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Yoshiharu Reports Fourth Quarter and Full Year 2022 Financial Results

BUENA PARK, CA / ACCESSWIRE / March 30, 2023 [/Yoshiharu Global Co.](#) (NASDAQ:YOSH) ("Yoshiharu" or the "Company"), a California-based restaurant operator specializing in authentic Japanese ramen, reported results for the fourth quarter and full year ended December 31, 2022.

Fourth Quarter 2022 and Recent Operational Highlights

- [Announced](#) the launch of its special menu items and Valentine's Day promotion.
- Continued development efforts with five new restaurant locations under construction which are all expected to open in 2023. The Company expects to be fully operating a total of 13 restaurants by the end of 2023.
- Restaurant-level contribution margin increased to 10.0% in 2022 from 5.4% in 2021.

Management Commentary

"We are encouraged by the sequential and year-over-year top line growth reflecting the benefits of our expanding footprint and the increasing demand for our continuously evolving menu items," said James Chae, Yoshiharu's President, CEO and Chairman of the Board. "Since our IPO, Yoshiharu has been hyper-focused on expansion efforts as we are in the process of opening up five new restaurants by end of 2023, which would increase our existing footprint by nearly 63% to 13 stores. In parallel to expanding the number of restaurants, we were able to generate same-store sales growth in 2022 with our five legacy locations that were open through all of 2021, as we garnered a combined average monthly sales increase of nearly 10%.

"In order to sustain growth in our existing storefronts, we will remain keen on staying attuned to our customers' dining habits through new menu launches and revamps. We recognize the dynamic nature of the restaurant industry and intend to cater our menu accordingly in order to offer items that align with evolving consumer preferences. Additionally, given our focus on providing an unparalleled Japanese dining experience, we are exploring ways to enhance our website ordering and delivery options to improve the overall customer experience. Fueled by our gameplan for growth, we look forward to a robust 2023 for Yoshiharu."

Fourth Quarter 2022 Financial Results

Revenue increased 21% to \$2.5 million compared to \$2.1 million in the prior year period. The increase was primarily due to the ongoing recovery of consumer traffic to pre-pandemic levels, increased menu prices to combat inflation and supply chain pressures, and a strong performance from the Cerritos location.

Total restaurant operating expenses slightly decreased to \$2.3 million compared to \$2.4

million in the prior year period. The slight decrease was primarily attributable to the decrease in food and beverage costs as a result of management's efforts to increase the Company's purchasing power, offset by an increase in labor costs.

Operating loss improved to \$1.1 million compared to \$1.6 million in the prior year period. The improvement was primarily a result of the aforementioned increase in revenue and stabilized operating expenses.

Net loss improved to \$1.1 million compared to \$1.6 million in the prior year period. The improvement was primarily a result of the aforementioned improvement in operating loss.

The Company's cash balance totaled \$6.5 million compared to \$1.1 million on December 31, 2021. The increase in cash is primarily attributable to the proceeds raised from the Company's IPO in September 2022.

Full Year 2022 Financial Results

Revenue increased 27% to \$8.3 million compared to \$6.5 million in the prior year period. The increase was primarily attributable to sales from three new restaurant locations opened in July 2021, February 2022 and July 2022, which accounted for \$1.4 million in incremental revenue during the year. Additionally, the increase was fueled by the ongoing rebound of consumer traffic to pre-pandemic levels resulting in sales growth for the five restaurant locations that were open throughout 2021. These locations experienced a 9.9% increase in combined average monthly sales for the year ended December 31, 2022, compared to the same year ago period.

Total restaurant operating expenses were \$8.1 million compared to \$6.3 million in the prior year period. The increase was primarily driven by a rise in labor costs as well as higher rent and utilities expenses, which were both linked to the aforementioned restaurant openings.

Operating loss was \$3.8 million compared to \$1.9 million in the prior year period. The increase was primarily due to higher total restaurant operating expenses, general and administrative expenses related to the Company's IPO in the third quarter of 2022, and advertising and marketing expenses.

Net loss was \$3.5 million compared to \$1.6 million in the prior year period.

For more information regarding Yoshiharu's financial results, including financial tables, please see the Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC"). The Company's SEC filings can be found on the SEC 's website at <https://www.sec.gov/> or the Company's investor relations site at <https://ir.yoshiharuramen.com/>.

About Yoshiharu Global Co.

Yoshiharu is a fast-growing restaurant operator and was borne out the idea of introducing the modernized Japanese dining experience to customers all over the world. Specializing in Japanese ramen, Yoshiharu gained recognition as a leading ramen restaurant in Southern California within six months of their 2016 debut and has continued to expand their top-notch restaurant service across Southern California, currently owning and operating eight restaurants.

For more information, please visit www.yoshiharuramen.com.

Forward Looking Statements

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements regarding our position to execute on our growth strategy, and our ability to expand our leadership position. These forward-looking statements include, but are not limited to, the Company's beliefs, plans, goals, objectives, expectations, assumptions, estimates, intentions, future performance, other statements that are not historical facts and statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in, or suggested by, these forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved.

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