by the number of diluted shares.

EBITDA, a non-GAAP measure, is defined as net income (loss) before interest, income taxes and depreciation and amortization expenses.

Adjusted EBITDA, a non-GAAP measure, is defined as EBITDA plus stock-based compensation expense, non-cash lease expense and asset disposals, closure costs and restaurant impairments, as well as certain items, such as litigation expenses that the Company believes are not indicative of its core operating results. Adjusted EBITDA margin is defined as adjusted EBITDA divided by sales.

Restaurant-level Operating Profit (Loss), a non-GAAP measure, is defined as operating income (loss) plus depreciation and amortization expenses; stock-based compensation expense; pre-opening costs and general and administrative expenses which are considered normal, recurring, cash operating expenses and are essential to supporting the development and operations of restaurants; non-cash lease expense; and asset disposals, closure costs and restaurant impairments; less corporate-level stock-based compensation expense recognized within general and administrative expenses. Restaurant-level operating profit (loss) margin is defined as restaurant-level operating profit (loss) divided by sales.

Comparable Restaurant Sales Performance refers to the percent change in year-over-year sales for the comparable restaurant base. The Company includes restaurants in the comparable restaurant base that have been in operation for at least 18 full calendar months by the end of the accounting period presented due to new restaurants experiencing a period of higher sales upon opening. For restaurants that were temporarily closed the comparative period was also adjusted accordingly.

Non-GAAP Financial Measures

To supplement the financial statements presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company presents certain financial measures, such as adjusted net income (loss), EBITDA, adjusted EBITDA, adjusted EBITDA margin, restaurant-level operating profit (loss) and restaurant-level operating profit (loss) margin ("non-GAAP measures") that are not recognized under GAAP. These non-GAAP measures are intended as supplemental measures of its performance that are neither required by, nor presented in accordance with, GAAP. The Company is presenting these non-GAAP measures because the Company believes that they provide useful information to management and investors regarding certain financial and business trends relating to its financial condition and operating results. These measures also may not provide a complete understanding of the operating results of the Company as a whole and such measures should be reviewed in conjunction with its GAAP financial results. Additionally, the Company presents restaurant-level operating profit (loss) because it excludes the impact of general and administrative expenses which are not incurred at the restaurant-level. The Company also uses restaurant-level operating profit (loss) to measure operating performance and returns from opening new restaurants.

The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware that restaurant-level operating profit (loss) and restaurant-level operating profit (loss) margin are financial measures which are not indicative of overall results for the Company, and restaurant-level operating profit (loss) and restaurant-level operating profit (loss) margin do not accrue directly to the benefit of stockholders because of corporate-level and certain other expenses excluded from such measures. In addition, you should be aware when evaluating these non-GAAP financial measures that in the future the Company may incur expenses similar to those excluded when calculating these measures. The Company's presentation of these measures should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items. The Company's computation of these non-GAAP financial measures may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate these non-GAAP financial measures in the same fashion. Because of these limitations, these non-GAAP financial measures should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. The Company compensates for these limitations by relying primarily on its GAAP results and using these non-GAAP financial measures on a supplemental basis.

Forward-Looking Statements

Except for historical information contained herein, the statements in this press release or otherwise made by the Company's management in connection with the subject matter of this press release are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and involve risks and uncertainties and are subject to change based on various important factors. This press release includes forward-looking statements that are based on management's current estimates or expectations of future events or future results. These statements are not historical in nature and can generally be identified by such words as "target," "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "continue," "predict," "potential," "plan," "anticipate" or the negative of these terms, and similar expressions. Management's expectations and assumptions regarding future results are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements included in this press release. These risks and uncertainties include but are not limited to: the Company's ability to successfully maintain increases in our comparable restaurant sales; the Company's ability to successfully execute our growth strategy and open new restaurants that are profitable; the Company's ability to expand in existing and new markets; the Company's projected growth in the number of its restaurants; macroeconomic conditions and other economic factors; the Company's ability to compete with many other restaurants; the Company's reliance on vendors, suppliers and distributors, including its majority stockholder Kura Sushi, Inc.; changes in food and supply costs, including the impact of inflation and tariffs; concerns regarding food safety and foodborne illness; changes in consumer preferences and the level of acceptance of the Company's restaurant concept in new markets; minimum wage increases and mandated employee benefits that could cause a significant increase in labor costs, as well as the impact of labor availability; the failure of the Company's automated equipment or information technology systems or the breach of its network security; the loss of key members of the Company's management team; the impact of governmental laws and regulations; volatility in the price of the Company's common stock; and other risks and uncertainties as described in the Company's filings with the Securities and Exchange Commission ("SEC"). These and other factors that could cause results to differ materially from those described in the forward-looking statements contained in this press release can be found in the Company's other filings with the SEC. Undue reliance should not be placed on forward-looking statements, which are only current as of the date they are made. The Company assumes no obligation to update or revise its forward-looking statements, except as may be required by applicable law.

