UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended August 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to

COMMISSION FILE NO.: 001-39012

KURA SUSHI USA, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-3808434**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

17461 Derian Avenue, Suite 200, Irvine, California 92614
(Address of principal executive offices and zip code)

(657) 333-4100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Class A Common Stock, $0.001 par value per share	**KRUS**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 28, 2026, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $493.7 million, based on the closing sale price as reported on the Nasdaq Global Market.

As of October 29, 2026, the registrant had 11,153,665 shares of Class A common stock outstanding and 1,000,050 shares of Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Form 10-K, to the extent not set forth herein, is incorporated by reference from the registrant's definitive proxy statement for the 2027 annual meeting of stockholders, which will be filed no later than 120 days after the close of the registrant's fiscal year ended August 31, 2026.

Auditor Firm Id: 185 Auditor Name: KPMG LLP Auditor Location: San Diego, CA

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Annual Report on Form 10-K other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The terms such 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 are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including but not limited to:

- our ability to successfully maintain increases in our comparable restaurant sales and average unit volumes ("AUVs");
- our ability to successfully execute our growth strategy and open new restaurants that are profitable;
- our ability to expand in existing and new markets;
- our projected growth in the number of our restaurants;
- macroeconomic conditions and other economic factors and societal conditions;
- our ability to compete with other restaurants;
- our reliance on vendors, suppliers and distributors, including our 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 spending behavior and the level of acceptance of our restaurant concept in new markets;
- minimum wage increases and mandated employee benefits that could cause a significant increase in our labor costs, as well as the impact of labor availability;
- the failure of our automated equipment or information technology systems or any material failure, weakness, interruption or cybersecurity breach of our or a third party's systems;
- the loss of key members of our management team;
- the impact of governmental laws and regulations;
- volatility in the price of our common stock; and
- those other risk factors described in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K.

Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

BASIS OF PRESENTATION

"Kura Sushi USA," "Kura Sushi," "Kura," "we," "us," "our," "our company" and the "Company" refer to Kura Sushi USA, Inc. unless expressly indicated or the context otherwise requires.

We refer to our Class A common stock as "common stock," unless the context otherwise requires. We sometimes refer to our Class A common stock and Class B common stock as "equity interests" when described on an aggregate basis.

The Company's fiscal year begins on September 1 and ends on August 31. We refer to our last three completed fiscal years as "fiscal year 2026," "fiscal year 2025" and "fiscal year 2024."

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This report may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or food products in this report is not intended to imply a relationship with, or endorsement or sponsorship by, these other parties. Solely for convenience, the trademarks, service marks and trade names referred to in this report may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, service marks and trade names.

PART I

Item 1. Business

Company Overview

Kura Sushi USA, Inc. ("Kura Sushi") is a technology-enabled Japanese restaurant concept that provides guests with a distinctive dining experience by serving authentic Japanese cuisine through an engaging revolving sushi service model, which we refer to as the "Kura Experience." We encourage healthy lifestyles by serving freshly prepared Japanese cuisine using high-quality ingredients that are free from artificial seasonings, sweeteners, colorings, and preservatives. We aim to make quality Japanese cuisine accessible to our guests across the United States through affordable prices and an inviting atmosphere.

Kura Sushi is headquartered in Irvine, California and was established in 2008 as a subsidiary of Kura Sushi, Inc. ("Kura Japan"), a Japan-based revolving sushi chain with over 700 restaurants internationally and 49 years of brand history. Kura Sushi opened its first restaurant in Irvine, California in 2009, and currently operates 98 restaurants across 25 U.S. states and Washington, DC.

Kura Japan owns 4,126,500 shares of our Class A common stock and all of our 1,000,050 Class B common stock. Kura Japan's combined ownership of Class A common stock and Class B common stock represents 67% of the combined voting power of our equity interests. As a result, we are a "controlled company" within the meaning of the corporate governance rules of the Nasdaq Stock Market, and Kura Japan can exert significant voting influence over fundamental and significant corporate matters and transactions and may have interests that differ from yours. See "Item 1A. Risk Factors—Risks Related to Our Organizational Structure."

Our Strengths

Authentic Japanese Cuisine—A Tribute to Our Roots. We provide our guests with a Kura Experience that is uniquely Japanese and is based on the legacy built by Kura Japan. Kura Japan opened its first revolving sushi restaurant in 1984 and was among the pioneers of the revolving sushi restaurant model. Our various sushi items are made fresh using high-quality fish and rice. Our vinegar is made using old-world methods developed in Japan. Our broths are made in-house daily using ingredients that impart complex umami flavors. To complement our sushi selection, we offer a variety of side dishes and desserts including gyoza, tempura, soups, ramen, mochi, and cheesecake. In our commitment to our Japanese heritage and traditional cooking methods, we have prepared our food without artificial sweeteners, seasonings, colorings, or preservatives since our formation.

"Revolutionary" and Engaging Dining Experience. The Kura Experience is a multi-sensory experience for our guests comprised of the sight of our beautifully crafted cuisine weaving through our restaurants, the motion of dishes zipping by tables on the express belt, robots delivering drinks and condiments, the sound of anime videos playing on tableside touch screens, the thrill of being rewarded for achieving dining milestones, and the flavor of authentic Japanese dishes, which collectively create a highly entertaining and engaging environment for our guests. Our revolving conveyor belt service model offers a steady stream of dishes and continuous service which we believe builds anticipation and a sense of discovery among our guests. To simplify the guest experience, all plates on the revolving conveyor belt are the same price within a restaurant. In addition, items ordered on our on-demand screen arrive on the express belt in a theatrical fashion, which we believe our guests find entertaining and adds to the sense of constant motion in our restaurants. Our menu of small plates allows our guests to sample a variety of dishes, and with approximately 130 items on our menu, there is always something new to enjoy when our guests return. We also seek to delight and reward our guests for achieving dining milestones with short anime videos and a rotating selection of small toys from our Bikkura-Pon rewards machines. Our proprietary tableside Bikkura-Pon rewards machine dispenses a toy after guests reach certain dining milestones. We believe our Bikkura-Pon rewards machines encourage guests to consume a greater quantity of plates as they work towards achieving the next dining milestone. Our continuous service model creates an atmosphere of active participation where food is at the center of the conversation, and we believe it also creates a memorable and shareable experience for our guests.

Compelling Value Proposition with Broad Appeal. Our service model allows our guests to control their dining experience, from food variety to time spent on a meal, and from portions to check size. With instant access to food on the revolving conveyor belt, our guests can drop in for a quick meal or stay longer for a more relaxed dining experience. Our guests can enjoy high-quality dishes at affordable prices because of our efficient kitchen operations and low front-of-house labor needs. The average plate price on the revolving conveyor belt of our restaurants is around $3.95, which appeals to guests with appetites and budgets both large and small. We believe that our authentic approach to a popular cuisine and unique and flexible dining experience appeal to a wide range of demographics. In addition, we believe our commitment to high-quality and non-artificial ingredients in our food is at the forefront of current dining trends as consumers continue to seek healthy and natural food options.

Highly Attractive Restaurant-Level Economics. At Kura Sushi, we leverage the disciplined operational expertise honed over the more than 49-year history of Kura Japan to help us achieve strong restaurant-level economics. We believe our results are driven by our high-volume restaurants, intelligent and efficient operations, and flexible real estate model:

- High-Volume Restaurants: We believe the combination of authentic Japanese cuisine at an accessible price point and a service model that promotes discovery, fun, and optionality for guests creates a highly differentiated dining experience that drives traffic and robust sales in our restaurants;
- Intelligent and Efficient Operations: Our revolving conveyor belt, express belt, and touch screen menu enable self-service dining and reduce our need for service staff. In addition, our use of sushi robots, vinegar mixing machines, and automatic rice washers in our kitchens eliminates the need for highly trained and expensive sushi chefs. The proprietary technology deployed in our kitchens allows us to collect real-time data on food consumption and guest preferences which we analyze to further optimize our restaurants and enhance the dining experience; and
- Flexible Real Estate: We have a flexible restaurant model which has allowed us to open restaurants as small as 1,600 square feet and as large as 7,920 square feet. We believe this allows us to maximize our sales per square foot.

Our Growth Strategies

Pursue New Restaurant Development. We have pursued a disciplined new unit growth strategy, having expanded our concept and operating model across varying restaurant sizes and geographies. We plan to leverage our expertise opening new restaurants to fill in existing markets and expand into new geographies with the same careful planning as we have demonstrated in the past. See also our real estate strategy under "Site Development and Expansion – Site Selection Process." We believe that we have the potential to become a national Japanese restaurant brand, with a long-term total restaurant potential in the United States of over 290 restaurants. However, we cannot predict the time period over which we can achieve any level of restaurant growth or whether we will achieve this level of growth at all. Our ability to achieve new restaurant growth is impacted by a number of risks and uncertainties beyond our control, including those described in "Item 1A. Risk Factors—Risk Factors".

Deliver Consistent Comparable Restaurant Sales Growth. We believe we will be able to generate comparable restaurant sales growth by growing traffic through increased brand awareness, consistent delivery of a unique and engaging dining experience, new menu offerings, and restaurant renovations. We will continue to manage our menu and pricing as part of our overall strategy to drive traffic and increase average check. We continue to explore initiatives to increase off-premises sales, enhance our rewards program, and improve our mobile application. Our rewards program tracks participants' spending and provides a discount voucher if a spending threshold is achieved.

Increase Profitability. During our expansion, we have invested in our infrastructure and personnel, which we believe positions us to continue to scale our business operations. As we continue to grow, we expect to drive higher profitability at the corporate level by leveraging our existing support infrastructure, as we believe that as our

restaurant base grows, our general and administrative costs over several years will increase at a slower rate than our sales.

Heighten Brand Awareness. We intend to continue to pursue targeted local marketing efforts and plan to increase our investment in advertising. We intend to continue to promote limited time offerings to build guest loyalty and brand awareness.

Site Development and Expansion

Site Selection Process

We consider site selection and real estate development to be critical to our success. We invest in a third party data analytics tool that directs us to trade areas and sites that will give us the best chance at success, and more importantly, will identify potential demographic characteristics that could result in underperformance. With this data and local market knowledge, we identify pre-approved targeted trade areas. Our national broker team receives potential site locations within the aforementioned targeted trade area from networks of local brokers, which are then reviewed by our restaurant development and senior management teams. This review includes multiple site visits, key deal terms, analyses of the estimated profitability and cash-on-cash returns of proposed properties. Further analysis is done to assess the proposed property's sales and profit impact on nearby Kura restaurants to ensure that the site is accretive to the overall market return even when considering impact on the existing portfolio.

Our current real estate strategy focuses on high-traffic retail centers in markets with a highly educated and diverse population with above-average household incomes. In site selection, we also consider attributes such as visibility, traffic patterns, accessibility, parking and competition. Our flexible physical footprint allows us to open in-line, end-cap, and free-standing restaurant formats at strip malls and shopping centers and penetrate markets in both suburban and urban areas.

Expansion Strategy

We have a two-pronged expansion strategy by opening new restaurants in both new and existing markets. We believe this expansion is crucial to executing our growth strategy and building awareness of Kura Sushi as a national Japanese casual dining brand. Expansion into new markets occurs in parallel with ongoing growth in existing markets, with the goal of maintaining a pipeline of top-tier development opportunities.

Upon selecting a new market, we typically build one to two restaurants to prove concept viability in that market. We have a remote management system whereby our operations team can monitor restaurants in real-time from our headquarters to maintain operational quality in new markets.

When selecting sites, we look to replicate the site attributes, trade area quality, and co-tenant mix of our most successful restaurants. We frequently reevaluate our market area development plan (targeted areas and pacing for development) and our site selection strategy within those targeted areas.

Restaurant Design

Our in-house development team handles restaurant design in conjunction with outsourced vendor relationships. Our restaurant size currently averages approximately 3,500 square feet. Seating in our restaurants is comprised of a combination of booths and counter seats, with an average seating capacity of approximately 110 guests. Our restaurant layout blends a traditional Japanese dining experience characterized by wood designs throughout the dining room mixed with the brand's modern technology utilizing the revolving conveyor belt, the express belt, the robot server, the tablet ordering and the Bikkura-Pon rewards machines.

Construction of a new restaurant takes approximately five months. We oversee and coordinate engagement with our preferred general contractors for the restaurant construction process. On average, our restaurants opened during fiscal year 2026 required a cash build-out cost of approximately $2.4 million per restaurant, net of landlord tenant improvement allowances; however, this amount could be materially higher or lower depending on the utilization of union labor, tariffs, geography, restaurant size, and condition of the premises upon landlord delivery.

Restaurant Management and Operations

Restaurant Management and Employees

Our restaurants typically employ one restaurant manager, two to four assistant managers, and approximately 30 to 70 additional team members depending on the restaurant size. Managers, assistant managers, and management trainees are cross-trained throughout the restaurant to create competency across critical restaurant functions, both in the dining area and the kitchen.

In addition, our operations team monitors restaurants in real-time from our headquarters using our remote management system of approximately 20 to 30 cameras installed in each restaurant. These team members are responsible for different components of the restaurant: cleanliness, service, and food quality. We believe that establishing the operations team has enabled our restaurant managers to focus on guest service and efficient operations in our restaurants and has permitted a smaller regional management structure.

Training and Employee Programs

We devote significant resources to identifying, selecting, and training all employees. Restaurant management trainees undergo training to develop a deep understanding of our operations. In addition, we have extensive training manuals that cover all aspects of restaurant-level operations. We have implemented additional online training through our learning management system and operational manuals for our restaurant employees to provide a safe and sanitary environment for our customers and employees.

Our traveling "opening teams" provide training to team members before opening a new restaurant. We believe the opening teams facilitate a smooth opening process and efficient restaurant operations from the first day a restaurant opens to the public. An opening team is typically on-site at new restaurants from two weeks before opening to six weeks after opening.

Food Preparation, Quality and Safety

Food safety is essential to our success and we have established procedures to help ensure that our guests enjoy safe, quality food. We require each restaurant employee to complete food handler safety certification upon hiring. We have taken various additional steps to mitigate food quality and safety risks, including the following:

- *HACCP*. To minimize the risk of food-borne illness, we have implemented a Hazard Analysis and Critical Control Points ("HACCP") system for managing food safety and quality for sushi rice and other foods which require time and temperature control for safety;
- *Mr. Fresh*. We use the proprietary Mr. Fresh dome, developed by Kura Japan, to protect each plate on the revolving conveyor belt keeping food fresh by limiting exposure to airborne contaminants;
- *Revolving Conveyor Belt Time Limit.* We limit the amount of time that our dishes remain on the revolving conveyor belt to two hours, which is shorter than the time required by local health authorities where we operate our restaurants. Once the QR Code tag on Mr. Fresh registers over two hours, a robotic arm in our kitchen automatically removes the plate from the revolving conveyor belt;
- *Third Party Food Safety Internal Audits.* We have partnered with a third party company to assist us in doing self- health inspections on a quarterly basis to continue to elevate our education and food safety commitment;

- *Additional internal quarterly training and compliance monitoring.* In addition to regional requirements, our internal training focuses on quarterly training topics, and retesting to keep food safety a top priority for our teams; and
- *Suppliers and Third-Party Reviews.* Our restaurants undergo internal safety audits and routine health inspections. We also consider food safety and quality assurance when selecting our distributors and suppliers.

Shared Services Agreement with Kura Japan

Kura Sushi operates independently from Kura Japan but does utilize Kura Japan for certain services. On August 5, 2019, we entered into a Shared Services Agreement with Kura Japan, pursuant to which Kura Japan provides us with certain strategic, operational and other support services, including assigning certain employees to work for us as expatriates to provide support to our operations, sending its employees to us on a short-term basis to provide support for the opening of new restaurants or renovation of existing restaurants, and providing us with certain supplies, parts and equipment for use in our restaurants. In addition, we have agreed to continue to provide Kura Japan with certain translational support services and market research analyses. In exchange for such services, supplies, parts and equipment, the parties pay fees to each other as set forth under the Shared Services Agreement. The Shared Services Agreement may be modified or supplemented to include additional services under terms and conditions to be mutually agreed upon in good faith by the parties. The fees for additional services shall be mutually agreed upon by the parties.

Marketing and Advertising

We use a variety of marketing and advertising channels to build brand awareness, attract new guests, increase dining frequency, support new restaurant openings, and promote Kura Sushi as an authentic Japanese restaurant with high-quality cuisine and a distinctive dining experience. Our primary advertising channels include digital, social media, traditional media, and print. Our Bikkura-Pon promotional programs, which include the licensing of other popular brands from time-to-time, are an additional form of marketing that differentiates the Kura brand.

We maintain a strong social media presence allowing us to communicate regularly with guests, inform guests of new offerings, and conduct promotions. Our unique dining experience is built to provide our guests with social media shareable moments, which extends our advertising reach.

We focus advertising efforts on new menu and limited time offerings to broaden our appeal to guests and drive traffic. We periodically update our offerings with new menu items based on our consumer testing results. We promote these new menu additions through various social media platforms, our website and in-restaurant signage.

We offer guests our limited-time offer promotions which feature premium, seasonal, and limited-availability ingredients. Most premium items are priced the same as standard menu items, thereby offering significant value to our guests.

We also maintain a tier-based loyalty program while focusing on member growth and high engagement. This program allows us to build relationships with our guests while increasing brand loyalty.

In addition to our national marketing initiatives, we implement regional and local store marketing efforts tailored to the specific demographics and preferences of each community we serve. These localized campaigns help us better connect with our guests on a more personal level and drive traffic to individual locations.

Furthermore, we are committed to utilizing meaningful cause marketing strategies where possible. By partnering with local charities and community organizations, we aim to give back to the communities that support us, enhance our brand reputation, and foster a sense of goodwill among our guests.

Suppliers

We carefully select suppliers based on product quality and authenticity and their understanding of our brand, and we seek to develop long-term relationships with them. We identify and procure high-quality ingredients at

competitive prices. We make a portion of our purchases annually in bulk at fixed prices, and we do not engage in any hedging agreements to manage our exposure to fluctuations in the price of seafood or other food commodities.

In fiscal year 2026, we sourced through the following two major Japanese-related distributors: JFC International Inc. ("JFC"), a subsidiary of Kikkoman Corporation, and Mutual Trading Co., Inc. ("Mutual"). Our spend with JFC accounted for 53%, 58%, and 55% of total food and beverage costs for fiscal years 2026, 2025, and 2024, respectively. Our purchases from Mutual were 40%, 32% and 34% of our total food and beverage cost for fiscal years 2026, 2025 and 2024, respectively. Our relationships with both JFC and Mutual have been in place since 2009. We also source from other distributors. Our suppliers deliver to our restaurants approximately three times per week. If we could no longer source through any of our suppliers, we intend to replace the supplier with a different source, but there can be no assurance that any such replacement would provide goods at the prices and level of quality of our current suppliers.

Management Information Systems

All of our restaurants use computerized management information systems, which we believe are scalable to support our future growth plans. We use proprietary technology developed by Kura Japan to predict a restaurant's food consumption. We use our current point-of-sale system to tally food consumption and produce the final bill. All credit card transactions are processed through third-party terminals using secure network and processing systems. Our technology systems support sales across multiple channels, including transactions processed through in-restaurant POS systems and digital platforms such as our mobile application. Transaction data is used to generate customizable reports that our restaurant managers, operations team, and senior management use to analyze sales, product mix, and check averages.

We use a combination of proprietary and off-the-shelf kitchen and in-restaurant back-office computer systems to assist in the management of our restaurants and provide labor and food cost management tools. Our systems analyze customer traffic, order demand, timestamps on Mr. Fresh with QR Code tags for plates on the revolving conveyor belt, and plate classification and quantities on the revolving conveyor belt. Our systems communicate restaurant-level data to our corporate headquarters to track and manage inventory and labor at the restaurant-level and generate reports for our management team to track performance.

Competition

The restaurant industry is divided into several primary categories, including limited-service and full-service restaurants, which are generally categorized by price, food quality, service, and location. The Kura model sits at the intersection of these two categories, offering the experience and food quality of a full-service restaurant and the speed of service of a limited-service restaurant. We primarily compete with other full-service restaurants.

We face significant competition from a variety of locally owned restaurants and national chain restaurants offering both Asian and non-Asian cuisine, as well as takeaway options from grocery stores. We believe that we compete primarily based on product quality, dining experience, ambiance, location, convenience, value perception, and price. Our competition continues to intensify as competitors increase the breadth and depth of their product offerings and open new restaurants.

Seasonality

Seasonal factors and the timing of holidays cause our sales to fluctuate from quarter to quarter. The seasonality impact may be amplified as we expand by opening more restaurants in cold weather climates. Adverse weather conditions may also affect guest traffic. As a result of these factors, our financial results for any single quarter or for periods less than a year are not necessarily indicative of the results that may be achieved for a full fiscal year.

Human Capital Resources

As of August 31, 2026, we had approximately 4,400 employees, of whom 230 were exempt employees and the remainder were non-exempt employees. None of our employees are unionized or covered by collective bargaining agreements, and we consider our current employee relations to be good. Our human capital objectives include attracting, developing, motivating, rewarding, and retaining our existing and new employees.

We are committed to providing equal opportunities and building a diverse and inclusive workplace. We provide inclusive leadership training for our employees and our interview processes focus on enhancing opportunity and development for candidates. We also offer our employees online training courses and on-the-job training. Restaurant management trainees undergo training to understand all aspects of the restaurant operations.

We are committed to conducting pay analyses to help ensure that we are paying fairly and equitably. To help ensure that we are paying fairly and equitably, we are committed to conducting both internal reviews and external third-party audits and verification. We have also trained our recruiters to help enable them to identify and address pay equity issues during the hiring process utilizing internal reporting and partnership with the compensation team. We provide our employees with cash-based performance bonus awards and we also have an equity incentive compensation plan to provide certain management-level or other key employees with stock-based awards. We monitor our progress with metrics such as employee performance measures, turnover rates and restaurant customer surveys.

At the heart of our culture is the belief that our employees are the foundation of our success. We depend on our employees to effectively execute all aspects of our day-to-day operations that differentiate our concept. Our ability to attract highly motivated employees and retain an engaged, experienced team is key to the successful execution of our strategy. While we continue to operate in a competitive labor environment, we believe our people practices contribute significantly to our ability to attract talent and to our historically industry-leading retention rates. Our investment and support, particularly through our culture, fosters retention and engagement of our members. Cultivating and maintaining our culture is a key focus and fosters retention and engagement of our members. Our core values and purpose reflect who we are and how our employees interact with one another, as well as with our guests and other external stakeholders.

We believe access to healthcare is a compelling benefit for many employees, and we provide benefits and wellness offerings, including free mental health resources, to support our employees, and their families. The health and safety of our employees is our highest priority. In protecting our employees' safety, we have invested in creating a safe work environment. For our office employees, we have work from home flexibility. For our restaurant employees, we continue to maintain our increased cleaning protocols and provide additional personal protective equipment.

Government Regulation and Environmental Matters

We are subject to extensive and varied federal, state, and local government regulations, including regulations relating, among others, to public and occupational health and safety, nutritional menu labeling, healthcare, the environment, sanitation, and fire prevention. We operate each of our restaurants in accordance with standards and procedures designed to comply with applicable codes and regulations. However, an inability to obtain or retain health department or other licenses would adversely affect our operations. Although we have not experienced, and do not anticipate, any significant difficulties, delays or failures in obtaining required licenses, permits or approvals, any such problem could delay or prevent the opening of, or adversely impact the viability of, a particular restaurant or group of restaurants. Additionally, difficulties, delays or failure to retain or renew licenses, permits or approvals, or increased compliance costs due to changed regulations, could adversely affect operations at existing restaurants.

In addition, to develop and construct restaurants, we must comply with applicable zoning, land use and environmental regulations. Federal and state environmental regulations have not had a material effect on our operations to date, but more stringent and varied requirements of local governmental bodies with respect to zoning, land use and environmental factors could delay or even prevent construction and increase development costs for new restaurants. We are also required to comply with the accessibility standards mandated by the U.S. Americans with Disabilities Act, which generally prohibits discrimination in accommodation or employment based on disability. We may in the future have to modify restaurants, for example, by adding access ramps or redesigning certain architectural fixtures, to provide service to or make reasonable accommodations for disabled persons. While these expenses could be material, our current expectation is that any such actions will not require us to expend substantial funds.

A small amount of our sales is attributable to the sale of alcoholic beverages. Alcoholic beverage control regulations require each of our restaurants to apply to a state authority and, in certain locations, county or municipal authorities for a license that must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of daily operations of our restaurants, including minimum age of patrons and employees, hours of operation, advertising, trade practices, wholesale purchasing, other relationships with alcohol manufacturers, wholesalers and distributors, inventory control and handling, storage and dispensing of alcoholic beverages. We require our local store management and service staff to take required responsible beverage service training through applicable state programs along with internal mandatory training providing proper guidance on minimizing risk of over serving or serving someone not of age. We are also subject in certain states to "dram shop" statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. We carry liquor liability coverage as part of our existing comprehensive general liability insurance. We may decide not to obtain liquor licenses in certain jurisdictions due to the high costs associated with obtaining liquor licenses in such jurisdictions.

Further, we are subject to the U.S. Fair Labor Standards Act, the U.S. Immigration Reform and Control Act of 1986, the Occupational Safety and Health Act and various other federal and state laws governing similar matters including minimum wages, overtime, workplace safety and other working conditions. Significant numbers of our food service and preparation personnel are paid at rates related to the applicable minimum wage, and further increases in the minimum wage or other changes in these laws could increase our labor costs. Our ability to respond to minimum wage increases by increasing menu prices will depend on the responses of our competitors and guests. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards, which could result in higher costs of goods and services supplied to us. We may also be subject to lawsuits from our employees, the U.S. Equal Employment Opportunity Commission or others alleging violations of federal and state laws regarding workplace and employment matters, discrimination and similar matters.

There has been increased regulation of certain food establishments in the United States, such as the requirements to maintain a HACCP system. HACCP refers to a management system in which food safety is addressed through the analysis and control of potential hazards from production, procurement and handling, to manufacturing, distribution and consumption of the finished product. Many states have required restaurants to develop and implement HACCP systems and the U.S. government continues to expand the sectors of the food industry that must adopt and implement HACCP programs. Although we have implemented a HACCP system for managing food safety and quality at our restaurants for sushi rice and other foods which require time and temperature control for safety, we cannot provide assurance that we will not have to expend additional time and resources to comply with new food safety requirements either required by current or future federal food safety regulation or legislation. Additionally, our suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require us to take actions that could be costly for us or otherwise harm our business.

