Summary of Business Results for the Year Ending February 28, 2023
[IFRS] (Consolidated)

April 14, 2023

Company **create restaurants holdings inc.** Listed on the TSE
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Expected date of annual shareholders' meeting: May 26, 2023 Expected starting date of dividend payment: May 12, 2023
Expected date of filing of annual securities report: May 29, 2023
Preparation of supplementary financial document: Yes
Briefing of Financial Results: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ending February 2023
(March 1, 2022 through February 28, 2023)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of the parent		Total comprehensive profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2023	118,240	51.0	5,083	-33.4	4,565	-36.0	3,878	-41.8	3,385	-42.8	5,072	-28.9
Year ending Feb. 2022	78,324	5.2	7,633	-	7,134	-	6,660	-	5,919	-	7,138	-

	Basic earnings per share	Diluted earnings per share	Profit ratio to total equity attributable to owners of the parent	Profit before taxes ratio to total assets	Operating income ratio to revenue
	Yen	Yen	%	%	%
Year ending Feb. 2023	16.11	-	13.3	3.4	4.3
Year ending Feb. 2022	30.58	30.58	29.0	4.8	9.7

(Ref.) Adjusted EBITDA: Year ending February 28, 2023: 23,664 million yen (-12.6%)
Year ending February 28, 2022: 27,088 million yen (428.0%)
(Note 1) "Basic earnings per share" and "Diluted earnings per share" are calculated based on "Profit attributable to owners of the parent."
(Note 2) The diluted earnings per share for the fiscal year under review are not presented, as there are no dilutive shares.
(Note 3) Adjusted EBITDA is disclosed as useful comparative information on the business performance of the Group. For definitions and calculation methods of Adjusted EBITDA, please refer to "1. Summary of Operating Results (1) Summary of Operating Results for the fiscal year under review" on page 2 of the attached document.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	Million yen	Million yen	Million yen	%	Yen
As of Feb. 2023	133,555	34,443	27,251	20.4	129.64
As of Feb. 2022	133,605	30,730	23,788	17.8	113.19

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ending Feb. 2023	24,593	-2,311	-20,131	23,895
Year ending Feb. 2022	27,109	-759	-42,206	21,502

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owner of the parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ending Feb. 2022	-	1.50	-	3.00	4.50	919	14.7	4.4
Year ending Feb. 2023	-	3.00	-	3.00	6.00	1,272	37.3	4.9
Year ending Feb. 2024 (forecast)	-	3.00	-	3.00	6.00		30.0	

3. Forecast of consolidated business results for the fiscal year ending February 2024
(March 1, 2023 through February 29, 2024)

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of the parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2024	141,000	19.2	6,500	27.9	6,000	31.4	4,600	18.6	4,200	24.1	19.98

(Reference) Adjusted EBITDA: Year ending February 29, 2024 (Forecast): 22,600 million yen (-4.5%)

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

Newly included: 2 (Saint-Germain Co., Ltd, Hokkaido Saint-Germain Co., Ltd)
Excluded: 1 (KR FOOD SERVICE CORPORATION)

(2) Changes in accounting policies, accounting estimates

①Changes in accounting policies required under IFRS: : None
②Changes in accounting policies due to reasons other than ① : None
③Changes in accounting estimates : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of the period (treasury stock included)
As of February 2023 212,814,284 shares
As of February 2022 212,814,284 shares

② Treasury stock at the end of the period
As of February 2023 2,607,751 shares
As of February 2022 2,656,151 shares

③ Average number of stock during the period (cumulative period)
Year ending February 2023 210,184,160 shares
Year ending February 2022 193,548,023 shares

(Note) Treasury stock to be deducted for the calculation of the number of treasury stock at the end of the period and the average number of stock during the period (cumulative period) includes the Company's shares held by the Japan Trustee Services Bank, Ltd. (trust account) as a trust asset related to the Employee Incentive Plan "Trust-type ESOP for Employees."