Investor Relations Contact:
Jeff Priester or Steven Boediarto
(657) 333-4010
investor@kurausa.com

Kura Sushi USA, Inc.
Statements of Operations and Comprehensive Income (Loss)
(in thousands, except for per share data; unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Sales	$ 73,965	$ 63,082	$ 203,315	$ 171,848
Restaurant operating costs:				
Food and beverage costs	20,928	18,391	58,225	50,691
Labor and related costs	24,478	20,534	68,306	55,712
Occupancy and related expenses	5,538	4,318	15,391	12,179
Depreciation and amortization expenses	3,450	3,124	9,827	8,294
Other costs	10,883	8,920	29,004	24,720
Total restaurant operating costs	65,277	55,287	180,753	151,596
General and administrative expenses	8,741	8,857	28,459	25,634
Depreciation and amortization expenses	109	107	328	318
Total operating expenses	74,127	64,251	209,540	177,548
Operating loss	(162)	(1,169)	(6,225)	(5,700)
Other expense (income):				
Interest expense	30	15	56	35
Interest income	(812)	(686)	(2,236)	(2,280)
Income (loss) before income taxes	620	(498)	(4,045)	(3,455)
Income tax expense	55	60	132	148
Net income (loss)	$ 565	$ (558)	$ (4,177)	$ (3,603)
Net income (loss) income per Class A and Class B shares				
Basic	$ 0.05	$ (0.05)	$ (0.35)	$ (0.32)
Diluted	$ 0.05	$ (0.05)	$ (0.35)	$ (0.32)
Weighted average Class A and Class B shares outstanding				
Basic	12,086	11,188	11,855	11,167
Diluted	12,311	11,188	11,855	11,167
Other comprehensive income (loss):				
Unrealized loss on short-term investments	$ (8)	(76)	$ (8)	(43)
Comprehensive income (loss)	$ 557	$ (634)	$ (4,185)	$ (3,646)

Kura Sushi USA, Inc.
Selected Balance Sheet Data and Selected Operating Data
(in thousands, except restaurants and percentages; unaudited)

	May 31, 2025	August 31, 2024
Selected Balance Sheet Data:		
Cash and cash equivalents	$ 47,132	$ 50,986
Total assets	$ 419,373	$ 328,522
Total liabilities	$ 192,369	$ 165,984
Total stockholders' equity	$ 227,004	$ 162,538

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Selected Operating Data:				
Restaurants at the end of period	76	63	76	63
Comparable restaurant sales performance	(2.1)%	0.6 %	(1.9)%	2.4 %
EBITDA	$ 3,397	$ 2,062	$ 3,930	$ 2,912
Adjusted EBITDA	$ 5,410	$ 4,451	$ 11,656	$ 9,068
Adjusted EBITDA margin	7.3 %	7.1 %	5.7 %	5.3 %
Operating loss	$ (162)	$ (1,169)	$ (6,225)	$ (5,700)
Operating loss margin	(0.2)%	(1.9)%	(3.1)%	(3.3)%
Restaurant-level operating profit	$ 13,492	$ 12,604	$ 36,423	$ 33,874
Restaurant-level operating profit margin	18.2 %	20.0 %	17.9 %	19.7 %

Kura Sushi USA, Inc.
Reconciliation of Net Income (Loss) and Net Income (Loss) Per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) Per Diluted Share
(in thousands, except for per share data; unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net income (loss)	$ 565	$ (558)	$ (4,177)	$ (3,603)
Litigation[3]	—	562	2,105	767
Adjusted net income (loss)	$ 565	$ 4	$ (2,072)	$ (2,836)
Net income (loss) per Class A and Class B diluted shares	$ 0.05	$ (0.05)	$ (0.35)	$ (0.32)
Litigation[3]	—	0.05	0.18	0.07
Adjusted net income (loss) per Class A and Class B diluted shares	$ 0.05	$ 0.00	$ (0.17)	$ (0.25)
Weighted average Class A and Class B shares outstanding				
Diluted shares	12,311	11,188	11,855	11,167
Adjusted diluted shares	12,311	11,531	11,855	11,167

Kura Sushi USA, Inc.
Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA
(in thousands; unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Net income (loss)	$ 565	$ (558)	$ (4,177)	$ (3,603)
Interest income, net	(782)	(671)	(2,180)	(2,245)
Income tax expense	55	60	132	148
Depreciation and amortization expenses	3,559	3,231	10,155	8,612
EBITDA	3,397	2,062	3,930	2,912
Stock-based compensation expense[1]	1,293	1,197	3,500	3,169

Non-cash lease expense[2]	720	630	2,121	2,220
Litigation[3]	—	562	2,105	767
Adjusted EBITDA	$ 5,410	$ 4,451	$ 11,656	$ 9,068

Kura Sushi USA, Inc.
Reconciliation of Operating Loss to Restaurant-level Operating Profit
(in thousands; unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2025	2024	2025	2024
Operating loss	$ (162)	$ (1,169)	$ (6,225)	$ (5,700)
Depreciation and amortization expenses	3,559	3,231	10,155	8,612
Stock-based compensation expense[1]	1,293	1,197	3,500	3,169
Pre-opening costs[4]	404	861	1,305	2,611
Non-cash lease expense[2]	720	630	2,121	2,220
General and administrative expenses	8,741	8,857	28,459	25,634
Corporate-level stock-based compensation in general and administrative expenses	(1,063)	(1,003)	(2,892)	(2,672)
Restaurant-level operating profit	$ 13,492	$ 12,604	$ 36,423	$ 33,874

(1) Stock-based compensation expense includes non-cash stock-based compensation, which is comprised of restaurant-level stock-based compensation included in labor and related costs and corporate-level stock-based compensation included in general and administrative expenses in the statements of operations and comprehensive income (loss).

(2) Non-cash lease expense includes lease expense from the date of possession of our restaurants that did not require cash outlay in the respective periods.

(3) Litigation includes expenses related to legal claims or settlements.

(4) Pre-opening costs consist of labor costs and travel expenses for new employees and trainers during the training period, recruitment fees, legal fees, cash-based lease expenses incurred between the date of possession and opening day of our restaurants, and other related pre-opening costs.