

July 20, 2023

Notice of Tender Offer for Treasury Stock by Subsidiary

SFP Holdings Co., Ltd. ("SFP Holdings"), a consolidated subsidiary of the Company, announced at its Board of Directors meeting held today that it had resolved to make a tender offer for its own shares (the "Tender Offer"), as attached hereto.

In addition, at the meeting of our Board of Directors held today, we resolved to accept the Tender Offer for 3,000,000 shares of our common stock of SFP Holdings (equivalent to approximately 5.9 billion yen).

There is no impact on our consolidated results for the fiscal year ended February 2024.

July 20, 2023

Notice of Purchase of Treasury Stock and Tender Offer for Treasury Stock

On July 20, 2023, we decided to purchase our own shares and make a tender offer of our own shares (hereinafter referred to as the "Tender Offer") as a specific method of acquisition pursuant to the provisions of our Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter referred to as the "Companies Act") by means of a written resolution in lieu of a resolution of the board of directors pursuant to the provisions of Article 370 of the Companies Act and the articles of incorporation of the Company. We hereby notify you as follows:

1. Purpose of Purchase

We recognize that returning profits to shareholders is an important management issue. Our basic policy is to pay a stable and continuous dividend, taking into account the internal reserves, operating results, and financial condition to develop businesses such as new store openings and the development of new business formats, and to strengthen our management structure. In addition, the Company's Articles of Incorporation stipulate that the matters set forth in each item of Paragraph 1 of Article 459 of the Companies Act, including dividends from retained earnings, may be determined by resolution of the Board of Directors, except as otherwise provided by laws and regulations. The objective is to flexibly implement equity and dividend policies. On the acquisition of treasury shares to improve equity efficiency and return profits to shareholders for ① the purchase of treasury stock on the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") based on the resolution of the Board of Directors on Jul. 13, 2017 (the total number of shares repurchased from Jul. 14, 2017 to Oct. 12, 2017: 246,700 shares (the ratio of shares purchased at the time: 0.84% : Note 1)) with the total purchase price: 423,677,700 yen, ② the purchase of treasury stock on the Tokyo Stock Exchange based on the resolution of the Board of Directors on Oct. 13 and on Nov. 22 in 2017 (the total number of shares repurchased from Oct. 16, 2017 to Jan. 19, 2018 : 517,500 shares (the ratio of shares purchased at the time: 1.76% : Note 2)), with the total purchase price: 1,083,611,000 yen, and ③ repurchase of treasury stock through tender offer based on the resolution of the Board of Directors on Jan. 19, 2018 (purchase price: 2,030 yen, period of purchase, etc.: from Jan. 22, 2018 to Feb. 19, 2018, (the total number of shares acquired: 3,250,081 shares (the ratio of shares purchased at the time : 11.28% : Note 3)), with the total purchase price: 6,597,664,430 yen, (hereinafter referred to as the "2018 Tender Offer"). In addition, we cancelled 246,730 shares of treasury stock on October 13, 2017 and 3,767,581 shares of treasury stock on March 22, 2018, respectively, owned by us at the time of the repurchase, including the shares repurchased above.

(Note 1) Percentage (rounded to the nearest third decimal place) of the total number of shares outstanding as of May 31, 2017 (29,536,000 shares) as stated in our 1Q Report for the 8th Fiscal Period filed on July 13, 2017, less the number of treasury shares (30 shares) owned by us as of that date, resulting in 29,535,970 shares.

(Note 2) Percentage (rounded to the nearest third decimal place) of the total number of shares outstanding as of August 31, 2017 (29,571,000 shares) as stated in our 2Q Report the 8th Fiscal Period filed on October 13, 2017, less the number of treasury shares (246,730 shares) cancelled as of October 13, 2017, resulting in 29,324,270 shares (hereafter referred to as the "total number of shares issued and outstanding as of October 13, 2017)

(Note 3) Percentage (rounded to the nearest third decimal place) of the total number of shares outstanding as of October 13, 2017 (29,324,270 shares) , less the number of treasury shares (517,500 shares) owned by us as of January 19, 2018, which was acquired in ② above, resulting in 28,806,770 shares.

With regard to the review of the market classification of the Tokyo Stock Exchange, which was implemented on April 4, 2022, based on the resolution of the Board of Directors meeting held on December 23, 2021, we

submitted an application to the Tokyo Stock Exchange for selecting the prime market, and as of the transition record date (June 30, 2021), our secondary share ratio (Note 4) was 31.5%, and we did not satisfy the secondary share ratio of 35.0% or more of the maintenance standards for listing on the prime market (the "Standards"). Accordingly, we announced the "Plan for Compliance with the Listing Maintenance Standards for New Market Segments" (the "Plan") on that date.

(Note 4) "Secondary Share Ratio" refers to the ratio calculated by dividing the number of shares in circulation (Note 5) by the number of listed shares (including treasury shares; the same shall apply hereafter) and multiplying by 100, that is rounded to the nearest second decimal place. This shall be applied to the calculation of the outstanding share ratio hereinafter.

