



**KURA SUSHI USA, INC.
AUDIT COMMITTEE CHARTER (THIS “CHARTER”)**

I. Purpose

The primary purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Kura Sushi USA, Inc., a Delaware corporation (the “*Company*”) is to assist the Board in fulfilling its oversight responsibilities relating to the preparation, integrity and reporting of the Company’s financial statements.

The Committee has overall responsibility for: (a) assisting the Board in its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with applicable legal and regulatory requirements, including the Company’s ethical standards and policies, (iii) the qualifications and independence of the Company’s independent accountants, (iv) the process relating to internal risk management and control systems, (v) the evaluation of enterprise risk issues, (vi) the performance of the Company’s internal audit function and its independent audit function, and (vii) the fulfillment of the other responsibilities set out herein; and (b) preparing the Committee report to the Company’s stockholders (“*Stockholders*”) for inclusion in the Company’s annual proxy statement, as required by Item 407(d)(3)(i) of Regulation S-K.

II. Membership and Qualification

A. General

Membership: The Committee shall consist of at least two (2) directors (“*Directors*”). Members of the Committee, including its Chairman (as defined below), shall be designated by the Board at the annual organizational meeting of the Board and shall serve until their successors have been duly elected and qualified or until their earlier resignation, death or removal by the Board.

Qualification: Each member of the Committee shall:

- meet the independence requirements and the financial literacy requirements of the NASDAQ Listings Standards for Directors and audit committee members, each as determined by the Board; and
- satisfy all other requirements for audit committee service imposed by applicable laws, rules or regulations.

Finally, at least one Director on the Committee will be an “audit committee financial expert,” as determined by the Board in accordance with the rules of the United States Securities and Exchange Commission (the “*SEC*”).

Chairman: The Board may designate a Chairman of the Committee (the “**Chairman**”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee.

Resignation, Removal and Replacement: Any member of the Committee may resign from the Committee at any time upon notice of such resignation to the Board. A member who ceases to be independent under the NASDAQ Listing Standards shall promptly resign to the extent required for the Company to comply with applicable laws, rules and regulations.

The Board shall have the power at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members, so long as the Committee shall at all times have at least two members and be composed solely of independent Directors.

B. Financial Expert

The Committee shall have at least one of its members with the requisite qualifications to be designated by the Board as an “audit committee financial expert,” as such term is defined by Item 407 of Regulation S-K. The Committee shall report to the Board for further action as appropriate, including, but not limited to, a determination by the Board that the Committee membership includes or does not include one or more “audit committee financial experts” and any related disclosure to be made concerning this matter.

The designation or identification of a member of the Committee as an “audit committee financial expert” will not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and of the Board in the absence of such designation or identification.

III. **Meetings and Other Actions**

The Committee shall hold such regular or special meetings as its members deem necessary or appropriate. The Chairman (or in the Chairman’s absence, a member of the Committee designated by a majority of the Committee members present at such meeting) shall preside at all meetings of the Committee. The Chairman shall prepare and/or approve an agenda in advance of each meeting. The Committee will keep minutes of its meetings and will regularly report to the Board, including with respect to any issues that arise regarding the quality or integrity of the Company’s financial statements, the qualifications, performance, and independence of the independent auditor and the performance of the internal audit function, the Company’s compliance with legal or regulatory requirements, and the Company’s enterprise-wide risk management practices. All meetings of and other actions by the Committee shall be held and taken pursuant to the Amedned and Restated Bylaws of the Company (as may be amended, supplemented or otherwise modified from time to time, the “**Bylaws**”), including provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters. The Committee may invite any Director who is not a member of the Committee, management, counsel, representatives of service providers or other persons to attend meetings and provide information as the Committee, in its sole discretion, considers appropriate.

The Committee shall meet separately, periodically, with management, with internal auditors or other personnel responsible for the internal audit function and with the independent accountants.

Except as set forth herein or otherwise authorized by the Board, the Committee shall not delegate any of its authority to any subcommittee or sole individual.

IV. Goals, Responsibilities and Authority

The following are the general goals, responsibilities and authority of the Committee and are set forth only for its guidance. The Committee, however, may diverge from these responsibilities and/or may assume such other responsibilities as the Board may delegate from time to time and/or as the Committee may deem necessary or appropriate from time to time in performing its functions in accordance with the Bylaws and other governance documents of the Company and in accordance with applicable law.

