

Unlimited Excitement!

Welcome diversity

Collaborate to Create

Surprise the world

Financial Results of FY 2024 Q3 (Supplementary Material)

January 12, 2024

create restaurants holdings inc.

【TSE Prime, Stock Code: 3387】

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I . Financial Highlights

1. Financial Results Overview [IFRS]

Revenue: 108.4 billion yen, Operating profit: 5.7 billion yen, Profit attributable to owners of parent: 3.9 billion yen, Adjusted EBITDA: 19.2 billion yen

✓ Revenue

- Steady progress against full-year forecast supported by continued strong demand for eating-out industry services. (75.8% of full-year forecast)
 - ⇒ Same-store sales YoY ratio *1 : 117.5% (Q3 cumulative).
 - ⇒ Same-store sales compared to Pre-Covid ratio *2 : 92.0% (Q3 cumulative).

*2: Same-store sales ratio compared to Pre-Covid

| | Q1 (Mar.-May) | Q2 (Jun.-Aug.) | Sep. | Oct. * | Nov. | Q3 (Sep.-Nov.) | Q3 Cumulative | Dec. (Preliminary) |
|--------|------------------|-------------------|-------|--------|-------|-------------------|------------------|-----------------------|
| Target | 86.0% | 89.2% | 89.3% | 94.9% | 91.1% | 91.7% | 90.5% | 92.3% |
| Result | 89.4% | 89.9% | 91.3% | 100.4% | 95.6% | 95.7% | 92.0% | 95.7% |

✓ Profits

- Excluding subsidy for cooperation of shorten operating hours and impairment losses, "real operating profit" *4 continued to improve significantly to be 7.7 billion yen, at approximately 2.6 times the previous year's Q3 cumulative. (80.4% of full-year forecast) → Operating profit also exceeded the previous year's 4.3 billion yen which includes subsidy for cooperation of shorten operating hours.
- Conservative recording of impairments (2.0 billion in Q3 cumulative), resulting in steady progress of nearly 80% in each stage of profit for the full year.

Note: There is an upward impact of about 4.7 percentage points due to a major typhoon and consumption tax hike in October 2019 for comparison purposes.

| | FY2023 Q3 cumulative (Mar.-Nov.) | FY2024 Q1 alone (Mar.-May) | FY2024 Q2 alone (Jun.-Aug.) | FY2024 Q3 alone (Sep.-Nov.) | FY2024 Q3 cumulative (Mar.-Nov.) | Change |
|--|--|----------------------------------|-----------------------------------|-----------------------------------|--|---------|
| | (Million yen) | Result | Result | Result | Result | |
| Revenue | 84,022 | 36,607 | 36,375 | 35,465 | 108,448 | +24,425 |
| Operating profit | 5,681 | 2,981 | 1,178 | 1,603 | 5,763 | +81 |
| <i>(Ref) Operating Profit ex subsidy of shorten operating hrs.</i> | 1,325 | 2,981 | 1,178 | 1,603 | 5,763 | +4,437 |
| Profit before taxes | 5,421 | 2,924 | 1,001 | 1,453 | 5,379 | - 41 |
| Profit for the period | 4,204 | 2,360 | 909 | 929 | 4,199 | - 5 |
| Profit attributable to owners of parent | 3,786 | 2,150 | 887 | 863 | 3,901 | +114 |
| Adjusted EBITDA *3 | 18,545 | 7,242 | 6,197 | 5,789 | 19,229 | +684 |
| Actual operating profit *4 (Operating profit-subsidies+impairment losses) | 2,987 | 3,467 | 2,248 | 2,007 | 7,723 | +4,735 |

| FY2024 | Progress rate |
|--|---------------|
| Forecast (disclosed on Oct. 13, 2023) | |
| 143,000 | 75.8% |
| 7,400 | 77.9% |
| — | — |
| 6,900 | 78.0% |
| 5,500 | 76.4% |
| 5,000 | 78.0% |
| 24,700 | 77.9% |
| 9,600 | 80.4% |

*1: Same-store sales YoY ratio is calculated using the figures for the FY 2023, and also including stores that are closed.

*2: Same-store sales ratio compared to Pre-Covid is calculated using the figures for the FY 2020 before COVID and including closed stores.