Note 5) "Secondary Shares" refers to the number of shares listed including treasury shares (25,780,689 shares), less major shareholders (0 shares), the number of shares held by directors, etc. (141,500 shares), the number of treasury shares (208 shares), the number of shares held by commercial banks (0 shares), the number of shares held by insurance companies (1,400 shares) and the number of shares held by business corporations, etc. (17,503,900 shares), resulting in 8,133,681 shares. This is based on the Results of the Primary Judgment Regarding Compliance with the Listing Maintenance Criteria for the New Market Classification which we received from the Tokyo Stock Exchange on July 9, 2021. The number of shares used in the calculation of the number of secondary shares outstanding as of the transition record date (June 30, 2021) is as of February 28, 2021.

We recognize that the continued listing of our common stock on the prime market is important for our sustainable growth and that specifically, for realization of enhanced corporate value over the medium to long term, it is necessary for management to satisfy this standard. These are the key issues from the viewpoint of securing trading opportunities in the prime market for our shareholders to acquire talented human resources, improve the motivation of existing employees, and maintain and improve social creditworthiness.

Based on this recognition, in this plan, we consider it an issue to reduce the ratio of our common stock owned by business corporations, etc. that is deducted from the number of secondary shares in the calculation of the secondary share ratio. In order to satisfy this standard by the end of February 2026, we have adopted a basic policy of making efforts to obtain the cooperation of these business corporations, etc. for the sale of shares, with a particular focus on the business corporations, etc. that own shares in our business relationship. For more information on this protocol, please refer to the relevant publication (<https://www2.jpx.co.jp/disc/31980/140120211206447202.pdf>).

Based on this policy, since the announcement of this plan, we have been making efforts to improve profitability and stock prices while preparing for negotiations with the business corporations concerned. However, by the end of the fiscal year ended February 2023, we were unable to reach negotiations on the appropriateness and timing of the sale of our common shares, although we were able to gain an understanding of our policy, due to the sluggish market prices and the unstable market environment.

As announced on May 31, 2023 in the "Progress Based on the Plan for Compliance with the Listing Standards," we continued to make the above efforts. As a result, in the fiscal year ended February 2024, our business environment and market stock prices had improved to almost the same level as before Covid-19. Therefore, we decided that an environment in which we can negotiate with business corporations and other entities on the sale of shares is being prepared, and in late May 2023, we began to review concrete measures to satisfy this standard.

As mentioned above, in the process of our review, we recognized that it was an issue to reduce the ratio of our common stock owned by business corporations to be deducted from the number of secondary shares in the calculation of the share ratio. Therefore, we considered asking the parent company, create restaurants holdings inc., (hereafter, "create restaurants holdings", number of shares owned: 16,435,500 shares, ownership ratio: 63.73% (Note 6)) to sell some of our common stock owned by the company to a third party. However, we were unable to envision an appropriate transferee of our common stock of the size necessary to satisfy this criterion that would be treated as secondary shares. We were also concerned that if a large number of shares of our

common stock were to be released into the market, it would cause a deterioration in the supply-demand relationship for our common stock, which would have an impact on the market capitalization of our tradable shares by causing a decline in our stock price. Accordingly, we have considered repurchasing our shares as a way to avoid concerns that the market will be released of our common stock in a particular transferee or in bulk quantities. In early June 2023, we purchased a portion of our common stock held by create restaurants holdings, which is deducted from the number of shares outstanding in the calculation of the secondary share ratio, as treasury stock, and subsequently cancelled the treasury stock. We concluded that we would be able to improve the secondary share ratio while avoiding a decline in the share price due to a deterioration in the supply-demand relationship for our common stock, and that this would contribute to the improvement of equity efficiency, such as our net income per share (EPS) and return on equity (ROE), which would also lead to a return to shareholders. (Note 6) "Ownership ratio" refers to the ratio of the number of shares held by create restaurants holdings to the number of shares outstanding as of May 31, 2023 (25,788,689 shares) which is included in the 14th Quarter Report filed by the Company on July 14, 2023, less the number of treasury shares (337 shares) as of May 31, 2023 as of the end of the first quarter in the fiscal year ended February 14, 2024 (JGAAP, Consolidated) (=25,788,352 shares). (Rounded to two decimal places. The same shall apply hereinafter in the calculation of ownership percentage.)