A number of states, counties and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose to consumers certain nutritional information, or have enacted legislation restricting the use of certain types of ingredients in restaurants. Many of these requirements are inconsistent or interpreted differently from one jurisdiction to another. These requirements may be different or inconsistent with requirements that we are subject to under the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act (collectively, the "ACA"), which establishes a uniform, federal requirement for

certain restaurants to post nutritional information on their menus. Specifically, the ACA requires chain restaurants with 20 or more locations in the United States operating under the same name and offering substantially the same menus to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily calorie intake. The ACA also requires covered restaurants to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information upon request. While our ability to adapt to consumer preferences and spending behavior is a strength of our concepts, the effect of such labeling requirements on consumer choices, if any, is unclear at this time.

We are subject to federal, state and local environmental laws and regulations concerning waste disposal, pollution, protection of the environment, and the presence, discharge, storage, handling, release and disposal of, or exposure to, hazardous or toxic substances ("environmental laws"). These environmental laws can provide for significant fines and penalties for non-compliance and liabilities for remediation, sometimes without regard to whether the owner or operator of the property knew of, or was responsible for, the release or presence of the hazardous or toxic substances. Third parties may also make claims against owners or operators of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such substances. We are not aware of any environmental laws that will materially affect our earnings or competitive position, or result in material capital expenditures relating to our restaurants. However, we cannot predict what environmental laws will be enacted in the future, how existing or future environmental laws will be administered, interpreted or enforced, or the amount of future expenditures that we may need to make to comply with, or to satisfy claims relating to, environmental laws. It is possible that we will become subject to environmental liabilities at our properties, and any such liabilities could materially affect our business, financial condition or results of operations.

We are also subject to laws and regulations relating to information security, privacy, cashless payments, gift cards and consumer credit, protection and fraud, and any failure or perceived failure to comply with these laws could harm our reputation or lead to litigation, which could adversely affect our business, financial condition or results of operations.

Furthermore, we are subject to import laws and tariffs which could impact our ability to source and secure food products, other supplies and equipment necessary to operate our restaurants.

For a discussion of the various risks we face from regulation and compliance matters, see "Item 1A. Risk Factors."

Intellectual Property and Trademarks

Kura Japan owns several patents, trademarks and service marks registered or pending with the U.S. Patent and Trademark Office ("PTO"), including, but not limited to Food Management System (Patent No.: US 9,193,535 B2), Food Plate Carrier (Patent No.: US 8,550,229 B2), Food and Drink Provision System (Patent No.: US 12,205,182 B2), Housing Body (Patent No.: US 12,137,824 B2), "Kura Sushi" (Trademark Reg. No 5,460,596) and "Kura Revolving Sushi Bar" (Trademark Reg. No. 5,557,000), and "Mr. Fresh" (Trademark App. Ser. No. 98/042,118). In addition, we have registered the Internet domain name www.kurasushi.com, which points to our company website. The information on, or that can be accessed through, our website is not part of this report.

We license certain intellectual property critical to our business from Kura Japan, including, but not limited to, the trademarks "Kura Sushi," "Mr. Fresh" and "Kura Revolving Sushi Bar," and patents relating to food management, automated seating and payment systems, and the Mr. Fresh dome. Any termination or limitation of, or loss of exclusivity under, our exclusive license agreement would have a material adverse effect on us and could adversely affect our business, financial condition or results of operations. We have an amended and restated exclusive license agreement with regard to the intellectual property we license from Kura Japan which shall remain in effect unless and until terminated by mutual agreement of the parties.

We believe that the trademarks, service marks and other intellectual property rights that we license from Kura Japan have significant value and are important to the marketing and reputation of our brand. It is our policy to pursue registration of our intellectual property whenever possible and to oppose vigorously any infringement thereof. However, we cannot predict whether steps taken to protect such rights will be adequate or whether Kura

Japan will take steps to enforce such rights with regard to any intellectual property that we license from them. See "Item 1A. Risk Factors—Risks Related to Our Relationships with Kura Japan and Other Key Suppliers—We may become involved in lawsuits involving Kura Japan as the owner of intellectual property, or us as a licensee of intellectual property from Kura Japan, to protect or enforce our intellectual property rights, which could be expensive, time consuming, and unsuccessful." We are aware of third-party restaurants with names similar to our restaurant name in certain limited geographical areas. However, we believe such uses will not adversely affect us.

Available Information

Our website is located at *www.kurasushi.com*, including an investor relations section at *ir.kurausa.com* in which we routinely post important information, such as webcasts of quarterly calls and other investor events in which we participate or host, and any related materials.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act") are filed with the U.S. Securities and Exchange Commission ("SEC"). We are subject to the informational requirements of the Exchange Act and file or furnish reports, proxy statements, and other information with the SEC. Such reports and other information filed by the Company with the SEC are available free of charge on our website at *www.kurasushi.com* when such reports are available on the SEC's website.

The contents of our website referred to above are not incorporated into this report. Further, any references to our website are intended to be inactive textual references only.

Item 1A. Risk Factors

Summary Risk Factors

Our Company is subject to several risks that if realized could materially affect our business, prospects, financial condition, results of operations, cash flows and access to liquidity. Our business is subject to uncertainties and risks including:

- ***Inflationary Conditions***. We have experienced and continue to experience inflationary conditions with respect to the cost for food, ingredients, labor, construction and utilities, and may not be able to increase prices or implement operational improvements sufficient to fully offset inflationary pressures on such costs, which may adversely impact our revenues and results of operations.
- ***Ability to Execute Our Growth Strategy and Grow Sales and Profitability of Our Restaurants***. Our long-term success is highly dependent on our ability to successfully implement our growth strategy and to grow sales and profitability of our restaurants, which is subject to various risks including whether we may be able to identify and secure appropriate sites and timely develop and expand our operations in existing and new markets.
- ***Geographical Concentration***. Our restaurants are concentrated in California and Texas and in retail centers and shopping malls and could be negatively affected by conditions specific to these states and locations.
- ***Reliance on Kura Japan***. We rely on our majority stockholder, Kura Japan, in strategic and operational respects. Such reliance could subject us to risks including difficulty replacing certain services and supplies provided by Kura Japan.
- ***Reliance on Certain Vendors and Suppliers***. We rely significantly on certain vendors and suppliers. Their failure to provide deliveries or services at the quantity, quality or cost level acceptable to us could harm our business, financial position and results of operations.
- ***Competition***. We face significant competition from a variety of restaurants offering both Asian and non-Asian cuisine, as well as takeout offerings from grocery stores and other outlets where Asian food is sold.
- ***Changes in Macro Economic and Societal Conditions***. As ours is a consumer-based business, certain changes in macroeconomic and societal conditions including an economic slowdown, political instability, changing U.S. and global trade policy, changing consumer preferences and spending behavior, food safety and foodborne illness concerns as well as outbreaks of flu, viruses or other diseases transmitted by human contact could adversely affect our business, financial position and results of operations.
- ***Cybersecurity and Use of Technologies***. We rely significantly on information and cybersecurity systems, as well as use revolving and express conveyor belts, other automated equipment and other technologies including information technology in our operations. Failures of these systems and technologies to operate effectively, or a breach in security of these systems as a result of a cybersecurity incident, use of artificial intelligence that results in cybersecurity incidents, phishing attack, ransomware attack or any other failure to maintain a continuous and secure cyber network could result in substantial harm or inconvenience to our Company, our team members or guests.
- ***Marketing and Public Relations***. Our business depends on customer goodwill. If we fail to conduct successful marketing programs and effectively manage our public image, our business will suffer.
- ***Lease Management***. We are subject to all of the risks associated with leasing space subject to long-term non-cancelable leases.
- ***Capital Needs***. We may need capital in the future, and we may not be able to raise that capital on favorable terms.
- ***Human Capital Management***. We depend on our senior management team and other key employees. In addition, we need to recruit and retain sufficient qualified employees for our restaurants at reasonable costs. Loss of management members and key employees, labor shortages, increased labor costs,

unionization activities or labor disputes could adversely affect our business, financial position and results of operations.

- ***Compliance with Laws and Regulations***. Our business is subject to a myriad of laws and regulations at the federal, state, and local levels, including requirements to obtain certain licenses and permits. Our failure to comply with applicable laws could harm our reputation and business and changes in current laws could significantly increase our operational costs.
- ***Litigation***. We could be party to litigation that could adversely affect us by distracting management, increasing our expenses or subjecting us to material money damages and other remedies. Our current insurance may not provide adequate levels of coverage against claims.
- ***Loss Carryforwards***. Our ability to use our net operating loss carryforwards and certain other tax attributes to offset U.S. federal and state taxable income may be subject to limitations.

Your ownership of our Class A common stock is subject to risks including:

- ***Dual-Class Stock Structure***. The disparate voting rights of our Class A common stock and our Class B common stock could adversely affect the value and liquidity of our Class A common stock.
- ***Our Quarterly Operating Results and Broad Market Fluctuations***. Our quarterly operating results may fluctuate significantly and other factors outside our control may cause broad fluctuations in the stock market, which could cause the market price of our common stock to fluctuate.
- ***Future Sales of Our Class A Common Stock***. Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.
- ***Dividend Policy***. We do not intend to pay dividends for the foreseeable future, which could reduce your chance of receiving any return on an investment in our common stock.
- ***Certain Provisions in Our Charter Documents***. Our charter documents contain certain provisions which make it more difficult for a third party to acquire control of us without Board approval and for a stockholder to bring claims in a judicial forum that it finds favorable for disputes with us.

Your interest as an investor in our Company is also subject to risks relating to our organizational structure including:

- ***Our Status Being a "Controlled Company***." As a "controlled company," we may rely on exemptions from certain corporate governance requirements required under the Nasdaq listing standards and you will not have the same protections afforded to stockholders of companies that are subject to such requirements.
- ***Potential Conflicts of Interest***. We are controlled by Kura Japan whose interests may conflict with ours or yours. Future sales of our shares by Kura Japan could also depress our Class A common stock price.

Risk Factors

The following are the material risk factors that affect our Company and our stock price. Any one or more of these could have a material adverse impact on our business, prospects, financial condition, results of operations, or cash flows, in addition to presenting other possible adverse consequences, many of which are described below. These risk factors and other risks we may face are also discussed further in other sections of this Annual Report on Form 10-K.

Risks Related to Our Operations and Growth Strategy

We have experienced and continue to experience inflationary conditions with respect to the cost for food, ingredients, labor, construction, equipment and utilities, and we may not be able to increase prices or implement operational improvements sufficient to fully offset inflationary pressures on such costs, which may adversely impact our revenues and results of operations.

The strength of our revenues and results of operations are dependent upon, among other things, the price and availability of food, ingredients, labor, construction and utilities. Substantially beginning in fiscal year 2023, the costs of commodities, labor, energy and other inputs necessary to operate our restaurants significantly increased. Fluctuations in economic conditions, weather, demand and other factors also affect the cost of the ingredients and products that we buy. The introduction of or changes to tariffs or adverse impacts resulting from restrictive trade policies or trade disputes on imported food products, such as produce and seafood, and/or construction and equipment have increased our costs and impacted the supply of those products and our restaurant operating costs. Our inability to anticipate and respond effectively to one or more adverse changes in any of these factors could have a significant adverse effect on our results of operations. Our attempts to offset cost pressures, such as through menu price increases and operational improvements, may not be successful. We seek to provide a moderately priced product, and, as a result, we may not seek to or be able to pass along price increases to our customers sufficient to completely offset cost increases. Traffic may also be negatively impacted with menu price increases as consumers may be less willing to pay our menu prices and may increasingly visit lower-priced competitors, may reduce the frequency of their visits, or may forgo some purchases altogether. To the extent that price increases are not sufficient to offset higher costs adequately or in a timely manner, and/or if they result in significant decreases in revenue volume, our revenues and results of operations may be adversely affected.

Our long-term success is highly dependent on our ability to successfully identify and secure appropriate sites and timely develop and expand our operations in existing and new markets.

One of the key means of achieving our growth strategies will be through opening and operating new restaurants on a profitable basis for the foreseeable future. We identify target markets where we can enter or expand, taking into account numerous factors such as the locations of our current restaurants, demographics, traffic patterns and information gathered from various sources. We may not be able to open our planned new restaurants within budget or on a timely basis, if at all, given the uncertainty of these factors, which could adversely affect our business, financial condition and results of operations. As we operate more restaurants, our rate of expansion relative to the size of our restaurant base will eventually decline.

The number and timing of new restaurants opened during any given period may be negatively impacted by a number of factors including, without limitation:

- identification and availability of locations with the appropriate size, traffic patterns, local retail and business attractions and infrastructure that will drive high levels of guest traffic and sales per unit;
- competition in existing and new markets, including competition for restaurant sites;
- the ability to negotiate suitable lease terms;
- the lack of development and overall decrease in commercial real estate due to a macroeconomic downturn;
- recruitment and training of qualified personnel in the local market;
- our ability to obtain all required governmental permits, including zoning approvals, on a timely basis;
- our ability to control construction and development costs of new restaurants;
- landlord delays;
- the proximity of potential sites to an existing restaurant, and the impact of cannibalization on future growth;
- anticipated commercial, residential and infrastructure development near our new restaurants; and
- the cost and availability of capital to fund construction costs and pre-opening costs.

Accordingly, we cannot assure you that we will be able to successfully expand as we may not correctly analyze the suitability of a location or anticipate all of the challenges imposed by expanding our operations. Our growth strategy, and the substantial investment associated with the development of each new restaurant, may cause our operating results to fluctuate and be unpredictable or adversely affect our business, financial condition or results

of operations. If we are unable to expand in existing markets or penetrate new markets, our ability to increase our sales and profitability may be materially harmed or we may face losses.

Our expansion into new markets may present increased risks due in part to our unfamiliarity with the areas and also due to consumer unfamiliarity with our revolving sushi bar concept and may make our future results unpredictable and the increases in average restaurant sales and comparable restaurant sales that we have experienced in the past may not be indicative of future results.

We may in the future open restaurants in markets where we have little or no operating experience. This growth strategy and the substantial investment associated with the development of each new restaurant may cause our operating results to fluctuate and be unpredictable or adversely affect our business, financial condition or results of operations. Restaurants we open in new markets may take longer to reach expected sales and profit levels on a consistent basis and may have higher construction, occupancy or operating costs than restaurants we open in existing markets, thereby affecting our overall profitability. New markets may have competitive conditions, consumer tastes and discretionary spending patterns that are more difficult to predict or satisfy than our existing markets. We may need to make greater investments than we originally planned in advertising and promotional activity in new markets to build brand awareness. We also may find it more difficult in new markets to hire, motivate and keep qualified employees who share our vision, passion and business culture. If we do not successfully execute our plans to enter new markets, our business, financial condition or results of operations could be materially adversely affected.

Our new restaurants have historically opened with higher sales, which then decline after the initial sales surge that comes with interest in a new restaurant opening. New restaurants may not be profitable and their sales performance may not follow historical patterns as expected, which could adversely affect our business, financial condition or results of operations. In addition, our average restaurant sales and comparable restaurant sales may not increase at the rates achieved over the past several years. Our ability to operate new restaurants profitably and increase average restaurant sales and comparable restaurant sales will depend on many factors, some of which are beyond our control, including: consumer awareness and understanding of our brand and our revolving sushi bar concept; general economic conditions, including inflationary pressures, which can affect restaurant traffic, local labor costs and prices we pay for the food products and other supplies we use; changes in consumer preferences and discretionary spending; competition, either from our competitors in the restaurant industry or our own restaurants; temporary and permanent site characteristics of new restaurants; and changes in government regulation.

Opening new restaurants in existing markets may negatively affect sales at our existing restaurants.

The opening of a new restaurant in or near markets in which we already have restaurants could adversely affect the sales of these existing restaurants. Existing restaurants could also make it more difficult to build our consumer base for a new restaurant in the same market. Our core business strategy does not entail opening new restaurants that we believe will materially affect sales at our existing restaurants, but we may selectively open new restaurants in and around areas of existing restaurants that are operating at or near capacity to effectively serve our guests. Sales cannibalization between our restaurants may become significant in the future as we continue to expand our operations and could affect our sales growth, which could, in turn, materially adversely affect our business, financial condition or results of operations.

Our sales and profit growth could be adversely affected if comparable restaurant sales are less than we expect.

The level of comparable restaurant sales growth, which represents the change in year-over-year sales for restaurants open for at least 18 full calendar months, could affect our sales growth. Our ability to increase comparable restaurant sales depends in part on our ability to successfully implement our initiatives to build sales. It is possible such initiatives will not be successful, that we will not achieve our target comparable restaurant sales growth or that the change in comparable restaurant sales could be negative, which may cause a decrease in our profitability and would materially adversely affect our business, financial condition or results of operations. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Comparable Restaurant Sales Performance.”

Our failure to manage our growth effectively could harm our business and operating results.

Our growth plan includes opening new restaurants. Our existing restaurant management systems, financial and management controls and information systems may be inadequate to support our planned expansion. Managing our

growth effectively will require us to continue to enhance these systems, procedures and controls and to hire, train and retain managers and team members. We may not respond quickly enough to the changing demands that our expansion will impose on our management, restaurant teams and existing infrastructure, which could harm our business, financial condition or results of operations.

The significant expense associated with opening new restaurants, and the unit volumes of our new restaurants makes us susceptible to significant fluctuations in our results of operations.

The capital resources required to develop each new restaurant are significant. On average, our restaurants opened during fiscal year 2026 required a cash build-out cost of approximately $2.4 million per restaurant, net of landlord tenant improvement allowances and assuming that we do not purchase the underlying real estate. Actual costs may vary significantly depending upon a variety of factors, including the site and size of the restaurant and conditions in the local real estate and labor markets. The combination of the significant investment associated with each new restaurant, variance in the operating results in any one restaurant, or a delay or cancellation in the planned opening of a restaurant could materially affect our business, financial condition or results of operations.

Our restaurant base is geographically concentrated in California and Texas, and we could be negatively affected by conditions specific to these states.

Approximately 46% of our restaurants are located in California and Texas. Adverse changes in demographic, unemployment, economic, regulatory or weather conditions in California and Texas have had, and may continue to have, material adverse effects on our business, financial condition or results of operations. As a result of our concentration in these markets, we have been, and in the future may be, disproportionately affected by adverse conditions in either of these markets compared to other chain restaurants with a broader national footprint.

A decline in visitors to any of the retail centers, shopping malls, lifestyle centers, or entertainment centers where our restaurants are located could negatively affect our restaurant sales.

Our restaurants are primarily located in high-activity areas such as retail centers, shopping malls, lifestyle centers, and entertainment centers. We depend on high visitor rates at these centers to attract guests to our restaurants. Factors that may result in declining visitor rates include public health pandemics, economic or political conditions, anchor tenants closing in retail centers or shopping malls in which we operate, changes in consumer preferences or shopping patterns, changes in discretionary consumer spending, increasing petroleum prices, or other factors, which may adversely affect our business, financial condition or results of operations.

Risks Related to Our Relationships with Kura Japan and Other Key Suppliers

We have historically received strategic, operational and financial support from Kura Japan, and as we increase our independence from Kura Japan, we may face difficulties replacing certain services, supplies and financial assistance Kura Japan has provided to us.

We have been a subsidiary of Kura Japan since 2008 and have benefited from our relationship as a consolidated and wholly-owned subsidiary. We are a majority owned subsidiary of Kura Japan and we utilize Kura Japan for certain strategic, operational and financial support. Our future results depend on various factors, including those identified in these risk factors.

Kura Japan provides us from time to time with employees from its operations in Japan to assist us with meeting our workforce requirements and opening new restaurants. We also benefit from the intellectual property that we license from Kura Japan in the operation of our business. Future sales of our shares by Kura Japan could depress our Class A common stock price. If Kura Japan's ownership interest in our company declines significantly in the future, this may affect our ongoing relationship. We have a shared services agreement and an amended and restated exclusive license agreement with Kura Japan, which memorialize our existing business relationship. Although we expect Kura Japan to continue providing services to us, Kura Japan does not have any contractual obligation to provide strategic, operational or other support to us except as required under our shared services agreement and amended and restated exclusive license agreement with them. See "Note 5 — Related Party Transactions" to our audited financial statements included in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

From time to time, we purchase certain supplies, parts and equipment for use in our restaurants from Kura Japan. We believe that Kura Japan obtains these supplies, parts and equipment at a discounted price due to Kura Japan's higher purchasing power with suppliers. If Kura Japan's ownership interest in our company declines significantly in the future, this may also affect their provision of supplies, parts and equipment to us. Kura Japan has no contractual obligation to continue providing us with such supplies, parts and equipment except as required under our shared services agreement with them. See "Note 5 — Related Party Transactions" to our audited financial statements included in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

Our indebtedness to Kura Japan may limit our ability to be acquired by a third party or acquire a third party.

Our Revolving Credit Agreement ("Credit Facility") with Kura Japan dated April 10, 2020 and amended on September 2, 2020, April 9, 2021 and April 4, 2025, provides for a $45.0 million revolving credit line. As of August 31, 2026 and 2025, we had no outstanding balance and $45.0 million available under our Credit Facility. In the future, we may, from time to time, incur additional indebtedness under our Credit Facility. Our Credit Facility places certain limitations on, among other items, our ability to merge or consolidate with or into or acquire any other business organization or sell substantially all of our assets. Failure to comply with certain covenants could result in the acceleration of our obligations under the Credit Facility, which would have an adverse effect on our liquidity, capital resources and results of operations.

Any events or circumstances that result in the termination or limitation of our rights under our agreement between us and Kura Japan of our intellectual property could have a material adverse effect on our business, financial condition or results of operations.

The intellectual property that is critical to our business has been licensed to us by Kura Japan. Any termination or limitation of, or loss of exclusivity under, our exclusive license agreement with Kura Japan would have a material adverse effect on our business, financial condition or results of operations. We have entered into an amended and restated exclusive license agreement with regard to the intellectual property we license from Kura Japan. See "Note 5 — Related Party Transactions" to our audited financial statements included in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

We may become involved in lawsuits involving Kura Japan as the owner of intellectual property, or us as a licensee of intellectual property from Kura Japan, to protect or enforce intellectual property rights, which could be expensive, time consuming, and unsuccessful.

Third parties may sue Kura Japan or us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation, even if the claims are meritless and even if we ultimately prevail. If the party claiming infringement were to prevail, we could be forced to pay significant damages, or enter into expensive royalty or licensing arrangements with the prevailing party. In addition, any payments we are required to make, and any injunction we are required to comply with as a result of such infringement, could harm our reputation and our business, financial condition or results of operations.

Infringements on Kura Japan's intellectual property rights, including Kura Japan's service marks and trade secrets, could result in additional expense and could devalue our brand equity, as well as substantially affect our business, financial condition or results of operations.

Other parties may infringe on our intellectual property rights, including those which we develop or otherwise license to use, and may thereby dilute our brand in the marketplace. Any such infringement of our intellectual property rights would also likely result in a commitment of our time and resources to protect these rights through litigation or otherwise.

Our business prospects depend in part on our ability to develop favorable consumer recognition of the Kura Sushi name. Although "Kura Sushi", "Kura Revolving Sushi Bar" and "Mr. Fresh" are federally registered service marks owned by Kura Japan, such marks could be imitated in ways that we or Kura Japan cannot prevent. Alternatively, third parties may attempt to cause us to change our name or not operate in a certain geographic region if our name is confusingly similar to their name. In addition, we rely on trade secrets, proprietary know-how, concepts, and recipes, some of which we license from Kura Japan. Our methods or Kura Japan's methods of protecting this information may not be adequate. Moreover, we or Kura Japan may face claims of misappropriation or infringement of third parties' rights that could interfere with our use of this information. Defending these claims may be costly and, if unsuccessful, may prevent us from continuing to use this proprietary information in the future, and may result in a judgment or monetary damages. We do not maintain confidentiality and non-competition agreements with all of our executives, key personnel, or suppliers. If competitors independently develop or otherwise obtain access to the trade secrets, proprietary know-how, concepts, or recipes we rely upon to operate our restaurants, some of which we license from Kura Japan, the appeal of our restaurants could be significantly reduced and our business, financial condition or results of operations could be adversely affected.

We rely significantly on certain vendors and suppliers, which could adversely affect our business, financial condition or results of operations.

Our ability to maintain consistent price and quality throughout our restaurants depends in part upon our ability to acquire specified food products and supplies in sufficient quantities from third-party vendors and suppliers at a reasonable cost. In addition, we are dependent upon a few suppliers for certain specialized equipment utilized in our restaurants, such as our conveyor belts and other parts of our proprietary system. We rely on JFC as one of our primary suppliers. JFC provided us with food products equaling 53%, 58%, and 55% of our total food and beverage costs in fiscal years 2026, 2025, and 2024 respectively. We also rely on Mutual which provided us with food products equaling 40%, 32% and 34% of our total food and beverage costs in fiscal years 2026, 2025, and 2024 respectively. We do not control the businesses of our vendors and suppliers and our efforts to specify and monitor the standards under which they perform may not be successful. Furthermore, certain food items are perishable, and we have limited control over whether these items will be delivered to us in appropriate condition for use in our restaurants. If any of our vendors or other suppliers are unable to fulfill their obligations to our standards, or if we are unable to find replacement providers in the event of a supply or service disruption, we could encounter supply shortages and incur higher costs to secure adequate supplies, which could materially adversely affect our business, financial condition or results of operations.

In addition, we use various third-party vendors to provide, support and maintain most of our management information systems. We also outsource certain accounting, payroll and human resource functions to business process service providers. The failure of such vendors to fulfill their obligations could disrupt our operations. Additionally, any changes we may make to the services we obtain from our vendors, or new vendors we employ, may disrupt our operations. These disruptions could materially adversely affect our business, financial condition or results of operations.

Changes in food and supply costs and/or availability of products could adversely affect our business, financial condition or results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs and/or the availability of products necessary to operate our business. Shortages or interruptions in the availability of certain supplies caused by unanticipated demand, problems in production or distribution, food contamination, inclement weather, natural disasters, or other conditions could adversely affect the productivity, availability, quality and cost of our ingredients, which could harm our operations. Any increase in the prices of the food products most critical to our menu, such as rice, fish and other seafood, as well as fresh vegetables, could adversely affect our business, financial condition or results from operations. We remain susceptible to increases in food costs and loss of supply as a result of factors beyond our control, such as general economic conditions, including new tariff policies, energy costs, political instability, inflationary pressures, seasonal fluctuations, the effects of climate change and

related weather conditions, demand, food safety concerns, generalized infectious diseases, product recalls and government regulations.