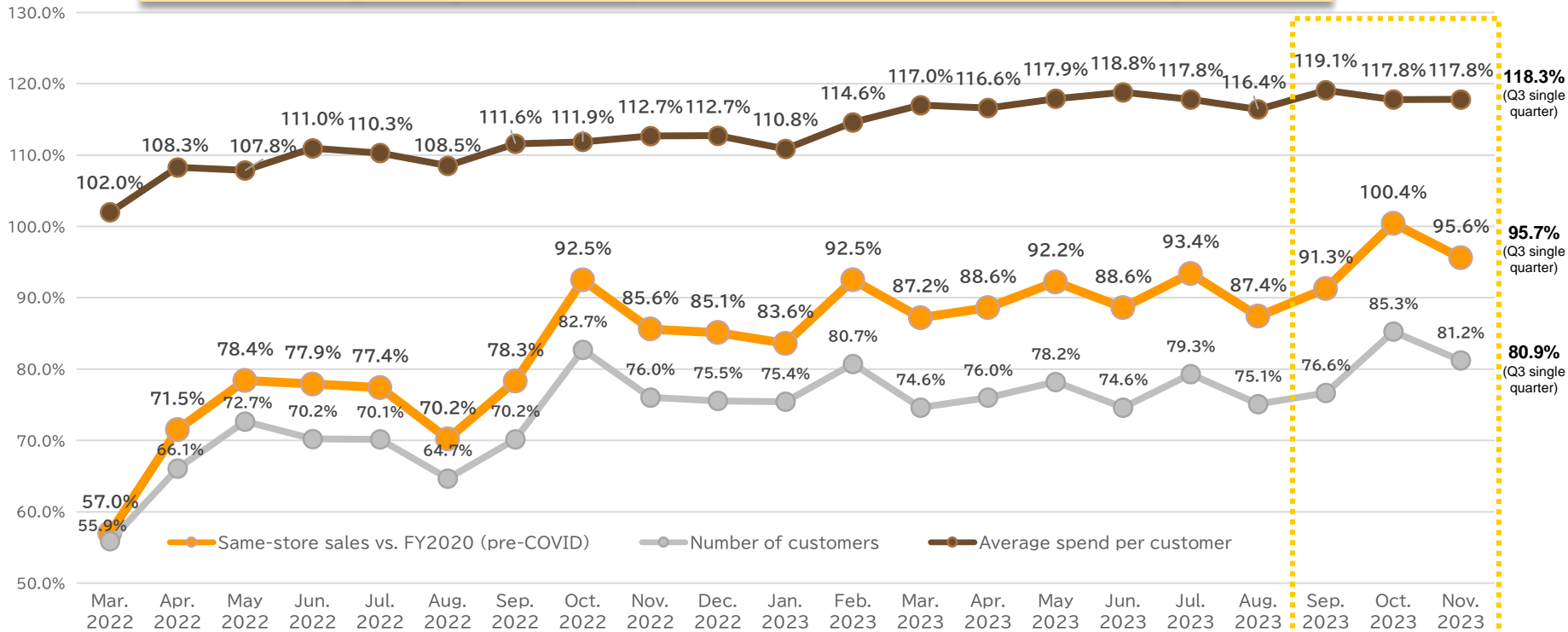
*3: Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income, employment adjustment subsidies, and subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + depreciation and amortization + non-recurring expense items (advisory expenses, related to share acquisitions, etc.)

*4: Actual operating profit is operating profit minus subsidy for cooperation of shorten operating hours and impairment losses.

2. Trends in same-store sales ratio compared to Pre-Covid, Number of Customers, and Spend per Customer

- ✓ Sales revenue (Same-store sales ratio compared to Pre-Covid) was 95.7% in Q3 single quarter (Sep - Nov), the highest quarterly figure since the Corona disaster.
- ✓ Spend per customer was 118.3% in Q3 single quarter (Sep - Nov) due to the continuous rationalization of prices.
- ✓ The number of customers is on an increasing trend at 80.9% in Q3 single quarter (Sep - Nov) partially due to the effect of optimizing business hours.

Continuing to "optimize operating hours" to increase the number of customers, while strengthening efforts to capture inbound demand and SNS marketing.



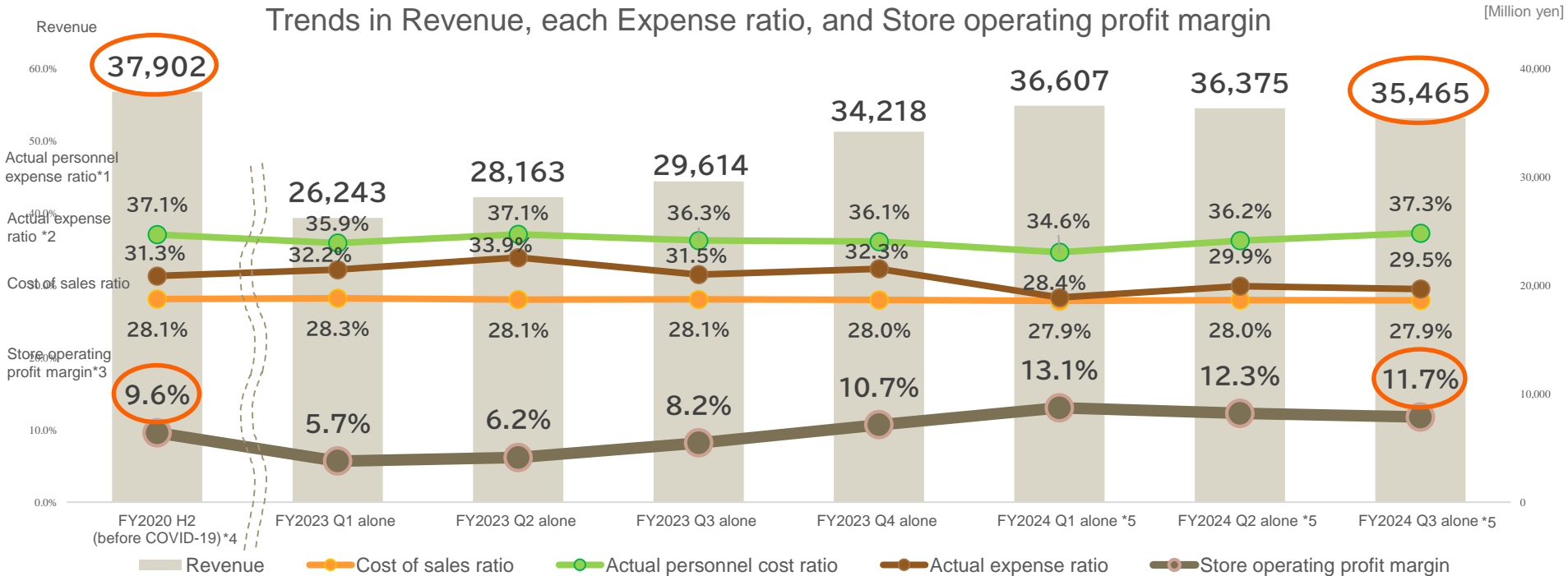
(Note: In March 2022, the stricter measures were taken to prevent spread of COVID.)

* : Same-store sales ratio compared to Pre-Covid is calculated using the figures for the FY 2020 before COVID and including closed stores.