The function of the Committee is to oversee the Company's management¹ and independent accountants in the production of the Company's financial statements, as well as all controls and procedures relating thereto. The Company's management is primarily responsible for the preparation and presentation of the Company's financial statements and for maintaining appropriate systems for accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The Company's independent accountants are primarily responsible for planning and carrying out a proper audit of the Company's annual financial statements, reviewing the Company's unaudited interim financial statements and auditing management's assessment of effectiveness of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (the "**PCAOB**") and other procedures. The independent accountants are accountable to the Board and the Committee as representatives of the Company's Stockholders. The Board and the Committee have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Company's independent accountants.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company or members of management, and are not, and do not represent themselves to be, accountants or auditors by profession. As such, it is not the duty or the responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures to determine if the financial statements are

¹ For purposes of this Charter, the term "**management**" means the appropriate officers of each of the Company and its subsidiaries. Also, for purposes of this Charter, the phrase "**internal accounting staff**" means the appropriate officers and employees of each of the Company and its subsidiaries.

complete and accurate and whether they have been prepared in accordance with generally accepted accounting principles in effect in the United States (“*GAAP*”) or to set auditor independence standards.

Each member of the Committee shall be entitled to rely on (i) the integrity of those persons within and outside the Company and management from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (iii) statements made by the officers and employees of the Company and its subsidiaries or other third parties as to any information technology, internal audit and other non-audit services provided by the independent accountants to the Company. In carrying out its responsibilities, the Committee’s policies and procedures shall be adapted, as appropriate, to best react to changing markets and regulatory environments.

Nothing in this Charter shall be interpreted as diminishing or derogating the duties, responsibilities or obligations of the Board. Subject to the requirements of the Bylaws, the Committee shall:

A. Retention of Independent Accountants and Approval of Services

1. Appoint, retain, terminate, determine compensation for and oversee the independent auditor to audit the Company’s financial statements and perform other audit, review and attest services. The independent auditor shall report directly to the Committee, and the Committee will be authorized to resolve disputes between management and the independent auditor regarding the audit.
2. Pre-approve any independent accountants’ engagement to render audit and/or permissible non-audit services (including the fees charged and proposed to be charged by the independent accountants), subject to the *de minimus* exceptions under Section 10A(i)(1)(B) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and as otherwise required by law.
3. The Committee may delegate its pre-approval responsibilities to one or more of its members. The member(s) to whom such responsibility is delegated must report, for informational purposes only, any pre-approval decisions to the Committee at its next scheduled meeting.

B. Oversight of the Independent Accountants

1. The Committee shall evaluate the independent accountants’ qualifications, performance and independence, and shall present its conclusions with respect to the independent accountants to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Committee shall:

- (a) Obtain and review a report from the independent accountants at least annually regarding:
 - (i) the independent accountants' internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or review by the PCAOB, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;
 - (iii) any steps taken with regard to the issues identified in (i) or (ii) above; and
 - (iv) all relationships between the independent accountants and the Company and its subsidiaries.

- (b) Obtain from the independent accountants annually a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent accountants:
 - (i) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's quarterly reports or services that are normally provided by the independent accountants in connection with statutory or regulatory filings or engagements;
 - (ii) services that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service;
 - (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and
 - (iv) all other products and services rendered by the independent accountants, in the aggregate and by each service.

- (c) Evaluate the qualifications, performance and independence of the independent accountants, including the following:
 - (i) the performance of the lead (or coordinating) audit partner, and the quality and depth of the professional staff assigned to the Company and its subsidiaries;

- (ii) whether the accountants' quality controls are appropriate and adequate in light of the standards and requirements established by the PCAOB and under applicable law at such time; and
 - (iii) whether the provision of permitted non-audit services is compatible with maintaining the accountants' independence.
- (d) The Committee shall consider the opinions of management and the internal accounting staff in connection with the foregoing responsibilities. The Committee shall present its conclusions with respect to the independent accountants to the Board.
- (e) Monitor the rotation required by Section 10A(j) of the Exchange Act of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.
- (f) Consider and, if deemed appropriate, adopt a policy regarding Committee preapproval of employment by the Company of individuals employed or formerly employed by the independent accountants who participated in any capacity in the audit of the Company's financial statements.
- (g) Consider the effect on the Company of:
 - (i) any changes in accounting principles or practices proposed by management or the independent accountants;
 - (ii) any changes in service providers, such as the accountants, that could impact the Company's internal control over financial reporting; and
 - (iii) any changes in schedules (such as fiscal or tax year-end changes), structures or transactions that require special accounting activities, services or resources.
- (h) Review any presentations or reports prepared by the independent accountants with respect to any applicable Federal tax matters.
- (i) Annually review a formal written statement from the independent accountants delineating all relationships between the independent accountants and the Company, consistent with applicable requirements and standards of the SEC and the PCAOB, and discussing with the independent accountants their methods and procedures for ensuring independence.

