

Unlimited Excitement!

Welcome diversity

Collaborate to Create

Surprise the world

Financial Results of FY 2025 Q2 (Supplementary Material)

October 11, 2024

create restaurants holdings inc.

【TSE Prime, Stock Code 3387】

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I. Financial Highlights

1. Financial Results Overview [IFRS]

- Sales and profits increased year on year, and progress rates toward full-year forecasts were generally 50% steady.
- Revenue: 76.5 billion yen, Operating profit: 4.8 billion yen, quarterly profit attributable to owners of parent: 3.2 billion yen, Adjusted EBITDA: 13.2 billion yen

✓ Revenue

- Despite the impacts of unfavorable weather conditions such as hot weather, typhoons, and local heavy rain, there was an increase in inbound demand.
Revenues increased due to active "Merihari Restaurant" by consumers against the backdrop of a positive change in real wages.(50.0% of full-year forecast)

*1:Same-store sales YoY

	Q1 (Mar.-May)	Jun.	Jul.	Aug.	Q2 (Jun.-Aug.)	Q2 Cumulative
Target	106.4%	110.9%	103.6%	108.3%	107.6%	107.0%
Result	106.1%	110.4%	103.6%	108.1%	107.2%	106.6%

✓ Operating profit

- Profit increased compared to the previous fiscal year due to the effect of increased sales, despite an increase in personnel expenses as expected. (52.1% of full-year forecast)

(Million yen)	FY2024 Q2 cumulative (Mar.-Aug.)	FY2025 Q1 alone (Mar.-May)	FY2025 Q2 alone (Jun.-Aug.)	FY2025 Q2 cumulative (Mar.-Aug.)	Change	FY2025	Progress Rate
	Result	Result	Result	Result		Full-year Forecast	
Revenue	72,982	38,286	38,180	76,467	+3,484	153,000	50.0%
Operating profit	4,159	2,753	2,103	4,847	+687	9,300	52.1%
Profit before taxes	3,926	2,584	1,836	4,421	+495	8,700	50.8%
Profit for the period	3,270	2,046	1,460	3,506	+236	7,000	50.1%
Profit attributable to owners of parent	3,037	1,852	1,340	3,192	+154	6,100	52.3%
Adjusted EBITDA *2	13,439	7,106	6,111	13,218	- 221	26,200	50.5%
Actual operating profit *3 (Operating profit+impairment losses)	5,715	3,351	2,362	5,714	- 1	11,300	50.6%

*1: Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.
*2: Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income) + depreciation and amortization
+ non- recurring expense items (advisory expenses related to share purchases, etc.)
*3: Actual operating profit is operating profit minus impairment losses.

2. Financial Results Overview (by Category)

- ✓ CR and SFP categories saw higher sales and lower profits due to higher personnel costs as expected.
- ✓ Specialty Brand category saw both sales and profit increased, despite higher labor costs.
- ✓ In Overseas category, sales and profits declined in real terms when viewed on a foreign currency basis, excluding the impact of yen depreciation.

CR category (Sales revenue) :

Continued steady growth in reservation-type restaurant formats in central Tokyo

SFP category (Sales revenue) :

Demand for izakaya was firm, mainly in the Tokyo metropolitan area and central Tokyo, and inbound tourists remained strong.

Specialty Brand category (Sales revenue) :

Daily restaurant formats (Tsukemen, Bakeries, etc.) were solid, while Japanese cuisine "Icchou" was favorable due to successful menu revisions.

Overseas category (Sales revenue) :

In North America, despite a weakening of the restaurant industry as a whole due to inflationary fatigue, "Il Fornaio" with a relatively high unit price struggled somewhat.

(Million yen)

*1: Same-store sales YoY

Category	Q1 (Mar.-may)	Jun.	Jul.	Aug.	Q2 (Jun.-Aug.)	Q2 Cumulative
CR	106.0%	112.0%	104.1%	107.5%	107.8%	106.9%
SFP	105.7%	107.4%	100.4%	104.0%	103.8%	104.8%
Specialty Brand	104.7%	110.2%	103.6%	111.1%	108.4%	106.5%
Overseas	110.9%	111.1%	107.8%	107.9%	108.3%	108.6%
Consolidated	106.1%	110.4%	103.6%	108.1%	107.2%	106.6%