3. Establishment of a Lean Cost Structure

- ✓ **Cost of sales ratio** : Implement measures for centralized purchasing and logistics by CMD, which consolidates the Group's purchasing functions (realized along with optimization of prices)
- ✓ **Personnel expense ratio** : Expanding measures to cope with the shortage of human resources through DX promotion, work to diversify recruitment methods, and improvement of retention rates by Human Resource Project team
- ✓ **Expense ratio** : Depreciation and amortization expenses decreased due to the recording of previous impairment losses. Utility expenses continued to remain unchanged.

Store operating profit margin continues to be over double-digit for the fourth consecutive quarter beyond Pre-Covid.



*1: The actual personnel cost ratio is calculated by taking into account the portion of the employment adjustment subsidies in personnel expenses within SG&A expenses.

*2: The real expense ratio is calculated by taking reduction and exemption from rent into account in various expenses within selling, general and administrative expenses.

*3: The store operating profit margin is calculated based on pure store operating profit excluding head office expenses.

*4: The revenue, each expense ratio, and store operating profit margin for the second half of FY 2020 (before COVID) are calculated based on the average value for the second half of FY 2020.

*5: In order to ensure continuity with past figures, manufacturing labor and the other expenses at the Saint-Germain factory have not been reclassified as cost of goods sold in this document, and thus COGS differs from the figures shown in the Consolidated Financial Results for each Quarter of the FY 2024.

4. Financial Results Overview (by Category)

Post-Covid consumption recovered in the following order:

overseas → city center (domestic) → rural (domestic)

Revenue

- All domestic categories performed well, supported by strong eating out demand.
- Overseas category significantly exceeded the Pre-Covid level mainly due to strong performance in Singapore and North America.

(Excluding the impact of yen depreciation: Same-stores sales YoY ratio (Q3 cumulative): 105.2%, and Same-stores sales ratio compared to Pre-Covid (Q3 cumulative): 105.4%)

Category Cash Flow

- Continued year-on-year improvement in all domestic categories
* Excluding the subsidy for cooperation of shorten operating hours (4.3 billion yen recorded).
- In the overseas category, sales continued to exceed the previous year's level due to strong performance in Singapore and North America, as well as an improved margin ratio resulting from the withdrawal of unprofitable stores.

Same-stores sales YoY ratio (Note: March in the previous year was the period when stricter measures were taken to prevent spread of COVID)

| Category | Q1 (Mar.-May) | Q2 (Jun.-Aug.) | Sep. | Oct. | Nov. | Q3 (Sep.-Nov.) | Q3 Cumulative | Dec. (Preliminary) |
|--------------------|------------------|-------------------|--------|--------|--------|-------------------|------------------|-----------------------|
| CR | 126.8% | 122.7% | 118.4% | 111.2% | 114.1% | 114.4% | 121.2% | 113.5% |
| SFP | 154.5% | 125.6% | 122.2% | 109.1% | 111.1% | 113.8% | 129.6% | 116.3% |
| Specialty Brand | 114.5% | 110.0% | 109.4% | 103.2% | 109.0% | 107.1% | 110.5% | 111.0% |
| Overseas | 123.3% | 111.0% | 108.6% | 105.2% | 103.4% | 105.6% | 115.5% | 106.4% |
| Consolidated | 126.1% | 117.0% | 114.5% | 107.2% | 110.3% | 110.5% | 117.5% | 112.1% |

Same-store sales ratio compared to Pre-Covid *1

| Category | Q1 (Mar.-May) | Q2 (Jun.-Aug.) | Sep. | Oct. | Nov. | Q3 (Sep.-Nov.) | Q3 Cumulative | Dec. (Preliminary) |
|--------------------|------------------|-------------------|--------|--------|--------|-------------------|------------------|-----------------------|
| CR | 86.0% | 85.2% | 86.7% | 98.2% | 92.8% | 92.4% | 87.8% | 94.1% |
| SFP | 85.5% | 85.4% | 85.1% | 92.5% | 87.2% | 88.2% | 86.4% | 87.1% |
| Specialty Brand | 85.2% | 86.2% | 86.1% | 96.6% | 92.4% | 91.6% | 87.5% | 89.3% |
| Overseas | 126.3% | 132.1% | 137.1% | 142.2% | 138.7% | 140.3% | 137.8% | 136.2% |
| Consolidated | 89.4% | 89.9% | 91.3% | 100.4% | 95.6% | 95.7% | 92.0% | 95.7% |

(Million yen)

| Category | FY2023 Q3(cumulative) | | | FY2024 Q1 | | | FY2024 Q2 | | | FY2024 Q3 | | | FY2024 Q3(cumulative) | | | Difference from FY2023 Q3 | | |
|----------------------|-----------------------|--|------------------|---------------|--|------------------|---------------|--|------------------|---------------|--|------------------|-----------------------|--|------------------|---------------------------|--|------------------|
| | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue | Revenue | CF ex subsidy of shorten operating hrs. *2 | Ratio to revenue |
| CR | 29,696 | 2,641 | 8.9% | 11,992 | 1,531 | 12.8% | 12,049 | 1,402 | 11.6% | 11,756 | 1,046 | 8.9% | 35,798 | 3,980 | 11.1% | +6,101 | +1,339 | +2.2% |
| SFP | 16,152 | 322 | 2.0% | 7,156 | 841 | 11.8% | 7,130 | 642 | 9.0% | 7,024 | 568 | 8.1% | 21,310 | 2,052 | 9.6% | +5,158 | +1,730 | +7.6% |
| Specialty Brand | 25,903 | 2,065 | 8.0% | 13,305 | 1,639 | 12.3% | 12,748 | 1,314 | 10.3% | 12,262 | 952 | 7.8% | 38,316 | 3,905 | 10.2% | +12,412 | +1,840 | +2.2% |
| Overseas | 13,619 | 1,370 | 10.1% | 4,720 | 575 | 12.2% | 4,777 | 477 | 10.0% | 5,043 | 696 | 13.8% | 14,541 | 1,749 | 12.0% | +921 | +379 | +2.0% |
| Adjustments, etc. *3 | -1,350 | 7,792 | - | -566 | 2,654 | - | -331 | 2,360 | - | -621 | 2,525 | - | -1,518 | 7,541 | - | -168 | -251 | - |
| Total | 84,022 | 14,189 | 16.9% | 36,607 | 7,242 | 19.8% | 36,375 | 6,197 | 17.0% | 35,465 | 5,789 | 16.3% | 108,448 | 19,229 | 17.7% | +24,425 | +5,040 | +0.8% |