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ending February 2023
(March 1, 2022 through February 28, 2023)

(1) Non-consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2023	4,898	-15.3	1,245	-42.7	2,491	-13.6	2,189	-34.1
Year ending Feb. 2022	5,783	63.7	2,175	-	2,884	-	3,323	-

	Net income per share	Diluted net income per share
	Yen	Yen
Year ending Feb. 2023	10.42	-
Year ending Feb. 2022	17.17	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 2023	69,907	27,614	39.5	131.37
As of Feb. 2022	73,683	26,668	36.2	126.90

(Reference) Equity:
As of February 2023: 27,614 million yen
As of February 2022: 26,668 million yen

***Financial summary is not subject to auditing procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

(1) Our Group adopts International Financial Reporting Standards ("IFRS").

(2) Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. Please refer to page 4 of the attached document, 1."Summary of Business Results, etc. (4) Future outlook for the precautions for using the prerequisites for business forecasts.

○ Table of Contents of the Appendix

1. Summary of Operating Results

(1) Summary of operating results for the current fiscal year

① Consolidated business results for the current fiscal year

In the fiscal year under review, the Japanese economy showed signs of a gradual recovery due to the complete lifting of the stricter COVID-19 measures in March, the relaxation of some restrictions, and the effects of various measures such as the national travel subsidy program and a significant easing of border measures that helped to bring back overseas visitors. However, the outlook remains uncertain due in part to soaring resource prices worldwide, the tension in the international situation, and the impact of the yen's depreciation, which remains at a high level.

In the restaurant industry, although there are signs of demand recovery in line with a gradual pickup in economic activity, the business environment remains challenging due to soaring raw material prices, rising labor and utility costs, and other factors. In addition, consumer lifestyles are changing with more people shifting to remote working and the acceleration of digitization, and we need to flexibly respond to these environmental changes.

Against this backdrop, our Group continues to maintain and strengthen the lean cost structure that we have cultivated under the COVID-19, partly due to the relaxation of some restrictions and the reduction of subsidy for shorten operation hours. Specifically, in response to soaring raw material prices, we have shifted the cost of raw materials to sales prices by replacing them with high value-added menu items and worked to standardize foodstuffs and review logistics and consolidate our business partners. In addition, in response to rising personnel costs, we thoroughly managed shifts and implemented appropriate personnel allocation, as well as reduced recruitment costs. In addition, we are continuing our efforts to thoroughly reduce costs by, for example, flexibly reviewing our suppliers and conserving electricity and gas in response to rising utility costs, and continuing to negotiate reductions and exemptions for rent. In addition, we have further promoted the Group Federation Management by consolidating and partially internalizing outlet design and repair operations and making cross-sectional personnel transfers across the Group of management personnel that contribute to revitalizing communication among operating companies and sharing of know-how. As part of DX (Digital Transformation), we are adopting mobile ordering systems to more outlets, utilizing meal delivery robots, and improving the efficiency and advancement of back-office operations.

As for the outlet openings, we maximized our ability to respond to changes, which is one of our Group's strengths. We opened highly investment-efficient outlets, centered on the Contract Business and the Business for SA/PA (Rest Areas for Dining), and opened new outlets that are environmentally conscious with an awareness of SDGs and aimed at providing higher value-added services. In addition, we promoted intra-Group franchises that leverage synergies and intra-Group transfer to improve operational efficiency. As a result, the Group opened a total of 25 new outlets, changed the brand format of 22 outlets, and closed 63 outlets, mainly unprofitable ones. On the other hand, the number of consolidated outlets, including consignment-type outlets, totaled 1,145 at the end of the fiscal year under review. This was due to the inclusion of 78 outlets of Saint-Germain Co., Ltd and 68 outlets of Hokkaido Saint-Germain Co., Ltd in the scope of consolidation through M&A that contribute to the review of the portfolio with a view to post-COVID era.

As a result of the above, revenue for the current fiscal year was 118,240 million yen (up 51.0% year on year), operating profit was 5,083 million yen (down 33.4% year on year), profit before taxes was 4,565 million yen (down 36.0% year on year), profit for the year was 3,878 million yen (down 41.8% year on year), and profit attributable to owners of the parent was 3,385 million yen (down 42.8% year on year). Adjusted EBITDA was 23,664 million yen (down 12.6% year on year) and Adjusted EBITDA margin was 20.0% (34.6% in the same period of the previous fiscal year), and Adjusted equity attributable to owners of the parent (adjusted equity ratio) was 31.0% (28.0% in the same period of the previous fiscal year) (Note 1).