Based on the above judgment, in early June 2023, we conducted a trial calculation of the secondary share ratio based on the assumption that we will repurchase our common shares owned by create restaurants holdings as treasury shares and cancel such shares. By acquiring 3,000,000 to 3,500,000 shares from create restaurants holdings as treasury shares and subsequently canceling such shares, we will be able to improve the secondary share ratio from 35.5% to 36.3% (Note 7) and believe that we could satisfy this standard. With respect to the specific methods of repurchasing treasury stock, the Company has carefully considered the following factors: (i) the need to repurchase a substantial amount of treasury stock in order to satisfy the secondary share ratio of 35.0% or more, which is the standard; (ii) equality among shareholders; (iii) transparency of transactions; (iv) the ability to purchase our common stock at a certain discount from the market price, if the repurchase is made at such price, will lead to the curtailment of the outflow of our assets; and (v) securing opportunities for shareholders to subscribe based on market price trends after providing a certain period of consideration. Based on this consideration, the Company has determined that the method of tender offer is appropriate, rather than the method of tender offer through a financial instruments exchange. In addition, in determining the price of the Tender Offer, etc., (the "Tender Offer Price"), we considered that our common stock is listed on a financial instruments exchange, and that Tender Offer Price should be based on the market price as the fair price of our common stock, with an emphasis on the clarity and objectivity of the standards. On this basis, from the perspective of respecting the interests of our shareholders who continue to own our common shares without subscribing to the Tender Offer, we have determined that it is desirable to purchase our shares at a certain discount to market prices in order to minimize the outflow of our assets to the extent possible.

(Note 7) Based on the assumption that we will repurchase 3,000,000 to 3,500,000 shares of our common stock from create restaurants holdings and cancel all such shares, this ratio is acquired by dividing the number of secondary shares (8,092,983 shares) as of February 28, 2023 divided by the number of outstanding shares (25,788,689 shares) minus the number of outstanding shares 3,000,000 to 3,500,000 shares (=22,288,689 to 22,788,689 shares) multiplied by 100. The number of outstanding shares is rounded to the second decimal place.

Accordingly, in early June 2023, we approached create restaurants holdings regarding the possibility of a tender offer for 3,000,000 to 3,500,000 shares of our common stock owned by create restaurants holdings (number of shares owned: 16,435,500 shares, percentage of shares owned: 63.73%) that could satisfy this standard in the prime market if we made a tender offer to create restaurants holdings at a price that provides a certain discount to the market price of our common stock on Tokyo Stock Exchange Prime market. As a result, in early June 2023, we were informed by create restaurants holdings that we will respect our intentions and

positively consider our subscription to the Tender Offer.

In response, we proceeded to review discount ratio and the price of our common stock underlying the discount ratio to the market price of the tender offer price. In mid-June 2023, the discount ratio relative to the market price was 9.42% for the 2018 Tender Offer. In addition, in 53 cases of tender offers for treasury stock announced between January 2020 and mid in June 2023 (the "This case"), the largest number of cases (31 cases) were conducted at a discount rate of around 10% (9% to 11%), and it was determined that the same discount rate would be appropriate. The fair value of our common stock on which discounts are based was calculated based on either the closing price on the business day prior to the resolution date of the Tender Offer on the Tokyo Stock Exchange or the simple average of the closing prices for the past one month or the past three months in this case. In this case, the maximum number of cases was 43, and it was determined that it would be appropriate to consider these as candidates, and the fair value was determined to be based on either the closing price of our common stock on Tokyo Stock Exchange Prime Market on July 19, 2023, which was the business day prior to the resolution date of the Board of Directors meeting on the Tender Offer (July 20, 2023), or the simple average of the closing price of our common stock in the past one month or the past three months until the same day.

As a result of the above discussion, in early July 2023, we asked create restaurants holdings whether or not to apply for the Tender Offer at a price discounted by 10% from the closing price of our common shares in Tokyo Stock Exchange Prime Market on July 19, 2023, which is the business day before the Board of Director's resolution date (July 20, 2023), or from the simple average closing price of our common shares in the past one month or the past three months. In mid-July 2023, we received a response from create restaurants holdings that it would positively consider applying for about 3,000,000 shares of our common stock (number of shares held: 16,435,500 shares and percentage of shares held: 63.73%).

On July 19, 2023, we held final discussions with create restaurants holdings regarding the tender offer and we have notified create restaurants holdings that the simple average of the closing price of the Company's common stock on the Prime Market of Tokyo Stock Exchange on July 19, 2023, the closing price of the Company's common stock for the past one month and the closing price of the Company's common stock for the past three months up to and including that date shall be 2,196 yen, 2,154 yen (rounded to the nearest yen, hereinafter the same in calculating the simple average of closing prices) and 2,055 yen, respectively. Based on the above, the Company has proposed that the Tender Offer Price be set at 1,980 yen per share (rounded to the nearest 10 yen, hereinafter the same in calculating the prices), which is a 10% discount from the closing price of 2,196 yen of the Company's common stock on the Tokyo Stock Exchange Prime Market on July 19, 2023, the business day prior to the scheduled date of the Board of Directors' resolution to implement the Tender Offer (July 20, 2023).