*1: Same-store sales ratio compared to Pre-Covid is calculated using the figures for the FY 2020 before COVID and including closed stores.

*2: Category CF = operating profit (JGAAP) + depreciation and amortization + amortization of goodwill + sponsorship income + non-recurring expense items + limited-time earnings items (employment adjustment subsidy and subsidy for cooperation of shorten operating hours, etc.). However, for the sake of useful comparisons, subsidy for cooperation of shorten operating hours are excluded in Q3 (cumulative) FY2023.

*3: Other adjustments include depreciation and amortization related to the adoption of IFRS No. 16, as well as head office expenses that are not allocated to each category.

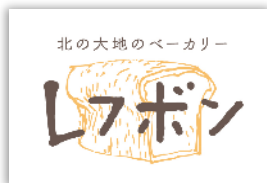
II. TOPICS

1. TOPICS (1) - Further Improvement of Existing Stores -

St. Germain's PMI (Post Merger Integration) progresses smoothly



Saint-Germain Co.,Ltd.



L'air bon inc.

Business restructuring underway after joining the group in Dec. 2022

L'air bon (Company name changed from Hokkaido Saint-Germain on September 1, 2023), a subsidiary of Saint-Germain, to become a direct subsidiary of CRH.



| | Specific implementation details | Future Initiatives |
|--------|--|---|
| Stores | <ul style="list-style-type: none"> ✓ Improvement of menu lineup and value-added products <ul style="list-style-type: none"> Improvement of the number of products, improvement of standard products, and creation of sales-floor design in response to business conditions by improving the production plan. →New products such as "Riche Blanc," "Royal Melon Pan," and "Anpan" performed well. ✓ Improve cash flow by closing unprofitable stores <ul style="list-style-type: none"> Withdrawal of 12 stores by January 2024 Store CF margin: 7.2% (Previous Q3 YTD) → 8.9% (Current Q3 YTD) | <ul style="list-style-type: none"> ✓ Profitability improvement through Menu Development measures <ul style="list-style-type: none"> Brush up existing products Optimization of number/type of doughs ✓ Increase the number of customers by further improvement of QSCA |
| HQs | <ul style="list-style-type: none"> ✓ Strategic Renovation of Yokohama Plant <ul style="list-style-type: none"> Reinforcement of refrigeration facilities → Internalization of external warehousing and overseas imported merchandise (contributing to cost reduction of approx. 140 million yen/year) →Implementation of in-house production of dough to improve quality ✓ Back-office functions integrated into the group HQs (from Jan. 2024) <ul style="list-style-type: none"> Consolidation of head office functions such as human resources, accounting, and store development Integration of core IT systems. | <ul style="list-style-type: none"> ✓ Improve production efficiency in factories (Optimize items and quantities) ✓ Improve efficiency of purchasing and logistics functions |

1. TOPICS (2) - Change from "Defensive" to "Offensive"

New store openings/strategic business category changes and renovations

Increase customer convenience and attractiveness of stores to increase the number of customers

New Stores (Q3 cumulative: 27 stores)



"Go-no-Go" Ichiban-cho
[Open on 9/28]



"ISOMARU SUISAN" Kyobashi
[Open on 10/23]



"MOMIJI CHAYA"
Hong Kong
[Open on 10/7]



"Kagonoya" Thailand
[Open on 10/27]

Brand Changes (Q3 cumulative: 16 stores)



"Tsukemen TETSU" Aeon Kyoto
[Renewal Open on 10/17]
*2nd suburban SC in Kansai region



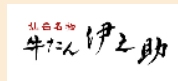
"Marché de Metro"
Echika Omotesando
[Renewal Open on 11/14]
*Changed the business format of 4 stores including 3 new brands.



"ISOMARU SUISAN Shokudo"
Makuhari New Metropolitan City
[Renewal Open on 11/21]
*First store in suburban SC

Renovations (Q3 cumulative: 5 stores)

"Gyutan Inosuke"
Aeon Kagamigahara
[Renewal Open on 9/8]



"shabu-SAI"
Aeon Kagamigahara
[Renewal Open on 9/14]



"Kagonoya" Neyagawa
[Renewal Open on 10/27]



- Flattened Horigotatsu (low table over a hole)
- Conversion of some tatami rooms to private rooms

Before



After



Flattened

"Saint-Germain" Sapporo
[Renewal Open on 11/30]



- Revamped the interior to a Parisian image
- Changed the layout of the eat-in area to increase the number of seats (from 28 to 56)
- Introduced an automatic change machine to improve operational efficiency.

Before



After



"CHISŌ ZANMAI" Daimaru Umeda
[Renewal Open on 9/15]



- Partial renovation of facade (entrance) and buffet tables
- Installation of dessert showcases
- Replacement of beverage equipment (increase in variety), etc.