(Note) We use Adjusted EBITDA, Adjusted EBITDA margin and Adjusted equity attributable to owners of the parent (adjusted equity ratio) as useful indicators of our group's performance.

Adjusted EBITDA, Adjusted EBITDA margin and Adjusted equity attributable to owners of the parent (adjusted equity ratio) are calculated as follows.

・Adjusted EBITDA = Operating profit + Other operating expenses - Other operating revenues (excluding sponsorship income, employment adjustment subsidies, subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + Depreciation and amortization + Non-recurring expense items (advisory expenses related to share acquisition, etc.)

・Adjusted EBITDA margin = Adjusted EBITDA/Revenue × 100

・Adjusted equity attributable to owners of the parent (adjusted equity ratio): Ratio of equity attributable to owners of the parent (equity ratio) excluding the impact of IFRS No. 16.

Reportable segments are omitted because there are no reportable segments other than the restaurant business. The status of each category in the restaurant business is as follows.

(CR Category)

This category consists of restaurants operated by create restaurants inc and Create Dining inc They operate restaurants and food courts under a variety of brands, mainly in commercial facilities, and also operates restaurants on a contracted basis, including restaurants in golf courses.

During the fiscal year under review, create restaurants inc opened Shabu Sai and Dessert Oukoku, while Create Dining inc. opened EVERYONEs CAFE, and create restaurants inc contracted the operation of 4 outlets mainly in golf courses. As a result, the Group opened 7 new outlets and closed 39 outlets.

As a result of the above, the category posted revenue of 40,022 million yen for the fiscal year under review, and the number of outlets was 502.

(SFP Category)

This category consists of restaurants operated by SFP Holdings Co., Ltd., Joh Smile Corporation and CLOOC DINING CO.,LTD. They operate izakaya restaurants, such as ISOMARU SUISAN, Toriyoshi Shoten and Omotenashi Toriyoshi brands, mainly in urban downtown districts, and other izakaya restaurants in Kumamoto and Nagano prefectures.

In the fiscal year under review, we opened 5 new outlets and closed 10 outlets, with the opening of seafood restaurants Isomaru Suisan Shokudo in urban areas and seafood Izakaya (Japanese-style pub) restaurants ISOMARU SUISAN and Machizushi Torotaku in regional core cities.

As a result of the above, the category posted revenue of 22,913 million yen for the fiscal year under review, and the number of outlets was 208.

(Specialty Brand Category)

This category consists of outlets operated by LG&EW inc., YUNARI Co., Ltd, Gourmet Brands Company inc., KR FOOD SERVICE CORPORATION, Route 9g Inc., YUZURU Inc., Icchou Inc., Saint-Germain Co., Ltd, and Hokkaido Saint-Germain Co., Ltd.

During the fiscal year under review, KR FOOD SERVICE CORPORATION opened Azusa Coffee and other outlets, and contracted the operation 7 outlets. As a result, we opened 9 new outlets and closed 9 outlets in this category. As a result of M&A, 78 outlets of Saint-Germain Co., Ltd and 68 outlets of Hokkaido Saint-Germain Co., Ltd, totaling 146 outlets were added to the category.

As a result of the above, the category posted revenue of 38,398 million yen for the fiscal year under review, and the number of outlets was 381.

(Overseas Category)

This category consists of overseas restaurants, including restaurants operated by create restaurants asia Pte. Ltd. in Singapore, create restaurants hong kong Ltd. in Hong Kong, and Create Restaurants NY Inc. and Il Fornaio (America) LLC in the United States.

During the fiscal year under review, we opened 4 new outlets and closed 5 outlets, as a result of the opening of ENZO in Hong Kong, OSTERIA del Fornaio in the U.S., and KAGONOYA in Thailand.

As a result of the above, the category posted revenue of 18,506 million yen for the fiscal year under review, and the number of outlets was 54.