As a result, on the same day, we received a response from create restaurants holdings that, if we conduct the Tender Offer under the above terms and conditions, we will subscribe to the Tender Offer for 3,000,000 shares of our common stock owned by the Company (ownership ratio: 11.63%, hereinafter the "Shares to be subscribed"), and that create restaurants holdings will continue to own 13,435,500 shares of our common stock that is not subscribed for in the Tender Offer (ownership ratio: 52.10%). On the other hand, if the total number of share certificates, etc. subscribed for in the Tender Offer exceeds the upper limit of the number of shares, etc. offered for tender offer, it shall not be purchased, in whole or in part. Accordingly, we will acquire a portion of the shares we plan to subscribe for as a proportionate purchase. However, we have received a response from create restaurants holdings to the effect that it will continue to hold common shares that we subscribed for and could not acquire. The above rules are set forth in: Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended including subsequent amendments. Hereinafter referred to as the "Law"), Article 27-13, Paragraph 5 of the Law as applied mutatis mutandis pursuant to Article 27-22-2, and the Article 21 of the Cabinet Office Ordinance on Disclosure of Tender Offers for Listed Share Certificates, etc. by Issuers (Ministry of Finance Ordinance No. 95 of 1994, including subsequent amendments, hereinafter referred to as the "Ordinance")

As of today, create restaurants holdings owns 16,435,500 shares of our common stock (ownership ratio: 63.73%) and is our parent company. Accordingly, the repurchase of shares from create restaurants holdings in this tender offer falls under the category of transactions with controlling shareholders as stipulated in the rules

for listing of securities on Tokyo Stock Exchange, etc. Under the Securities Listing Regulations of Tokyo Stock Exchange, the Company is required to obtain an "Opinion Concerning No Disadvantage to Minority Shareholders" ("Opinion") from a person who has no conflict of interest with the controlling shareholders. Accordingly, on June 22, 2023, the Company has asked a special committee consisting of three (3) members (Mr. Tatsuo Ikeda, Mr. Nobuaki Chonan and Ms. Yukari Takami: the "Special Committee") , who have no conflict of interest with create restaurants holdings and are independent directors of the Company that have no conflict of interest with general shareholders, to prepare a written opinion. As a result, the Company received a written opinion (hereinafter referred to as "opinions") dated July 19, 2023, from the Special Committee to the effect that the decision to conduct the Tender Offer is not disadvantageous to the minority shareholders of the Company. (For a summary of the written opinion, please refer to "② Background of the Calculation" in "(3) Basis of the Price for the Purchase, etc." in " 3. Outline of the Tender Offer")

After the above review and discussion, the Company resolved in writing on July 20, 2023, in lieu of a resolution of the Board of Directors pursuant to Article 370 of the Companies Act and the Company's Articles of Incorporation, to implement the Tender Offer as a specific method of acquiring treasury stock and to acquire treasury stock pursuant to Article 459, Paragraph 1, of the same act, and to set the Tender Offer price of 1,980 yen per share at a discount of 10% to the closing price of 2,196 yen of the Company's common stock on the Tokyo Stock Exchange Prime Market on July 19, 2023, the business day before the date of the Board of Directors' resolution on the implementation of the Tender Offer (July 20, 2023).

In addition, among the 53 cases of the Tender Offer, the largest number of cases (17 cases) are planned to be purchased with the addition of about 10% (9% to 11%) to the shares for which the Company has agreed to subscribe. From the viewpoint of offering opportunities to shareholders other than create restaurants holdings, the maximum number of shares to be purchased is set at 3,300,000 shares for which the Company has agreed to subscribe plus 10% (ownership ratio: 12.80%), for the total number of shares for which the Company has agreed to purchase 3,000,000 shares.

Hirofumi Morimoto, a director (Audit and Supervisory Committee member) of the Company, also serves as a director (Audit and Supervisory Committee member) of create restaurants holdings, and in light of the fact that he may have a special interest in the Tender Offer, from the viewpoint of avoiding conflicts of interest and increasing the fairness of transactions, he is not involved in any deliberations or resolutions of the above Board of Directors.

In addition, the Company plans to use all of the funds required for the Tender Offer for its own funds. As of May 31, 2023, on a consolidated basis of the Company's 1Q financial report, liquidity on hand (cash and deposits) was approximately ¥9.2 billion (liquidity ratio on hand: 4.8 months) (Note 8). Furthermore, as of February 28, 2023, the Company had approximately ¥4,226 million in operating cash flow in the 13th Annual Securities Report filed on May 24 2023 in the fiscal year ended February 28, 2023, as stated in the Company's 1Q financial report, the consolidated operating profit forecast for the fiscal year ending February 28, 2024 is expected to be ¥1 billion, so that the amount of funds required for the Tender Offer is approximately ¥6.5 billion. We believe that our ability to make short-term payments will not be challenged, and that we will be able to maintain our business operations and financial soundness.

(Note 8) Liquidity ratio on hand: 4.8 months is obtained by dividing the liquidity on hand on a consolidated basis as of May 31, 2023, as described in the 1Q Report, by our monthly sales (the number obtained by dividing consolidated sales in the fiscal year ended February 2023 by 12 months) (rounded off to the second decimal place).

Regarding the policy of disposing of the treasury stock acquired through the Tender Offer, we plan to cancel all of these shares after the completion of the Tender Offer, but the timing of cancellation has not been determined at this time.