If any of our distributors or suppliers performs inadequately, or our distribution or supply relationships are disrupted for any reason, our business, financial condition, results of operations or cash flows could be adversely affected. If we cannot replace or engage distributors or suppliers who meet our specifications in a short period of time, that could increase our expenses and cause shortages of food and other items at our restaurants, which could cause a restaurant to remove items from its menu. If that were to happen, affected restaurants could experience significant reductions in sales during the shortage or thereafter, if guests change their dining habits as a result. In addition, because we provide moderately priced food, we may choose not to, or may be unable to, pass along commodity price increases to consumers. These potential changes in food and supply costs could materially adversely affect our business, financial condition or results of operations.

Other Commercial, Operational, Financial and Regulatory Risks

Operating results at our restaurants could be significantly affected by competition in the restaurant industry in general and, in particular, within the dining segments of the restaurant industry in which we compete.

We face significant competition from a variety of restaurants offering both Asian and non-Asian cuisine, as well as takeout offerings from grocery stores and other outlets where Asian food is sold. These segments are highly competitive with respect to, among other things, product quality, dining experience, ambience, location, convenience, value perception, and price. Any of these competitive factors may materially adversely affect our business, financial condition or results of operations. Our competition continues to intensify as competitors increase the breadth and depth of their product offerings and open new locations. These competitors may have, among other things, chefs who are widely known to the public that may generate more notoriety for those competitors as compared to our brand. We also compete with many restaurant and retail establishments for site locations and restaurant-level employees.

Changes in economic conditions including changes in U.S. or global trade policy could materially affect our ability to maintain or increase sales at our restaurants or open new restaurants.

The restaurant industry depends on consumer discretionary spending. The United States in general or the specific markets in which we operate may suffer from depressed economic activity, recessionary economic cycles, higher fuel or energy costs, low consumer confidence, high levels of unemployment, reduced home values, increases in home foreclosures, investment losses, personal bankruptcies, reduced access to credit or other economic factors that may affect consumers' discretionary spending. On a broader scale, shifts in U.S. trade policy and retaliatory measures by global trade partners may lead to widespread economic effects, including increased consumer prices and a reduction in discretionary income. As a result, sales in our restaurants could decline if consumers choose to dine out less frequently or reduce the amount they spend on meals while dining out, including dining out less frequently on a permanent basis. If restaurant sales decrease, our profitability could decline as we spread fixed costs across a lower level of sales, which could result in asset impairment charges and potential restaurant closures that materially adversely affects our business, financial condition or results of operations.

Food safety and foodborne illness concerns as well as outbreaks of flu, viruses or other diseases could have an adverse effect on our business, financial condition or results of operations.

We cannot guarantee that our internal controls and training will be fully effective in preventing all food safety issues at our restaurants, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, there is no guarantee that our restaurant locations will maintain the high levels of internal controls and training we require at our restaurants. Furthermore, we rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single restaurant. Some foodborne illness incidents could be caused by third-party vendors and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our restaurants or markets or related to food products we sell could negatively affect our restaurant sales nationwide if highly publicized on national media outlets or through social media. This risk exists even if it were later determined that the illness was wrongly attributed to us or one of our restaurants. A number of other restaurant chains have experienced incidents related to foodborne illnesses that have

had a material adverse effect on their operations. The occurrence of a similar incident at one or more of our restaurants, or negative publicity or public speculation about an incident, could materially adversely affect our business, financial condition or results of operations.

If a virus is transmitted by human contact or respiratory transmission, our employees or guests could become infected, or could choose, or be advised, to avoid gathering in public places, any of which could adversely affect our restaurant guest traffic and our ability to adequately staff our restaurants, receive deliveries on a timely basis or perform functions at the corporate level. Additionally, jurisdictions in which we have restaurants may impose mandatory closures, seek voluntary closures or impose restrictions on operations. Even if such measures are not implemented and a virus or other disease does not spread significantly, the perceived risk of infection or significant health risk may cause guests to choose other alternatives to dining out in our restaurants which may adversely affect our business.

New information or attitudes regarding diet and health could result in changes in regulations and consumer consumption habits that could adversely affect our business, financial condition or results of operations.

Changes in attitudes regarding diet and health or new information regarding the adverse health effects of consuming certain foods could result in changes in government regulation and consumer eating habits that may impact our business, financial condition or results of operations. These changes have resulted in, and may continue to result in, laws and regulations requiring us to disclose the nutritional content of our food offerings, and they have resulted in, and may continue to result in, laws and regulations affecting permissible ingredients and menu offerings. For example, a number of jurisdictions have enacted menu labeling laws requiring multi-unit restaurant operators to disclose to consumers certain nutritional information, or have enacted legislation restricting the use of certain types of ingredients in restaurants. These requirements may be different or inconsistent with requirements we are subject to under the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act, collectively, the "ACA," which establishes a uniform, federal requirement for certain restaurants to post nutritional information on their menus. See "Item 1. Business—Government Regulation and Environmental Matters" for additional information. Compliance with current and future laws and regulations regarding the ingredients and nutritional content of our menu items may be costly and time-consuming. We cannot predict the impact of any new nutrition labeling requirements. The risks and costs associated with nutritional disclosures on our menus could also impact our operations, particularly given differences among applicable legal requirements and practices within the restaurant industry with respect to testing and disclosure, ordinary variations in food preparation among our own restaurants, and the need to rely on the accuracy and completeness of nutritional information obtained from third-party suppliers.

Unfavorable publicity about, or guests' reactions to, our menu ingredients, the size of our portions or the nutritional content of our menu items could negatively influence the demand for our offerings, thereby adversely affecting our business, financial condition or results of operations. Additionally, if consumer health regulations or consumer eating habits and health perceptions change significantly, including the significant rise in weight loss medications, we may be required to modify or discontinue certain menu items, and we may experience higher costs associated with the implementation of those changes, as well as adversely affect the attractiveness of our restaurants to new or returning guests. The imposition of menu labeling laws and an inability to keep up with consumer eating habits could materially adversely affect our business, financial condition or results of operations, as well as our position within the restaurant industry in general.

We rely significantly on the operation of our revolving and express conveyor belts, sushi robots and other automated equipment, and any mechanical failure could prevent us from effectively operating our restaurants.

The operation of our restaurants relies on technology and equipment such as our revolving and express conveyor belts, the Bikkura-Pon rewards machines and touch screen menus. In our kitchens, we use automated equipment and systems such as sushi robots, QR Code readers, robotic arms, vinegar mixing machines, rice washers and dishwashers. Our ability to safely, efficiently and effectively manage our restaurants depends significantly on the reliability and capacity of these systems. Mechanical failures and our inability to service such equipment in a timely manner could result in delays in customer service and reduce efficiency of our restaurant operations, including a loss of sales. Remediation of such problems could result in significant, unplanned capital investments and any equipment failure may have an adverse effect on our business, financial condition or results of operations due to our reliance on such equipment.

We rely significantly on information technology and cybersecurity, and any material failure, weakness, interruption or breach of security could prevent us from effectively operating our business.

We rely significantly on information and cybersecurity systems, many of which are controlled by third-party providers, including point-of-sale processing in our restaurants for management of our supply chain, payment of obligations, collection of cash, credit and debit card transactions, third-party delivery services and other processes and procedures. We also operate tableside access to touch screen ordering systems to allow guests to place special orders. Our ability to efficiently and effectively manage our business depends significantly on the reliability and capacity of these systems. Failures of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a breach in security of these systems as a result of a cybersecurity incident, any use of artificial intelligence that results in cybersecurity incidents, phishing attack, ransomware attack or any other failure to maintain a continuous and secure cyber network could result in substantial harm or inconvenience to our Company, our team members or guests, such as unauthorized access to or the misappropriation of information including consumer, employee, financial and other types of information related to our business. Some of these essential business processes that are dependent on technology are outsourced to third parties. We cannot guarantee that breaches or failures caused by these outsourced providers will not occur and the rapid evolution and increased adoption of artificial intelligence technologies may intensify these risks.

Additionally, as technology systems continue to evolve and as consumers adopt new technologies, such as the use of artificial intelligence, we may need to enhance our systems or modify our strategies in order to remain relevant in our industry and to our guests. If we are unable to successfully identify and implement new and emerging technologies, our business could be adversely affected.

Any such failures or disruptions may cause delays in customer service and reduce efficiency in our operations. Remediation of such problems could result in significant, unplanned capital investments. We could also be subjected to litigation, regulatory investigations or the imposition of penalties. As information security laws and regulations change and cyber risks evolve, we may incur additional costs to ensure we remain in compliance and protect guest, employee and Company information.

A breach of security of confidential consumer information related to our electronic processing of credit and debit card transactions, as well as a breach of security of our employee information, could substantially affect our reputation, business, financial condition or results of operations.

The majority of our restaurant sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information has been stolen. Improper access to our systems or databases or the systems or databases of outsourced third-party providers could result in the theft, publication, deletion or modification of confidential customer information and/or card data, including theft of funds on the card or counterfeit reproduction of the cards. If the security of such third-party providers is compromised, then we may be subject to unplanned losses, expenses, fines or penalties. We may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. We may ultimately be held liable for the unauthorized use of a cardholder's card number in an illegal activity and be required by card issuers to pay charge-back fees. In addition, most states have enacted legislation requiring notification of security breaches involving personal information, including credit and debit card information. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our business, financial condition or results of operations. Further, adverse publicity resulting from these allegations may have a material adverse effect on us and could substantially affect our reputation and business, financial condition or results of operations.

In addition, our business requires the collection, transmission and retention of large volumes of guest and employee data, including personally identifiable information, in various information technology systems that we maintain and in those maintained by third parties with whom we contract to provide services. The collection and use of such information is regulated at the federal and state levels, as well as at the international level, in which regulatory requirements have been increasing. As our environment continues to evolve in the digital age and reliance upon new technologies becomes more prevalent, it is imperative we secure the privacy and sensitive information we collect. Failure to do so, whether through fault of our own information systems or those of outsourced third-party providers, could not only cause us to fail to comply with these laws and regulations, but also could cause us to face litigation and penalties that could adversely affect our business, financial condition or results of operations. Our

brand's reputation and image as an employer could also be harmed by these types of security breaches or regulatory violations.

Our inability or failure to recognize, respond to and effectively manage the accelerated impact of social media and other digital platforms, and the overall success of our marketing programs, could materially adversely impact our business, financial condition or results of operations.

Our marketing efforts rely heavily on the use of social media. In recent years, there has been a marked increase in the use of social media platforms, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Many of our competitors are expanding their use of social media, and new social media platforms are rapidly being developed, potentially making more traditional social media platforms obsolete. As a result, we need to continuously innovate and develop our social media strategies in order to maintain broad appeal with guests and brand relevance. We also continue to invest in other digital marketing initiatives that allow us to reach our guests across multiple digital channels and build their awareness of, engagement with, and loyalty to our brand. We also incur other costs and expend other resources in our marketing efforts on new menu items, advertising campaigns and restaurant designs and remodels to raise brand awareness and attract and retain guests. These initiatives may not be successful, resulting in expenses incurred without the benefit of higher sales or increased brand recognition.

As the digital space around us continues to evolve, our technology needs to evolve concurrently to stay competitive with the industry, including the digital and delivery business. We rely on third-party service providers to fulfill delivery orders timely to attract guests to our restaurants. Errors in providing adequate delivery services, or a shortage of delivery drivers may result in guest dissatisfaction, which could also result in loss of guest retention, loss in sales and damage to our brand image. Additionally, with such third-parties handling food, delivery services increase the risk of food tampering while in transit. We are also subject to risk if there is a shortage of delivery drivers, which could result in a failure to meet our guests' expectations. Also, if our third-party delivery partners fail to effectively compete with other third-party delivery providers in the sector, our delivery business may suffer resulting in a loss of sales.

Negative publicity relating to one of our restaurants could reduce sales at some or all of our other restaurants.

Our success is dependent in part upon our ability to maintain and enhance the value of our brand and consumers' connection to our brand. We may, from time to time, be faced with negative publicity relating to food quality, restaurant facilities, guest complaints or litigation alleging illness or injury, health inspection scores, integrity of our or our suppliers' food processing, employee relationships or other matters, regardless of whether the allegations are valid or whether we are held to be responsible. The negative impact of adverse publicity relating to one restaurant may extend far beyond the restaurant involved to affect some or all of our other restaurants, thereby causing an adverse effect on our business, financial condition or results of operations. A similar risk exists with respect to unrelated food service businesses, if consumers associate those businesses with our own operations.

The considerable expansion in the use of social media over recent years can further amplify any negative publicity that could be generated by such incidents. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information posted on such platforms may be adverse to our interests and/or may be inaccurate. The dissemination of inaccurate or irresponsible information online could harm our business, reputation, prospects, financial condition, or results of operations, regardless of the information's accuracy. The damage may be immediate without affording us an opportunity for redress or correction.

Additionally, employee claims against us based on, among other things, wage and hour violations, discrimination, harassment or wrongful termination may also create negative publicity that could adversely affect us and divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. A significant increase in the number of these claims or an increase in the number of successful claims could materially adversely affect our business, financial condition or results of operations. Consumer demand for our restaurants and our brand's value could diminish significantly if any such incidents or other matters create negative publicity or otherwise erode consumer confidence in us or our restaurants, which would likely result in lower sales and could materially adversely affect our business, financial condition or results of operations.

We are subject to all of the risks associated with leasing space subject to long-term non-cancelable leases.

We do not own any real property. Payments under our operating leases account for a significant portion of our operating expenses and we expect the new restaurants we open in the future will be similarly leased. The majority of our operating leases have lease terms of twenty years, inclusive of customary extensions which are at the option of us. Most of our leases require a fixed annual rent which generally increases each year, and some require the payment of additional rent if restaurant sales exceed a negotiated amount. Generally, our leases are "net" leases, which require us to pay all of the cost of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases. Additional sites that we lease are likely to be subject to similar long-term non-cancelable leases. If an existing or future restaurant is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each of our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to pay increased occupancy costs or to close restaurants in desirable locations. If we fail to negotiate renewals, we may have to dispose of assets at such restaurant locations and incur closure costs and additional costs associated with moving transferable furniture, fixtures and equipment, as well as incur impairment of property and equipment. Such potential increased costs and closures of restaurants could materially adversely affect our business, financial condition or results of operations.

Macroeconomic conditions, including economic downturns, may cause landlords of our leases to be unable to obtain financing or remain in good standing under their existing financing arrangements, resulting in failures to pay required tenant improvement allowances or satisfy other lease covenants to us. In addition, tenants at shopping centers in which we are located or have executed leases, or to which our locations are near, may fail to open or may cease operations. Decreases in total tenant occupancy in shopping centers in which we are located, or to which our locations are near, may affect traffic at our restaurants. All of these factors could have a material adverse impact on our business, financial condition or results of operations.

We may need capital in the future, and we may not be able to raise that capital on favorable terms.

Developing our business will require significant capital in the future. In fiscal year 2021, Kura Japan purchased 126,500 shares of our Class A common stock as part of a secondary underwritten public offering of 1,265,000 shares of our Class A common stock. In fiscal year 2023 and fiscal year 2025, we completed public offerings of 1,265,000 shares of our Class A common stock and 800,328 shares of our Class A common stock, respectively. There is no guarantee that if we need to raise any additional capital, we will receive additional capital contributions from Kura Japan. To meet our capital needs, we expect to rely on our cash flows from operations, borrowings under our existing Credit Facility, future offerings and other third-party financing. Third-party financing in the future may not, however, be available on terms favorable to us, or at all. Our ability to obtain additional funding will be subject to various factors, including market conditions, our operating performance, lender sentiment and our ability to incur additional debt in compliance with other contractual restrictions under our Credit Facility, term loans or other debt documents we may enter into. These factors may make the timing, amount, or terms and conditions of additional financings unattractive. Our inability to raise capital could impede our growth and could materially adversely affect our business, financial condition or results of operations.

We depend on our senior management team and other key employees, and the loss of one or more key personnel or an inability to attract, hire, integrate and retain highly skilled personnel could have an adverse effect on our business, financial condition or results of operations.

Our success depends largely upon the continued services of our key employees. We also rely on our leadership team in setting our strategic direction, operating our business, identifying, recruiting and training key

personnel, identifying expansion opportunities, arranging necessary financing, and for general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. In addition, a small portion of our workforce is Japanese expatriates whose services we have secured from Kura Japan. The loss or replacement of one or more of our executive officers or other key employees could have a material adverse effect on our business, financial condition or results of operations.

As we face labor shortages and increased labor costs, or if we face unionization activities, our growth, business, financial condition and operating results could be adversely affected.

Labor is a primary component in the cost of operating our restaurants. If we face labor shortages or increased labor costs because of increased competition for employees, higher employee turnover rates, increases in federal, state or local minimum wage rates, workers' compensation cost increases or other employee benefits costs (including costs associated with health insurance coverage), our operating expenses could increase and our growth could be adversely affected. In addition, our success depends in part upon our ability to attract, motivate and retain a sufficient number of well-qualified restaurant operators and management personnel, as well as a sufficient number of other qualified employees, to keep pace with our expansion schedule. Qualified individuals needed to fill these positions are in short supply in some geographic areas. In addition, restaurants have traditionally experienced relatively high employee turnover rates. Our failure to recruit and retain such individuals may delay the planned openings of new restaurants or result in higher employee turnover in existing restaurants, which could have a material adverse effect on our business, financial condition or results of operations.

We may be unable to increase our menu prices in order to pass increased labor costs on to consumers, in which case our margins would be negatively affected, which could materially adversely affect our business, financial condition or results of operations.

Although none of our employees are currently covered under collective bargaining agreements, our employees may elect to be represented by labor unions in the future. If a significant number of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, it could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by a failure to obtain visas or work permits or to properly verify the employment eligibility of our employees.

Some of our corporate employees' ability to work in the United States depends on obtaining and maintaining necessary visas and work permits. On certain occasions we have been, and in the future we may be, unable to obtain visas or work permits to bring necessary employees to the United States for any number of reasons including, among others, limits set by the U.S. Department of Homeland Security or the U.S. Department of State.

Although we require all workers to provide us with government-specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. We currently participate in the "E-Verify" program, an Internet-based, free program run by the U.S. government to verify employment eligibility, in states in which participation is required. However, use of the "E-Verify" program does not guarantee that we will properly identify all applicants who are ineligible for employment. Unauthorized workers are subject to deportation and may subject us to fines or penalties, and if any of our workers are found to be unauthorized, we could experience adverse publicity that may negatively impact our brand and may make it more difficult to hire and keep qualified employees. Termination of a significant number of employees who are unauthorized employees may disrupt our operations, cause temporary increases in our labor costs as we train new employees and result in adverse publicity. We could also become subject to fines, penalties and other costs related to claims that we did not fully comply with all recordkeeping obligations of federal and state immigration compliance laws. These factors could materially adversely affect our business, financial condition or results of operations.

Labor disputes may disrupt our operations and affect our profitability, thereby causing a material adverse effect on our business, financial condition or results of operations.

As an employer, we are presently, and may in the future be, subject to various employment-related claims, such as individual or class actions or government enforcement actions relating to alleged employment

discrimination, employee classification and related withholding, wage-hour, labor standards or healthcare and benefit issues. See "Note 9 — Commitments and Contingencies" to the financial statements included in this Annual Report on Form 10-K. If any current or future actions brought against us, are successful in whole or in part, such actions may affect our ability to compete or could materially adversely affect our business, financial condition or results of operations.

Changes in employment laws may adversely affect our business, financial condition, or results of operations.

Various federal and state labor laws govern the relationship with our employees and affect operating costs particularly because we have a substantial number of hourly employees who are paid wage rates based on the applicable federal, state or local minimum wage. These laws include employee classification as exempt/non-exempt for overtime and other purposes, minimum wage requirements, tips and gratuity payments, unemployment tax rates, workers' compensation rates, immigration status and other wage and benefit requirements. Significant additional government-imposed increases in the following areas could materially affect our business, financial condition or operating results: minimum wages; tips and gratuities; mandatory health benefits; vacation accruals; paid leaves of absence, including paid sick leave; and tax reporting. Changes in such areas, particularly in California, may require us to implement additional pay increases or provide additional benefits in the future to continue to recruit, reward and retain the most qualified people, which could materially affect our business. If menu prices are increased by us to cover increased labor costs, the higher prices could adversely affect sales and thereby reduce our margins and adversely affect our business, financial condition or results of operations.

Governmental regulation may adversely affect our ability to open new restaurants or otherwise adversely affect our business, financial condition or results of operations.

We are subject to various federal, state and local regulations. Our restaurants are subject to state and local licensing and regulation by health, alcoholic beverage, sanitation, food and occupational safety and other agencies. We may experience material difficulties or failures in obtaining or renewing the necessary licenses, approvals or permits for our restaurants, which could delay planned restaurant openings or affect the operations at our existing restaurants. In addition, stringent and varied requirements of local regulators with respect to zoning, land use and environmental factors could delay or prevent development of new restaurants in particular locations.

We are subject to the U.S. Americans with Disabilities Act and similar state laws that give civil rights protections to individuals with disabilities in the context of employment, public accommodations and other areas, including our restaurants. We may in the future have to modify restaurants, for example, by adding access ramps or redesigning certain architectural fixtures, to provide service to or make reasonable accommodations for disabled persons. The expenses associated with these modifications could be material.

Our operations are also subject to the U.S. Occupational Safety and Health Act, which governs worker health and safety, the U.S. Fair Labor Standards Act, which governs such matters as minimum wages and overtime, and a variety of similar federal, state and local laws that govern these and other employment law matters. In addition, federal, state and local proposals related to paid sick leave or similar matters could, if implemented, materially adversely affect our business, financial condition or results of operations.

We could be party to litigation that could adversely affect us by distracting management, increasing our expenses or subjecting us to material money damages and other remedies.

Our guests may file complaints or lawsuits against us alleging we caused an illness or injury they suffered at or after a visit to our restaurants, or that we have problems with food quality or operations. We are also subject to a variety of other claims arising in the ordinary course of our business, including personal injury claims, contract claims and claims alleging violations of federal and state law regarding workplace and employment matters, equal opportunity, discrimination and similar matters, and we are presently subject to class action and other lawsuits with regard to certain of these matters and could become subject to additional class action or other lawsuits related to these or different matters in the future. Regardless of whether any claims against us are valid, or whether we are ultimately held liable, claims may be expensive to defend and may divert time and money away from our operations and hurt our performance. A judgment in excess of our insurance coverage for any claims could materially and adversely affect our business, financial condition or results of operations. Any adverse publicity resulting from these

allegations may also materially and adversely affect our reputation or prospects, which in turn could materially adversely affect our business, financial condition or results of operations.

We are subject to state and local "dram shop" statutes, which may subject us to uninsured liabilities. These statutes generally allow a person injured by an intoxicated person to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Because a plaintiff may seek punitive damages, which may not be fully covered by insurance, this type of action could have an adverse impact on our business, financial condition or results of operations. A judgment in such an action significantly in excess of, or not covered by, our insurance coverage could adversely affect our business, financial condition or results of operations. Further, adverse publicity resulting from any such allegations may adversely affect our business, financial condition or results of operations.

Our current insurance may not provide adequate levels of coverage against claims.

There are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure, such as losses due to natural disasters, acts of terrorism or the declaration of war. Such losses could have a material adverse effect on our business, financial condition or results of operations. In addition, our current insurance policies may not be adequate to protect us from liabilities that we incur in our business in areas such as workers' compensation, general liability, auto and property. In the future, our insurance premiums may increase, and we may not be able to obtain similar levels of insurance on reasonable terms, or at all. Any substantial inadequacy of, or inability to obtain, insurance coverage could materially adversely affect our business, financial condition and results of operations. Failure to maintain adequate directors' and officers' insurance would likely adversely affect our ability to attract and retain qualified officers and directors.

Changes to accounting rules or regulations may adversely affect our business, financial condition or results of operations.

Changes to existing accounting rules or regulations may impact our business, financial condition or results of operations. The introduction of new accounting rules or regulations and varying interpretations of existing accounting rules or regulations have occurred and may occur in the future. Future changes to accounting rules or regulations could materially adversely affect our business, financial condition or results of operations.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

As of August 31, 2026, we had federal net operating loss carryforwards of approximately $41.7 million and federal tax credit carryover of approximately $12.9 million. We recorded a full valuation allowance against these current net operating loss carryforwards as the benefit of such net operating loss carryforwards may not be fully utilized. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in ownership by "5 percent shareholders" over a rolling three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. Similar rules may apply under state tax laws. We may have experienced an ownership change in the past and may experience ownership changes in the future as a result of future transactions in our stock, some of which may be outside our control. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards, or other pre-change tax attributes, to offset U.S. federal and state taxable income may be subject to significant limitations.

Changes in tax laws and unanticipated tax liabilities could adversely affect our financial results.

We are subject to income and other taxes in the United States. Any significant changes in U.S. laws and related authoritative interpretations could affect our tax expense and profitability. We are also impacted by the outcome of tax audits, which could have a material effect on our results of operations and cash flows in the period or periods for which that determination is made. In addition, our effective income tax rate and our results may be impacted by our ability to realize deferred tax benefits and any increases or decreases of our valuation allowance applied to our deferred tax assets.

Risks Related to Ownership of Our Class A Common Stock

There may be an adverse effect on the value and liquidity of our Class A common stock due to the disparate voting rights of our Class A common stock and our Class B common stock.

With the exception of voting rights and certain conversion rights for the Class B common stock, holders of our Class A common stock and Class B common stock have identical rights. On all matters to be voted on by stockholders, holders of our Class A common stock are entitled to one vote per share while holders of our Class B common stock are entitled to 10 votes per share. The difference in the voting rights of our Class A common stock and Class B common stock could adversely affect the value of the Class A common stock to the extent that any investor or potential future purchaser of our Class A common stock ascribes value to the superior voting rights of our Class B common stock. The existence of two separate classes of common stock could result in less liquidity for our Class A common stock than if there were only one class of our common stock. In addition, if we issue additional shares of Class B common stock in the future, there will be further dilution to investors or potential future purchasers of our Class A common stock.

Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, some of which are beyond our control, resulting in a decline in our stock price.

Our quarterly operating results may fluctuate significantly because of several factors, including: recent and ongoing inflationary trends impacting our cost of food, labor and other costs: the timing of new restaurant openings and related expense; restaurant operating costs for our newly-opened restaurants, which are often materially greater during the first several months of operation than thereafter; labor availability and costs for hourly and management personnel; profitability of our restaurants, especially in new markets; changes in interest rates; increases and decreases in AUVs and comparable restaurant sales; impairment of long-lived assets and any loss on restaurant closures; macroeconomic conditions, both nationally and locally; negative publicity relating to the consumption of seafood or other food products we serve; changes in consumer preferences, spending behavior and competitive conditions; expansion in existing and new markets; increases in infrastructure costs; and fluctuations in commodity prices.