Category	FY2024 Q2(total)			FY2025 Q1			FY2025 Q2			FY2025 Q2(total)			Change		
	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue
CR	25,509	3,184	12.5%	13,372	1,567	11.7%	13,595	1,565	11.5%	26,967	3,132	11.6%	+1,458	- 52	-0.9%
SFP	14,286	1,451	10.2%	7,671	863	11.3%	7,365	526	7.2%	15,037	1,390	9.2%	+750	- 61	-0.9%
Specialty Brand	24,586	2,645	10.8%	12,821	1,495	11.7%	12,749	1,421	11.1%	25,571	2,916	11.4%	+984	+271	+0.6%
Overseas	9,497	1,052	11.1%	5,045	613	12.2%	4,820	440	9.1%	9,865	1,054	10.7%	+367	+1	-0.4%
Adjustments, etc.*3	- 897	5,105	-	- 624	2,567	-	- 350	2,157	-	- 974	4,725	-	- 77	- 380	-
Total	72,982	13,439	18.4%	38,286	7,106	18.6%	38,180	6,112	16.0%	76,467	13,218	17.3%	+3,484	- 221	-1.1%

(NOTE) The figures reflect the reclassification of LG&EW inc. from Specialty Brand categories to CR categories both for FY 2024 Q2 and FY 2025 Q2, taking into accounts the reorganization within the Group dated June 1 (merger between Create Dining inc. and LG&EW inc.: separately disclosed on April 12)

*1: Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.

*2: Category CF = operating profit (JGAAP) + depreciation and amortization + sponsorship income + non-recurring expense items

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

II. Summary of FY 2025 Business Forecasts and Shareholder Returns

1. Summary of FY 2025 Business Forecasts

Upward revision to full-year business forecast dated April 12, 2024

Revenue: 156 billion yen, Operating profit: 9.3 billion yen, Profit attributable to owners of parent: 6.1 billion yen,

Adjusted EBITDA: 26.2 billion yen

- ✓ Revenue is revised upward (+3 billion yen), mainly taking into account the consolidated of "Wildflower" and "Ebisoba Ichigen", both of which are part of the Group.
- ✓ Despite steady progress in general, profits for each stage remain unchanged, taking into account PMI costs (system-related, etc.) for new group-in businesses.

(Million yen)	FY2025 (Released on Apr. 12)		FY2025 (Revised Forecast)		FY2025 Q2		Progress Rate (vs. Revised Forecast)
	Forecast	Ratio to revenue	Forecast	Ratio to revenue	Result	Ratio to revenue	
Revenue	153,000		156,000		76,467		49.0%
Operating profit	9,300	6.1%	9,300	6.0%	4,847	6.3%	52.1%
Profit before taxes	8,700	5.7%	8,700	5.6%	4,421	5.8%	50.8%
Profit for the year	7,000	4.6%	7,000	4.5%	3,506	4.6%	50.1%
Profit attributable to owners of parent	6,100	4.0%	6,100	3.9%	3,192	4.2%	52.3%
Adjusted EBITDA *1	26,200	17.1%	26,200	16.8%	13,218	17.3%	50.5%
Actual operating profit *2	11,300	7.4%	11,300	7.2%	5,714	7.5%	50.6%

*1 :Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income) + depreciation and amortization + non-recurring expense items (advisory expenses related to share acquisitions, etc.)

*2 :Actual operating profit is operating profit minus impairment losses.

2. Summary of FY 2025 Business Forecasts (by Category)

✓ Upward revision of Specialty Brand category and Overseas category, taking into account the consolidation in the second half about the 2 M&A deals executed
✓ CR category were revised downward slightly in light of sluggish customer traffic in the golf business due to the impacts of the hot summer, etc.