2. Details of the resolution of the Board of Directors regarding the acquisition of treasury stock

(1) Contents of the resolution

Type of share certificates, etc.	Total number	Total Purchase Amount
Common stock	3,300,100 Shares (maximum)	6,534,198,000 yen (upper limit)

(Note 1) Total number of issued shares 25,788,689 shares (as of July 20, 2023)

(Note 2) Percentage of total shares outstanding 12.80% (rounded to the nearest third decimal place)

(Note 3) Period to be acquired From July 21, 2023 (Friday) to September 29, 2023 (Friday)

(Note 4) Since the number of shares tendered exceeded the number of shares planned to be purchased, and as a result of unit adjustments based on a pro rata basis, the total number of shares to be purchased in the Board of Directors' resolution is one unit (100 shares) added to the number of shares planned to be purchased.

(2) Listed share certificates, etc. pertaining to the treasury shares already acquired pursuant to the said resolution
Not applicable.

3. Outline of Purchase

(1) Schedule, etc.

① Resolution of the Board of Directors	Thursday, July 20, 2023
② Notification date of the commencement of the tender offer	Friday, July 21, 2023 We will make an electronic public notice and post this in the Nikkei. (Electronic Public Notice Address https://disclosure2.edinet-fsa.go.jp/)
③ Tender Offer Notification	Friday, July 21, 2023
④ Period for Purchase, etc.	From Friday, July 21, 2023 Until Monday, August 21, 2023 (21 business days)

(2) Price of the Purchase, etc.

1,980 yen per share of common stock

(3) Basis of Calculation for Purchase Price, etc.

① Basis of calculation

In determining the Tender Offer Price, we considered that our common stock is listed on a financial instruments exchange and considered that we should place emphasis on the clarity and objectivity of the standards and be based on the market price as the fair price of our common stock. On this basis, from the perspective of respecting the interests of our shareholders who continue to own our common shares without subscribing to the Tender Offer, we have determined that it is desirable to purchase our shares at a certain discount to market prices in order to minimize the outflow of our assets to the extent possible.

In addition, we have proceeded to review the discount rate relative to the market price of our common stock and the price of our common stock underlying the discount on the tender offer price, and have determined as follows: As for the discount rate relative to the market price, in addition to the adoption of a discount rate of 9.42% in the 2018 Tender Offer, in the 53 Cases, the highest number of cases (31 cases) adopted a discount rate of around 10% (from 9% to 11%), and we have determined that it is appropriate to adopt a discount rate of the same level. In this case, as for the appropriate price for the Company's common stock, which will be the basis for the discount, we found that there were 43 cases in which the discount values were calculated based on either the closing price on the business day prior to the date of the decision

on the implementation of the takeover bid at Tokyo Stock Exchange or the simple average of the closing price for the past one month or the past three months. We determined that it would be appropriate to consider these cases as candidates, and decided to base them on either the closing price of our common stock on the Tokyo Stock Exchange prime market on July 19, 2023, which is the business day prior to the scheduled date of the board's decision on the takeover (July 20, 2023), or the simple average of our common stock's closing price for the past one month or the past three months until the same date.

On July 19, 2023, we held final discussions with create restaurants holdings regarding the tender offer and we have notified create restaurants holdings that the simple average of the closing price of the Company's common stock on the Prime Market of Tokyo Stock Exchange on July 19, 2023, the closing price of the Company's common stock for the past one month and the closing price of the Company's common stock for the past three months up to and including that date shall be 2,196 yen, 2,154 yen and 2,055 yen, respectively (rounded to the nearest yen, hereinafter the same in calculating the simple average of closing prices). Based on the above, the Company has proposed that the Tender Offer Price be set at 1,980 yen per share (rounded to the nearest yen), which is a 10% discount from the closing price of 2,196 yen of the Company's common stock on the Tokyo Stock Exchange Prime Market on July 19, 2023, the business day prior to the scheduled date of the Board of Directors' resolution to implement the Tender Offer (July 20, 2023).

After the above deliberations and discussions, we have decided to set the tender offer price at 1,980 yen.

The Tender Offer Price of 1,980 yen per share represents a discount of 9.84% on the closing price of 2,196 yen per share of our common stock on the Tokyo Stock Exchange Prime Market on July 19, 2023, the business day immediately preceding the date of the Board of Directors' resolution to implement the Tender Offer (July 20, 2023), a discount of 8.08% on the simple average of the closing price 2,154 yen of the Company's common stock for the past one month ending July 19, 2023, a discount of 3.65% on the simple average of the closing price 2,055 yen of the Company's common stock for the past three months ending July 19, 2023, respectively.

The difference between the purchase price and the tender offer price for treasury stock, which we conducted most recently, is as follows.