(2) Summary of financial condition in the current fiscal year

Total assets at the end of the fiscal year under review amounted to 133,555 million yen (down 0.0% from the end of the previous fiscal year).

Liabilities at the end of the fiscal year under review amounted to 99,112 million yen (down 3.7% from the end of the previous fiscal year). This was mainly due to a decrease in bonds and borrowings of 6,012 million yen, while operating and other payables increased by 2,482 million yen. Net Assets at the end of the fiscal year under review amounted to 34,443 million yen (up 12.1% from the end of the previous fiscal year).

(3) Summary of cash flow in the current fiscal year

Cash and cash equivalents (hereinafter referred to as "cash") for the current fiscal year resulted in an increase in cash flow from operating activities of 24,593 million yen (down 9.3% from the previous fiscal year), a decrease in cash flow from investing activities of 2,311 million yen (up 204.3% from the previous fiscal year), an increase in cash flow from financing activities of 20,131 million yen (down 52.3% from the previous fiscal year), and an increase in cash balance of 23,895 million yen (up 11.1% from the previous fiscal year), including translation differences.

The status of each cash flow in the current consolidated fiscal year and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 24,593 million yen. This was mainly due to the recording of depreciation and amortization of 15,155 million yen and profit before income taxes of 4,565 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 2,311 million yen. This was mainly due to expenditures of 1,738 million yen for the acquisition of property, plant and equipment and expenditures of 294 million yen for the fulfillment of asset retirement obligations.

(Cash flows from financing activities)

Net cash used in financing activities was 20,131 million yen. This was mainly due to expenditure of 12,546 million yen for repayment of lease liabilities and expenditure of 8,336 million yen for repayment of long-term debt.

(Reference) Trends in cash flow indicators

	FY2/23
Equity attributable to owners of the parent ratio (%)	20.4
Equity attributable to owners of the parent ratio based on market value (%)	155.5
Interest-bearing debt to cash flow ratio (years)	1.4
Interest coverage ratio (time)	90.7

(Note) 1. All calculations are based on consolidated financial figures.
2. The formula for the above indicators is as follows:
Equity attributable to owners of the parent/Total assets
Equity attributable to owners of the parent ratio based on market value: Market capitalization (excluding treasury stock)/Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flow
Interest coverage ratio = operating cash-flow/interest expenses
3. Cash flows from operating activities are based on cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt covers all liabilities reported in the consolidated statement of financial position for which interest is paid (excluding lease liabilities). Interest expense is equal to interest payments as stated in the Consolidated Statements of Cash Flows.

(4) Future outlook

As for the economic environment in Japan for the next fiscal year, economic activity will continue to show a gradual recovery due to the following factors: the implementation of measures to stimulate tourism demand, the increase in the number of overseas visitors to Japan due to the drastic relaxation of border measures, especially for China, and the planned downgrading of the legal status of COVID-19 to "Class 5" in May 2023. However, the outlook is expected to remain uncertain because of the global surge in resource prices due to the prolonged tension in the international situation and the continuation of the yen's depreciation trend, as well as the decline in the labor population reflecting to the declining birthrate and aging population, etc.

In the restaurant industry, as described above, while the demand side remains on a moderate recovery trend, the supply side is expected to continue to face a challenging business environment as raw material prices remain high, labor costs rise due to labor shortages, and utility costs continue to rise due to soaring energy prices on the back of global conditions.

Against this backdrop, our Group continues to maintain and strengthen the lean cost structure that we have cultivated under the COVID-19. In addition, we aim to create a sustainable profit growth based on the three pillars of our growth strategy: "reviewing the portfolio with an eye on the post-COVID era," "further evolving the Group Federation Management," and "improving productivity and solving human resource shortages through DX." Specifically, to further improve the quality of existing outlets, we will work to enhance customer satisfaction by working to strengthen concepts, expertise, and appropriate prices, and by focusing on creating long-lasting, attractive outlets. In addition to the opening of new core brands and aggressive renovations and promotion of DX investment, our Group will resume investment for "quality and quantity" in order to shift from "defensive" to "aggressive" stance. Furthermore, in response to the shortage of human resources, we will work to expand employee pay increases and raise hourly wages for crews. In addition, we will establish a group-wide "Human Resources Project Team" to enhance training and create a comfortable working environment.