1. TOPICS (3) - Response to the Shortage of Human Resources

Response to the Shortage of Human Resources

*Orange text below: Progress since last time

Strengthening recruitment

- Restart and strengthen recruitment of new graduates, and strengthen retiree come back
- Strengthen recruitment of foreigners (expand recruitment channels)
⇒ **More than 200 new hires are expected for the entire group by the end of this fiscal year**
(strengthen acceptance system and training system)
- Strengthen of crews' permanent and referral hiring
- Strengthen recruitment using SNS (Instagram and TikTok)
- Promote direct employment of "One-off jobbers" (Short-term temporary workers)



Future Wakuwaku (Exciting) Project

Initiatives to Improve retention rate

Improvement of working conditions and promotion of diverse human resources

- Increase in the total amount of employees' salary fund (Up by 4.1% in average), and increase in hourly wages for crews
- Introduction of restricted stock compensation plan (RS)
- Expansion of evaluation items in the personnel evaluation system
- Introduction and utilization of "in-house point system"
- **Create a system that makes it easy to take vacations**
→ Establish store holidays at some stores (e.g., "Kagono-ya") /Strengthen help system
- Promotion of taking paid leave
- Strengthening the Long-Term Service Award System
(Systems for taking consecutive vacations and increase in the amount of rewards)
- Promotion of diverse ways of working
⇒ Utilization of diverse work arrangements such as 3-day work/week and shorter working hours
(Increase in employment of female managers, foreign managers and persons with disabilities, and use of senior citizens, etc.)

Communication

- Creation and distribution of in-house magazines focused on human resources
⇒ Issued **8 times** this FY
(disseminated to more than 20,000 employees of the Group)
- Held area conferences (35 times at 22 locations throughout the year)
- Strengthening the "audit supporter" system
(initiatives to directly listen to the opinions of store staff)
- Resumption of crews festa (communication opportunities among part-time workers)

Human resource development

- Support for new employees (Welcome System)
- Strengthen and enhance training for new employees and follow-up training/ training by job level
- Enhancement of rank-based training
- **Future Wakuwaku (Exciting) Project (Workshop for Generation Z)**
→ Listen to the voices of Generation Z employees and reflect them in human resource policies to increase their motivation

1. TOPICS (4) - Response to the Sustainability

New Sustainability Initiatives

* For other examples of initiatives, please see P21-22 in the Appendix.

Reduction of food loss



✓ Introduced “mottECO” at “Icchou” Japanese restaurant operating mainly in the northern Kanto region, as an initiative to encourage customers to take home leftover food.

→ Initiatives are now underway to encourage customers to purchase special containers and take home their uneaten portions.

* Customers are responsible for filling the containers themselves.



Contribution to the community



✓ Menu contest for neighborhood elementary schools at "Saint-Germain" bakery store.

→ Selected works will actually be commercialized and sold in some stores



[Saint-Germain Otakanomori]

III. Business Forecasts for FY 2024 and Shareholder Returns

1. Summary of FY 2024 Business Forecasts

✓ Full-year Business Forecast disclosed on October 13, 2023 ⇒ No change

Revenue: 143 billion yen, Operating profit: 7.4 billion yen, Profit attributable to owners of parent: 5.0 billion yen, Adjusted EBITDA: 24.7 billion yen

| (Million yen) | FY2023 | | FY2024 (Full-year forecasts) | | Change | Pct. Change | FY2024 Q3 | | Progress Rate (vs. Forecast) |
|--|---------|---------------------|---------------------------------|---------------------|----------------|----------------|-----------|---------------------|------------------------------------|
| | Result | Ratio to revenue | Forecast | Ratio to revenue | | | Result | Ratio to revenue | |
| Revenue | 118,240 | | 143,000 | | +24,759 | +20.9% | 108,448 | | 75.8% |
| Operating profit | 5,083 | 4.3% | 7,400 | 5.2% | +2,316 | +45.6% | 5,763 | 5.3% | 77.9% |
| Profit before taxes | 4,565 | 3.9% | 6,900 | 4.8% | +2,334 | +51.1% | 5,379 | 5.0% | 78.0% |
| Profit for the year | 3,878 | 3.3% | 5,500 | 3.8% | +1,621 | +41.8% | 4,199 | 3.9% | 76.4% |
| Profit attributable to owners of parent | 3,385 | 2.9% | 5,000 | 3.5% | +1,614 | +47.7% | 3,901 | 3.6% | 78.0% |
| Adjusted EBITDA *1 | 23,664 | 20.0% | 24,700 | 17.3% | +1,035 | +4.4% | 19,229 | 17.7% | 77.9% |
| Actual operating profit*2 | 4,149 | 3.5% | 9,600 | 6.7% | +5,450 | +131.4% | 7,723 | 7.1% | 80.4% |