Category	FY 2025 (Initial forecast announced on April 12, 24)			FY 2025 (Revised forecast)			Difference		
	Revenue	Category CF	Ratio to revenue	Revenue	Category CF	Ratio to revenue	Revenue	Category CF	Ratio to revenue
CR	55,800	6,510	11.7%	55,300	6,310	11.4%	-500	-200	-0.3%
SFP	30,000	3,090	10.3%	30,000	3,090	10.3%	0	0	0.0%
Specialty Brand	49,400	5,400	10.9%	49,800	5,500	11.0%	+400	+100	+0.1%
Overseas	19,900	2,690	13.5%	23,000	2,790	12.1%	+3,100	+100	-1.4%
Other adjustments	-2,100	8,510	-	-2,100	8,510	-	0	0	-
Total	153,000	26,200	17.1%	156,000	26,200	16.8%	+3,000	0	-0.3%

* The figures reflecting the reclassification of LG&EW inc. from Specialty Brand categories to CR categories are included both in initial and revised forecasts, taking into accounts the reorganization within the Group dated June 1 (merger between Create Dining inc. and LG&EW inc. : separately disclosed on April 12)

* Taking into account the reorganization within the Group as of September 1 (absorption-type company split of KR FOOD SERVICE CORPORATION's contract business in the Specialty Brand category by create restaurants inc. in the CR category), both the initial and revised forecasts reflect the reclassification of KR's contract business from the Specialty Brand category to the CR category since the second half of the fiscal year.

• The Wildflower Business, which entered the Group in September, is included in the Overseas category, and the Ichigen Food Company Co., Ltd. which entered the Group in October, is included in the Specialty brand category and the both are reflected on the revised forecast.

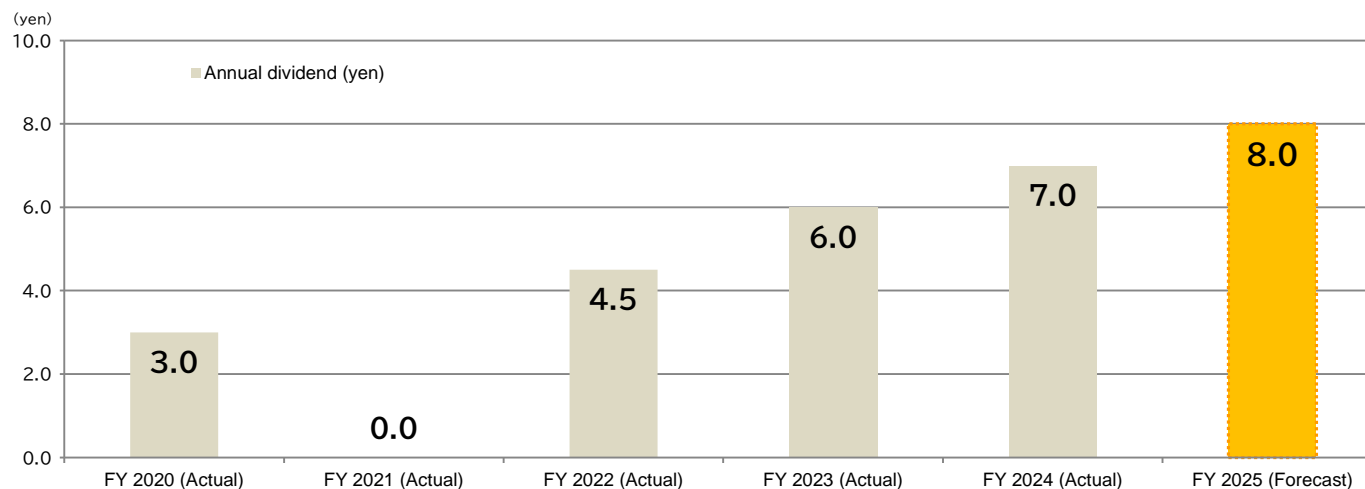
* Category CF = operating profit (JGAAP) + depreciation and amortization + sponsorship income + non-recurring expense items

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

3. Shareholder Returns

Dividends

- ✓ Interim dividends: Decided at 4.0 yen per share (resolved on October 11), taking into account current business results
- ✓ Year-end dividend forecast: 4.0 yen per share planned
- ⇒ Annual dividend: 8.0 yen (1.0 yen increase from the previous year)



Shareholder Special Benefit Plan

We will continue to offer the Shareholder benefits as an important shareholder returns.