Based on the above, in addition to the expectation that economic activity will continue to recover moderately in the future, we anticipate full-year contributions and steady PMI (post-merger integration) from newly joined Saint-Germain Co.,Ltd and Hokkaido Saint-Germain Co.,Ltd. Based on the above assumptions, the full-year forecasts for the fiscal year ending February 2024 are expected to include revenue of 141 billion yen, operating profit of 6.5 billion yen, profit before taxes of 6 billion yen, profit for the year of 4.6 billion yen, and profit attributable to owners of the parent of 4.2 billion yen. We also expect adjusted EBITDA of 22.6 billion yen and adjusted EBITDA margins of 16.0%.

(Note) The above forecasts are based on information available as of the date of this report. Actual results may differ from the forecasts due to various factors.

2. Basic Policies regarding the Selection of Accounting Standards

We have disclosed our consolidated financial statements based on the International Financial Reporting Standards (IFRS) since the fiscal year ending February 2019 with the aim of establishing a foundation for M&A promotion in Japan and overseas, improving international comparability in the capital markets, and optimizing management by unifying accounting standards within our Group.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

(Million yen)

	Previous Fiscal Year (February 28, 2022)	Fiscal Year Under Review (February 28, 2023)
Assets		
Current assets		
Cash and cash equivalents	21,502	23,895
Trade and other receivables	4,676	5,240
Other financial assets	309	499
Inventories	675	1,054
Other current assets	1,521	1,578
Total current assets	28,685	32,266
Non-current assets		
Property, plant and equipment	61,582	57,584
Goodwill	23,309	23,688
Intangible assets	6,297	6,177
Other financial assets	9,096	9,390
Deferred tax assets	3,961	3,766
Other non-current assets	671	681
Total non-current assets	104,919	101,288
Total assets	133,605	133,555

(Million yen)

	Previous Fiscal Year (February 28, 2022)	Fiscal Year Under Review (February 28, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,056	4,538
Bonds and borrowings	9,121	8,608
Lease liabilities	10,516	10,855
Other financial liabilities	96	-
Corporate income taxes payable	361	472
Provisions	2,284	2,326
Other current liability	7,581	10,039
Total current liabilities	32,018	36,841
Non-current liability		
Bonds and borrowings	32,266	26,766
Lease liabilities	32,622	29,298
Obligations for retirement pay	791	1,162
Provisions	3,275	3,045
Deferred tax liabilities	1,648	1,630
Other non-current liabilities	250	366
Total non-current liabilities	70,855	62,270
Total liabilities	102,874	99,112
Equity		
Capital stock	50	50
Capital surplus	20,273	20,389
Retained earnings	4,381	6,509
Treasury stock	-1,246	-1,217
Other components of equity	330	1,519
Total equity attributable to owners of the parent	23,788	27,251
Non- controlling equity	6,942	7,191
Equity	30,730	34,443
Total liabilities and equity	133,605	133,555

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Million yen)

	Previous Fiscal Year (March 1, 2021 – February 28, 2022)	Fiscal Year Under Review (March 1, 2022 – February 28, 2023)
Revenue	78,324	118,240
Cost of sales	-21,993	-33,231
Gross profit	56,330	85,008
Selling, general and administrative expenses	-72,115	-83,131
Other operating revenue	27,505	7,048
Other operating expenses	-4,086	-3,842
Operating profit	7,633	5,083
Financial income	143	215
Financing cost	-641	-733
Profit for the year before income tax	7,134	4,565
Corporate income tax expense	-474	-686
Profit for the year	6,660	3,878
Profit attributable to		
Owners of the parent	5,919	3,385
Non- controlling equity	740	493
Profit for the year	6,660	3,878
Profit per share attributable to owners of the parent (yen)		
Basic profit per share	30.58	16.11
Diluted earnings per share	30.58	-