Seasonal factors and the timing of holidays also cause our sales to fluctuate from quarter to quarter. As a result of these factors, our quarterly and annual operating results and comparable restaurant sales may fluctuate significantly. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year and comparable restaurant sales for any particular future period may decrease. In addition, as we expand by opening more restaurants in cold weather climates, the seasonality of our business may be amplified. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the price of our common stock could be adversely impacted.

The price of our common stock may be volatile and you may lose all or part of your investment.

The market price of our common stock could fluctuate significantly, and you may not be able to resell your shares at or above the purchase price. Those fluctuations could be based on various factors in addition to those otherwise described in this report, including those described under "—Risks Related to Our Operations and Growth Strategy" and the following: our operating performance and the performance of our competitors or restaurant companies in general; the public's reaction to our press releases, our other public announcements and our filings with the SEC; changes in earnings estimates or recommendations by research analysts who follow us or other companies in our industry; global, national or local economic, legal and regulatory factors unrelated to our performance; future sales of our common stock or our equity interests by our officers, directors and significant stockholders; the arrival or departure of key personnel; and other developments affecting us, our industry or our competitors.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales may occur, could depress the market price of our common stock. This would include sales by Kura Japan, as detailed below under "—Risks Related to Our Organizational Structure."

Our amended and restated certificate of incorporation authorize us to issue up to 50,000,000 shares of Class A common stock and 10,000,100 shares of Class B common stock, of which, as of August 31, 2026, 11,153,615 shares of Class A common stock and 1,000,050 shares of Class B common stock are outstanding, and 669,504 shares of Class A common stock will be issuable upon the exercise of outstanding stock options and the vesting of RSUs and PSUs. The shares of Class A common stock offered are freely tradable without restriction under the Securities Act of 1933 (the "Securities Act"), except for any shares of our common stock that are held by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

Shares of our Class A common stock and Class B common stock held by our affiliates are subject to the volume and other restrictions of Rule 144 under the Securities Act.

In addition, we filed registration statements on Form S-8 under the Securities Act whereby 1,350,000 shares of Class A common stock are reserved for issuance under our 2018 Incentive Compensation Plan, as amended.

In the future, we may also issue common stock or other securities. The number of new shares of our common stock issued in connection with raising additional capital could constitute a material portion of the then outstanding shares of our common stock and dilute our current stockholders.

Additionally, our board of directors is authorized to issue up to 1,000,000 shares of preferred stock in one or more series, without any action on the part of holders of our Class A common stock. Holders of our Class A common stock are subject to the prior dividend and liquidation rights of any holders of our preferred stock or depositary shares representing such preferred stock then outstanding. Any future issuance of our preferred stock could cause the stock price of our common stock to decline.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price and trading volume to decline.

We do not intend to pay dividends for the foreseeable future.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any future determination to declare and pay cash dividends will be at the discretion of our board of directors and will depend on, among other things, our financial condition, results of operations, cash requirements, contractual restrictions and such other factors as our board of directors deems relevant. Our ability to pay dividends may also be limited by covenants under our Credit Facility, term loans or of any future outstanding indebtedness we, our subsidiaries or affiliates (including Kura Japan) incur. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

Provisions in our charter documents and Delaware law may delay or prevent our acquisition by a third party.

Our amended and restated certificate of incorporation and amended and restated bylaws, and Delaware law, contain several provisions that may make it more difficult for a third party to acquire control of us without the approval of our board of directors. These provisions also may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock.

Our amended and restated certificate of incorporation authorizes our board of directors to issue new series of preferred stock without stockholder approval. Depending on the rights and terms of any new series created, and the reaction of the market to the series, the rights and value associated with our Class A common stock could be

negatively affected. The ability of our board of directors to issue new series of preferred stock could also prevent or delay a third party from acquiring us, even if doing so would be beneficial to our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws each contain an exclusive forum provision, which could limit a stockholder's ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated certificate of incorporation and amended and restated bylaws each contain an exclusive forum provision providing that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees, agents or stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim that is governed by the internal affairs doctrine. However, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. In addition, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the exclusive forum provisions will not apply to suits brought to enforce any duty or liability created by the Securities Act or any other claim for which the federal and state courts have concurrent jurisdiction, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to these provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. The exclusive forum provisions, if enforced, may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits. Alternatively, if a court were to find the exclusive forum provisions to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects. For example, the Court of Chancery of the State of Delaware has previously determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable.

Risks Related to Our Organizational Structure

We are controlled by Kura Japan, whose interests may differ from those of our other stockholders.

As of the date of this report, Kura Japan controls 67% of the combined voting power of our equity interests through their ownership of both Class A common stock and Class B common stock, and effectively controls the outcome of matters submitted to stockholders that require a majority vote based on our outstanding equity interests. Kura Japan will, for the foreseeable future, have significant influence over corporate management and affairs, and will be able to control virtually all matters requiring stockholder approval so long as Kura Japan owns a majority of the combined voting power of our outstanding equity interests. Kura Japan is able to, subject to applicable law, elect a majority of the members of our board of directors and control actions to be taken by us and our board of directors, including amendments to our certificate of incorporation and bylaws and approval of significant corporate transactions, including, among other matters, mergers and sales of substantially all of our assets, as well as incurrence of indebtedness by us. The directors so elected will have the authority, subject to the terms of our indebtedness and applicable rules and regulations, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. It is possible that the interests of Kura Japan may in some circumstances conflict with our interests and the interests of our other stockholders, including you. For example, Kura Japan may have different tax positions from us that could influence their decisions regarding the structuring of future transactions, whether and when to dispose of assets, or whether and when to incur new or refinance existing indebtedness. Such indebtedness could contain covenants that prevent us from declaring dividends to stockholders. For additional information about our relationships with Kura Japan, you should read the information under "Note 5

— Related Party Transactions" to our audited financial statements included in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

We are a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Because of the voting power of Kura Japan, we are considered a "controlled company" for the purposes of the Nasdaq Stock Market. As such, we are exempt from certain corporate governance requirements of the Nasdaq Stock Market so long as we are considered a "controlled company," including: that we have a majority of independent directors on our board of directors, an entirely independent compensation committee and an independent nominating function. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Nasdaq Stock Market. We currently have a board composed of a majority of independent directors and our Compensation Committee and Nominating Committee are composed entirely of independent directors.

The interests of Kura Japan may conflict with ours or yours in the future.

Various conflicts of interest between Kura Japan and us could arise. Ownership interests of directors or officers of Kura Japan in our common stock, or a person's service as either a director or officer of both companies, could create or appear to create potential conflicts of interest when those directors and officers are faced with decisions that could have different implications for Kura Japan and us. These decisions could, for example, relate to: disagreement over corporate opportunities; management stock ownership; employee retention or recruiting; our dividend policy; and the services and arrangements from which we benefit as a result of our relationship with Kura Japan.

Potential conflicts of interest could also arise if we enter into any new commercial arrangements with Kura Japan in the future. Our directors and officers who have interests in both Kura Japan and us may also face conflicts of interest with regard to the allocation of their time between Kura Japan and us.

The corporate opportunity provisions in our amended and restated certificate of incorporation could enable Kura Japan to benefit from corporate opportunities that might otherwise be available to us.

Our amended and restated certificate of incorporation contains provisions related to corporate opportunities that may be of interest to both Kura Japan and us. It provides that if a corporate opportunity is offered to:

- one of our officers or employees who is also a director (but not an officer or employee) of Kura Japan, that opportunity will belong to us unless expressly offered to that person primarily in his or her capacity as a director of Kura Japan, in which case it will belong to Kura Japan;
- one of our directors who is also an officer or employee of Kura Japan, that opportunity will belong to Kura Japan unless expressly offered to that person primarily in his or her capacity as our director, in which case it will belong to us; and
- any person who is either (1) an officer or employee of both us and Kura Japan or (2) a director of both us and Kura Japan (but not an officer or employee of either one), that opportunity will belong to Kura Japan unless expressly offered to that person primarily in his or her capacity as our director, in which case such opportunity shall belong to us.

None of our officers or directors are also an officer, employee or director of Kura Japan. A very small number of our non-officer employees are both employees of our company and Kura Japan. Accordingly, none of our officers fit the description bullets above.

In following these procedures, any person who is offered a corporate opportunity will have satisfied his or her fiduciary duties to our stockholders and us. In addition, our amended and restated certificate of incorporation provides that any corporate opportunity that belongs to Kura Japan or to us, as the case may be, may not be pursued by the other, unless and until the party to whom the opportunity belongs determines not to pursue the opportunity and so informs the other party. Furthermore, so long as the material facts of any transaction between us and Kura Japan have been disclosed to or are known by our board of directors or relevant board committee, and the board or

such committee (which may, for quorum purposes, include directors who are directors or officers of Kura Japan) authorizes the transaction by an affirmative vote of a majority of the disinterested directors, then Kura Japan will have satisfied its fiduciary duties and will not be liable to us or our stockholders for any breach of fiduciary duty or duty of loyalty relating to that transaction. These provisions create the possibility that a corporate opportunity that may be pertinent to us may be used for the benefit of Kura Japan.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our cybersecurity risk management program is designed to monitor and control cybersecurity risk exposure, response, and mitigation, as well as protect confidentiality, integrity and availability of our critical systems and information. Our cybersecurity policies and processes are fully integrated into our Enterprise Risk Management program. Our cybersecurity risk management program is informed by the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) version 2.0 and incorporates its principles in assessing, identifying, and managing cybersecurity risks relevant to our business. While we leverage the NIST CSF as a foundational guide, our program is tailored to our specific operational and risk environment.

Our cybersecurity risk management program includes:

- Ongoing risk assessments to help identify material cybersecurity risks to our critical systems and information by performing regular scans of our environment, assessing incident trends and internal assessments of our cybersecurity practices;
- The use of external service providers, where appropriate, to monitor, identify, assess, test and remediate, or otherwise assist with aspects of our security controls, this includes quarterly and annual SOC 1/2 report reviews;
- Our technical security controls include but are not limited to firewalls, network segmentation, multi-factor authentication (“MFA”), endpoint detection & response (“EDR”), and managed detection & response (“MDR”). Our network segmentation is designed to prevent connectivity between the corporate network and restaurant systems;
- Mandatory cybersecurity awareness training for employees and simulated phishing attacks;
- A disaster recovery and business-continuity plan and controls designed to protect against business interruption, including the backing up of our critical systems;
- A cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents, internal reporting to management and the board of directors;
- Cybersecurity insurance which is assessed annually; and
- Ongoing enhancements to our risk management processes for service providers, suppliers, and vendors. We monitor our third-party access to our systems and we have a system development life cycle (“SDLC”) where early in the procurement process, we determine the level of risk that a third-party may present to the firm. The SDLC program is further enhanced through the application of risk-mitigating controls to monitor and evaluate risk on a continual basis.

Cybersecurity risks are monitored on an ongoing basis, and the security program and practices are adjusted to keep pace with the dynamic threat environment. We are not currently aware of risks from known cybersecurity threats that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial

condition.

Cybersecurity Governance

Our board of directors considers cybersecurity risk as part of its risk oversight function and oversees management's implementation of our cybersecurity risk management program, including the steps taken to monitor, minimize or control such risks or exposures.

The Audit Committee receives quarterly reports from management regarding the status of the cybersecurity risk management program, current activities, planned projects, and security assessments. In addition, management will update the board of directors, as necessary, regarding our cybersecurity risk management program and any significant cybersecurity incidents that we may experience.

Our management team is responsible for assessing and managing emerging cybersecurity developments, our material risks from cybersecurity threats and the strategy to mitigate cybersecurity risks. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our external cybersecurity consultants. Our cybersecurity risk management team is led by our Vice President of Information Security who has extensive experience in information technology and has held leadership roles at national restaurant companies.

Additional information on cybersecurity risks is discussed in Part I, Item 1A, "Risk Factors," under the heading "We rely significantly on information technology and cybersecurity, and any material failure, weakness, interruption or breach of security could prevent us from effectively operating our business."

Item 2. Properties

As of August 31, 2026, we operate 95 restaurants in 24 U.S. states and Washington, D.C. We operate a variety of restaurant formats, including in-line and end-cap restaurants located in retail centers of varying sizes. Our restaurants range in size from 1,600 to 7,920 square feet, with an average of approximately 3,500 square feet. We lease the property for our corporate offices and warehouse located in Irvine and Huntington Beach, California, respectively, and all of the properties on which we operate our restaurants.

The table below shows the locations of our restaurants as of August 31, 2026:

Location	Number of Restaurants
Arizona	4
California	27
Colorado	1
Florida	5
Georgia	3
Illinois	4
Indiana	1
Maryland	1
Massachusetts	3
Michigan	2
Minnesota	1
Missouri	1
Nevada	1
New Jersey	8
New York	4
North Carolina	1
Ohio	1
Oklahoma	1
Oregon	1
Pennsylvania	2
Texas	17
Utah	1
Virginia	1
Washington	3
Washington, D.C.	1
Total	95

We are obligated under non-cancelable leases for the majority of our restaurants, as well as our corporate offices. The majority of our restaurant leases have lease terms of twenty years, inclusive of customary extensions which are at our option. Our restaurant leases generally require us to pay a proportionate share of real estate taxes, insurance, common area maintenance charges, and other operating costs. Some restaurant leases provide for contingent rental payments based on sales thresholds.

Item 3. Legal Proceedings

For a description of our legal proceedings, see Part II, Item 8, Note 9 — Commitments and Contingencies of the Notes to Financial Statements of this Annual Report on Form 10-K, which is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our common stock has traded on the Nasdaq Global Market under the symbol "KRUS" since it began trading on August 1, 2019. Before then, there was no public market for our common stock.

Holders of Record

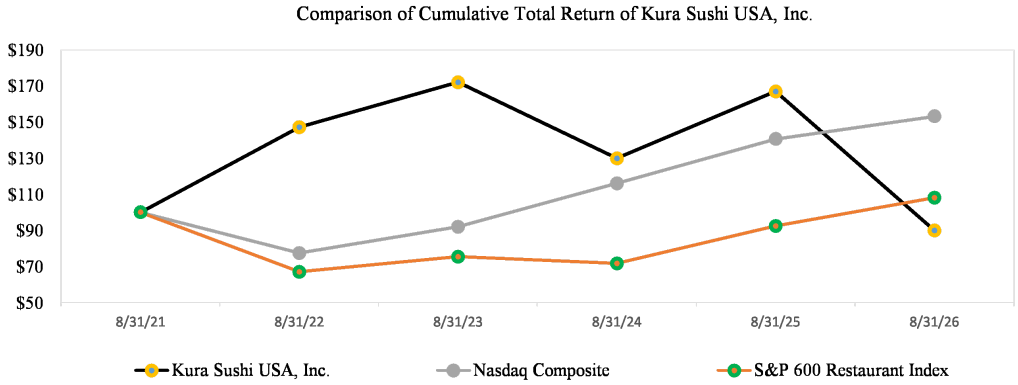
As of October 29, 2026, we had 27 holders of record of our Class A common stock and one holder of our Class B common stock. The number of holders of record is based upon the actual number of holders registered as of such date and does not include holders of shares in "street name" accounts through brokers, or persons, partnerships, associates, corporations or other entities in security position listings maintained by depositories.

Dividends

We have not declared, and currently do not plan to declare in the foreseeable future, dividends on our common stock. Instead, we anticipate that all our earnings in the foreseeable future, if any, will be used for the operation and growth of our business. Any future determination to pay dividends on our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, our results of operations, our liquidity, legal requirements, restrictions that may be imposed by the terms of current and future financing instruments and other factors deemed relevant by our board of directors.

Stock Performance Graph

The following graph presents a comparison from August 31, 2021 through August 31, 2026 of the cumulative return of our common stock, the Nasdaq Composite Index and the S&P 600 Restaurants Index. The graph assumes investment of $100 on August 31, 2021 in our common stock and in each of the two indices and the reinvestment of dividends. This graph is furnished and not "filed" with the SEC or "soliciting material" under the Exchange Act and shall not be incorporated by reference into any such filings, irrespective of any general incorporation contained in such filing.



Total Return Analysis

	8/31/2021	8/31/2022	8/31/2023	8/31/2024	8/31/2025	8/31/2026
Kura Sushi USA, Inc.	$ 100.00	$ 147.14	$ 171.95	$ 129.88	$ 166.92	$ 89.86
Nasdaq Composite	$ 100.00	$ 77.44	$ 91.98	$ 116.08	$ 140.61	$ 153.16
S&P 600 Restaurants Index	$ 100.00	$ 67.01	$ 75.37	$ 71.75	$ 92.42	$ 108.13

Recent Sales of Unregistered Securities

During fiscal year 2026, we did not sell any securities without registration under the Securities Act of 1933.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during fiscal year 2026.

Equity Compensation Plan Information

For equity compensation plan information, refer to "Part III, Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Annual Report on Form 10-K.

Item 6. [Reserved]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the "Selected Financial Data" and our financial statements and the related notes and other financial information included elsewhere in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Special Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

The following MD&A includes a discussion comparing our results in fiscal year 2026 to fiscal year 2025. For a discussion of our results of operations comparing fiscal year 2025 to fiscal year 2024 and a discussion of our cash flows for fiscal year 2024, refer to Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2025, filed with the SEC on November 6, 2025.

Overview

Kura Sushi USA, Inc. is a technology-enabled Japanese restaurant concept that provides guests with a distinctive dining experience by serving authentic Japanese cuisine through an engaging revolving sushi service model, which we refer to as the "Kura Experience." We encourage healthy lifestyles by serving freshly prepared Japanese cuisine using high-quality ingredients that are free from artificial seasonings, sweeteners, colorings, and preservatives. We aim to make quality Japanese cuisine accessible to our guests across the United States through affordable prices and an inviting atmosphere.

Business Trends

During fiscal year 2026, we opened 16 restaurants and expanded our restaurant base to 95 restaurants in 24 U.S. states and Washington, DC. We expect to open 17 new restaurants in fiscal year 2027 and therefore, we expect our revenue and restaurant operating costs to increase in fiscal year 2027. We also expect our general and administrative expenses to increase on a dollar basis in fiscal year 2027 to support our continued growth.

Ongoing geopolitical events could disrupt energy supplies, global supply chains, and food distribution markets, which may increase inflationary pressures, reduce consumer spending, and adversely affect our business, financial condition, results of operations, and profitability. During fiscal 2026, we implemented menu price increases that partially offset higher operating costs. While the termination of certain International Emergency Economic Powers Act tariffs has reduced some food and beverage cost pressures, our food and beverage costs remain subject to volatility from commodity price fluctuations, supply chain conditions, transportation costs and evolving trade policies, including tariffs. We continue to evaluate sourcing initiatives, operational efficiencies, and pricing actions to mitigate these pressures. However, sustained volatility in food and beverage costs could adversely affect profitability. See "Part I, Item 1A, 'Risk Factors — Risks Related to Our Operations and Growth Strategy.'"

Key Financial Definitions

Sales. Sales represent sales of food and beverages in restaurants. Restaurant sales in a given period are directly impacted by the number of restaurants we operate and comparable restaurant sales growth.

Food and beverage costs. Food and beverage costs are variable in nature, change with sales volume and are influenced by menu mix and subject to increases or decreases based on fluctuations in commodity costs. Other important factors causing fluctuations in food and beverage costs include seasonality and restaurant-level

management of food waste. Food and beverage costs are a substantial expense and are expected to grow proportionally as our sales grow.

Labor and related expenses. Labor and related expenses include all restaurant-level management and hourly labor costs, including wages, employee benefits, stock-based compensation for restaurant-level employees and payroll taxes. Similar to the food and beverage costs that we incur, labor and related expenses are expected to grow proportionally as our sales grow. Factors that influence fluctuations in our labor and related expenses include minimum wage and payroll tax legislation, the frequency and severity of workers' compensation claims, healthcare costs and by the performance of our restaurants.

Occupancy and related expenses. Occupancy and related expenses include rent for all restaurant locations and related taxes.

Depreciation and amortization expenses. Depreciation and amortization expenses are periodic non-cash charges that consist of depreciation of fixed assets, including equipment and capitalized leasehold improvements and definite-lived liquor licenses. Depreciation is determined using the straight-line method over the assets' estimated useful lives, ranging from two to 20 years.

Other costs. Other costs include credit card processing fees, repairs and maintenance, restaurant-level advertising and promotions, restaurant supplies, royalty payments to Kura Japan, utilities and other restaurant-level expenses.

General and administrative expenses. General and administrative expenses include expenses associated with corporate and regional supervision functions that support the operations of existing restaurants and development of new restaurants, including compensation and benefits, travel expenses, stock-based compensation for corporate-level employees, legal and professional fees, information systems, corporate office rent and other related corporate costs. General and administrative expenses are expected to grow as our unit base grows.

Impairment and disposal of long-lived assets. Impairment and disposal of long-lived assets include the resulting charges when facts and circumstances indicate that the carrying amount of an asset may not be fully recoverable, as well as gains or losses associated with the disposal of long-lived assets.

Interest expense. Interest expense includes cash and non-cash charges related to our line of credit and finance lease obligations.

Interest income. Interest income includes income earned on our money market funds and investments.

Income tax expense. Provision for income taxes represents federal, state and local current and deferred income tax expense.

Results of Operations

The following table presents selected comparative results of operations from our audited financial statements for the fiscal year ended August 31, 2026 compared to the fiscal year ended August 31, 2025. Our financial results for these periods are not necessarily indicative of the financial results that we will achieve in future periods. Certain percentage totals for the table below may not sum due to rounding.

	Fiscal Years Ended August 31,			
	2026	2025	$ Change	% Change
	(dollar amounts in thousands)			
Sales	$ 328,276	$ 282,763	$ 45,513	16.1 %
Restaurant operating costs:				
Food and beverage costs	98,593	80,772	17,821	22.1
Labor and related costs	101,805	93,014	8,791	9.5
Occupancy and related expenses	25,971	21,002	4,969	23.7
Depreciation and amortization expenses	17,215	13,598	3,617	26.6
Other costs	48,924	40,943	7,981	19.5
Total restaurant operating costs	292,508	249,329	43,179	17.3
General and administrative expenses	40,633	37,747	2,886	7.6
Depreciation and amortization expenses	498	448	50	11.2
Impairment and disposal of long-lived assets	1,227	—	1,227	—
Total operating expenses	334,866	287,524	47,342	16.5
Operating loss	(6,590)	(4,761)	(1,829)	38.4
Other expense (income):				
Interest expense	67	70	(3)	(4.3)
Interest income	(2,234)	(3,102)	868	(28.0)
Loss before income taxes	(4,423)	(1,729)	(2,694)	155.8
Income tax expense	222	175	47	26.9
Net loss	$ (4,645)	$ (1,904)	$ (2,741)	144.0 %

	Fiscal Years Ended August 31,	
	2026	2025
	(as a percentage of sales)	
Sales	100.0 %	100.0 %
Restaurant operating costs		
Food and beverage costs	30.0	28.6
Labor and related costs	31.0	32.9
Occupancy and related expenses	7.9	7.4
Depreciation and amortization expenses	5.2	4.8
Other costs	14.9	14.5
Total restaurant operating costs	89.1	88.2
General and administrative expenses	12.4	13.3
Depreciation and amortization expenses	0.2	0.2
Impairment and disposal of long-lived assets	0.4	—
Total operating expenses	102.0	101.7
Operating loss	(2.0)	(1.7)
Other expense (income):		
Interest expense	0.0	0.0
Interest income	(0.7)	(1.1)
Loss before income taxes	(1.3)	(0.6)
Income tax expense	0.1	0.1
Net loss	(1.4) %	(0.7) %

Fiscal Year Ended August 31, 2026 Compared to Fiscal Year Ended August 31, 2025

Sales. Sales were $328.3 million for fiscal year 2026 compared to $282.8 million for fiscal year 2025, representing an increase of $45.5 million, or 16.1%. The increase in sales was primarily driven by the sales resulting from 16 new restaurants opened during fiscal year 2026, as well as increases in menu prices during the same period. Comparable restaurant sales decreased 0.4%, consisting of negative traffic of 4.3% offset by higher price/mix of 3.9%, for fiscal year 2026 as compared to fiscal year 2025. The decrease in traffic is a result of lower consumer spending due to the macroeconomic environment. AUV was $3.8 million for fiscal year 2026 compared to $3.9 million for fiscal year 2025.

Food and beverage costs. Food and beverage costs were $98.6 million for fiscal year 2026 compared to $80.8 million for fiscal year 2025, representing an increase of $17.8 million, or 22.1%. This increase was primarily driven by costs associated with sales from 16 new restaurants opened during fiscal year 2026. As a percentage of sales, food and beverage costs increased to 30.0% in fiscal year 2026, as compared to 28.6% in fiscal year 2025, primarily due to inflationary pressures on certain imported ingredients, including tariff impacts and commodity price inflation, which was partially offset by increases in menu prices.

Labor and related costs. Labor and related costs were $101.8 million for fiscal year 2026 compared to $93.0 million for fiscal year 2025, representing an increase of $8.8 million, or 9.5%. This increase in labor and related costs was primarily driven by additional labor costs incurred from 16 new restaurants opened during fiscal year 2026. As a percentage of sales, labor and related costs decreased to 31.0% in fiscal year 2026, compared to 32.9% in fiscal year 2025. The decrease in cost as a percentage of sales was primarily due to initiatives relating to operations such as the reservation system and scheduling, and increases in menu prices, partially offset by low-single digit wage inflation.

Occupancy and related expenses. Occupancy and related expenses were $26.0 million for fiscal year 2026 compared to $21.0 million for fiscal year 2025, representing an increase of $5.0 million, or 23.7%. This increase was primarily a result of additional lease expense incurred with respect to 16 new restaurants that opened during fiscal year 2026. As a percentage of sales, occupancy and related expenses increased to 7.9% in fiscal year 2026, compared to 7.4% in fiscal year 2025, primarily driven by sales deleverage and incremental pre-opening expenses.

Depreciation and amortization expenses. Depreciation and amortization expenses incurred as part of restaurant operating costs were $17.2 million for fiscal year 2026 compared to $13.6 million for fiscal year 2025, representing an increase of $3.6 million or 26.6%. This increase was primarily due to the depreciation of property and equipment related to the opening of 16 new restaurants in fiscal year 2026. As a percentage of sales, depreciation and amortization expense at the restaurant-level was 5.2% in fiscal year 2026, compared to 4.8% in fiscal year 2025, increase was primarily due to depreciation associated with restaurant renovation costs and other capital projects. Depreciation and amortization expenses incurred at the corporate level were $0.5 million for both fiscal year 2026 and fiscal year 2025, and as a percentage of sales were both 0.2%.