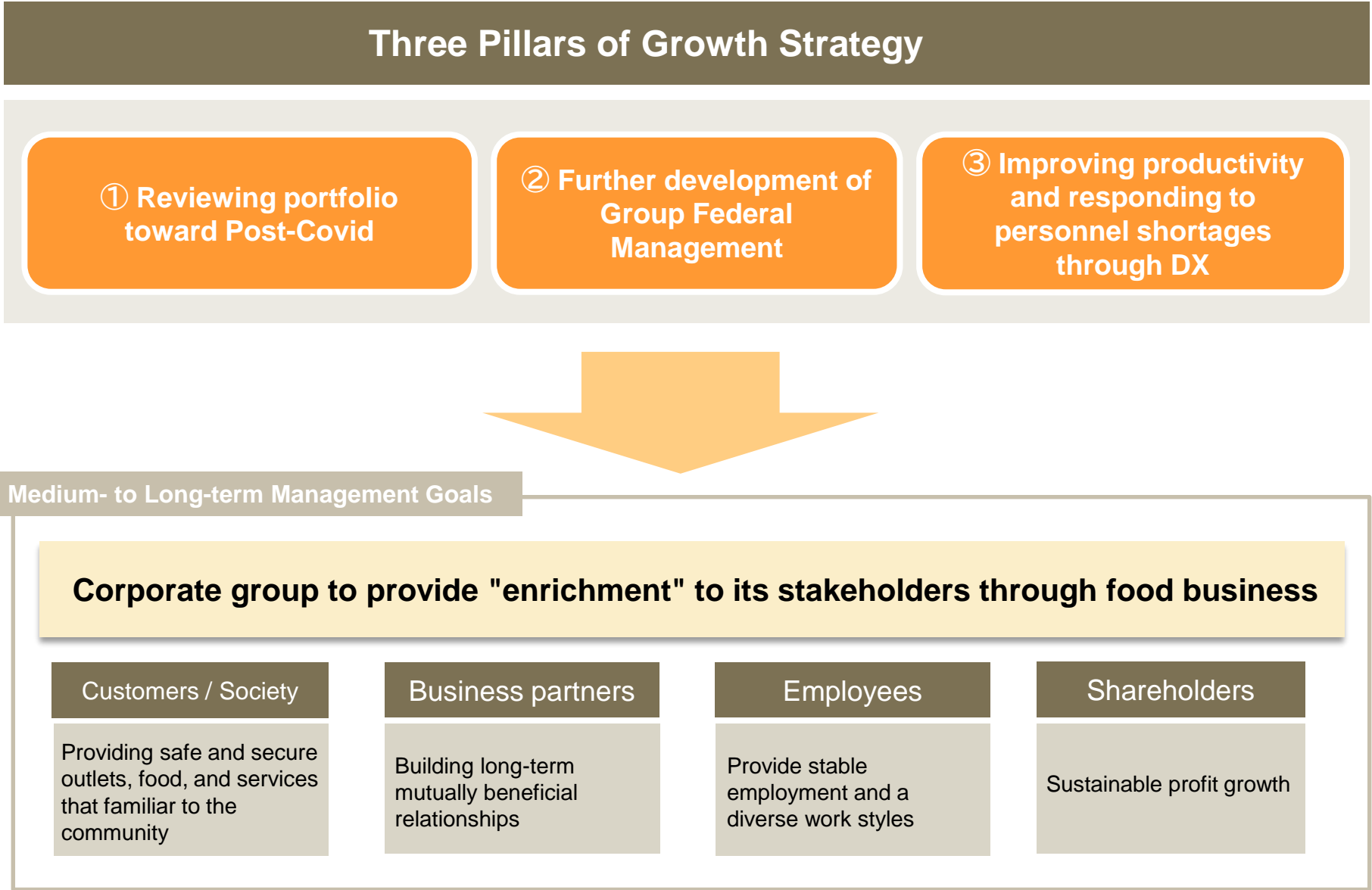
Expansion of stores where shareholders benefits are available

- ✓ Shareholder benefits will be available at the 5 stores below as a result of the inclusion of the "Ebisoba Ichigen" (scheduled to begin on November 1)

- Flagship store
- New Chitose Airport store
- Shinjuku store
- Yaesu chikagai store
- Tokyo Solamachi store



III. Topics



2. TOPICS ~M&A~

Reviewing portfolio toward Post-Covid

✓ Implementation of M&A in domestic and overseas

- Acquired the business of "Wildflower", a bakery restaurant brand operating mainly in Phoenix, Arizona, on September 3, 2024
 - On October 1, 2024, the Company acquired shares in Ichigen Food Company Co. Ltd., which operates "Ebisoba Ichigen", a leading ramen store in Hokkaido.
- ⇒ Matched to the key words of Medium-Term Management Plan, "Daily", "Standard", and "Community-based".
- ⇒ Further strengthen the portfolio (particularly in North America, acquisition of businesses that is for daily use with less inflationary fatigue)