Based on the resolution of the Board of Directors of January 19, 2018, the Company acquired common shares of 3,250,081 shares through a 2018 tender offer (purchase price: ¥2,030 and the period of purchase, etc.: from January 22 to February 19, 2018). The difference of 50 yen between the purchase price of 2,030 yen in the 2018 Tender Offer and the Tender Offer Price of 1,980 yen is due to the fact that the closing price of 2,196 yen of our common stock on Tokyo Stock Exchange on July 19, 2023, which was the basis of the Tender Offer Price, was 45 yen down from the simple average closing price of ¥2,241 of our common stock on the Second Section of the Tokyo Stock Exchange for the past one month through January 18, 2018, and the discount rate to the market price applied in the Tender Offer was 9.84%, whereas the discount rate applied in the 2018 Tender Offer was 9.42%.

② Background to the calculation

(Background to the Determination of the Tender Offer Price)

In early June 2023, we determined that it was desirable to purchase the shares at a certain discount to the market price when determining the Tender Offer Price.

In addition, in mid-June 2023, we have proceeded to review the discount rate relative to the market price of our common stock and the price of our common stock underlying the discount on the tender offer price, and have determined, as for the discount rate relative to the market price, a discount rate of around 10% (from 9% to 11%) is appropriate. And, as for the appropriate price for the Company's common stock, which will be the basis for the discount, we have determined that it should be based on either the closing price of our common stock on Tokyo Stock Exchange Prime market on July 19, 2023, the business day prior to the scheduled date of resolution of the Board of Directors of the Tender Offer (July 20, 2023), or the simple average of the closing price of our common stock for the past one month period or the past three months until that date.

On July 19, 2023, we had a final negotiation with create restaurants holdings. The closing price of our common stock in the Tokyo Stock Exchange on July 19, 2023, the closing price of our common stock in the past one month, and in the past three months were 2,196 yen, 2,154 yen, and 2,055 yen, respectively. The Company has proposed that the Tender Offer Price be set at 1,980 yen, a 10% discount applied to the closing price of 2,196 yen of the Company's common stock on the Tokyo Stock Exchange Prime Market on July 19, 2023, the business day immediately preceding the scheduled date of the Board of Directors' resolution to implement the Tender Offer (July 20, 2023).

After the above deliberations and discussions, we resolved on July 20, 2023 to set the tender offer price to be 1,980 yen.

(Matters concerning measures to secure fairness and measures to avoid conflicts of interest, and an outline of opinions obtained from persons who have no interest in the Controlling Shareholder concerning the fact that said Transactions, etc. are not disadvantageous to the Minority Shareholders)

(1) Matters concerning measures to secure fairness and measures to avoid conflicts of interest

As a result of thorough consideration of the specific methods of repurchase of treasury stock from the viewpoint of ensuring fairness among shareholders and transparency of transactions, we will implement the method through a tender offer, which ensures opportunities for shareholders other than create restaurants holdings to submit subscriptions while observing market trends after providing a certain period of consideration.

In addition, because Mr. Hirofumi Morimoto, a director (Audit and Supervisory Committee member) of the Company, also serves as a director (Audit and Supervisory Committee member) of create restaurants holdings, he does not participate in the Board of Directors' deliberations and resolutions regarding the acquisition of treasury stock and the Tender Offer from the viewpoint of eliminating arbitrariness in our decision-making process when purchasing treasury stock and considering and making decisions on the Tender Offer.

In addition, according to a written resolution dated July 20, 2023, in lieu of the resolution of the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and the Articles of Incorporation of the Company, we resolved to implement the Tender Offer by the unanimous consent of the Directors who may participate in the resolution, and all Audit and Supervisory Committee members stated that they had no objection to the implementation of the Tender Offer.

Furthermore, as stated in "(2) Summary of opinions obtained from persons who have not interested with controlling shareholders" below, we have requested that this Special Committee prepare an opinion to secure the fairness of the Tender Offer and, on July 19, 2023, we have obtained an opinion from this Special Committee that the decision to implement the Tender Offer is not adverse to our Minority Shareholders.

(2) Summary of opinions obtained from persons who have not interested with controlling shareholders regarding the fact that the transaction is not disadvantageous to minority shareholders

We asked the Special Committee to comment on whether the Tender Offer is not detrimental to our minority shareholders and whether proper and fair measures were taken as a measure to eliminate arbitrariness in the decision-making process in the course of the purchase of treasury stock, the consideration, and decision-making of the Tender Offer.

The Special Committee received explanations from us regarding the purpose and background of the Tender Offer, the method of calculating the Tender Offer Price, various other conditions, and the appropriateness and fairness of our procedures for making decisions regarding the Tender Offer, and conducted a review.

As a result, the Company received a written opinion from the Special Committee on July 19, 2023, to the effect that, based on a comprehensive judgment of the following facts, the Tender Offer is not disadvantageous to the Company's minority shareholders and that appropriate and fair measures have been taken to eliminate arbitrariness in the Company's decision-making process when considering and deciding

on the purchase of treasury stock and the Tender Offer.

- The purpose of the Tender Offer is not considered unreasonable from the perspective of the Company's equity policy.