Other costs. Other costs were $48.9 million for the fiscal year 2026 compared to $40.9 million for fiscal year 2025, representing an increase of $8.0 million, or 19.5%. The increase was primarily driven by an increase in costs related to 16 new restaurants opened in fiscal year 2026. As a percentage of sales, other costs were 14.9% in fiscal year 2026 as compared to 14.5% in fiscal year 2025, primarily driven by increase in utilities, kitchenware and repairs and maintenance expense.

General and administrative expenses. General and administrative expenses were $40.6 million for fiscal year 2026 compared to $37.7 million for fiscal year 2025, representing an increase of $2.9 million, or 7.6%. The increase was primarily due to compensation-related costs of $2.1 million, travel expenses of $0.5 million, software licenses of $0.5 million, professional fees of $0.2 million and $0.5 million of other net expenses, partially offset by a net decrease in litigation costs of $0.9 million. As a percentage of sales, general and administrative expenses decreased to 12.4% in fiscal year 2026 from 13.3% in fiscal year 2025, primarily driven by sales leverage of compensation-related costs and litigation costs.

Impairment and disposal of long-lived assets. Impairment of long-lived assets was $0.9 million for fiscal year 2026 related to property and equipment of one restaurant location as a result of its performance. Disposal of

long-lived assets was $0.3 million for fiscal year 2026 related to restaurants' losses on disposal of equipment. No impairment loss was recognized during the fiscal year ended August 31, 2025.

Interest expense. Interest expense was $67 thousand for fiscal year 2026 and $70 thousand for fiscal year 2025.

Interest income. Interest income was $2.2 million for fiscal year 2026 and $3.1 million for fiscal year 2025. The decrease was primarily driven by lower interest rates and decrease in investments due to operating cash needs.

Income tax expense. Income tax expense was $0.2 million for both fiscal years 2026 and 2025.

Key Performance Indicators

In assessing the performance of our business, we consider a variety of financial and performance measures. The key measures for determining how our business is performing include sales, EBITDA, Adjusted EBITDA, Restaurant-level Operating Profit, Restaurant-level Operating Profit margin, Average Unit Volumes ("AUVs"), comparable restaurant sales performance, and the number of restaurant openings.

Sales

Sales represents sales of food and beverages in restaurants, as shown on our statements of operations and comprehensive loss. Several factors affect our restaurant sales in any given period including the number of restaurants in operation, guest traffic and average check.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income (loss) before interest, income taxes and depreciation and amortization. Adjusted EBITDA is defined as EBITDA plus stock-based compensation expense, non-cash lease, closure costs, restaurant impairments and asset disposal charges, as well as certain items, such as litigation, that we believe are not indicative of our core operating results. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by sales. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures which are intended as supplemental measures of our performance and are neither required by, nor presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA margin provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results. However, these measures 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 our GAAP financial results.

We believe that the use of EBITDA, Adjusted EBITDA and Adjusted EBITDA margin provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, you should be aware when evaluating EBITDA, Adjusted EBITDA and Adjusted EBITDA margin that in the future we may incur expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Adjusted EBITDA and Adjusted EBITDA margin in the same fashion.

Because of these limitations, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA, Adjusted EBITDA and Adjusted EBITDA margin on a supplemental basis. You should review the reconciliation of net (loss) income to EBITDA, Adjusted EBITDA and Adjusted EBITDA margin below and not rely on any single financial measure to evaluate our business.

The following table reconciles net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA margin for the fiscal years ended August 31, 2026 and August 31, 2025:

	Fiscal Years Ended August 31,	
	2026	2025
	(amounts in thousands)	
Net loss	$ (4,645)	$ (1,904)
Interest income, net	(2,167)	(3,032)
Taxes	222	175
Depreciation and amortization	17,713	14,046
EBITDA	11,123	9,285
Stock-based compensation expense[(a)]	4,820	4,735
Non-cash lease expense[(b)]	3,563	2,731
Impairment and disposal of long-lived assets[(c)]	1,227	—
Litigation[(d)]	1,453	2,314
Adjusted EBITDA	$ 22,186	$ 19,065
Adjusted EBITDA margin	6.8%	6.7%

(a) 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 of corporate-level stock-based compensation included in general and administrative expenses in the statements of operations and comprehensive loss, see "Note 11 — Stock-based Compensation" to the financial statements in this Annual Report on Form 10-K.

(b) 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.

(c) Impairment and disposal of long-lived assets include an impairment charge related to one restaurant location as a result of its performance and other restaurants' losses on disposal of equipment.

(d) Litigation includes expenses related to legal claims and settlements.

Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) Margin

Restaurant-level Operating Profit (Loss) is defined as operating income (loss) plus depreciation and amortization; stock-based compensation expense; pre-opening costs and general and administrative expenses which are considered normal, recurring, cash operating expenses and are essential to support the development and operations of our restaurants; non-cash lease expense; closure costs, restaurant impairments and asset disposal charges; 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. Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin are intended as supplemental measures of our performance and are neither required by, nor presented in accordance with, GAAP. We believe that Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and operating results, as this measure depicts normal, recurring cash operating expenses essential to supporting the development and operations of our restaurants. However, these measures 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 our GAAP financial results. We expect Restaurant-level Operating Profit (Loss) to increase in proportion to the number of new restaurants we open and our comparable restaurant sales growth.

We present Restaurant-level Operating Profit (Loss) because it excludes the impact of general and administrative expenses, which are not incurred at the restaurant-level. We also use Restaurant-level Operating Profit (Loss) to measure operating performance and returns from opening new restaurants. Restaurant-level Operating Profit (Loss) margin allows us to evaluate the level of Restaurant-level Operating Profit (Loss) generated from sales.

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 expenses excluded from such measures.

In addition, when evaluating Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin, you should be aware that in the future we may incur expenses similar to those excluded when calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Our computation of Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin in the same fashion. Restaurant-level Operating Profit (Loss) and Restaurant-level Operating Profit (Loss) margin have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

The following table reconciles operating loss to Restaurant-level Operating Profit and Restaurant-level Operating Profit margin for the fiscal years ended August 31, 2026 and August 31, 2025:

	Fiscal Years Ended August 31,	
	2026	2025
	(amounts in thousands)	
Operating loss	$ (6,590)	$ (4,761)
Depreciation and amortization	17,713	14,046
Stock-based compensation expense[(a)]	4,820	4,735
Pre-opening costs[(b)]	1,578	1,565
Non-cash lease expense[(c)]	3,563	2,731
Impairment and disposal of long-lived assets[(d)]	1,227	—
General and administrative expenses	40,633	37,747
Corporate-level stock-based compensation included in general and administrative expenses	(3,955)	(3,942)
Restaurant-level operating profit	$ 58,989	$ 52,121
Operating loss margin	(2.0)%	(1.7)%
Restaurant-level operating profit margin	18.0%	18.4%

(a) 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 of corporate-level stock-based compensation included in general and administrative expenses in the statements of operations and comprehensive loss, see “Note 11 — Stock-based Compensation” to the financial statements in this Annual Report on Form 10-K.

(b) 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.

(c) 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.

(d) Impairment and disposal of long-lived assets include an impairment charge related to one restaurant location as a result of its performance and other restaurants’ losses on disposal of equipment.

Average Unit Volumes ("AUVs")

"Average Unit Volumes" or "AUVs" consist of the average annual sales of all restaurants that have been open for 18 full calendar months or longer at the end of the fiscal year presented due to new restaurants experiencing a period of higher sales upon opening. AUVs are calculated by dividing (x) annual sales for the fiscal year presented for all such restaurants by (y) the total number of restaurants in that base. We make fractional adjustments to sales for restaurants that were not open for the entire fiscal year presented (such as a restaurant closed for renovation) to annualize sales for such associated period. This measurement allows management to assess changes in consumer spending patterns at our restaurants and the overall performance of our restaurant base.

The following table shows the AUVs for the fiscal years ended August 31, 2026 and August 31, 2025:

	Fiscal Years Ended August 31,	
	2026	2025
	(amounts in thousands)	
Average Unit Volumes	$ 3,800	$ 3,947

Comparable Restaurant Sales Performance

Comparable restaurant sales performance refers to the percent change in year-over-year sales for the comparable restaurant base. We include 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.

Measuring our comparable restaurant sales performance allows us to evaluate the performance of our existing restaurant base. Various factors impact comparable restaurant sales, including:

- consumer recognition of our brand and our ability to respond to changing consumer preferences and spending behavior;
- overall economic trends, particularly those related to consumer spending;
- our ability to operate restaurants effectively and efficiently to meet consumer expectations;
- pricing;
- guest traffic;
- per-guest spend and average check;
- marketing and promotional efforts;
- local competition; and
- opening of new restaurants in the vicinity of existing locations.

Since opening new restaurants will be a significant component of our sales growth, comparable restaurant sales performance is only one measure of how we evaluate our performance. The following table shows the comparable restaurant sales performance for the fiscal years ended August 31, 2026 and August 31, 2025:

	Fiscal Years Ended August 31,	
	2026	2025
Comparable restaurant sales performance (%)	(0.4)%	(1.3)%
Comparable restaurant base	70	57

Number of Restaurant Openings

The number of restaurant openings reflects the number of restaurants opened during a particular reporting period. Before we open new restaurants, we incur pre-opening costs. New restaurants may not be profitable, and their sales performance may not follow historical patterns. The number and timing of restaurant openings has had, and is expected to continue to have, an impact on our results of operations. The following table shows the growth in our restaurant base for the fiscal years ended August 31, 2026 and August 31, 2025:

	Fiscal Years Ended August 31,	
	2026	2025
Restaurant activity:		
Beginning of period	79	64
Openings	16	15
End of period	95	79

Liquidity and Capital Resources

Our primary sources of liquidity and cash flows are cash and cash equivalents on hand and cash provided by operating activities. Our primary uses of cash are for operational expenditures and capital investments, including new restaurants, costs incurred for restaurant renovations and restaurant equipment. The significant components of our working capital are liquid assets such as cash, cash equivalents and receivables reduced by accounts payable and accrued expenses. Our working capital position benefits from the fact that we generally collect cash from sales to guests the same day or, in the case of credit or debit card transactions, within several days of the related sale, while we typically have longer payment terms with our vendors.

On December 29, 2025, we filed a universal shelf registration statement on Form S-3 (the "Registration Statement") with the SEC in accordance with the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement was declared effective on January 7, 2026, and registered Class A common stock, preferred stock, depositary shares, warrants, subscription rights, share purchase contracts, share purchase units, and any combination of the foregoing, for a maximum aggregate offering price of up to $100.0 million, which may be sold from time to time. The terms of any securities offered under the Registration Statement and
intended use of proceeds will be established at the times of the offerings and will be described in prospectus supplements filed with the SEC at the times of the offerings. The Registration Statement has a three-year term from the date of effectiveness.

We believe that cash provided by operating activities, cash on hand, cash equivalents and short-term investments will be sufficient to fund our lease obligations, capital expenditures and working capital needs for at least the next 12 months. We also maintain a Revolving Credit Agreement with Kura Japan, of which the maturity date has been extended to April 10, 2028 pursuant to the Third Amendment with Kura Japan.

As of August 31, 2026, we had no outstanding borrowings under the Revolving Credit Agreement and have $45.0 million of availability remaining. As of August 31, 2026, we did not have any material off-balance sheet arrangements.

Summary of Cash Flows

The following table summarizes our cash flows for the periods presented:

	Fiscal Years Ended August 31,	
	2026	2025
	(amounts in thousands)	
Statement of Cash Flow Data:		
Net cash provided by operating activities	$ 31,867	$ 24,711
Net cash used in investing activities	(51,481)	(93,725)
Net cash provided by financing activities	500	65,526

Cash Flows Provided by Operating Activities

Net cash provided by operating activities during the fiscal year 2026 was $31.9 million, which primarily results from net loss of $4.6 million, non-cash charges of $17.7 million for depreciation and amortization, $4.8 million for stock-based compensation, $1.2 million in impairment and disposal of long lived assets, bond premium amortization of $0.2 million, and net cash inflows of $12.6 million from changes in operating assets and liabilities.

Net cash provided by operating activities during the fiscal year 2025 was $24.7 million, which primarily results from net loss of $1.9 million, non-cash charges of $14.0 million for depreciation and amortization, $4.7 million for stock-based compensation, bond premium amortization of $0.3 million, and net cash inflows of $7.4 million from changes in operating assets and liabilities.

Cash Flows Used in Investing Activities

Net cash used in investing activities during the fiscal year 2026 was $51.5 million, primarily due to $35.3 million in purchases of investments, $57.0 million in purchases of property and equipment, $1.1 million in purchases of liquor licenses and $0.5 million for payments of initial direct costs, offset by $42.4 million of maturities and redemptions of investments. Cash outflow for purchases of property and equipment is primarily related to capital expenditures for current and future restaurant openings, renovations, maintaining our existing restaurants and other projects.

Net cash used in investing activities during the fiscal year 2025 was $93.7 million, primarily due to $74.7 million in purchases of investments, $46.1 million in purchases of property and equipment, $2.2 million in purchases of liquor licenses and $0.5 million for payments of initial direct costs, offset by $29.8 million of maturities and redemptions of investments. Cash outflow for purchases of property and equipment is primarily related to capital expenditures for current and future restaurant openings, renovations, maintaining our existing restaurants and other projects.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities during fiscal year 2026 was $0.5 million and is primarily due to $1.0 million of proceeds from exercise of stock options offset by $0.4 million in taxes paid on vested RSUs.

Net cash provided by financing activities during fiscal year 2025 was $65.5 million and is primarily due to aggregate net proceeds from the issuance of stock of $64.4 million after deducting the underwriting discounts and commissions and offering expenses, $1.6 million of proceeds from exercise of stock options offset by $0.3 million in taxes paid on vested RSUs.

Material Cash Requirements

As of August 31, 2026, we had an aggregate of approximately $21.7 million in contractual obligations which consisted of $14.6 million in purchase commitments for food related to restaurant operations and $7.1 million related to the construction of new restaurants. All contractual obligations are expected to be paid during the next 12 months utilizing cash and cash equivalents on hand and provided by operations. For operating and finance lease obligations, see “Note 4 — Leases” to the financial statements included in this Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

Our discussion and analysis of operating results and financial condition are based upon our financial statements. The preparation of our financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales, expenses and related disclosures of contingent assets and liabilities. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

Our critical accounting policies are those that materially affect our financial statements. Our critical accounting estimates are those estimates that are made in accordance with GAAP, involve subjective or complex judgments by management, and are reasonably likely to have a material impact on our financial statements or results of operations. Although these estimates are based on management’s best knowledge of current events and actions

that may impact us in the future, actual results may be materially different from the estimates. We believe the following incremental borrowing rates and impairment of long-lived assets estimate are affected by significant judgments and estimates used in the preparation of our financial statements and that the judgments and estimates are reasonable.

Operating Leases

At inception of a contract, we assess whether the contract is a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification, measurement, and recognition are determined at lease commencement, which is the date the underlying asset is available for use by us. The accounting classification of a lease is based on whether the arrangement is effectively a financed purchase of the underlying asset (finance lease) or not (operating lease). We currently lease all of our restaurant locations and our corporate offices, and all of them are classified as operating leases. For leases with renewal periods at our option, we determine the lease term based on whether the renewal of any options is reasonably certain to be exercised at the inception of the lease.

All lease liabilities are measured at the present value of the lease payments not yet paid. To determine the present value of lease payments not yet paid, we estimate the incremental borrowing rates corresponding to the maturities of the leases. As we have no outstanding debt, we estimate this rate based on prevailing financial market conditions, a synthetic credit rating and credit analysis. Right-of-use ("ROU") assets for operating leases are initially measured based on the lease liability, adjusted for initial direct costs, prepaid rent, and lease incentives. The operating lease ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for unamortized initial direct costs, prepaid or accrued lease payments, and unamortized lease incentives.

Impairment of Long-Lived Assets

We assess potential impairments of our long-lived assets, which includes property and equipment and operating lease right-of-use assets, in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 360—Property, Plant and Equipment. An impairment assessment is performed at the individual restaurant level to determine if events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Assets are grouped at the individual restaurant level because a restaurant represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The primary indicator considered by us in the assessment is significant historical cash flow underperformance at the individual restaurant level. Other indicators that are considered by us include but are not limited to: significant negative industry, economic or customer trends and expectations that the asset group will be sold or otherwise disposed of before the end of its previously estimated useful life. If there are indicators that the carrying value of an asset group may not be recoverable, recoverability is measured by a comparison of the carrying amount of an asset group to its estimated undiscounted forecasted restaurant cash flows expected to be generated by the asset group. The estimated undiscounted forecasted cash flows include assumptions made by us regarding certain items such as revenue, food and beverage costs, labor costs, occupancy costs, and other restaurant operating costs and therefore are subject to uncertainty as our actual results may differ from our estimates. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. For more information on impairment of long-lived assets, see "Note 2 — Basis of Presentation and Summary of Significant Accounting Policies" to the financial statements included in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosure of Market Risks

Commodity and Food Price Risks

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including food and beverages and other commodities. We have been able to partially offset cost increases resulting from a number of factors, including market conditions, shortages or interruptions in supply due to weather or other conditions beyond our control, governmental regulations, and inflation, by increasing our menu prices, as well as making other operational adjustments that increase productivity. However, substantial increases in costs and expenses, including due to changes to tariffs or adverse impacts resulting from restrictive trade policies or trade disputes, could impact our operating results to the extent that menu prices increase or operational adjustments cannot offset such increases.

Inflation Risk

The primary inflationary factors affecting our operations are food and beverage costs, labor costs, construction costs and energy costs. Our restaurant operations are subject to federal and state minimum wage and other laws governing working conditions, overtime and tip credits. Significant numbers of our restaurant personnel are paid at rates related to the federal and/or state minimum wage and, accordingly, increases in the minimum wage increase our labor costs. To the extent permitted by competition and the economy, we have mitigated increased costs by increasing menu prices and may continue to do so if deemed necessary in future years. Substantial increases in costs and expenses could impact our operating results to the extent such increases cannot be passed through to our guests. Severe increases in inflation, however, could affect the global and U.S. economies and could have an adverse impact on our business, financial condition or results of operations.

While we have been able to offset inflation and other changes in the costs of core operating resources by gradually increasing menu prices, coupled with more efficient purchasing practices, productivity improvements and greater economies of scale, there can be no assurance that we will be able to continue to do so in the future. From time to time, competitive conditions could limit our menu pricing flexibility. In addition, macroeconomic conditions could make additional menu price increases imprudent. There can be no assurance that increased menu prices can offset future cost increases or that our guests will fully absorb increased menu prices without any resulting change to their visit frequencies or purchasing patterns. In addition, there can be no assurance that we will generate the same sales growth in an amount sufficient to offset inflationary or other cost pressures.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Kura Sushi USA, Inc.:

Opinions on the Financial Statements and Internal Control Over Financial Reporting
We have audited the accompanying balance sheets of Kura Sushi USA, Inc. (the Company) as of August 31, 2026 and 2025, the related statements of operations and comprehensive loss, stockholders' equity, and cash flows for each of the years in the three-year period ended August 31, 2026, and the related notes (collectively, the financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2026 and 2025, and the results of its operations and its cash flows for each of the years in the three-year period ended August 31, 2026, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2026 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions
The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter
The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of long-lived assets for impairment
As discussed in Notes 2 and 3 to the financial statements, the Company assesses long-lived assets at the individual restaurant level to determine whether events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. The primary indicator considered by the Company is significant historical cash flow underperformance at the individual restaurant level. Other indicators include significant negative industry, economic or customer trends and expectations that an asset group will be sold or otherwise disposed of before the end of its previously estimated useful life. As of August 31, 2026, the Company's property and equipment, net, and operating lease right-of-use assets were $211.4 million and $185.3 million, respectively.

We identified the evaluation of potential indicators of impairment of long-lived assets as a critical audit matter. Subjective auditor judgment was required to evaluate the Company's assessment of whether certain restaurants' cash flow results and other events or changes in circumstances represented indicators of impairment. This included assessing individual restaurant-level cash flows that underperformed, significant negative industry, economic or customer trends, expectations that restaurant asset groups will be sold or otherwise disposed of before the end of their previously estimated useful lives, and other events or changes in circumstances to identify if a potential trigger was present.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's long-lived asset impairment process, including controls related to the identification and evaluation of potential indicators of impairment. We assessed the Company's identification and evaluation of potential indicators of impairment by:

- evaluating historical cash flow results to identify underperforming individual restaurants for potential impairment indicators
- considering available industry, economic and customer information for significant negative trends or expectations
- evaluating expectations of whether restaurant asset groups will be sold or otherwise disposed of before the end of their previously estimated useful lives, including reading board of directors meeting minutes.

/s/ KPMG LLP

We have served as the Company's auditor since 2020.

San Diego, California
November 5, 2026

Kura Sushi USA, Inc.
Balance Sheets
(amounts in thousands, except par value)

	As of August 31,	
	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 28,384	$ 47,498
Short-term investments	19,832	14,964
Accounts and other receivables	4,674	6,410
Inventories	2,628	2,141
Due from affiliate	39	126
Prepaid expenses and other current assets	3,574	4,308
Total current assets	59,131	75,447
Non-current assets:		
Property and equipment – net	211,350	171,190
Operating lease right-of-use assets	185,282	146,416
Long-term investments	17,362	29,542
Deposits and other assets	8,006	8,347
Total assets	$ 481,131	$ 430,942
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 11,297	$ 11,533
Accrued expenses and other current liabilities	5,003	4,116
Salaries and wages payable	11,417	10,310
Operating lease liabilities – current	16,494	14,083
Due to affiliate	1,039	525
Sales tax payable	2,429	2,213
Total current liabilities	47,679	42,780
Non-current liabilities:		
Operating lease liabilities – non-current	199,826	155,932
Other liabilities	1,689	1,160
Total liabilities	249,194	199,872
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 1,000 shares authorized, no shares issued or outstanding	—	—
Class A common stock, $0.001 par value; 50,000 authorized, 11,154 and 11,111 issued and outstanding as of August 31, 2026 and August 31, 2025, respectively	11	11
Class B common stock, $0.001 par value; 10,000 authorized, 1,000 issued and outstanding as of August 31, 2026 and August 31, 2025	1	1
Additional paid-in capital	271,516	265,973
Accumulated deficit	(39,537)	(34,892)
Accumulated other comprehensive loss	(54)	(23)
Total stockholders' equity	231,937	231,070
Total liabilities and stockholders' equity	$ 481,131	$ 430,942

See accompanying notes to financial statements

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

	Fiscal Years Ended August 31,		
	2026	2025	2024
Sales	$ 328,276	$ 282,763	$ 237,860
Restaurant operating costs:			
Food and beverage costs	98,593	80,772	69,509
Labor and related costs	101,805	93,014	76,614
Occupancy and related expenses	25,971	21,002	16,792
Depreciation and amortization expenses	17,215	13,598	11,362
Other costs	48,924	40,943	34,060
Total restaurant operating costs	292,508	249,329	208,337
General and administrative expenses	40,633	37,747	39,050
Depreciation and amortization expenses	498	448	425
Impairment and disposal of long-lived assets	1,227	—	1,553
Total operating expenses	334,866	287,524	249,365
Operating loss	(6,590)	(4,761)	(11,505)
Other expense (income):			
Interest expense	67	70	47
Interest income	(2,234)	(3,102)	(2,915)
Loss before income taxes	(4,423)	(1,729)	(8,637)
Income tax expense	222	175	167
Net loss	$ (4,645)	$ (1,904)	$ (8,804)
Net loss per Class A and Class B shares			
Basic	$ (0.38)	$ (0.16)	$ (0.79)
Diluted	$ (0.38)	$ (0.16)	$ (0.79)
Weighted average Class A and Class B shares			
Basic	12,132	11,916	11,204
Diluted	12,132	11,916	11,204
Other comprehensive loss:			
Unrealized loss on investments	$ (31)	$ (23)	$ (43)
Comprehensive loss	$ (4,676)	$ (1,927)	$ (8,847)

See accompanying notes to financial statements

Kura Sushi USA, Inc.
Statements of Stockholders' Equity
(amounts in thousands)

	Common Stock				Additional		Accumulated Other	Total
	Class A		Class B					
	Shares	Amount	Shares	Amount	Paid-in Capital	(Accumulated Deficit)	Comprehensive Income (Loss)	Stockholders' Equity
Balances as of August 31, 2023	10,147	$ 10	1,000	$ 1	$ 188,771	$ (24,184)	$ 43	$ 164,641
Stock-based compensation	—	—	—	—	4,532	—	—	4,532
Employee stock plan	106	—	—	—	2,212	—	—	2,212
Net loss	—	—	—	—	—	(8,804)	—	(8,804)
Other comprehensive loss	—	—	—	—	—	—	(43)	(43)
Balances as of August 31, 2024	10,253	$ 10	1,000	$ 1	$ 195,515	$ (32,988)	$ —	$ 162,538
Stock-based compensation	—	—	—	—	4,881	—	—	4,881
Employee stock plan	58	—	—	—	1,223	—	—	1,223
Issuance of common stock in connection with follow-on public offering, net of underwriter discounts and issuance costs	800	1	—	—	64,354	—	—	64,355
Net loss	—		—	—	—	(1,904)	—	(1,904)
Other comprehensive loss	—	—	—	—	—	—	(23)	(23)
Balances as of August 31, 2025	11,111	$ 11	1,000	$ 1	$ 265,973	$ (34,892)	$ (23)	$ 231,070
Stock-based compensation	—	—	—	—	4,946	—	—	4,946
Employee stock plan	43	—	—	—	597	—	—	597
Net loss	—	—	—	—	—	(4,645)	—	(4,645)
Other comprehensive loss	—	—	—	—	—	—	(31)	(31)
Balances as of August 31, 2026	11,154	$ 11	1,000	$ 1	$ 271,516	$ (39,537)	$ (54)	$ 231,937

See accompanying notes to financial statements

Kura Sushi USA, Inc.
Statements of Cash Flows
(amounts in thousands)

	Fiscal Years Ended August 31,		
	2026	**2025**	**2024**
Cash flows from operating activities			
Net loss	$ (4,645)	$ (1,904)	$ (8,804)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	17,713	14,046	11,787
Stock-based compensation, net of amounts capitalized	4,820	4,735	4,314
Loss on disposal of long-lived assets	275	109	22
Impairment of long-lived assets	952	—	1,553
Bond premium amortization	150	345	—
Changes in operating assets and liabilities:			
Accounts and other receivables	2,540	(2,088)	(1,798)
Inventories	(487)	78	(472)
Due from affiliate	87	40	(62)
Prepaid expenses and other current assets	1,088	(627)	1,087
Deposits and other assets	246	(1,243)	336
Accounts payable	490	2,847	623
Accrued expenses and other current liabilities	194	(718)	1,198
Salaries and wages payable	1,107	2,000	715
Operating lease liabilities and assets	7,150	6,694	4,797
Due to affiliate	(20)	109	2
Sales tax payable	207	288	314
Net cash provided by operating activities	31,867	24,711	15,612
Cash flows from investing activities			
Payments for property and equipment	(56,956)	(46,150)	(44,251)
Payments for initial direct costs	(515)	(513)	(432)
Payments for purchases of liquor licenses	(1,108)	(2,188)	(275)
Purchases of investments	(35,302)	(74,674)	(3,501)
Maturities and redemptions of investments	42,400	29,800	11,999
Net cash used in investing activities	(51,481)	(93,725)	(36,460)
Cash flows from financing activities			
Repayment of principal on finance leases	(97)	(51)	(75)
Taxes paid on vested restricted stock awards	(361)	(346)	(280)
Proceeds from stock option exercises	958	1,569	2,492
Proceeds from follow-on public offering, net of discounts and commissions	—	64,626	—
Payments of costs related to the follow-on offering	—	(272)	—
Net cash provided by financing activities	500	65,526	2,137
Decrease in cash and cash equivalents	(19,114)	(3,488)	(18,711)
Cash and cash equivalents, beginning of year	47,498	50,986	69,697
Cash and cash equivalents, end of year	$ 28,384	$ 47,498	$ 50,986
Supplemental disclosures of cash flow information			
Cash paid for income taxes, net of refunds	$ 212	$ 257	$ 265
Noncash investing and operating activities			
Acquisition of finance leases	$ 98	$ 172	$ 34
Remeasurement of operating lease right-of-use assets and operating lease liabilities, net	$ 62	$ —	$ —
Amounts unpaid for purchases of property and equipment	$ 3,765	$ 3,156	$ 2,758
Stock-based compensation capitalized to property and equipment	$ 126	$ 146	$ 218

See accompanying notes to financial statements

Kura Sushi USA, Inc.
Notes to Financial Statements

Note 1—Organization and Description of Business

Kura Sushi USA, Inc. (the "Company") is a technology-enabled Japanese restaurant concept that provides guests with a distinctive dining experience by serving authentic Japanese cuisine through an engaging revolving sushi service model, which the Company refers to as the "Kura Experience." Kura Sushi encourages healthy lifestyles by serving freshly prepared Japanese cuisine using high-quality ingredients that are free from artificial seasonings, sweeteners, colorings, and preservatives. Kura Sushi aims to make quality Japanese cuisine accessible to its guests across the United States through affordable prices and an inviting atmosphere. "Kura Sushi USA," "Kura Sushi," "Kura," and the "Company" refer to Kura Sushi USA, Inc. unless expressly indicated or the context otherwise requires.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

Note 2—Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The Company's fiscal year begins on September 1 and ends on August 31 and references made to "fiscal year 2026", "fiscal year 2025" and "fiscal year 2024" refer to the Company's fiscal years ended August 31, 2026, August 31, 2025 and August 31, 2024, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented.