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous Fiscal Year (March 1, 2021 – February 28, 2022)	Fiscal Year Under Review (March 1, 2022 – February 28, 2023)
Profit for the year	6,660	3,878
Other comprehensive profit		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	-41	5
Total	-41	5
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	519	1,188
Total	519	1,188
Total other comprehensive profit	478	1,193
Comprehensive profit for the year	7,138	5,072
Comprehensive profit attributable to		
Owners of the parent	6,413	4,577
Non- controlling equity	725	495
Comprehensive profit for the year	7,138	5,072

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (March 1, 2021 – February 28, 2022)

(Million yen)

	Total equity attributable to owners of the parent										
						Other components of equity					
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total	Total	Non-controlling equity	Total equity
Balance at March 1, 2021	1,012	3,267	14,832	-618	-1,250	-189	-	-189	17,052	6,211	23,264
Profit for the year	-	-	-	5,919	-	-	-	-	5,919	740	6,660
Other comprehensive profit	-	-	-	-	-	519	-26	493	493	-15	478
Comprehensive profit for the year	-	-	-	5,919	-	519	-26	493	6,413	725	7,138
Dividend	-	-	-	-280	-	-	-	-	-280	-	-280
Capital reduction	-962	962	-	-	-	-	-	-	-	-	-
Issuance of new shares	8,088	8,088	-	-	-	-	-	-	16,176	-	16,176
Share issuance costs	-	-85	-	29	-	-	-	-	-55	-	-55
Transfer from capital to capital surplus	-8,088	8,088	-	-	-	-	-	-	-	-	-
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-1	-	-	-	-	-	-	-1	4	2
Share-based payment transactions	-	123	-	-	-	-	-	-	123	-	123
Transfer from other components of equity to retained earnings	-	-	-	-26	-	-	26	26	-	-	-
Redemption of other equity instruments	-	-167	-14,832	-	-	-	-	-	-15,000	-	-15,000
Distributions paid to owners of other equity instruments	-	-	-	-642	-	-	-	-	-642	-	-642
Other	-	-0	-	-	3	-	-	-	3	0	3
Total transactions with owners	-962	17,006	-14,832	-919	3	-	26	26	322	5	327
Balance at February 28, 2022	50	20,273	-	4,381	-1,246	330	-	330	23,788	6,942	30,730

Fiscal year under review (March 1, 2022 – February 28, 2023)

(Million yen)

	Total equity attributable to owners of the parent								Non-controlling equity	Total equity
					Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total	Total		
Balance at March 1, 2022	50	20,273	4,381	-1,246	330	-	330	23,788	6,942	30,730
Profit for the year	-	-	3,385	-	-	-	-	3,385	493	3,878
Other comprehensive profit	-	-	-	-	1,188	3	1,192	1,192	1	1,193
Comprehensive profit for the year	-	-	3,385	-	1,188	3	1,192	4,577	495	5,072
Dividend	-	-	-1,261	-	-	-	-	-1,261	-187	-1,448
Changes in equity of the parent company related to transactions with non-controlling shareholders	-	-60	-	-	-	-	-	-60	-59	-120
Share-based payment transactions	-	178	-	-	-	-	-	178	-	178
Transfer from other components of equity to retained earnings	-	-	3	-	-	-3	-3	-	-	-
Other	-	-1	-	29	-	-	-	28	0	29
Total transactions with owners	-	116	-1,257	29	-	-3	-3	-1,114	-245	-1,360
Balance at February 28, 2023	50	20,389	6,509	-1,217	1,519	-	1,519	27,251	7,191	34,443