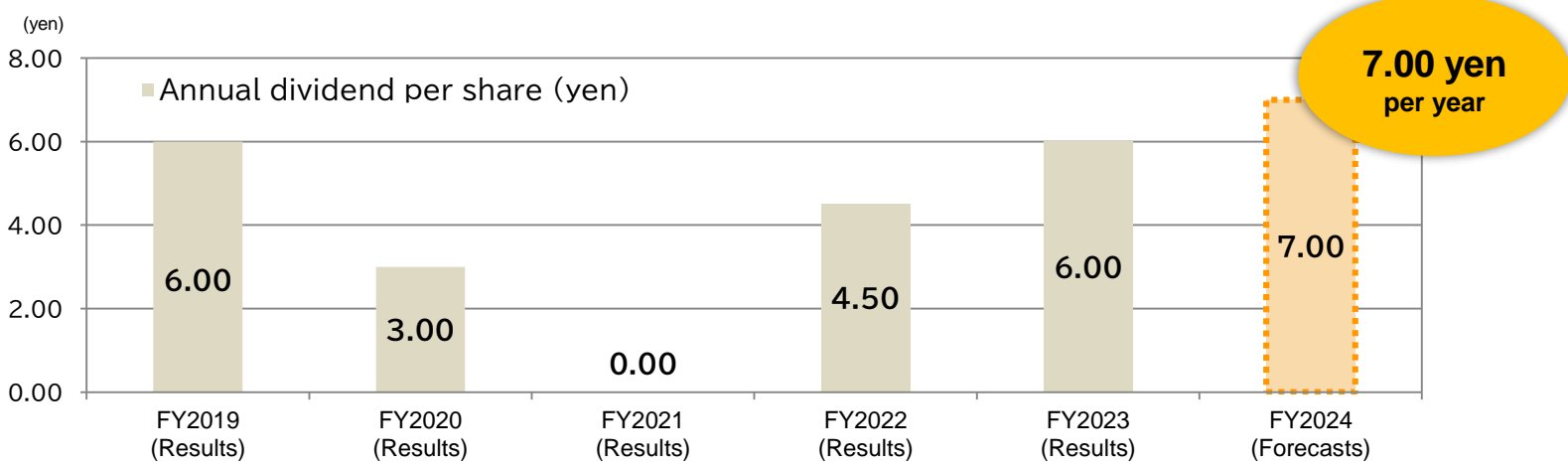
*1: Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income, employment adjustment subsidies, and subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + depreciation and amortization + non-recurring expense items (advisory expenses, related to share acquisitions, etc.)

*2: Actual operating profit is operating profit minus impairment losses. (no subsidy for cooperation of shorten operating hours were generated in Q2 of the FY 2024, and are not included in the full-year forecasts).

2.Shareholder Returns

Dividend Forecast for FY 2024 ⇒ No change

- ✓ Interim dividend ⇒ Already implemented at **3.50 yen** per share.
- ✓ Year-end dividend forecast ⇒ **3.50 yen** per share is planned.



*The Company conducted a 2-for-1 stock split on March 1, 2020, and retroactively adjusted

Shareholder Special Benefit Plan

We will continue to offer the special benefit as an important shareholder return policy.



IV. Appendix

1. Openings and Closings of Outlets

- **New store openings: 27, Store closings: 44, and Format changes: 16**
 ⇒ **Total number of group stores as of November 30, 2023: 1,128**

- **Major breakdown of new store openings (27 stores)**

- Store openings centered on core brands:
 “YOROZU-YA” Ota, “shabu-SAI” Lalaport Kadoma, “YUZURU” Nishioka, “Go-no-Go” Kawaramachi Sanjo, and Yokosuka Chuo, “ISOMARU SUISAN” Sendai, etc. (10 stores)
- New contract business of golf-course restaurants (5 stores)
- Opened stores in collaboration with JA ZEN-NOH (3 stores)
- In-group FC: “MACCHA HOUSE Matcha-kan” Zenkoji Nakamise-dori, “ISOMARU SUISAN” Matsumoto station front, “Tsukemen TETSU” AEON Kashihara
- Overseas: “MOMIJI CHAYA” Empire Center in Hong Kong, “IL Fornaio” Moutain View at North America, and “AWkitchen” One satrio at Jakarta

- **Retirement of stores due to expiration of contract (29 stores) and withdrawal of unprofitable stores (15 stores)**

*Withdrawal from New York in North America (3 stores)

- **Format changes in line with location environment and customer needs (16 stores)**

Four stores, including three new brands in the food court “Marche de Métro” in Omotesando, changed their business style at the same time.

[List of Q3 Stores opened and closed in FY 2024]

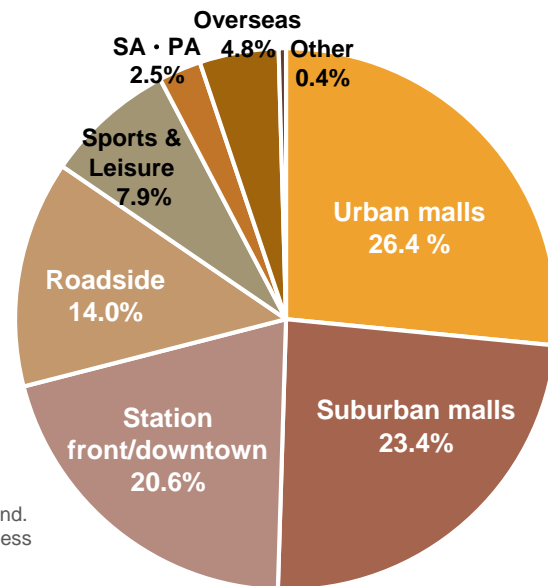
| Category | Total no. at and of Feb. 2023 | increase /Decrease | | Intra-Group Transfer etc. | Total no. at and of Nov. 2023 | Brand Changes *1 |
|-----------------------|-------------------------------|--------------------|-----------|---------------------------|-------------------------------|------------------|
| | | New | Close | | | |
| CR | 502 | 8 | 19 | +4 | 495 | 12 |
| SFP | 208 | 7 | 7 | | 208 | 2 |
| Specialty Bland | 381 | 6 | 13 | - 4 | 370 | 2 |
| Overseas *2 | 54 | 6 | 5 | | 55 | 0 |
| Group total *3 | 1,145 | 27 | 44 | +0 | 1,128 | 16 |

*1: The number of stores includes the change of business category within the group.

*2: The number of stores in the overseas category includes 2 franchised store of LGEW in Jakarta and 15 franchised stores of KR in Thailand.

*3: The number of stores as of the end of the fiscal year in this document is the total number of stores in the group, including contract business stores and FC stores, as of the end of November 2023.