Significant items subject to such estimates include asset retirement obligations, investments, stock-based compensation, the useful lives of assets, the assessment of the recoverability of long-lived assets, and income taxes. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ materially from those estimates and assumptions.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents and debt securities. The Company maintains its cash and cash equivalents with financial institutions and, at times, the balance may exceed the Federal Deposit Insurance Corporation federally insured limits. The Company has never experienced any losses related to these balances.

Concentration of Significant Suppliers

The Company relies on third parties for specified food products and supplies. In instances where these parties fail to fulfill their obligations, the Company may be unable to find alternative suppliers. The Company is subject to supplier concentration risk as JFC International Inc., a subsidiary of Kikkoman Corporation, accounted for 53%, 58%, and 55% of total food and beverage costs for fiscal years 2026, 2025 and 2024, respectively. The Company's purchases from Mutual Trading Co., Inc. were 40%, 32% and 34% of our total food and beverage costs for fiscal years 2026, 2025 and 2024, respectively.

Segment Information

Management has determined that the Company has one operating segment and therefore one reportable segment. The Company's chief operating decision maker, its Chief Executive Officer, reviews financial performance and allocates resources. Additionally, the Company operates in one geographic area: the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on hand, deposits with banks, money market funds, certificates of deposits and term deposits. Cash and cash equivalents are maintained at financial institutions with strong credit ratings. The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents. Due to the short-term maturities and their relatively low interest rates, the carrying value of the money market funds approximates their fair value.

Investments

The Company invests in securities, including certificates of deposit, Treasury notes, and U.S. Government Agency debt securities. Investment classification is determined based on the accounting guidance available for sale or held to maturity. Certificates of deposit and Treasury notes are classified as available-for-sale debt securities and measured at fair value, with unrealized gains or losses recorded in other comprehensive income (loss). U.S. Government Agency debt securities are classified as held-to-maturity and measured at amortized cost. Realized gains or losses are determined on a specific identification basis. The classification of these investments as either short-term or long-term is based on their original maturity dates, with short-term investments having maturities greater than three months but less than one year, and long-term investments having maturities greater than one year.

Accounts and Other Receivables

Accounts and other receivables consist primarily of receivables from landlords for tenant allowances and credit card receivables. The Company does not extend credit to guests and thus does not have credit risk from guests. Accounts and other receivables balances are stated at the amounts management expects to collect from balances outstanding at fiscal year-end, and no allowance for doubtful accounts is recorded as of August 31, 2026 and August 31, 2025.

Inventories

Inventories consist of food and beverages and are stated at the lower of cost or net realizable value, with cost determined on an average cost basis.

Property and Equipment

Property and equipment consists of computer equipment, vehicles, software, furniture and fixtures, equipment and leasehold improvements. Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization on property and equipment is calculated using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the remaining lease term or estimated life of the improvements.

Property and equipment that are retired, abandoned or otherwise disposed of are removed from the accounts, and any resulting gain or loss is recognized within operating expenses in the statements of operations and comprehensive loss.

The following table represents the various types of property and equipment and their respective useful lives:

Property and Equipment	Useful Life
Computer equipment	2 – 5 years
Vehicles	5 years
Software	5 years
Furniture, fixtures and equipment	5 - 20 years
Leasehold improvements	Shorter of useful life or remaining lease term

Liquor Licenses

The costs of purchasing non-transferable liquor licenses through local government agencies or secondary-markets in jurisdictions that do not limit the number of authorized liquor licenses are capitalized as definite-lived intangible assets and amortized over the applicable restaurants' remaining lease term. Amortization of definite-lived liquor licenses are recorded to depreciation and amortization expenses in the accompanying statements of operations and comprehensive loss. The future amortization expense for each of the remaining years are not material to the Company's financial statements. The costs of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are deemed to have indefinite useful lives and are subject to annual impairment testing. The Company's assessment resulted in no impairment of liquor licenses as of fiscal years ended August 31, 2026, 2025 and 2024. Definite-lived and indefinite-lived liquor licenses are included in deposits and other assets in the accompanying balance sheets. Liquor license renewal fees are expensed over the renewal term.

Asset Retirement Obligations

Asset retirement obligations ("ARO") represents the estimated present value of future expenses the Company expects to incur at the end of a lease to restore the location to its original condition. The ARO is recorded as a liability at its estimated present value at inception with an offsetting increase in the carrying amount of the related property and equipment in the accompanying balance sheet. The Company's ARO liability is $1.5 million and $1.1 million as of August 31, 2026 and August 31, 2025, respectively and is included in other liabilities in the accompanying balance sheets. Periodic accretion of the discount of the estimated liability is recorded as interest expense in the accompanying statements of operations and comprehensive loss. Asset retirement obligations are amortized on a straight-line basis over the shorter of the remaining lease term or estimated life of the leasehold improvements.

Impairment of Long-lived Assets

The Company assesses potential impairments of its long-lived assets, which includes property and equipment and operating lease right-of-use assets. An impairment assessment is performed at the individual restaurant level to determine if events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Assets are grouped at the individual restaurant level because a restaurant represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The primary indicator considered by the Company in the assessment is significant historical cash flow underperformance at the individual restaurant level. Other indicators that are considered by the Company include but are not limited to: significant negative industry, economic or customer trends and expectations that the asset group will be sold or otherwise disposed of before the end of its previously estimated useful life. If there are indicators that the carrying value of an asset group may not be recoverable, recoverability is measured by a comparison of the carrying amount of an asset group to its estimated undiscounted forecasted restaurant cash flows expected to be generated by the asset group. The estimated undiscounted forecasted cash flows include assumptions made by the Company regarding certain items such as revenue, food and beverage costs, labor costs, occupancy costs, and other restaurant operating costs and therefore are subject to uncertainty as our actual results may differ from our estimates. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

As of August 31, 2026, the Company performed an impairment test and recorded impairment charges of $0.9 million related to property and equipment of one restaurant location as a result of its performance. No impairment

loss was recognized during the fiscal year ended August 31, 2025. As of August 31, 2024, the Company performed an impairment test and recorded impairment charges of $1.6 million related to property and equipment of one underperforming restaurant location.

Income Taxes

The provision for income taxes, income taxes payable, and deferred income taxes are determined using the asset and liability method. Deferred income tax assets and liabilities are determined based on temporary differences between the financial carrying amounts and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates applicable to periods in which the differences are expected to reverse. The Company establishes a valuation allowance to the extent that it is more likely than not that deferred tax assets will not be recoverable against future taxable income. Income tax expense or benefit is the income tax payable or refundable for the period, plus or minus the change during the period to deferred income tax assets and liabilities.

The Company regularly evaluates the likelihood of realizing the benefit for income tax positions it has taken in federal and state filings by considering all facts, circumstances, and information available. For those benefits that the Company believes it is more likely than not will be sustained, it recognizes the largest amount it believes is cumulatively greater than 50% likely to be realized.

Revenue Recognition

Revenue from sales is recognized when food and beverages are sold to customers. Sales are presented net of discounts and sales taxes collected from customers. The Company's loyalty program provides customers with rewards that may be redeemed for future purchases. The Company accounts for the rewards as a separate performance obligation and defers a portion of the transaction price attributable to the rewards based on their estimated standalone selling price at a historical redemption rate. Revenue associated with the rewards is recognized when the rewards are redeemed or expire.

Sales Taxes

Sales taxes are imposed by state, county, and city governmental authorities, collected from customers and remitted to the appropriate governmental agency. The Company's policy is to record the sales taxes collected as a liability on the books and then remove the liability when the sales tax is remitted. There is no impact on the statements of operations and comprehensive loss as restaurant sales are recorded net of sales tax.

Operating and Finance Leases

At inception of a contract, the Company assesses whether the contract is a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification, measurement, and recognition are determined at lease commencement, which is the date the underlying asset is available for use by the Company. The accounting classification of a lease is based on whether the arrangement is effectively a financed purchase of the underlying asset (finance lease) or not (operating lease). The Company has operating and finance leases for its corporate offices, restaurant locations, office equipment, kitchen equipment and automobiles. The leases have remaining lease terms of less than 1 year to 20 years, some of which include options to extend the leases. For leases with renewal periods at the Company's option, the Company determines the lease term based on whether the renewal of any options is reasonably certain to be exercised at the inception of the lease.

Operating leases are accounted with the right-of-use ("ROU") assets and lease liabilities recognized in "Operating lease right-of-use assets," "Operating lease liabilities - current" and "Operating lease liabilities - noncurrent" on the balance sheet, respectively. Finance leases are accounted with ROU assets and lease liabilities

recognized in “Property and equipment, net,” “Other current liabilities” and “Other liabilities” on the balance sheet, respectively.

All lease liabilities are measured at the present value of the lease payments not yet paid. To determine the present value of lease payments not yet paid, the Company estimates incremental borrowing rates corresponding to the maturities of the leases. As the Company has no outstanding debt, it estimates this rate based on prevailing financial market conditions, a synthetic credit rating and credit analysis. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for initial direct costs, prepaid or deferred rent, and lease incentives. The operating lease ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for unamortized initial direct costs, prepaid or accrued lease payments, and unamortized lease incentives. Depreciation expense of the finance lease ROU assets are subsequently calculated using the straight-line method over the shorter of the estimated useful lives or the expected lease terms and recorded in “Depreciation and amortization expense” on the statement of operations.

The Company accounts for lease and non-lease components as a single component for its entire population of operating lease assets. The Company recognizes the short-term lease exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term greater than one month and twelve months or less, and expense is recognized on a straight-line basis over the lease term.

The Company’s office leases provide for fixed minimum rent payments. Most of the Company’s restaurants provide for fixed minimum rent payments and some require additional contingent rent payments based upon sales in excess of specified thresholds. When such sales thresholds are deemed probable, contingent rent is accrued in proportion to the sales recognized in the period. The Company recognizes rent expense based on the straight-line method for operating leases that include free-rent periods and rent escalation clauses. For the purpose of calculating rent expenses under the straight-line method, the lease term commences on the date the Company obtains control of the property. Lease incentives used to fund leasehold improvements are recognized when probable of being earned upon signing the lease and reduce the operating right-of-use asset related to the lease. These incentives are amortized through the operating right-of-use asset as reductions of expense over the lease term. In addition to the fixed minimum payments required under the lease arrangements, certain leases require variable lease payments, such as common area maintenance, insurance and real estate taxes, which are recognized when the associated activity occurs. Restaurant lease expense is included in the occupancy and related expenses financial statement line item, while office lease expense is included in general and administrative expenses financial statement line item, on the accompanying financial statements.

Other Costs

Other costs in restaurant operating costs in the accompanying statements of operations and comprehensive loss include credit card processing fees, repairs and maintenance, restaurant-level advertising and promotions, restaurant supplies, royalty payments to Kura Japan, utilities and other restaurant-level expenses.

Advertising Costs

Advertising costs are expensed as incurred and are included in other costs in the accompanying statements of operations and comprehensive loss. The Company incurred $2.6 million, $2.6 million and $3.0 million in advertising expenses for the fiscal years ended August 31, 2026, August 31, 2025 and August 31, 2024, respectively.

Fair Value Measurements

The Company defines fair value as the exchange price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value measurement accounting guidance creates a fair value hierarchy to prioritize the inputs used to measure fair value into three categories. A financial instrument’s level within the fair value hierarchy is based on the lowest level of input

significant to the fair value measurement, where Level 1 is the highest and Level 3 is the lowest. The three levels are defined as follows:

Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable inputs other than Level 1 prices, such as unadjusted quoted prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on the Company's own assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

The Company's financial statements include cash and cash equivalents, accounts and other receivables, accounts payable, accrued expenses and other current liabilities, and salaries and wages payable for which the carrying amounts approximate fair value due to their short-term maturity. The fair value of our Treasury notes is classified within Level 1 when valued using unadjusted quoted market prices in active markets, or within Level 2 when valued using observable market inputs such as benchmark yield curves and dealer quotes. The fair value of our Certificate of Deposit and U.S. Government Agency debt securities are valued using Level 2 inputs of the fair value hierarchy. Level 2 inputs are based on market data that include factors such as interest rates, market and pricing activity and other market-based valuation techniques. The fair value of payments due to or from Kura Japan is not determinable due to its related-party nature. These related-party balances are not based on observable market inputs and may not reflect arm's-length terms, making a reliable fair value measurement impracticable.

Stock-based Compensation

Stock-based compensation consists of stock options, restricted stock units ("RSUs") and performance restricted stock units ("PSUs") issued to employees and non-employees. The Company measures and recognizes stock-based compensation based on the grant date fair value of the award. The fair value of stock options is estimated using the Black-Scholes option-pricing model and is impacted by the fair value of the Company's common stock, as well as changes in assumptions regarding certain subjective variables. These variables include, but are not limited to, the expected common stock price volatility over the term of the stock option awards, the expected term of the awards, risk-free interest rates and the expected dividend yield. The fair value of RSUs and PSUs are based on the closing market price of the Company's stock on the date of grant. Forfeitures are recognized as they occur.

For stock options, RSUs and PSUs that are based on a service requirement, the cost is recognized on a straight-line basis over the requisite service period, which is typically the vesting period. Stock options, RSUs and PSUs granted in fiscal years 2026, 2025 and 2024 have a vesting period of 48 months. RSUs granted in fiscal years 2026, 2025 and 2024 have a vesting period of 12 months or 48 months. PSUs granted in fiscal years 2026 and 2025 have a vesting and performance period of 36 months. For PSUs, the number of shares ultimately earned is contingent upon the achievement of specified performance metrics and is subject to the recipient's continued employment or service through the vesting date. Depending on the level of performance achieved, participants may earn between 50% and 150% of the target number of shares, with no payout for performance below threshold levels.

Each stock option award expires on such date as shall be determined at the date of grant; however, the maximum contractual term of options to acquire common stock is ten years after the initial date of the award. Vested shares of RSUs and PSUs are settled in company stock, net of taxes. For RSUs and PSUs, all unvested awards shall be forfeited immediately upon termination except for terminations due to death or Disability or termination by the Company without Cause (as such terms are defined in the Stock Incentive Plan, as amended).

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's investments consist of Treasury notes that are classified as available-for-sale debt securities which are measured at fair value with unrealized gains or losses recorded in other comprehensive income (loss).

Income (Loss) Per Share

Income (loss) per share is calculated by dividing net income (loss) by the weighted average shares outstanding during the period, without consideration of common stock equivalents. Diluted income per share assumes the conversion, exercise or issuance of potential dilutive common stock equivalents outstanding for the period. For periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share because potential common stock equivalents are anti-dilutive. For the purposes of this calculation, options, RSUs and PSUs are considered to be common stock equivalents and are only included in the calculation of diluted earnings per share when their effect is dilutive. Diluted income (loss) per share is calculated by adjusting weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method.

Recently Adopted Accounting Pronouncement

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which requires greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid and effective for fiscal years beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued. The amendments should be applied on a prospective basis although retrospective application is permitted. The Company adopted ASU 2023-09 on a prospective basis in this Annual Report on Form 10-K for the fiscal year ending August 31, 2026. The enhanced disclosures for fiscal year ending August 31, 2026 are included in Note 14, Income Taxes, to our financial statements. The adoption of this standard enhanced the disclosure of income tax information.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses", which requires public companies to disaggregate key expense categories such as inventory purchases, employee compensation and depreciation in their financial statements. In January 2025, the FASB issued ASU 2025-01 "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures — Clarifying the Effective Date", which amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt the guidance in its annual report on Form 10-K for the fiscal year ending August 31, 2028. The Company is currently evaluating the effects of this pronouncement on its financial statements and expects the update to result in additional disclosures.

In September 2025, the FASB issued ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software", which modernizes guidance for internal-use software costs. The amendments in this update improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. This update is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, though early adoption is permitted. The Company expects to adopt the guidance in its annual report on Form 10-K for the fiscal year ending August 31, 2029. The Company is currently evaluating the effects of this pronouncement on its financial statements and does not expect the update to have a material effect on its financial statements.

In December 2025, the FASB issued ASU 2025-11, Narrow-Scope Improvements (Topic 270): Interim Reporting. This update makes targeted, narrow-scope improvements to the interim reporting guidance in Topic 270 to clarify application and improve consistency in practice. The amendments do not change the underlying principles

of interim reporting. The amendments in this ASU are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company expects to adopt the guidance in its Form 10-Q for the interim period ending November 30, 2028. The Company is currently evaluating the effects of this pronouncement on its financial statements and does not expect the adoption of this ASU to have a material effect on its financial statements.

Note 3—Balance Sheet Components

Accounts and Other Receivables

Accounts and other receivables as of August 31, 2026 and August 31, 2025 consists of the following:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Lease receivables	$ 2,254	$ 1,450
Credit card and other receivables	2,420	4,960
Total accounts and other receivables	$ 4,674	$ 6,410

Inventories

Inventories as of August 31, 2026 and August 31, 2025 consists of the following:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Food	$ 2,359	$ 1,897
Beverages	269	244
Total inventories	$ 2,628	$ 2,141

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of August 31, 2026 and August 31, 2025 consists of the following:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Prepaid expenses	$ 2,792	$ 3,380
Other current assets	782	928
Total prepaid expenses and other current assets	$ 3,574	$ 4,308

Property and Equipment - net

Property and equipment - net as of August 31, 2026 and August 31, 2025 consists of the following:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Leasehold improvements	$ 160,784	$ 129,909
Furniture, fixtures and equipment	97,929	76,714
Computer equipment	5,383	4,632
Vehicles	166	342
Software	1,017	1,017
Construction in progress	15,298	11,203
Property and equipment – gross	280,577	223,817
Less: accumulated depreciation and amortization	(69,227)	(52,627)
Total property and equipment – net	$ 211,350	$ 171,190

Depreciation and amortization expense for property and equipment was $17.7 million, $14.0 million and $11.8 million for the fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, respectively. Disposals of long-lived assets were $0.3 million, $0.1 million and $22 thousand for the fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, respectively.

Deposits and Other Assets

Deposits and other assets, as of August 31, 2026 and August 31, 2025 consists of the following:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Deposits and other	$ 1,122	$ 2,394
Indefinite-lived liquor licenses	6,350	5,400
Definite-lived liquor licenses	712	553
Less: accumulated amortization of definite-lived liquor licenses	(178)	—
Total deposits and other assets	$ 8,006	$ 8,347

Note 4—Leases

The Company has operating and finance leases for its corporate offices, restaurant locations, kitchen and office equipment and automobiles. The Company's finance leases are immaterial. The Company's leases have remaining lease terms of less than 1 year to 20 years, some of which include options to extend the leases.

Lease related costs recognized in the statements of operations and comprehensive loss for fiscal years 2026, 2025 and 2024 are as follows:

		Fiscal Years Ended August 31,		
		2026	2025	2024
		(amounts in thousands)		
Operating lease cost	**Classification**			
Operating lease cost	Occupancy and related expenses and general and administrative expenses	$ 20,435	$ 16,515	$ 13,319
Variable lease cost	Occupancy and related expenses, and general and administrative expenses	5,415	4,522	3,574
Total operating lease cost		$ 25,850	$ 21,037	$ 16,893

Supplemental balance sheet information related to leases is as follows:

Operating Leases

	As of August 31,	
	2026	2025
Weighted Average Remaining Lease Term (Years)		
Operating leases	16.5	16.5
Weighted Average Discount Rate		
Operating leases	7.2%	7.2%

Supplemental disclosures of cash flow information related to leases are as follows:

	Fiscal Years Ended August 31,	
	2026	2025
	(amounts in thousands)	
Operating cash flows paid for operating lease liabilities	$ 17,083	$ 14,008
Operating right-of-use assets obtained in exchange for new operating lease liabilities	$ 44,566	$ 25,532

As of August 31, 2026, the Company recorded a non-cash reduction of operating lease right-of use assets of $444 thousand and operating lease liabilities of $506 thousand resulting in a net balance of $62 thousand recorded in occupancy and related expenses in the accompanying statements of operations and comprehensive loss from a lease remeasurement related to one restaurant location.

As of August 31, 2026, the Company had an additional $71.5 million of operating leases related to restaurants for which the Company had not yet taken possession. Subsequent to August 31, 2026, the Company entered into two additional operating leases related to restaurants for which the Company has not yet taken possession. The lease liabilities associated with the leases after August 31, 2026 are $9.9 million. The operating leases are expected to commence in fiscal years 2027 with lease terms of up to 20 years.

Maturities of lease liabilities are as follows as of August 31, 2026:

	Operating Leases
	(amounts in thousands)
2027	$ 14,764
2028	20,758
2029	21,280
2030	21,873
2031	22,424
Thereafter	286,469
Total lease payments	387,568
Less: imputed interest	(171,248)
Present value of lease liabilities	$ 216,320

Note 5—Related Party Transactions

Kura Sushi, Inc. (“Kura Japan”) is the majority stockholder of the Company and is incorporated and headquartered in Japan. In August 2019, the Company entered into a Shared Services Agreement with Kura Japan, pursuant to which Kura Japan provides the Company with certain strategic, operational and other support services, including assigning certain employees to work for the Company as expatriates to provide support to the Company’s operations, sending its employees to the Company on a short-term basis to provide support for the opening of new restaurants or renovation of existing restaurants, and providing the Company with certain supplies, parts and equipment for use in the Company’s restaurants. In addition, the Company has agreed to continue to provide Kura Japan with certain translational support services, and market research. In exchange for such services, supplies, parts and equipment, the parties pay fees to each other as set forth under the Shared Services Agreement. A right of setoff is not required; however, from time to time, either party will net settle transactions as needed. Purchases of administrative supplies, expatriate salaries and travel and other administrative expenses payable to Kura Japan are included in general and administrative expenses in the accompanying statement of operations and comprehensive loss. Purchases of equipment from Kura Japan are included in property and equipment in the accompanying balance sheets.

In August 2019, the Company entered into an Amended and Restated Exclusive License Agreement (the “License Agreement”) with Kura Japan. Pursuant to the License Agreement, the Company pays Kura Japan a royalty fee of 0.5% of the Company’s net sales in exchange for an exclusive, royalty-bearing license for use of certain of Kura Japan’s intellectual property rights, including, but not limited to, Kura Japan’s trademarks “Kura Sushi,” “Mr. Fresh” and “Kura Revolving Sushi Bar,” and patents for a food management system and the Mr. Fresh protective dome, among other intellectual property rights necessary to continue operation of the Company’s restaurants. Royalty payments to Kura Japan are included in other costs at the restaurant-level in the accompanying statements of operations and comprehensive loss.

Balances arising from transactions with Kura Japan are presented in the accompanying balance sheets under the line items “Due from affiliate” and “Due to affiliate.”

On April 10, 2020, the Company and Kura Japan entered into a Revolving Credit Agreement, as amended, to provide the Company a line of credit of $45.0 million (as amended, the "Revolving Credit Agreement"). For additional information, see "Note 8 — Debt."

Reimbursements and other payments by the Company to Kura Japan for fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024 are as follows:

	Fiscal Years Ended August 31,		
	2026	2025	2024
	(amounts in thousands)		
Related party transactions:			
Expatriate salaries expense	$ 127	$ 126	$ 153
Royalty payments	1,643	1,415	1,189
Travel and other administrative expenses	11	66	26
Purchases of equipment	6,088	5,025	2,664
Total related party transactions	$ 7,869	$ 6,632	$ 4,032

Reimbursements by Kura Japan to the Company were $0.4 million, $0.4 million and $0.3 million for fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, respectively. The reimbursements were primarily for travel, professional fees and other administrative expenses.

