

SEQ_NO	2	Date of announcement	2021/03/24	Time of announcement	17:58:14
Subject	Announcement of changes in accounting policies and accounting estimates starting in the year 2021				
Date of events	2021/03/24	To which item it meets	paragraph 9		
Statement	<p>1.Date of the board of directors resolution:2021/03/24</p> <p>2.Nature of the change:Change in accounting estimate</p> <p>3.Reason for the change: Taking into account the actual use and future economic benefits of its assets,the Company intends to change the original useful lives (5 years) of mainly machinery equipment (conveyor belt system), leasehold improvements, and right-of-use assets to the lease contract period of each store, starting from January 1, 2021.</p> <p>4.Changed period for retrospective application of the new accounting policy:2021/01/01</p> <p>5.The line items affected and the actual effect for the year before accounting change: None</p> <p>6.Actual effect on the opening balance of retained earnings for the past fiscal year: None</p> <p>7.The reasonableness and necessity for the change in accounting policy or accounting estimate after the beginning of the fiscal year: Pursuant to Article 6 of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the Company retained Prudential Positive Cross-Strait Asset Identification, Ltd. to conduct appraisal on the useful lives of machinery equipment (conveyor belt system), leasehold improvements and right-of-use assets, and retained the accounting firm to present an opinion on the reasonableness of the changes in the useful life of assets.</p> <p>8.If the decided effect is impracticable, specify the reasons why retrospective application is impracticable, and how and from when the accounting policy change will be applied: N/A</p> <p>9.If the decided effect is impracticable, the opinion provided by the CPA about the effect of the audit opinion for the fiscal year preceding the accounting change:N/A</p> <p>10.Opinion expressed by the CPA regarding itemized analysis of reasonableness: (1)Actions are taken in accordance with Article 6 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers (2)Taking into account the actual use and future economic benefits of its assets, Kura Sushi Asia Co., Ltd. (hereinafter referred to as “Kura Sushi”) intends to change the original useful lives (5 years) of mainly machinery equipment and leasehold improvements to the lease contract period of each store,if the lease term is longer than 10 years, then the useful life is set at 10 years, starting from January 1, 2021;</p>				

the useful life of the right-of-use asset is changed from 5 years to the same duration as the lease term. In order to reflect the actual useful life and reasonable amortization of costs, so that Kura Sushi is able to provide reliable and more relevant information.

(3) Prudential Positive Cross-Strait Asset Identification, Ltd. has performed industry analysis (physical depreciation analysis), functional analysis, and economic analysis on certain leasehold improvements (including electric and plumbing, gas, fire system, and interior decoration) and right-of-use assets, taking into account the business decisions regarding meeting of criteria for automatic renewal and extension of lease contracts. Based on the said matters, Prudential Positive Cross-Strait Asset Identification, Ltd. presents an appraisal report stating that under normal maintenance, the useful life of the leasehold improvements is changed from 5 years to the same duration as the lease term, if the lease term is longer than 10 years, then the useful life is set at 10 years. The useful life of the right-of-use asset is changed from 5 years to the same duration as the lease term.

(4) Based on the appraisal report presented by Prudential Positive Cross-Strait Asset Identification, Ltd., the company has performed industry analysis (physical depreciation analysis), functional analysis, and economic analysis with reference to the information from ASA's Estimated Normal Useful Life Study, and useful life of mainly equipment. Under normal maintenance, the useful life of the sushi conveyor belt system is changed from 5 years to the same duration as the lease term, if the lease term is longer than 10 years, then the useful life is set at 10 years.

(5) The CPAs have reviewed Kura Sushi's statement regarding the change in accounting estimates, the appraisal report presented by Prudential Positive Cross-Strait Asset Identification, Ltd., and the calculation of relevant information, and no material misstatement is identified.

11. Dissenting or qualified opinion from independent directors: None

12. Countermeasures: None

13. Any other matters that need to be specified:

This change in accounting estimate is estimated to increase assets and liabilities by NT\$ 277,489,119 as of January 1, 2021; decrease depreciation by NT\$ 67,818,990 for the fiscal year 2021.