[Composition of stores by location (as of the end of November 2023)]



2. Trends in same-store sales YoY ratio/same-store sales ratio compared to Pre-Covid

[Consolidated]

| | Mar. | Apr. | May | Q1 Total | Jun. | Jul. | Aug. | Q2 Total | Sep. | Oct. | Nov. | Q3 Total | Dec. (Preliminary) | Jan. | Feb. | Full-year |
|---|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|-----------------------|------|------|-----------|
| FY 2024 Same-store sales YoY *1 | 146.0% | 121.1% | 115.4% | 126.1% | 111.5% | 118.1% | 121.3% | 121.4% | 114.5% | 107.2% | 110.0% | 117.5% | 112.1% | – | – | – |
| FY 2024 Same-store sales vs. FY2020 (pre-COVID)*2 | 87.2% | 88.6% | 92.2% | 89.4% | 88.6% | 93.4% | 87.4% | 90.0% | 91.3% | 100.4% | 95.6% | 92.0% | 95.7% | – | – | – |

[By category]

| | | Mar. | Apr. | May | Q1 Total | Jun. | Jul. | Aug. | Q2 Total | Sep. | Oct. | Nov. | Q3 Total | Dec. (Preliminary) | Jan. | Feb. | Full-year |
|--------------------|---|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|-----------------------|------|------|-----------|
| CR | FY 2024 Same-store sales YoY *1 | 137.4% | 125.9% | 118.7% | 126.8% | 116.5% | 124.6% | 126.3% | 124.8% | 118.4% | 111.2% | 114.1% | 121.2% | 113.5% | – | – | – |
| | FY 2024 Same-store sales vs. FY2020 (pre-COVID)*2 | 82.9% | 86.2% | 88.8% | 86.0% | 82.1% | 90.1% | 83.6% | 85.6% | 86.7% | 98.2% | 92.8% | 87.8% | 94.1% | – | – | – |
| SFP | FY 2024 Same-store sales YoY *1 | 276.6% | 132.7% | 121.7% | 154.5% | 113.8% | 128.4% | 136.5% | 139.1% | 122.2% | 109.1% | 111.1% | 129.6% | 116.3% | – | – | – |
| | FY 2024 Same-store sales vs. FY2020 (pre-COVID)*2 | 82.4% | 85.6% | 88.3% | 85.5% | 84.6% | 89.5% | 81.7% | 85.5% | 85.1% | 92.5% | 87.2% | 86.4% | 87.1% | – | – | – |
| Specialty Brand | FY 2024 Same-store sales YoY *1 | 122.7% | 112.7% | 108.8% | 114.5% | 104.3% | 110.0% | 115.0% | 112.3% | 109.4% | 103.2% | 109.0% | 110.5% | 111.0% | – | – | – |
| | FY 2024 Same-store sales vs. FY2020 (pre-COVID)*2 | 82.3% | 84.4% | 89.2% | 85.2% | 84.2% | 90.0% | 84.3% | 85.8% | 86.1% | 96.6% | 92.4% | 87.5% | 89.3% | – | – | – |
| Overseas | FY 2024 Same-store sales YoY *1 | 140.9% | 117.1% | 117.1% | 123.3% | 114.8% | 110.0% | 108.8% | 116.0% | 108.6% | 105.2% | 103.4% | 111.5% | 106.4% | – | – | – |
| | FY 2024 Same-store sales vs. FY2020 (pre-COVID)*2 | 127.3% | 122.9% | 124.8% | 126.3% | 129.2% | 129.7% | 132.2% | 132.9% | 137.1% | 142.2% | 138.7% | 137.8% | 136.2% | – | – | – |

*1: Same-store sales YoY ratio is calculated using the figures for the FY 2023, and also including stores that are closed.

*2: Same-store sales ratio compared to Pre-Covid is calculated using the figures for the FY 2020 Pre-Covid and including closed stores.

3. Financial Position

| Major Indicator | End of FY 2023 | End of Nov. 2023 | Change |
|--|----------------|------------------|---------|
| Total assets (million yen) | 133,555 | 131,371 | -2,184 |
| Total liabilities (million yen) | 99,112 | 93,624 | -5,488 |
| Total capital (million yen) | 34,443 | 37,746 | +3,303 |
| Shareholders' equity ratio (Ratio of equity attributable to owners of parent) | 22.2% | 26.3% | +4.1% |
| Adjusted shareholders' equity ratio*1 | 33.5% | 39.6% | +6.1% |
| Net D/E ratio | 1.74x | 1.44x | - 0.30x |
| Adjusted net D/E ratio *2 | 0.38x | 0.27x | - 0.11x |

*1: Adjusted equity ratio: Equity ratio (Ratio of equity attributable to owners of parent) excluding the effect of IFRS No. 16.

*2: Adjusted net D/E ratio: Net D/E ratio minus the impact of IFRS No.16.

4. Summary of FY2024 Business Forecasts (by Category)

| Category | FY 2024 (Previous Year Results) | | | FY 2024 (Full-year forecasts) | | | Difference | | |
|-------------------|------------------------------------|---------------|------------------|----------------------------------|---------------|------------------|----------------|---------------|------------------|
| | Revenue | Category CF | ratio to revenue | Revenue | Category CF | ratio to revenue | Revenue | Category CF | ratio to revenue |
| CR | 40,022 | 5,231 | 13.1% | 46,000 | 4,930 | 10.7% | +5,978 | -301 | -2.4% |
| SFP | 22,913 | 2,447 | 10.7% | 28,000 | 2,950 | 10.5% | +5,087 | +503 | -0.1% |
| Specialty brand | 38,398 | 4,432 | 11.5% | 51,400 | 4,820 | 9.4% | +13,002 | +388 | -2.2% |
| Overseas | 18,506 | 1,818 | 9.8% | 19,800 | 2,460 | 12.4% | +1,294 | +642 | +2.6% |
| Other adjustments | -1,600 | 9,734 | - | -2,200 | 9,540 | - | -600 | -194 | - |
| Total | 118,240 | 23,664 | 20.0% | 143,000 | 24,700 | 17.3% | +24,760 | +1,036 | -2.7% |

* Category CF = operating profit (JGAAP) + depreciation and amortization + amortization of goodwill + sponsorship income + non-recurring expense items + limited-time earnings items (employment adjustment subsidy and subsidy for cooperation of shorten operating hours, etc.)