Note 6—Investments

As of August 31, 2026 and August 31, 2025, the Company's investments are summarized below. The Company has one certificate of deposit of $0.5 million, which is restricted to funding a collateral account relating to a standby letter of credit. Based on the evaluation of credit risk factors guaranteed by the U.S. government, the Company has concluded that an allowance for credit losses is unnecessary for its investments.

	August 31, 2026			
	Amortized cost basis	Unrealized holding gains	Unrealized holding losses	Aggregate fair value
	(amounts in thousands)			
Current				
Available-for-sale:				
Treasury notes	$ 13,393	$ —	$ (31)	$ 13,362
Held to maturity:				
U.S. Government Agency debt securities	5,946	—	(35)	5,911
Certificate of deposit	524	—	—	524
Total Current	$ 19,863	$ —	$ (66)	$ 19,797
Non-Current				
Available-for-sale:				
Treasury notes	$ 3,004	$ —	$ (23)	$ 2,981
Held to maturity:				
U.S. Government Agency debt securities	14,381	—	(130)	14,251
Total Non-Current	$ 17,385	$ —	$ (153)	$ 17,232

	August 31, 2025			
	Amortized cost basis	Unrealized holding gains	Unrealized holding losses	Aggregate fair value
	(amounts in thousands)			
Current				
Available-for-sale:				
Treasury notes	$ 14,463	$ —	$ (23)	$ 14,440
Certificate of deposit	524	—	—	524
Total Current	$ 14,987	$ —	$ (23)	$ 14,964
Non-Current				
Available-for-sale:				
Treasury notes	$ 1,468	$ —	$ —	$ 1,468
Held to maturity:				
U.S. Government Agency debt securities	28,074	—	(69)	28,005
Total Non-Current	$ 29,542	$ —	$ (69)	$ 29,473

The following table sets forth the maturities of the Company's assets as of August 31, 2026 and August 31, 2025.

	August 31, 2026		August 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	(amounts in thousands)		(amounts in thousands)	
Available-for-sale:				
Due within one year	$ 13,886	$ 13,886	$ 14,964	$ 14,964
Due within one year through five years	2,981	2,981	1,468	1,468
	$ 16,867	$ 16,867	$ 16,432	$ 16,432
Held to maturity:				
Due within one year	$ 5,946	$ 5,911	$ —	$ —
Due within one year through five years	14,381	14,251	28,074	28,005
	$ 20,327	$ 20,162	$ 28,074	$ 28,005

Note 7—Fair Value Measurements

The following table sets forth the Company's assets measured at fair value on a recurring basis as of August 31, 2026 and August 31, 2025.

	August 31, 2026			
	Level 1	Level 2	Level 3	Total
		(amounts in thousands)		
Assets:				
Certificates of deposit	$ —	$ 524	$ —	$ 524
Treasury notes	13,266	3,077	—	16,343
Total assets at fair value	$ 13,266	$ 3,601	$ —	$ 16,867

	August 31, 2025			
	Level 1	Level 2	Level 3	Total
		(amounts in thousands)		
Assets:				
Certificates of deposit	$ —	$ 524	$ —	$ 524
Treasury notes	15,908	—	—	15,908
Total assets at fair value	$ 15,908	$ 524	$ —	$ 16,432

Note 8—Debt

On April 10, 2020, the Company and Kura Japan entered into a Revolving Credit Agreement, as amended on September 2, 2020, April 9, 2021 and April 4, 2025, establishing a $45.0 million revolving credit line for the Company. The maturity date for each advance is 60 months from the date of disbursement and the last day of the period of availability for advances is April 10, 2028. The Revolving Credit Note, as amended, under the Revolving Credit Agreement has an interest rate for advances fixed at 130% of the Annual Compounding Long-Term Applicable Federal Rate ("AFR") on the date such advance is made. There are no financial covenants under the Revolving Credit Agreement with which the Company must comply.

As of August 31, 2026 and August 31, 2025, the Company had no outstanding balance and had $45.0 million of availability remaining under the Revolving Credit Agreement.

Note 9—Commitments and Contingencies

Purchase Obligations

We enter into various purchase obligations in the ordinary course of business, generally of a short-term nature. As of August 31, 2026, we had an aggregate of approximately $21.7 million in contractual obligations, which consisted of $14.6 million in purchase commitments for food related to restaurant operations and $7.1 million related to the construction of new restaurants. All contractual obligations are expected to be paid during the next 12 months utilizing cash and cash equivalents on hand and provided by operations.

Legal Matters

On December 9, 2024, a former employee filed a putative class action complaint in the Superior Court of California in Los Angeles, individually and on behalf of others similarly situated, against the Company alleging certain violations of California labor laws. The complaint alleges various wage and hour violations under the California Labor Code and related statutes. Plaintiff has also served a Private Attorneys General Act ("PAGA") notice for the same alleged wage and hour violations. In February 2026, the Company reached an agreement to settle the claims for $0.9 million, subject to court approval. The Company expensed $0.9 million related to this settlement within general and administrative expenses in the statements of operations and comprehensive loss during the three months ended February 28, 2026, and has an accrued liability of $0.9 million related to this settlement as of August 31, 2026.

The Company is involved from time to time in various legal proceedings that arise in the ordinary course of business, including but not limited to commercial disputes, environmental matters, employee related claims, intellectual property disputes and litigation in connection with transactions, including acquisitions and divestitures.

In the opinion of management, the Company does not believe that such litigation, claims, and administrative proceedings will have a material adverse effect on its business, financial position, results of operations or cash flows. However, a significant increase in the number of these claims or an increase in amounts owing under successful claims, including the putative class action referenced above, could materially and adversely affect its business, financial condition, results of operations or cash flows. The Company records a liability when a loss is considered probable, and the amount can be reasonably estimated.

Note 10—Segment Information

The Company operates as one reportable segment: company-owned restaurants and in one geographic area: the United States of America. The Company does not have intra-entity sales or transfers. Sales represent sales of food and beverages in restaurants. The Chief Executive Officer, who serves as the Chief Operating Decision Maker ("CODM"), evaluates performance and allocates resources based on sales and operating income (loss). The CODM does not review segment assets at a level different than what is reported in the Company's balance sheet.

Reported segment sales and expenses are presented below (in thousands):

	Fiscal Years Ended		
	2026	2025	2024
		(amounts in thousands)	
Sales	$ 328,276	$ 282,763	$ 237,860
Restaurant operating costs:			
Food and beverage costs	98,593	80,772	69,509
Labor and related costs	101,805	93,014	76,614
Occupancy and related expenses	25,971	21,002	16,792
Depreciation and amortization expenses	17,215	13,598	11,362
Other costs	48,924	40,943	34,060
Total restaurant operating costs	292,508	249,329	208,337
General and administrative expenses	40,633	37,747	39,050
Depreciation and amortization expenses	498	448	425
Impairment and disposal of long-lived assets	1,227	—	1,553
Total operating expenses	334,866	287,524	249,365
Operating loss	(6,590)	(4,761)	(11,505)
Reconciliation to net income (loss):			
Other expense (income):			
Interest expense	67	70	47
Interest income	(2,234)	(3,102)	(2,915)
Loss before income taxes	(4,423)	(1,729)	(8,637)
Income tax expense	222	175	167
Net loss	$ (4,645)	$ (1,904)	$ (8,804)

Note 11—Stock-based Compensation

The Company has a 2018 Incentive Compensation Plan (the "Stock Incentive Plan"), as amended. Under the Stock Incentive Plan, the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units, performance restricted stock units and performance awards in the form of shares and cash. Stock options granted under the Stock Incentive Plan include both incentive stock options and non-qualified stock options. The Stock Incentive Plan authorizes 1,350,000 shares to be granted.

Stock option activity under the Stock Incentive Plan is as follows:

	Options Outstanding			
	Number of shares underlying outstanding options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (amounts in thousands)
Outstanding—August 31, 2023	653,395	$ 34.25	7.2	$ 34,766
Granted	76,581	$ 87.51		
Exercised	(96,748)	$ 25.76		
Canceled/forfeited	(22,714)	$ 65.42		
Outstanding—August 31, 2024	610,514	$ 41.11	6.6	$ 17,484
Granted	55,584	$ 76.60		
Exercised	(48,239)	$ 32.50		
Canceled/forfeited	(26,438)	$ 66.26		
Outstanding—August 31, 2025	591,421	$ 44.02	5.9	$ 24,792
Granted	57,098	$ 64.11		
Exercised	(30,477)	$ 31.43		
Canceled/forfeited	(44,312)	$ 72.80		
Outstanding—August 31, 2026	573,730	$ 44.46		
Options exercisable	458,095	$ 37.50	4.4	$ 7,722

The total intrinsic value of stock options exercised during fiscal year 2026 was $1.0 million.

The total fair value of options vested was $2.7 million, $3.2 million, and $3.7 million for the fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, respectively. As of August 31, 2026, unrecognized stock-based compensation of $4.8 million related to unvested stock options is expected to be recognized on a straight-line basis over a weighted average period of 1.3 years.

The following table summarizes the restricted stock unit ("RSU") activity under the Stock Incentive Plan:

	RSUs Outstanding	
	Number of Shares Underlying Outstanding RSUs	Weighted Average Grant Date Fair Value
Outstanding — August 31, 2023	31,105	$ 69.88
Granted	20,409	$ 97.30
Vested	(12,477)	$ 72.42
Canceled/forfeited	(2,917)	$ 75.87
Outstanding — August 31, 2024	36,120	$ 84.01
Granted	33,021	$ 80.00
Vested	(13,511)	$ 85.21
Canceled/forfeited	(5,205)	$ 84.41
Outstanding — August 31, 2025	50,425	$ 81.02
Granted	54,315	$ 66.81
Vested	(17,705)	$ 79.50
Canceled/forfeited	(9,231)	$ 75.19
Outstanding — August 31, 2026	77,804	$ 72.14

The total fair value of RSUs vested was $1.4 million, $1.1 million and $0.9 million for the fiscal years ended August 31, 2026, August 31, 2025 and August 31, 2024, respectively. As of August 31, 2026, unrecognized stock-based compensation of $4.4 million related to unvested RSUs is expected to be recognized on a straight-line basis over a weighted average period of 1.5 years.

The following table summarizes the performance restricted stock unit ("PSU") activity under the Stock Incentive Plan:

	PSUs Nonvested	
	Number of Shares Underlying PSUs	Weighted Average Grant Date Fair Value
Outstanding — August 31, 2025	8,724	$ 80.00
Granted	13,510	$ 66.81
Vested	—	—
Canceled/forfeited	(4,264)	$ 72.22
Outstanding — August 31, 2026	17,970	$ 71.93

As of August 31, 2026, unrecognized stock-based compensation of $0.9 million related to unvested PSUs is expected to be recognized on a straight-line basis over a weighted average period of 1.1 years.

Stock-based Compensation Expense

Stock-based compensation for restaurant-level employees is included in labor and related costs and stock-based compensation for corporate-level employees is included in general and administrative expenses in the statements of operations and comprehensive loss. The total stock-based compensation recognized under the Stock Incentive Plan in the statements of operations and comprehensive loss is as follows:

	Fiscal Years Ended August 31,		
	2026	2025	2024
	(amounts in thousands)		
Restaurant-level stock based compensation included in labor and related costs	$ 865	$ 793	$ 688
General and administrative expenses	3,955	3,942	3,626
Stock-based compensation, net of amounts capitalized	$ 4,820	$ 4,735	$ 4,314
Amount capitalized to Property and equipment - net	126	146	218
Total stock-based compensation	$ 4,946	$ 4,881	$ 4,532

Determination of Fair Value

For the fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, the fair value of stock options was estimated on the grant date using the Black-Scholes valuation model with the following assumptions:

	Fiscal Years Ended August 31,		
	2026	2025	2024
Expected term (in years)	6.11	6.11	6.11
Expected volatility	64.7% -74.2%	63.4% - 69.7%	60.6% - 67.3%
Risk-free interest rate	3.66% - 4.45%	3.55% - 4.42%	3.84% - 4.84%
Dividend rate	—	—	—
Weighted average grant date fair value	$ 43.20	$ 49.21	$ 53.09

Expected Term - The expected term represents the period that the Company's stock-based awards are expected to be outstanding. For option grants that are considered to be "plain vanilla," the Company determines the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.

Expected Volatility - The expected volatility is derived from the average historical stock volatilities of several publicly traded companies within the Company's industry that the Company considers to be comparable to its business, measured over a period equivalent to the expected term of the stock option grants.

Risk-Free Interest Rate - The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option's expected term.

Dividend Rate - The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plans to do so.

Fair Value of Common Stock - The fair value of common stock is based on the closing price of the Company's common stock, as reported on The Nasdaq Stock Market LLC.

Note 12—Loss Per Share

The net loss per share attributable to common stockholders is allocated based on the contractual participation rights of the Class A common stock and Class B common stock as if the loss for the year has been distributed. As the liquidation and dividend rights for Class A and Class B common stock are identical, the net loss attributable to all common stockholders is allocated on a proportionate basis.

The following table sets forth the computation of the Company's basic and diluted net loss per share:

	Fiscal Years Ended August 31,					
	2026		2025		2024	
	Class A	Class B	Class A	Class B	Class A	Class B
	(amounts in thousands, except per share data)					
Net loss attributable to common stockholders – basic	$ (4,262)	$ (383)	$ (1,744)	$ (160)	$ (8,018)	$ (786)
Net loss attributable to common stockholders – diluted	$ (4,262)	$ (383)	$ (1,744)	$ (160)	$ (8,018)	$ (786)
Weighted average common shares outstanding – basic	11,132	1,000	10,916	1,000	10,204	1,000
Dilutive effect of stock-based awards	—	—	—	—	—	—
Weighted average common shares outstanding – diluted	11,132	1,000	10,916	1,000	10,204	1,000
Net loss per share attributable to common stockholders – basic	$ (0.38)	$ (0.38)	$ (0.16)	$ (0.16)	$ (0.79)	$ (0.79)
Net loss per share attributable to common stockholders – diluted	$ (0.38)	$ (0.38)	$ (0.16)	$ (0.16)	$ (0.79)	$ (0.79)

The Company computes basic loss per common share using net loss and the weighted average number of common shares outstanding during the period, and computes diluted loss per common share using net loss and the weighted average number of common shares, which excludes potentially dilutive common shares outstanding during the period. Potentially dilutive common shares include dilutive outstanding employee stock options, RSUs and PSUs.

For the fiscal years ended August 31, 2026, August 31, 2025 and August 31, 2024, there were 670 thousand, 651 thousand and 647 thousand shares of common stock, respectively, subject to outstanding employee stock options, RSUs and PSUs that were excluded from the calculation of diluted net loss per common share because their inclusion would have been anti-dilutive.

Note 13—Kura Sushi USA, Inc. 401(k) Plan

The Company maintains the Kura Sushi USA, Inc. 401(k) Plan (the "Plan"). The Plan covers all employees, subject to certain eligibility requirements. The Company makes safe harbor matching contributions which vest immediately, equal to 100% of each eligible participant's salary deferrals that do not exceed 3% of compensation, plus 50% of each eligible participant's salary deferrals between 3% and 5% of compensation. The Company made

matching Plan contributions of $0.7 million, $0.6 million and $0.5 million during the fiscal years ended August 31, 2026, August 31, 2025 and August 31, 2024, respectively.

Note 14—Income Taxes

The components of loss before income taxes are as follows:

	Fiscal Years Ended August 31,		
	2026	2025	2024
	(amounts in thousands)		
US	$ (4,423)	$ (1,729)	$ (8,637)
Total	$ (4,423)	$ (1,729)	$ (8,637)

The components of the provision for income taxes are as follows:

	Fiscal Years Ended August 31,		
	2026	2025	2024
	(amounts in thousands)		
Current:			
Federal	$ —	$ —	$ —
State	222	175	167
Total current	222	175	167
Deferred:			
Federal	—	—	—
State	—	—	—
Total deferred	—	—	—
Total	$ 222	$ 175	$ 167

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which updated income tax disclosure requirements related to the income tax rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The Company has applied ASU 2023-09 beginning in fiscal year ended August 31, 2026. As such, our effective tax rate reconciliation for fiscal year ended August 31, 2026 is reflected in a new table following the requirements set forth in ASU 2023-09, while the 2025 and 2024 effective tax rate reconciliations are presented in the historical format as required by U.S. GAAP.

The Company had an effective tax rate of (5.0)%, (10.1)% and (1.9)% for the fiscal years ended August 31, 2026, August 31, 2025, and August 31, 2024, respectively.

The reconciliation of the statutory federal income tax rate to the Company's effective tax rate after adoption of ASU 2023-09 was as follows:

	Fiscal Year Ended August 31, 2026 (amounts in thousands, except percentages)	
Tax at federal statutory rate	21.0%	$ (929)
State and local income taxes, net of federal income tax effect [(a)]	(4.1)	177
Tax credit:		
Employer tip credit	55.2	(2,442)
Change in federal valuation allowance	(57.9)	2,558
Nontaxable or nondeductible items:		
Stock-based compensation	(9.2)	407
Employer tip expense	(11.6)	513
Meals and entertainment	(1.1)	48
Other	(0.1)	3
Other Adjustments	2.8	(113)
Effective tax rate	(5.0)%	$ 222

(a) During the year ended August 31, 2026, state taxes in Texas comprised the greater than 50% of the tax effect in this category.

The reconciliation of the statutory federal income tax rate to the Company's effective tax rate, prior to the adoption of ASU 2023-09 was as follows:

	Fiscal Years Ended August 31,	
	2025	2024
Tax at federal statutory rate	21.0%	21.0%
Employer tip credit	95.3	16.9
Stock-based compensation	(10.7)	4.3
Change in valuation allowance	(105.1)	(42.4)
Other items	(2.7)	(0.7)
State tax, net of federal benefit	(7.9)	(1.0)
Effective tax rate	(10.1)%	(1.9)%

The details of fiscal year ended August 31, 2026 cash paid for income taxes, net of refunds, consisted of the following:

	Fiscal Year Ended August 31, 2026 (amounts in thousands)
State and local:	
Texas	$ 155
Others	57
Total income tax paid, net	$ 212

The deferred income taxes reflect the tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes.

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities are as follows:

	As of August 31,	
	2026	2025
	(amounts in thousands)	
Deferred tax assets:		
NOL carryover	$ 10,762	$ 10,173
General business credit	12,892	10,309
Lease liabilities	58,025	46,122
State tax deduction	44	39
Other	3,747	3,009
Gross deferred tax assets	85,470	69,652
Deferred tax liabilities:		
Basis difference on fixed assets	(15,137)	(12,114)
Right-of-use assets	(50,223)	(40,061)
Gross deferred tax liabilities	(65,360)	(52,175)
Valuation allowance	(20,110)	(17,477)
Net deferred tax	$ —	$ —

As of August 31, 2026, the Company has U.S. federal net operating loss ("NOL") carryover of approximately $41.7 million, various state NOL carryover of approximately $24.6 million, and federal tax credit carryover of approximately $12.9 million. If not utilized, $39.1 million of the federal NOL can be carried forward indefinitely, and the remainder will begin to expire in the fiscal year ending August 31, 2036. The federal tax credit will begin to expire in the fiscal year ending August 31, 2032. Utilization of the Company's NOL and federal tax credit carryover may be subject to a substantial annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Sections 382 and 383 of the Internal Revenue Code of 1986, as amended. The Company has not completed the Section 382 and 383 assessments of an ownership change as of August 31, 2026.

The Company has not recorded any unrecognized tax benefits as of August 31, 2026. Tax benefits of uncertain tax positions are recognized only if it is more likely than not that the Company will be able to sustain a position taken on an income tax return. The Company has no liability for uncertain positions. Interest and penalties, if any, related to unrecognized tax benefits would be recognized as income tax expense.

The Company evaluates the realizability of its deferred tax assets on a quarterly basis and establishes a valuation allowance when it is more likely than not that all or a portion of a deferred tax asset may not be realized. The Company assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended August 31, 2026, as well as significant deferred tax assets in excess of deferred tax liabilities. As a result, the Company determined that it is not more likely than not that it will generate sufficient future U.S. taxable income to realize its deferred tax assets and, therefore, recorded valuation allowances against the net deferred tax assets. The total amount of the valuation allowance was approximately $20.1 million. The net change for the valuation allowance was $2.6 million for the fiscal year ended August 31, 2026.

On July 4, 2025, the President signed into law, the reconciliation tax bill, commonly known as the "One Big Beautiful Bill Act" (OBBA). Notable corporate provisions include the restoration of 100% bonus depreciation; the creation of Section 174A, which reinstates expensing for domestic research and experimental expenditures; modifications to Section 163(j) interest limitations; updates to the rules for global intangible low-taxed income and foreign-derived intangible income; amendments to the rules for energy credits; and the expansion of Section 162(m) aggregation requirements. OBBA did not have a material impact on the Company's effective tax rate or income tax expense for the fiscal year ended August 31, 2026.

Item 9. Changes in and Disagreements with Accountant on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting using the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of the end of the period covered by this report. Our independent registered public accounting firm, KPMG LLP, has audited our internal control over financial reporting and its report is included herein.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended August 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information contained under the captions **"PROPOSAL NO. 1—ELECTION OF DIRECTORS," "EXECUTIVE OFFICERS," "BOARD MATTERS – Family Relationships," "DELINQUENT SECTION 16(A) REPORTS," "BOARD MATTERS – Code of Business Conduct and Ethics," "STOCKHOLDER PROPOSALS," "BOARD MATTERS – Board Committees – *Audit Committee*"** and **"COMPENSATION DISCUSSION AND ANALYSIS – Other Practices, Policies and Guidelines – Insider Trading Policy"** in the Company's definitive proxy statement pursuant to Regulation 14A for the 2027 annual meeting of stockholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act (the "Proxy Statement"), is incorporated herein by reference.

Item 11. Executive Compensation.

The information contained under the captions "**COMPENSATION DISCUSSION AND ANALYSIS," "EXECUTIVE COMPENSATION," "BOARD MATTERS – Director Compensation," "BOARD MATTERS – Compensation Committee Interlocks and Insider Participation" and "REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS"** in the Company's Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information contained under the captions **"EXECUTIVE COMPENSATION – *Stock Incentive Plan,*"** and "**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT"** in the Company's Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information contained under the captions **"CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS"** and **"BOARD MATTERS"** in the Company's Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information contained under the caption **"OTHER INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM INFORMATION"** in the Company's Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1). *Financial Statements.* See "Table of Contents" on page 51.

(a)(2). *Financial Statement Schedules.*

All schedules are omitted because they are not required or applicable, or the required information is included in the Company's financial statements or related notes.

(a)(3). *Exhibits.* See "Index to Exhibits."

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to our current report on Form 8-K filed with the SEC on August 5, 2019 as Exhibit 3.1)
3.2	Amended and Restated Bylaws (incorporated by reference to our current report on Form 8-K filed with the SEC on August 5, 2019 as Exhibit 3.2)
4.1	Specimen Stock Certificate (incorporated by reference to our registration statement on Form S-1/A (File No. 333-232551) filed with the SEC on July 22, 2019 as Exhibit 4.1)
4.2	Description of the Registrant's Capital Stock (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 18, 2020 as Exhibit 4.2)
10.1†	Kura Sushi USA, Inc. 2018 Incentive Compensation Plan (as amended and restated as of January 29, 2021) (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 8, 2024 as Exhibit 10.1)
10.2†	Employment Agreement between Kura Sushi USA, Inc. and Hajime Uba (incorporated by reference to our current report on Form 8-K filed with the SEC on August 5, 2019 as Exhibit 10.3)
10.3†	Employment Agreement between Kura Sushi USA, Inc. and Shahin Allameh (incorporated by reference to our current report on Form 8-K filed with the SEC on July 13, 2021 as Exhibit 10.1)
10.4†	Employment Agreement, dated August 1, 2022, between Kura Sushi USA, Inc. and Brent Takao (incorporated by reference to our current report on Form 8-K filed with the SEC on August 1, 2022 as Exhibit 10.1)
10.5†	Employment Agreement, dated September 30, 2022, between Kura Sushi USA, Inc. and Jeffrey J. Uttz (incorporated by reference to our current report on Form 8-K filed with the SEC on October 3, 2022 as Exhibit 10.1)
10.6†	Form of Restricted Stock Award Notice and Award Agreement (incorporated by reference to our current report on Form 8-K filed with the SEC on November 30, 2020 as Exhibit 10.2)
10.7†	Form of Restricted Stock Unit Award Notice and Award Agreement (incorporated by reference to our current report on Form 8-K filed with the SEC on October 3, 2022 as Exhibit 10.2)
10.8	Form of Indemnification Agreement between Kura Sushi USA, Inc. and each of its directors and executive officers (incorporated by reference to our registration statement on Form S-1/A (File No. 333-232551) filed with the SEC on July 16, 2019 as Exhibit 10.5)
10.9	Amended and Restated Exclusive License Agreement between Kura Sushi USA, Inc. and Kura Sushi, Inc. (incorporated by reference to our current report on Form 8-K filed with the SEC on August 5, 2019 as Exhibit 10.2)
10.10	Shared Services Agreement between Kura Sushi USA, Inc. and Kura Sushi, Inc. (incorporated by reference to our current report on Form 8-K filed with the SEC on August 5, 2019 as Exhibit 10.1)
10.11	Revolving Credit Agreement, dated April 10, 2020, between Kura Sushi USA, Inc. and Kura Sushi, Inc. (incorporated by reference to our current report on Form 8-K filed with the SEC on April 14, 2020 as Exhibit 10.1)
10.12	First Amendment to Revolving Credit Agreement, dated September 2, 2020, between Kura Sushi USA, Inc. and Kura Sushi, Inc. (incorporated by reference to our current report on Form 8-K filed with the SEC on September 3, 2020 as Exhibit 10.1)
10.13	Second Amendment to Revolving Credit Agreement, dated April 9, 2021, between Kura Sushi USA, Inc. and Kura Sushi, Inc. (incorporated by reference to our current report on Form 8-K filed with the SEC on April 13, 2021 as Exhibit 10.1)

10.14	Third Amendment to Revolving Credit Agreement dated April 4, 2025 (incorporated by reference to our quarterly report on Form 10-Q filed with the SEC on April 8, 2025 as Exhibit 10.2)
10.15†	Form of Incentive Stock Option Agreement (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 26, 2019 as Exhibit 10.17)
10.16†	Form of Nonqualified Stock Option Agreement (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 26, 2019 as Exhibit 10.18)
10.17†	Employment Agreement, dated October 15, 2021, between Kura Sushi USA, Inc. and Arlene Estrada Petokas (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 8, 2024 as Exhibit 10.17)
10.18†	Employment Agreement, dated April 1, 2020, between Kura Sushi USA, Inc. and Robert Kluger (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 8, 2024 as Exhibit 10.18)
10.19†	Form of Performance Restricted Stock Unit Award Notice and Award Agreement (incorporated by reference to our current report on Form 8-K filed with the SEC on January 24, 2025 as Exhibit 10.1)
19.1#	Kura Sushi USA, Inc. Policy Regarding Insider Trading, Tipping and Other Wrongful Disclosures and Guidelines with Respect to Certain Transactions in Securities of Kura Sushi USA, Inc.
23.1#	Consent of KPMG LLP
24.1#	Power of Attorney (included on signature page of this report)
31.1#	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	Kura Sushi USA, Inc. Policy Regarding Recoupment of Incentive Compensation Upon Restatement or Misstatement of Financial Results, or as Required by Law (incorporated by reference to our annual report on Form 10-K filed with the SEC on November 8, 2025 as Exhibit 97.1)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

† Management contract or compensatory plan.