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous Fiscal Year (March 1, 2021 – February 28, 2022)	Fiscal Year Under Review (March 1, 2022 – February 28, 2023)
Cash flows from operating activities		
Profit Before Tax for the year	7,134	4,565
Depreciation and amortization	16,429	15,155
Impairment loss	3,302	3,418
Interest income	-8	-11
Interest expense	641	566
Loss (gain) on sale of non-current assets	0	-19
Loss on retirement of non-current assets	26	38
Decrease (increase) in inventories	-6	-102
Decrease (increase) in trade and other receivables	359	402
Increase (decrease) in trade and other payables	-422	1,883
Increase (decrease) in net retirement benefit liability	9	5
Increase (decrease) in Provisions	284	-404
Other changes	-412	1,696
Sub-total	27,338	27,196
Interest and dividend received	4	15
Interest expenses paid	-338	-271
Corporate income taxes paid	-857	-2,795
Corporate income taxes refunded	962	447
Cash flows from operating activities	27,109	24,593
Cash flow from investing activities		
Payments into time deposits	-333	-45
Proceeds from withdrawal of time deposits	330	15
Purchase of property, plant and equipment	-1,376	-1,738
Proceeds from sales of property, plant and equipment	61	37
Payments for asset retirement obligations	-336	-294
Purchase of intangible assets	-24	-75
Payments for guarantee deposits	-120	-229
Proceeds from collection of guarantee deposits	1,076	333
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-213
Other	-36	-101
Cash flow from investing activities	-759	-2,311

(Million yen)

	Previous Fiscal Year (March 1, 2021 – February 28, 2022)	Fiscal Year Under Review (March 1, 2022 – February 28, 2023)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	-32,145	-
Proceeds from long-term debt	16,310	2,600
Repayment of long-term loans payable	-12,623	-8,336
Proceeds from issuance of shares	16,090	-
Redemption of bonds	-423	-280
Repayments of lease liabilities	-13,146	-12,546
Cash dividends paid	-284	-1,259
Redemption of other equity instruments	-15,000	-
Distributions paid to owners of other equity instruments	-990	-
Proceeds from share issuance to non-controlling interests	2	-
Dividends paid to non-controlling interests	-0	-189
Payment for acquisition of subsidiaries' equity from non-controlling interests	-	-120
Other	3	-
Cash flow from financing activities	-42,206	-20,131
Effect of exchange rate change on cash and cash equivalents	46	242
Net increase (decrease) in cash and cash equivalents	-15,809	2,392
Balance of cash and cash equivalents at beginning of period	37,312	21,502
Balance of cash and cash equivalents at year-end	21,502	23,895

(5) Notes on the Consolidated Financial Statements

(Notes on going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in the Group's consolidated financial statements are identical to the accounting policies applied in the consolidated financial statements for the fiscal year under review.

The Group continued to apply the following criteria for rent exemptions from the previous fiscal year through June 30, 2022.

IFRS	Outline of new standard and amendment
IFRS No. 16 Leases	The amended accounting treatment for rent reductions related to COVID-19 after June 30, 2021

This revision allows lessees that have received rent reductions and exemptions as a direct consequence of the spread of a new coronavirus (COVID-19) infections to select a simplified accounting treatment. The period of application was extended by the revision in March 2021.

As in the previous fiscal year, the Group applies this method for rent reduction and exemption which meet the above requirements.

Profit before taxes for the fiscal year under review increased by 89 million yen due to the adoption of this new accounting standard.

(Segment Information)

Segment information is omitted because the Group's business is categorized as restaurant business and there are no segments to be categorized.

(Per-stock Information)

Basic earnings per share and diluted earnings per share and the basis for calculation are as follows.

(Million yen)

	Previous Fiscal Year (March 1, 2021 – February 28, 2022)	Fiscal Year Under Review (March 1, 2022 – February 28, 2023)
Profit attributable to owners of the parent	5,919	3,385
Adjustments to profit for the year		
Adjustments for dilutive shares issued by subsidiaries	-0	-
Profit for the year used to compute diluted earnings per share	5,919	-
Weighted average number of shares of common shares outstanding (shares)	193,548,023	210,184,160
Weighted average number of common diluted shares outstanding (shares)	193,548,023	-
Basic earnings per share (yen)	30.58	16.11
Diluted earnings per share (yen)	30.58	-

(Note) 1. "Basic earnings per share" and "Diluted earnings per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares, from the calculation of the average number of shares during the period. (Previous fiscal year:1,994,476 shares, Current fiscal year:1,963,572 shares).

2. Diluted earnings per share for the fiscal year under review is not presented because there were no dilutive shares.

(Significant subsequent events)

None