* Other adjustments include depreciation and amortization related to the adoption of IFRS No. 16. as well as head office expenses that are not allocated to each category.

5. Sustainability Initiatives (1)

Examples of Initiatives

Environment

Reduction of food loss and resource recycling

- Food sharing app for bakeries "Saint-Germain" and "JEAN FRANÇOIS"
Introduced "TABETE" (Food-Sharing Service)
- Sales of left-over bread nationwide through "rebake", a mail-order bakery website
⇒ Initiatives to reduce left-over bread at stores
- Participation in municipal government's food loss initiatives
- Recycling of used oil (waste oil)
- Provision of food scraps to neighboring veterinary gardens (from Ichou Inc.'s global kitchen in Gunma Prefecture)



Contributing to a decarbonized society

- Promotion of Initiatives for climate change
⇒ Set targets for reducing CO2 emissions



Target: 50% Reduction
FY 2013 → FY 2030

- ① Governance, ② Strategy, ③ Risk Management, and ④ Indicators and Targets are disclosed.
⇒ Details are available on the website.
- Utilize gas cogeneration (Gas saving) system ("Kagonoya", and etc.)

Cooperation between production areas and local production for local consumption

- Promote initiatives for local production for local consumption, such as purchasing directly from local farmers
⇒ Contributions to Food safety & security, and community
⇒ Reduction of CO2 emissions from transportation
- Conducted agricultural training such as "Field Day"
⇒ Interaction with production areas and farmers (in "Yasaiya Mei", and etc.)



- Development of local menu with local production for local consumption in mind



Environmental Conservation and Healthy Food

- Utilization of vegan menus and cheese from plants, and soybean meat
⇒ "Mr.FARMER" Omotesando operates as an all-vegan cafe (Gradual expansion is under consideration in other locations)



- Expansion of low-sugar bread and the devising of a bakery menu that utilizes seeded brown rice, and miscellaneous grains, etc.
- Participating in the "Forest Life Project", which aims to give consideration to the environment and ensure sustainable procurement of foodstuffs
⇒ Participated in mangrove planting activities in Indonesia by purchasing contribution-oriented foodstuffs (shrimp) (Ichou Inc.)

Reduction of plastic waste

- Use of biomass-based plastic bags
- Curbing the use of plastic straws
- Spoon, fork, muddler, and straw, etc. were changed to biomass materials, paper and wood.
- Changed in-store serving containers from plastic cups to glasses at some stores



5. Sustainability Initiatives (2)

Examples of Initiatives

Social

Interaction with local communities

- Farmers Market were held at Mr.FARMER Komazawa Olympic Park, "AWkitchen" Kamakura, and TANTO TANTO LaLaport Shonan Hiratsuka.
- Events to experience harvesting vegetables and events in collaboration with neighboring vocational schools were held.



- Mr.FARMER Komazawa Olympic Park held the Disaster Prevention Festa and Farmer's Market (The event was held on 3/11 to remember the lessons of the date.)

- Implementation of snow removal in volunteers (at Hokkaido) ("YUZURU")
- Agricultural experience for local farmers
- Conducted cleanup activities around stores and participated in voluntary clean-up activities ("EVERYONES CAFÉ" and etc.)



- Special lecture on sustainable social contribution at Otsuma Women's University (LG&EW inc.)

Shokuiku (Dietary Education)

- "Washoku Shabu-shabu Kagono-ya" held a "Hands-on Cooking Seminar" for parents and children of elementary school age and above and in Kyoto
- Shokuiku (Dietary Education) activities at local elementary schools (Head Office: Shinagawa Ward in Tokyo)
- Hands-on training at stores for students of special support schools ("Kagono-ya")
- Acceptance of local junior high school students for work experience at a golf course restaurant ("create restaurants inc.")
- Cooperation in the operation of children's cafeterias and donations to them ("YUZURU Inc." and "Create Dining inc.")
- Participation in Farmers & Kids Festa

Promotion of Diversity

- Aggressive recruitment of female employees and managers
- Promotion of the employment of foreigners and expansion of the educational environment
- Promoting of various working styles
 - Regional employees
 - Extend retirement age of crews to 70 year-old
 - Creating of exciting workplace
 - Forums for employees and Festa for crews
- Adoption of genderless uniforms
- Promotion of diverse human resources
 - ⇒ Set targets for the ratio of female managers/foreign managers/foreign employees, the utilization rate of various working styles, and the ratio of employees with disabilities.

Governance

Strengthening Systems and Functions

- Strengthening of function of the board of directors
- Assessment of the effectiveness of the board of directors
- Group Governance Structure
- Disclosure System
- Compliance System
- Risk Management System



Strengthening of structures/functions

- Outside directors: 3 (At least outside directors occupy 1/3 or more)
- Diversity of outside directors
 - ⇒ Appointment of female as outside director
- Establishment of Nomination and Compensation Committee
 - ⇒ Outside directors occupy more than half
 - Introduction of restricted stock compensation plan (RS)
 - ⇒ Implemented in June 2023

Formulation of new policies, etc.

- Basic policy on human resources (Priority Items)
- Sustainable procurement policy

Disclaimer

The purpose of this material is to provide information regarding the financial results of the FY2024 Q3 and is not intended to solicit investment in securities issued by the Company.

Furthermore, although the contents in this material is prescribed based on reasonable assumptions of the Company at the time of publication, it does not warrant or guarantee the information's accuracy or completeness and is subject to change without prior announcement.

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