Filed herewith.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 5, 2026

KURA SUSHI USA, INC.

By:	/s/ Hajime Uba
Name:	Hajime Uba
Title:	Chairman, President, Chief Executive Officer and Chief Financial Officer (Principal Executive and Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Hajime Uba and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Hajime Uba Hajime Uba	Chairman, President, Chief Executive Officer, Chief Financial Officer and Director (*Principal Executive and Financial Officer*)	November 5, 2026
/s/ Brent Takao Brent Takao	Chief Accounting Officer (*Principal Accounting Officer*)	November 5, 2026
/s/ Shintaro Asako Shintaro Asako	Director	November 5, 2026
/s/ Treasa Bowers Treasa Bowers	Director	November 5, 2026
/s/ Claudia Schaefer Claudia Schaefer	Director	November 5, 2026
/s/ Carin Stutz Carin Stutz	Director	November 5, 2026

Exhibit 19.1

KURA SUSHI USA, INC.

POLICY REGARDING INSIDER TRADING, TIPPING AND OTHER WRONGFUL DISCLOSURES

and

GUIDELINES WITH RESPECT TO CERTAIN TRANSACTIONS IN SECURITIES OF KURA SUSHI USA, INC.

Introduction

Federal and state securities laws prohibit the purchase or sale of a public company's securities by persons who possess material information about that company that is not generally known or available to the public. These laws also prohibit persons who possess Material Non-Public Information (as defined in Section E below) from disclosing this information to others who may trade. This Policy Regarding Insider Trading, Tipping and Other Wrongful Disclosures (this "***Policy***"), provides guidelines to employees, officers, directors, consultants and contractors of Kura Sushi USA, Inc., a Delaware corporation ("***Kura***") and its subsidiaries with respect to transactions in securities issued by Kura and also contains restrictions on the communication of information they may learn during the course of employment with, or other services performed on behalf of, Kura or its subsidiaries.

Violations of laws relating to insider trading may be punished by criminal penalties (including prison sentences) and civil penalties. In addition, officers, directors and employees of Kura or its subsidiaries who violate this Policy shall be subject to disciplinary action, which may include termination of employment or services or result in ineligibility for future participation in any equity incentive plans. The Securities and Exchange Commission (the "***SEC***"), and stock exchanges use sophisticated electronic surveillance techniques to uncover insider trading. The SEC and the Department of Justice pursue insider trading violations vigorously. Cases have been successfully prosecuted against trading through foreign accounts, trading by family members and friends and trading involving only a small number of shares.

In addition, Kura Sushi, Inc. ("***Kura Japan***") continues to hold a majority of the combined voting power of the Company's outstanding Class A common stock and Class B common stock. As a result, you must also adhere to all of the policies and guidelines of Kura Japan regarding insider trading, tipping and wrongful disclosures and with respect to transactions in securities of Kura Japan. A violation by you of the policies and guidelines of Kura Japan will be considered to be a violation by you of this Policy.

Please note that other policy statements applicable to you, including those of Kura Japan, also require you to protect proprietary information and contain restrictions on unauthorized disclosure of information.

Applicability of This Policy

In this Policy, we refer to securities issued by Kura as "***Covered Securities***." In addition, we use the term the "***Company***" when we want to refer to Kura and its subsidiaries. We sometimes refer to employees (including part-time and temporary employees), officers, directors, consultants and contractors of the Company as "***Covered Persons***." This group of people, members of their immediate families, other members of their households, and Controlled Entities (as defined below) are sometimes referred to in this Policy as "***insiders***."

"Controlled Entities" are defined herein as any entities that a person covered by this Policy influences or controls, including any corporations, limited liability companies, partnerships or trusts.

This Policy applies to:

- transactions in all types of Covered Securities by Covered Persons and other insiders, including transactions in common stock, preferred stock, convertible debentures and notes, options, warrants and any other securities Kura may issue from time to time; and

- transactions in derivative securities relating to Covered Securities, whether or not issued by Kura, such as exchange-traded put or call options or swaps.

Under this Policy, an insider may, from time to time, have to forego a proposed transaction in Covered Securities even if he, she or it planned to make the transaction before learning of the Material Non-Public Information and even though the insider believes he, she or it may suffer an economic loss or forego anticipated profit by refraining from trading. Please note that this Policy applies to transactions by insiders in all of the Covered Securities issued by Kura.

The principles described in this Policy also apply to Material Non-Public Information relating to other companies, including the customers and business partners of the Company, when that information is obtained in the course of employment with, or other services performed on behalf of, the Company.

Civil and criminal penalties, and termination of employment or service, may result from trading on inside information regarding the customers or business partners of the Company.

Statement of Policy

A. General Policy

It is the policy of the Company to oppose the unauthorized disclosure of any non-public information acquired in the course of employment with, or other services performed on behalf of, the Company and the misuse of Material Non-Public Information in securities trading.

B. Specific Policies

1. Trading on Material Non-Public Information. No Covered Person, and no member of the immediate family or household or Controlled Entity of any Covered Person, shall engage in any transaction in Covered Securities, including any offer to purchase or offer to sell, during any period:

- commencing with the date that he, she or it possesses Material Non-Public Information concerning the Company; and

- ending at the close of the first Full Trading Session (defined below) following the date

and time of public disclosure of that information, or at such time as such nonpublic information is no longer material.

The only exceptions to this are (a) those specified below in Section F of this Policy: (i) trading pursuant to a pre-arranged trading plan that complies with SEC Rule 10b5-1 and approved by the Compliance Officer (identified at the end of this Policy), and (ii) certain non-market transactions where Kura is the only other party to the transaction; and (b) such other exceptions as may be approved by the Compliance Officer after review and consultation with the appropriate parties as determined by the Compliance Officer in accordance with the law. As used in this Policy, the term "***Full Trading Session***" means the period during any day commencing when the Nasdaq Stock Market opens for pre-market trading and ending when it closes for after-market trading.

2. Tipping. No Covered Person shall disclose ("***tip***") Material Non-Public Information to any other person (including family members and Controlled Entities) where such information could be used by such person to profit by trading in Covered Securities or the securities of other companies to which such information relates, nor shall any Covered Person make recommendations or express opinions based on Material Non-Public Information as to trading in Covered Securities or the securities of other companies. **Tipping may subject the tipper to criminal and civil penalties, even when the tipper does not profit by the prohibited disclosure.**

C. Pre-Clearance; Blackout Periods and Other Responsibilities

To promote compliance with applicable federal and state securities laws, the Company requires compliance with the following procedures in connection with trading in Covered Securities:

1. Pre-Clearance Persons. "***Pre-Clearance Persons***" include: (a) all members of the Board of Directors of the Company, (b) all executive officers of the Company and (c) other specifically designated employees of the Company. The list of Pre-Clearance Persons is intended to include those individuals having regular access to Material Non-Public Information. Pre-Clearance Persons must refrain at all times from conducting transactions in Covered Securities without first complying with the "pre -clearance" process. Specifically, for each transaction in Covered Securities that a Pre-Clearance Person wishes to make, the Pre-Clearance Person must, prior to engaging in the proposed transaction:

- provide the Compliance Officer with a written request, in advance, regarding the proposed transaction, in substantially the form attached as Exhibit A hereto; and
- receive pre-clearance to engage in the proposed transaction from the Compliance Officer, in substantially the form attached as Exhibit B hereto.

Any such pre-clearance received from the Compliance Officer is valid only for one week or such lesser time period as may be prescribed at the time pre-clearance is given. To avoid the appearance of any impropriety, Pre-Clearance Persons should seek pre-clearance for any transactions conducted by their immediate family members or other members of their household, as well as any of their Controlled Entities. A pre-clearance checklist that the Compliance Officer may use to consider whether to provide pre-clearance is attached as Exhibit C hereto. Exhibits A through C may be revised at any time, as appropriate, by the Compliance Officer.

The Company may also find it necessary, from time to time, to require compliance with the pre-clearance process from certain employees, consultants and contractors other than the designated Pre-Clearance Persons. You must follow the above pre-clearance process if, for any specific period, you are directed to do so by the Compliance Officer.

2. Quarterly Blackout Periods. The period directly before public disclosure and dissemination of the financial results for a quarter is a particularly sensitive period of time for transactions by Covered Persons in Covered Securities from the perspective of compliance with applicable insider trading laws. Accordingly, a specified group of Covered Persons are subject to "***Quarterly Blackout Periods***" and must refrain from conducting transactions in Covered Securities during the period:

- commencing on the 16th day of the last month of each fiscal quarter; and
- ending at the close of the second Full Trading Session following the date and time of public disclosure of Kura's financial results for the particular fiscal quarter or year.

The specified group consists of: (a) all members of the Boards of Directors of the Company, (b) all employees who have a title or currently assume the responsibilities of Vice President or greater of the Company, and (c) all persons (regardless of position or title) who are employed in the Finance Department of the Company, regardless of whether they are Pre-Clearance Persons. The Compliance Officer may add additional categories of employees to the specified group at any time. The specified group's immediate family members and other members of their household, as well as their Controlled Entities, are also subject to Quarterly Blackout Periods.

The Compliance Officer may initiate a Quarterly Blackout Period prior to the 16th day of the last month of each fiscal quarter by announcing the start date by electronic mail or other written notification to the specified group of Covered Persons.

3. Special Blackout Periods. The Compliance Officer may, at any time, require that specific Covered Persons suspend trading because of developments not yet disclosed to the public. A Covered Person may be subject to a "***Special Blackout Period***" regardless of whether he or she does, in fact, have knowledge of the specific developments at the time the Special Blackout Period is imposed. The Compliance Officer may announce the beginning of any such Special Blackout Period by electronic mail or other written notification to the specific Covered Persons. In such event, Covered Persons so notified may not engage in any transaction in Covered Securities during such period and may not disclose to others the fact that a Special Blackout Period has been imposed.

In addition, directors and executive officers, to the extent and during the periods required by Section 306 of the Sarbanes-Oxley Act of 2002 and its implementing regulations pertaining to blackout periods applicable to 401(k) and other individual account retirement plans of Kura, if applicable, may not purchase or sell any Covered Securities or otherwise enter into a SEC Rule 10b5-1 pre-arranged trading program to do so.

4. Nature of Blackout Periods. The purpose behind having the above referenced blackout periods is to help Covered Persons avoid any improper transaction or the appearance of any impropriety. However, even outside of these blackout periods, no person possessing Material Non-Public Information concerning the Company may engage in any transactions in Covered Securities for which the information is relevant until such information has been known publicly for at least one Full Trading Session. Except as otherwise provided in Section F of this Policy, trading outside of blackout periods is **not** exempted or excepted from regulation by enforcement authorities and must comply with all applicable laws and the other provisions of this Policy.

5. Individual Responsibility. Every Covered Person has the individual responsibility to comply with this Policy and applicable law, regardless of whether a blackout period exists or whether the Company has notified that person to suspend trading, and every Covered Person is responsible for making sure that their immediate family members and other members of their household, as well as their Controlled

Entities, also comply with this Policy. The guidelines set forth in this Policy are not intended to identify all possible situations relating to potential misuse of Material Non-Public Information, and appropriate judgment should be exercised in connection with any trade in Covered Securities. Remember, any enforcement authorities scrutinizing your transactions will be doing so after the fact and with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities might view the transaction. If you have any questions about the application of this Policy in general or regarding specific trading activity, you should contact the Compliance Officer.

6. Post-Termination Transactions. If a Covered Person possesses Material Non-Public Information when his or her employment or services are terminated, he or she may not trade in Covered Securities until that information has become public or is no longer material.

D. Other Prohibited Transactions

1. Short-Term or Speculative Transactions. Kura considers it improper and inappropriate for any Covered Person to engage in short-term or speculative transactions in Covered Securities. Such activities may put the personal gain of the Covered Person in conflict with the best interests of Kura and its security holders or may create an appearance of such a conflict of interest or the appearance of use of Material Non-Public Information, any of which could negatively affect investors' perceptions of Kura. Accordingly, it is the policy of Kura that Covered Persons not engage in any of the following transactions in Covered Securities:

- **Short Sales** – Short selling is the act of borrowing securities to sell with the expectation of the price dropping and the intent of buying the securities back at a lower price to replace the borrowed securities. Short sales evidence an expectation on the part of the seller that the securities sold will decline in value and may create the appearance that a Covered Person is trading while possessing Material Non-Public Information. In addition, short sales create an inherent conflict of interest with investors in Covered Securities and reduce a Covered Person's incentive to improve the applicable public company's performance. For these reasons, short sales of Covered Securities by Covered Persons are prohibited by this Policy. In addition, Section 16(c) of the Securities Exchange Act, as amended (the "***Exchange Act***"), prohibits directors and executive officers from engaging in short sales;

- **Hedging Transactions** – Hedging transactions allow a holder to continue to own securities, but without the full risks and rewards of that ownership. As a result, hedging transactions involve potential conflicts of interest with investors in Covered Securities and may reduce (or appear to reduce) a Covered Person's incentive to improve the applicable public company's performance. Hedging transactions may also create the appearance that a Covered Person is trading while possessing Material Non-Public Information. Accordingly, Covered Persons are prohibited from engaging in any hedging transactions with respect to Covered Securities;

- **Short-Term Trading** – Short-term trading of Covered Securities may create the appearance that a Covered Person is trading based on Material Non-Public Information or that a Covered Person's attention is focused on short-term performance at the expense of long-term objectives. Accordingly, Covered Persons may not sell any Covered Securities that he or she chooses to purchase for a period of six months following such purchase; provided, however, that this prohibition does not apply to shares acquired as a result of stock option exercises or other employee benefit plan acquisitions;

- **Publicly Traded Options** – A transaction in publicly traded options is, in effect, a wager on the short-term movement of a company's stock. This type of transaction in a Covered Security may create the appearance that a Covered Person is trading based on Material Non-Public Information or that a Covered Person's attention is focused on short-term performance at the expense of long-term objectives. Accordingly, transactions by Covered Persons in put options or call options (or any derivative security that has similar characteristics to those options) on an exchange or in any other organized market are prohibited by this Policy; and

- **Standing and Limit Orders** – Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) created heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a Covered Person is in possession of Material Non-Public Information.

2. Margin Accounts and Pledges. Covered Persons may not hold Covered Securities in a margin account or pledge Covered Securities as collateral for a loan.

E. Definition of "Material Non-Public Information"

It is not possible to define all categories of material information. The materiality of a fact depends upon the circumstances. Generally speaking, a fact regarding Covered Securities will be considered "***material***" if (a) there is a substantial likelihood that a reasonable investor would consider the fact important in making a decision to buy, sell or hold Covered Securities, (b) the fact is likely to have a significant effect on the market price of Covered Securities, or (c) the disclosure of the fact is required to make other material facts regarding Covered Securities not misleading. Either positive or negative information may be material.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are often material, including:

- financial results;
- projections of future earnings or losses, or other earnings guidance;
- changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- news of a pending or proposed merger, acquisition or tender offer;
- news of a pending or proposed disposition of a subsidiary, significant asset(s) or business;
- news of a pending or proposed joint venture;
- impending bankruptcy or financial liquidity problems;
- significant related party transactions;

- new equity or debt offerings, or proposed repurchases of significant amounts of shares or securities;
- development of a significant new product, process, technology or service;
- pending or threatened litigation or major governmental investigations, and resolution of such litigation or investigation;
- a significant cybersecurity incident, such as a data breach;
- major changes in senior management;
- change in auditors or notification that the auditor's report may no longer be relied upon;
- company restructuring;
- bank borrowings or other financing transactions out of the ordinary course;
- regulatory actions;
- the imposition of a Special Blackout Period for trading in Covered Securities or the securities of another company or the extension or termination of such restriction; and
- any other events regarding the Covered Securities (e.g., default on a security, call of securities for redemption, stock split, dividend decision, change in the terms of a security, or a significant increase or decrease in the amount of outstanding securities).

When in doubt, information is to be presumed "material" unless facts and circumstances support a determination of immateriality. Please contact the Compliance Officer with any questions.

"***Non-Public***" information is information that has not been previously disclosed to the general public and is otherwise not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available in a widely available newspaper, magazine or news website, a Regulated FD-compliant conference call, or public disclosure documents filed with the SEC that are available on the SEC's website.

Please note that this Policy provides that Covered Persons may **not** trade immediately after disclosure of Material Non-Public Information – there is a waiting period to allow the public to receive and absorb the information. Unless you are notified otherwise by the Compliance Officer listed at the end of this Policy, that waiting period ends at the close of the first Full Trading Session following the date and time of public disclosure of the Material Non-Public Information. If, for example, Kura were to make an announcement on a Monday, you should not trade in Covered Securities until Wednesday. Depending on the particular circumstances, Kura may determine that a longer period should apply to the release of specific Material Non-Public Information.

F. Certain Exceptions

1. Certain Transactions with the Company. For purposes of this Policy, the receipt of shares, share units, restricted share units, restricted stock or other awards under any Kura equity-based incentive plan and any related stock withholding or vesting of awards under any such plan are exempt from this Policy. Likewise, the exercise of stock options under any Kura equity-based incentive plan and the purchase of shares under any Kura employee stock purchase plan are exempt from this Policy, since the other party to the transaction is the issuer itself. However, a subsequent sale in the securities markets of the shares received upon exercise of the options (including sales pursuant to a so-called "cashless exercise" arranged by your broker) or purchased under the employee stock purchase plan is subject to this Policy. Delivery of shares to Kura, where permitted under applicable equity award plans or similar arrangements, is not subject to this Policy.

2. SEC Rule 10b5-1 Pre-Arranged Trading Programs. SEC Rule 10b5-1 ("Rule 10b5-1") protects insiders from insider trading liability for transactions under pre-arranged trading programs meeting certain requirements:

- The program must be entered into at a time that is outside of a blackout period;
- The program must be entered into at a time when the insider has no Material Non-Public Information;
- The program must do one of the following, in a manner permitted by Rule 10b5-1:
  - specify the amount, date and price for the future transactions; or
  - provide a written formula for determining the amount, date and price for the future transactions; or
  - delegate to a third-party discretion for determining the amount, price and dates for the future transactions.
- The program provides that no trades may occur thereunder until expiration of the applicable cooling-off period specified in Rule 10b5-1(c)(ii)(B), and no trades occur until after that time. The appropriate cooling-off period will vary based on the status of the Covered Person. For directors and officers, the cooling-off period ends on the later of (x) ninety days after adoption or certain modifications of the 10b5-1 pre-arranged trading program; or (y) two business days following disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the quarter in which the 10b5-1 pre-arranged trading program was adopted. For all other Covered Persons, the cooling-off period ends 30 days after the adoption or modification of the 10b5-1 pre-arranged trading program. This required cooling-off period will apply to the entry into a new 10b5-1 pre-arranged trading program and any revision or modification of a 10b5-1 pre-arranged trading program;
- The program is entered into in good faith by the Covered Person, and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1; and, if the Covered Person is a director or officer, the 10b5-1 pre-arranged trading program must include representations by the Covered Person certifying to that effect; and
- The program is the only outstanding approved 10b5-1 pre-arranged trading program entered into by the Covered Person (subject to the exceptions set out in Rule 10b5-1(c)(ii)(D)).

Transactions in Covered Securities pursuant to the terms of a Rule 10b5-1 pre-arranged trading program, including any modification or termination of such programs, shall be exempt from the pre-clearance and blackout provisions of this Policy if that pre-arranged program has received the prior written approval of the Compliance Officer. Each pre-arranged trading program entered into by any insider who is or may be subject to pre-clearance or blackouts must receive the prior written approval of the Compliance Officer.

In order to have an SEC Rule 10b5-1 pre-arranged trading program considered by the Compliance Officer for approval, the person seeking to enter into the program should submit the program's description and documentation to the Compliance Officer before entering into the program. Each such program must allow for the cessation of sales under the program upon notice and request by Kura to the extent Kura enters

a transaction that results in the imposition of trading restrictions on the seller. In considering whether to approve particular programs, the Compliance Officer shall consider, among other things, whether the program meets the requirements of Rule 10b5-1, whether there exists Material Non-Public Information with respect to the Company, and whether arrangements are in place for complying with SEC reporting requirements. The Compliance Officer may refuse to approve any proposed pre-arranged trading program, including if he or she determines that any such program does not satisfy all applicable legal requirements. Please note that the Compliance Officer represents Kura and will be reviewing trading programs in that capacity, and not for the purpose of providing legal advice to those who enter into such programs. Accordingly, the review by the Compliance Officer is not a substitute for seeking advice from your own attorney prior to entering into such a program.

Additional Information - Directors and Executive Officers

Members of the Board of Directors and executive officers of Kura must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that directors and executive officers who purchase and sell Covered Securities in certain transactions within a six-month period are required to disgorge all profits to Kura whether or not they had knowledge of any Material Non-Public Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under an option plan, nor the exercise of that option, nor the receipt of stock under an employee stock purchase plan will be deemed to be a purchase under Section 16; however, the sale of any such shares will be deemed to be a sale under Section 16. Moreover, no director or executive officer may ever make a short sale of Covered Securities. In addition, sales of Covered Securities by directors and executive officers may be required to be made in accordance with Rule 144 under the Securities Act of 1933, as amended.

Interpretation and Amendments

The Compliance Officer is authorized to interpret this Policy on behalf of Kura and to apply its terms to specific situations in which questions arise. The Compliance Officer is further authorized to take all such actions he or she may consider necessary or advisable to administer this Policy. The prior exercise of discretionary authority by the Compliance Officer shall not obligate him, her or any other Compliance Officer to exercise such discretionary authority in a like fashion thereafter. In addition, Kura is authorized to amend this Policy from time to time.

In the event of (a) the Compliance Officer's absence, or (b) the Compliance Officer desires to engage in trading of the Covered Securities, the Chief Executive Officer of Kura shall be responsible for administration of this Policy and any determinations as set forth in and interpretations of this Policy shall be made instead by the Chief Executive Officer.

Inquiries

Please direct your questions as to any of the matters discussed in this Policy to the Corporate Secretary of the Company, who is the Compliance Officer under this Policy.

Adopted: August 5, 2019
Updated: October 29, 2026

EXHIBIT A

REQUEST FOR CLEARANCE APPROVAL TO ENGAGE IN TRADES IN SECURITIES OF KURA SUSHI USA, INC.

To:

From:
Print Name

Signature

Date:

Time:

Pursuant to Kura Sushi USA, Inc.'s Policy Regarding Insider Trading, Tipping and Wrongful Disclosures, I am requesting clearance for the following proposed transactions in the Company securities:

Type of Transaction (circle one): PURCHASE
SALE OTHER

Securities Involved in Transaction: Number of shares:
Number of registered shares represented by option:
Other (please explain):

Beneficial Ownership *(if not applicable, please write "N/A")*:
Name of beneficial owner if other than yourself:
Relationship of beneficial owner to yourself:

EXHIBIT B

PERMISSION TO TRADE

_____ is hereby permitted to _____ buy / _____ sell [check one] _____ shares of _____ common stock and [if applicable] _____ shares of preferred stock of Kura Sushi USA, Inc., a Delaware corporation.

[*Include the following if sales to be made pursuant to Rule 144.]* [The securities must be sold in a broker's transaction, and you may not solicit or arrange for the solicitation of an order to buy the securities you are selling, or make any payment in connection with the offer and sale to any person other than the broker who executes an order to sell the securities.]

The permission to trade will expire on the close of trading on _____, 20___, unless the addressee is notified that an earlier expiration will apply.

Very truly yours,

_____
Signature of Compliance Officer

EXHIBIT C
INSIDER TRADING COMPLIANCE PROGRAM –
PRE-CLEARANCE CHECKLIST

Person Proposing To Trade:
Proposed Trade:
Date:

Trading Window. Confirm that the trade will be made during a "Trading Window."

Section 16 Compliance. Confirm, if the individual is an officer or director subject to Section 16, that the proposed trade will not give rise to any potential liability under Section 16 as a result of matched past (or intended future) transactions. Also, ensure that a Form 4 has been or will be completed and will be filed within two (2) business days of the trade.

Prohibited Trades. Confirm that the proposed transaction is not a short sale, put, call or other prohibited transaction.

Rule 144 Compliance. To the extent applicable, confirm that:

- Current public information requirement has been met.
- Shares are not restricted or, if restricted, the holding period has been met.
- Volume limitations are not exceeded (confirm the individual is not part of an aggregated group).
- The manner of sale requirements have been met.

Rule 10b-5 Concerns. Confirm that:

- The individual has been reminded that trading is prohibited when in possession of any Material Non-Public Information (as defined in the Company's Policy Regarding Insider Trading, Tipping and Wrongful Disclosures) regarding the Company that has not been adequately disclosed to the public.
- The Compliance Officer has discussed with the insider any information known to the individual or the Compliance Officer which might be considered Material Non-Public Information, so that the individual has made an informed judgment as to the presence of Material Non-Public Information.

_____
Signature of Compliance Officer

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-233437, 333-254541, 333-255928, 333-269040, 333-292461) on Forms S-3 and S-8 of our report dated November 5, 2026, with respect to the financial statements of Kura Sushi USA, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Diego, California
November 5, 2026

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Hajime Uba, certify that:

1. I have reviewed this Annual Report on Form 10-K of Kura Sushi USA, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 5, 2026

/s/ Hajime Uba
Hajime Uba
Chairman, President, Chief Executive Officer and
Chief Financial Officer

Exhibit 32.1

**(1) CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Kura Sushi USA, Inc. (the "Company") on Form 10-K for the period ending August 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hajime Uba, Chairman, President, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2026

/s/ Hajime Uba
Hajime Uba
Chairman, President, Chief Executive Officer and Chief Financial Officer