- The specific method of the acquisition of treasury stock will be conducted through a tender offer method that ensures minority shareholders have the opportunity to tender their shares while observing trends in market prices during the period of the Tender Offer (the "Tender Offer Period"), and the details of the Tender Offer are also considered to be reasonable from the perspective of ensuring equality among shareholders and transparency of transactions.

- The Tender Offer Price was calculated at a certain discount from the market price in order to minimize the outflow of assets from the company based on the viewpoint of respecting the interests of minority shareholders, and does not constitute a transaction under particularly favorable conditions for create restaurants holdings.

- In considering and deciding on the acquisition of its own shares and the Tender Offer, Hirofumi Morimoto, who may have a special interest in the Company, did not participate in the deliberations and resolutions of the Board of Directors as a measure to eliminate arbitrariness in the decision-making process of the Company.

(4) Number of share certificates to be purchased

Type of share certificates, etc.	Planned number of purchases	Expected excess number	Total
Common stock	3,300,000 Shares	— Shares	3,300,000 Shares

(Note 1) If the total number of subscribed share certificates, etc. does not exceed the planned number of shares to be purchased (3,300,000 shares), the Company will purchase all of the subscribed share certificates, etc. When the total number of the subscribed share certificates, etc. exceeds the planned number of shares to be purchased (3,300,000 shares), the purchase, etc. shall not be made in whole or in part, and the delivery or other settlement pertaining to the purchase, etc. of the share certificates, etc. shall be made in a proportionate manner as set forth in Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph 2 of the Act and Article 21 of the Cabinet Office Ordinance (in the case where the number of each subscribed share certificate, etc. includes a portion of less than one unit (100 shares), the number of shares to be purchased calculated in a proportionate manner shall not exceed the number of each subscribed share certificate, etc.).

(Note 2) Shares less than one unit are also subject to this tender offer. In the event that shareholders exercise their right to purchase odd-lot shares in accordance with the Companies Act, we may purchase our own shares during the tender offer period in accordance with legal procedures.

(5) Funds required for the purchase, etc.

6,557,800,000 yen

(NOTE) Total of the estimated amount of the purchase price for all of the planned purchases (3,300,000 shares), including the purchase commission, the cost required for the public notice regarding the Tender Offer, and the cost of printing the Tender Offer Statement and other necessary documents.

(6) Method of settlement

① Name and location of the head office of the Financial Instruments Business Operator or Bank, etc. that settles the Purchase, etc.

1-5-1, Otemachi, Chiyoda-ku, Tokyo, Mizuho Securities Co., Ltd.

② Commencement date of settlement

Tuesday, September 12, 2023

③ Method of settlement

The notice of the Tender Offer shall be mailed to the address of the shareholder who applies for the Tender Offer (hereinafter referred to as the "Subscribing Shareholder, etc." (in the case of a shareholder who is a resident in a foreign country, including a shareholder of a corporation; hereinafter referred to as the "Foreign Shareholder", to the Standing Agent thereof)) without delay after the expiration of the Tender Offer Period. The purchase shall be made in cash, and the amount obtained by deducting the amount of withholding tax related to the deemed dividend from the purchase price (Note) shall be transferred from the Tender Offer Agent to the place designated by the Applicant Shareholder, etc. (in the case of a foreign shareholder, the Standing Agent) or the amount shall be paid to the account of the Subscriber Shareholder, etc. who accepted the application for the Tender Offer Agent without delay after the start date of settlement.

(NOTE) The tax treatment of subscriptions in this tender offer is as follows: (※)

(1) In case of individual shareholders

In the event the amount of money to be delivered to the Tender Offer exceeds the amount of equity of the corporation issuing shares that is the Tender Offeror (in the case of a consolidated corporation, the amount of individual equity, etc.) corresponding to the shares that contributed to the tender offer, the amount exceeding such amount (hereinafter referred to as the "Amount of Deemed Dividends") shall be the amount of revenue pertaining to dividend income. In addition, the amount of money received, excluding the amount of deemed dividends, is regarded as the amount of income related to capital gains on shares, etc.

If there is no deemed dividend amount, all of the amount of money to be delivered will be the amount of income related to capital gains on shares, etc.

Regarding the amount of deemed dividends, an amount equivalent to 20.315% of the amount thereof (income tax and special income tax for reconstruction based on the Act on Special Measures for Securing Financial Resources Necessary for Implementation of Measures for Reconstruction from the Great East Japan Earthquake (Act No. 117 of 2011) : 15.315%, and resident's tax: 5%) will be withheld at the source (no resident's tax will be collected for non-residents). However, if an individual shareholder falls under the category of a major shareholder, etc. prescribed in Article 4-6-2, Paragraph 12 of the Enforcement Order of the Act on Special Measures Concerning Taxation, the amount multiplied by 20.42% (income tax and reconstruction special income tax only) will be withheld. In addition, the amount obtained by deducting the acquisition cost for the relevant shares from the income from the transfer of shares, etc. shall, in principle, be subject to separate self-assessment taxation (in the case of a non-resident who does not have a permanent establishment in Japan, they shall not be subject to taxation). In addition, in the event a tender offer is made for shares, etc. in a tax-exempt account as set forth in Article 37-14 of the Act on Special Measures Concerning Taxation (Exclusion from Taxation on Transfer Income, etc. pertaining to small listed Shares, etc. in a Tax-Exempt Account), if the Financial Instruments Business Operator, etc. with which the relevant tax-exempt account is established is Mizuho Securities Co., Ltd., the capital gains, etc. from the Tender Offer shall, in principle, be exempted from tax. In cases where such tax-exempt accounts are opened by Financial Instruments Business Operators, etc. other than Mizuho Securities Co., Ltd., the treatment may differ from the above.