	[Overseas (North America)] Create Restaurants DE LLC	[Domestic] Ichigen Food Company Co., Ltd.
Type of business	Directly managed bakery restaurant "Wildflower" and wholesale business	Business and licensing of "Ebisoba Ichigen"
Number of stores	16 stores	10 stores (5 domestic stores, 5 overseas stores)
Date of contract Date of execution	August 6, 2024 September 3, 2024	September 6, 2024 October 1, 2024
Size	<ul style="list-style-type: none">• Sales: US\$43.9 million (approx. 6.2 billion yen)• Operating profit: US\$2.8 million (approx. 400 million yen) (Actual result of target business in fiscal 2023 /US\$/1US = 143 yen conversion)	<ul style="list-style-type: none">• Sales: Approx. 1 billion yen• Operating profit: Approx. 200 million yen (Results for the fiscal year ending April 2024)
Aim	Stable earnings by operating stores that are rooted in the community for more than 30 years	<ul style="list-style-type: none">• Further deepening the noodle category business, which is a daily food• Strengthen brand portfolio by nurturing next core brands• Creation of synergies through franchising within the Group
Equity cost-conscious investing	IRR 14% > after-tax WACC (US 12.5%)	IRR 9.5% > after-tax WACC (domestic 6.85%)



3. TOPICS ~Consolidation of Contract Business~

Further development of Group Federal Management

- ✓ Further strengthen the contract management following the comprehensive business alliance with JA ZEN-NOH dated January 26,
- ✓ On September 1, the contract business within the group is consolidated into create restaurants inc. (CR), which operates nationwide (CR executed the absorption-type company split with the same business of KR FOOD SERVICE CORPORATION.)

〈Total number of stores〉

116 stores (as of September 1)

〈Purpose〉

- 1) Strengthen expertise, such as knowledge and know-how in the contract business
- 2) Further streamlining the allocation of human resources
- 3) Further acceleration of contract managements of the "Minori-Minoru" brand and other brands
 - Opened "Minoru Dining" Kyoto Porta store on July 1
 - Opened "Minori Café" Kyoto Porta store on September 1
 - On October 24, we plan to open "Okayama Sodachi" Wagyu yakiniku.



"Minoru Dining" Kyoto Porta store (7/1 OPEN)

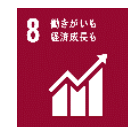


"Minori Café" Kyoto Porta Store (9/1 OPEN)



4. TOPICS ~The 25th Anniversary Ceremony ~

Respond to shortage of human resources (strengthen retention)



Commemorative ceremony held to commemorate the 25th anniversary of the company's founding as an opportunity to express gratitude to employees

- ✓ Commemorating the 25th anniversary of its founding in May this year, it is planned as an event to have employees "Wakuwaku"
- Recruiting participants by lottery from employees (including part-time and part-time workers) in western Japan, taking into account their length of service.
- On September 12, at Universal Studios Japan (USJ), the 25th anniversary event (Osaka Convention) was held (with about 230 participants)
- At the ceremony, we reviewed the progress made over the past 25 years together with the photos at that time.
- After the ceremony, there was a great boom in songs and dancing shows from USJ.
- The members who have worked together for a long time and those who have missed each other deepened their friendship and mutual admiration.
- Before and after the ceremony, each employee is refreshed by spending their free time in attractions, etc in USJ.



<Comments of Participants>

- It was such a fun event! I felt honored to be there!
- As a form of this kind of thinking about the company as well as its own I was surprised at what you did.
- It was a full time, with amusement components other than ceremonies, such as dancing, shows, and lottery events.
- I was pleased to be able to interact with staff at other stores that I could not normally meet.

etc....

- In November, the Tokyo Convention to commemorate the 25th anniversary of the company's founding with employees from eastern Japan is scheduled to be held at Rain Forest Cafe in Tokyo Disneyland and IXSPIARI (Approximately 520 people are expected to participate in the Tokyo Conference.)

- ✓ In addition to, we have raised the discount rate for employees when eating our group outlets to thank all employees.

Continue to promote the retention of human resources and the active participation of diverse human resources.



5. Group Mission



Unlimited Excitement!