- (j) Evaluate the efficiency and appropriateness of the services provided by the independent accountants, including any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information.
- (k) Interact with the independent accountants, including reviewing and, where necessary, resolving any problems or difficulties the independent accountants may have encountered in connection with the annual audit or otherwise, any management letters provided to the Committee and the Company's responses. Such review shall address any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information and any disagreements that have arisen between management and the independent accountants regarding financial reporting.
- (l) Review with the independent accountants the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

C. Financial Statements and Disclosure Matters

1. Review and discuss with management and the independent accountants the annual audited financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
2. Review and discuss with management and the independent accountants the Company's quarterly financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, prior to the filing of its Quarterly Reports on Form 10-Q, including the results of the independent accountants' reviews of the quarterly financial statements.
3. Review with the Company's Chief Executive Officer, Chief Financial Officer and independent accountants, the adequacy and effectiveness of the Company's and its subsidiaries' internal controls over financial reporting and review periodically, but in no event less frequently than quarterly, management's conclusions about the effectiveness of such internal controls over financial reporting, including any significant deficiencies and material weaknesses in, or material non-compliance with, such internal controls.
4. Review with the Company's Chief Executive Officer, Chief Financial Officer and independent accountants, the adequacy and effectiveness of

the Company's and its subsidiaries' disclosure controls and procedures and review periodically, but in no event less frequently than quarterly, management's conclusions about the effectiveness of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

5. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer, or persons performing similar roles, during their certification process for the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q concerning any significant deficiencies in the design or operation of disclosure controls and procedures and, when applicable, internal control over financial reporting, or material weaknesses in such control, and any fraud involving management or other employees who have a significant role in the Company's disclosure controls and procedures and internal control over financial reporting.
6. Review and discuss the types of information to be disclosed and the types of presentation to be made in connection with earnings releases by the Company and its subsidiaries.
7. Review and discuss the types of financial and non-financial information and earning guidance to be provided to analysts and ratings agencies.
8. Meet with the Company's independent accountants at least four times during each fiscal year, including private meetings, and review written materials prepared by the independent accountants, as appropriate. At such meetings, the Committee shall:
 - (a) review the arrangements for and the scope of the annual audit and any special audits or other special permissible services;
 - (b) review the Company's financial statements and discuss any matters of concern arising in connection with audits of such financial statements, including any adjustments to such statements recommended by the independent accountants or any other results of the audits;
 - (c) (i) consider and review, as appropriate and in consultation with the independent accountants, the appropriateness and adequacy of the Company's financial and accounting policies, internal controls over financial reporting and, as appropriate, the internal controls of key service providers, (ii) review management's responses to the independent accountants' comments relating to the foregoing policies, procedures and controls, and (iii) take any necessary action in light of any material control deficiencies;

- (d) review with the independent accountants their opinions as to the fairness of the financial statements;
- (e) prepare the Committee report to the Stockholders for inclusion in the Company's annual proxy statement, as required by Item 407(d)(3)(i) of Regulation S-K; and
- (f) review and discuss quarterly reports from the independent accountants relating to:
 - (i) critical accounting policies and practices to be used;
 - (ii) alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent accountants; and
 - (iii) other material written communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences.