(2) In case of corporate shareholders

The amount of deemed dividends is the amount of dividends, etc., and in principle, the amount is multiplied by 15.315% (income tax and special reconstruction income tax) at the source. In addition, the amount of money received other than the amount of deemed dividend shall be the amount of consideration for the transfer of securities.

(3) A shareholder who is a foreign shareholder who is eligible to receive a reduction or exemption from income tax and special income tax for reconstruction on the amount of such deemed dividend based on an applicable tax treaty, and who wishes to do so, should submit a statement on the tax treaty to the Tender Offer Agent by the end of the tender offer period.

(※) For specific tax-related questions, please confirm with certified public tax accountants and other specialists and make their own judgments.

(7) Others

① The Tender Offer is not made, directly or indirectly, in the United States or to the United States, or by means of postal or other interstate commerce or international commerce in the United States, including, but not limited to, facsimile, e-mail, Internet communications, telex and telephone, nor is it made through a United States securities exchange facility. You may not apply for the Tender Offer in the manner or by the means described above, through the facilities described above, or from within the United States. In addition, the Tender Offer Notification or related tender offer documents related to the Tender Offer shall not be sent or distributed in or to the United States, or from the United States, by mail or otherwise, and such transmission or distribution shall not be permitted. Applications for the Tender Offer that are in direct or indirect violation of the above restrictions cannot be accepted. When applying for the Tender Offer, the subscribing shareholder or the like (in the case of a foreign shareholder, a standing proxy) may be required to make the following representations and warranties to the Tender Offer Agent.

Shareholders, etc. are not located in the United States at the time of the subscription or at the time of sending the application for tender offer. No information relating to the Tender Offer, including copies thereof, has been received or transmitted, directly or indirectly, in or to the United States or from the United States. Not to use, directly or indirectly, U.S. mail or other interstate or international commerce means (including, but not limited to, facsimile, e-mail, Internet communications, telex and telephone) or U.S. stock exchange facilities with respect to the signing of any Tender Offer or Tender Offer Application. Not acting as an agent or trustee without the discretion of any other person (except where such other person has given all instructions concerning the purchase, etc. from outside the United States);

② On July 20, 2023, we received a response from our parent company, create restaurants holdings, to the effect that if we conduct the Tender Offer, it will subscribe to the Tender Offer for the planned shares 3,000,000 shares (Ownership ratio: 11.63%), and for our common shares 13,435,500 shares (Ownership ratio: 52.10%), which are not tendered in the Tender Offer, it intends to continue to own the shares.

③ Matters concerning transactions with controlling shareholders

(1) Status of compliance with the Guidelines on Appropriateness of Transactions with Controlling Shareholders and Measures to Protect Minority Shareholders

As of today, create restaurants holdings owns 16,435,500 shares of our common stock (ownership ratio: 63.73%), and is our parent company. Accordingly, the repurchase of shares from the Company through this tender offer falls under the category of transactions with controlling shareholders, etc. as stipulated in the Securities Listing Regulations of Tokyo Stock Exchange.

"Guideline for Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholders," which we disclosed in our Corporate Governance Report on May 30, 2023, "We have a policy of making judgments on the assumption that transactions with a controlling shareholder occur on the same terms as in cases where transactions with other companies are conducted, and we have endeavored to protect the rights of minority shareholders. We have also established a voluntary special committee composed entirely of outside directors as an advisory body to the Board of Directors."

In the acquisition of treasury stock from create restaurants holdings under the Tender Offer, the

Company has taken the following measures to prevent transactions from being disadvantageous to minority shareholders. Accordingly, the Company has determined the terms and conditions of transactions and the policy for determining transactions in the same manner as general transactions, and has determined that the Company complies with these guidelines.

(2) Matters concerning measures to secure fairness and measures to avoid conflicts of interest

Please refer to "② Calculation History" in "(3) Basis for Calculation of Price of Purchase, etc." above.

(3) Summary of opinions obtained from persons who have no interest in the controlling shareholder regarding the fact that the transaction is not disadvantageous to minority shareholders

Please refer to "② Calculation History" in "(3) Basis for Calculation of Price of Purchase, etc." above.

(Reference) Treasury stock held as of July 20, 2023

Total number of issued shares (excluding treasury stock) 25,788,304 shares

Number of treasury shares 385 shares