D. Compliance Oversight

1. Assist the Board in establishing and monitoring compliance with the ethical business practice standards of the Company and review with management and the Director of Internal Audit, if any, the results of their review of compliance with applicable laws, regulations, listing standards and the Company's Code of Business Conduct and Ethics.
2. The Committee shall review and provide oversight on related person transactions as required by applicable laws or requirements of NASDAQ Listings Standards and the Company's Related Person Transaction Policy, including to consider and approve or disapprove any related person transaction, as defined under Item 404 of Regulation S-K.
3. Administer the procedures set forth in Annex A relating to the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
4. The Committee will be designated as and serve as the Qualified Legal Compliance Committee for the Company in accordance with the provisions of Section 307 of Sarbanes-Oxley Act of 2002. Upon receipt of a report of evidence of a material legal violation, the Committee will notify the Board of such report, investigate and recommend appropriate measures to the Board. If the Company does not appropriately respond, the Committee may take further appropriate action, including notifying

the SEC.

5. The Committee shall review with management or any external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies.
6. The Committee shall review with management the adequacy and effectiveness of the Company's procedures to ensure compliance with its legal and regulatory responsibilities.
7. Discuss with management, the independent accountants, outside counsel, as appropriate, and, in the judgment of the Committee, such special counsel, separate accounting firm and other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements, accounting policies or internal control over financial reporting.
8. The Committee shall obtain reports from management, the internal auditor or internal audit service provider, as the case may be, and the independent auditor regarding compliance with applicable legal and regulatory requirements.

E. Oversight of Company's Internal Audit Function

1. The internal auditor or internal audit service provider, as the case may be, shall report periodically to the Committee regarding any significant deficiencies in the design or operation of the Company's and its subsidiaries' internal control over financial reporting, material weaknesses in the internal control over financial reporting and any fraud (regardless of materiality) involving persons having a significant role in the internal control over financial reporting, as well as any significant changes in internal control over financial reporting implemented by management during the most recent reporting period of the Company.
2. Discuss with management, the internal auditor or internal audit service provider, as the case may be, and the independent accountant the Company's major risk exposures (whether financial, operations or both) and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
3. With respect to any internal audit services that may be outsourced, engage, evaluate and terminate internal audit service providers and approve fees to be paid to such internal audit service providers.

F. Other

1. Report its activities to the Board on a regular basis and make such recommendations with respect to the matters described above and other matters as the Committee may deem necessary or appropriate.
2. Perform an annual self-evaluation of the Committee's performance and annually reassess the adequacy of and, if appropriate, propose to the Board any desired changes in, this Charter, all to supplement the oversight authority by the Board with respect to such matters.
3. Perform such further responsibilities as are given to it from time to time by the Board. The Committee shall consult, on an ongoing basis, with management, the independent accountants and counsel as to legal or regulatory developments affecting its responsibilities, as well as relevant tax, accounting and industry developments.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.

V. Authority to Retain Advisors

In the course of its duties, the Committee will have sole authority, at the Company's expense, to engage and terminate consultants and advisors, as the Committee deems advisable, and shall receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such consultants and advisors and for the payment of ordinary expenses that are necessary or appropriate in carrying out the Committee's duties.

VI. Amendments

Any amendments to this Charter must be approved or ratified by a majority vote of the Board, including a majority of the independent Directors.

VII. Disclosure of Charter

This Charter will be made available on the Company's website at www.kurausa.com.

Adopted: August 5, 2019

Annex A
to Audit Committee Charter of
Kura Sushi USA, Inc.

Procedures for the Submission of Complaints or Concerns Regarding Financial Statement Disclosures, Accounting, Internal Accounting Controls or Auditing Matters

- (i) The Company shall forward to the Committee any complaints or concerns that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
- (ii) The Company shall establish procedures for receiving anonymous complaints or concerns related to financial statement disclosures, accounting, internal accounting controls or auditing matters. The Company may engage the services of a third-party service provider to receive such complaints on behalf of the Company via telephone, email or other appropriate method.
- (iii) Any employee of the Company may submit, on a confidential, anonymous basis, if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters by setting forth such concerns in writing and forwarding them in a sealed envelope to the Chairman of the Committee, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only." Employees may deposit such envelope in the Company's internal mail system or deliver it by hand to a member of the Committee. If an employee would like to discuss any matter with the Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Committee deems it appropriate.
- (iv) The Committee shall review and consider any such complaints and concerns that it has received and take any action that it deems appropriate in order to respond thereto.
- (v) The Committee may request special treatment for any complaint or concern, including the retention of outside counsel or other advisors.
- (vi) The Committee shall retain any such complaints or concerns for a period of no fewer than five (5) years.
- (vii) The Company's Code of Business Conduct and Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve business conduct or ethical concerns.