Welcome diversity

Collaborate to Create

Surprise the world

Environment

Governance

IV. Appendix

1. Openings and Closings of Outlets

- **New store openings: 16, Store closings: 20, and Brand changes: 8**
 ⇒ **Total number of group stores as of the end of August, 2024: 1,105**

• **Main breakdown of new store openings (16 stores)**

- Opened "GOTTA", a new American dining, in Gotanda as a Wakuwaku (exciting) project
- Opening core brands: "shabu-SAI" 2 stores, "ISOMARU SUISAN" 2 stores, "Go no Go", "MACCHA HOUSE Matcha-kan" Kyoto Gion Shijo
- Opened 4 stores in Food Court of Yokohama World Porters and opened "IKEDAYAMA" Gotanda station front
- New contract business of restaurants in golf course: 1 store
- Opened stores in collaboration with JA ZEN-NOH: Yakiniku "Wakabatei" 2 stores and "Minoru Dining" Kyoto Porta

• **Retirement of stores mainly due to expiration of contract (20 stores)**

• **Brand change in line with location environment and customer needs (8 stores)**

"MACCHA HOUSE Matcha-kan" WITH HARAJUKU, "Yakiniku Jun" Osaka Dome City, "Stamina Manpuku Shokudo", "Hamanoya" NEOPASA Hamamatsu, "Teppan Hormone Go no Go" Pio City Sakuragicho, "AWkitchen" Aeon Lake Town Koshigaya, "Sigtan" MOP YOKOHAMA BAYSIDE, and "shabu-SAI" Lalaport Shinmisato

[List of stores opened and closed as of FY 2025 Q2]

Category	Total no. at end of Feb. 2024	Increase /Decrease		Total no. at and of Aug.2024	Brand Changes *1
		New	Close		
CR	502	10	13	499	6
SFP	202	2	2	202	1
Specialty Brand	350	4	2	352	1
Overseas *2	55	0	3	52	0
Group total *3	1,109	16	20	1,105	8

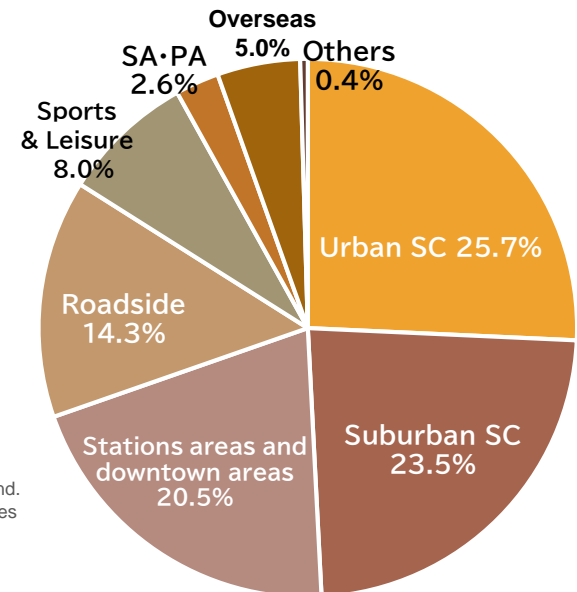
*1 : The number of stores includes the changes of business category within the Group.

*2 : The number of stores in the overseas category includes 2 franchised stores of Create Dining 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 Aug. 2024.

*4 : The figures reflect the reclassification of LG&EW from Specialty Brand Categories to CR Categories for number of outlets both in FY 2024 Q4 and FY 2025 Q2, taking into accounts the reorganization within the Group dated June 1.

[Composition of stores by location (as of the end of August, 2024)]



2. Trends in same-store sales YoY ratio

[Consolidated]

	Mar.	Apr.	May	Q1 Total	Jun.	Jul.	Aug.	Q2 Total	Sep. (Preliminary)	Oct.	Nov.	Q3 Total	Dec.	Jan.	Feb.	Full-year
FY 2025 Same-store sales YoY	108.8%	104.5%	104.9%	106.1%	110.4%	103.6%	108.1%	106.6%	108.9%	-	-	-	-	-	-	-
FY 2024 Same-store sales YoY	146.0%	121.1%	115.4%	126.1%	111.5%	118.1%	121.3%	121.4%	114.5%	107.2%	110.3%	117.5%	112.1%	110.7%	109.9%	116.0%

[By category]

		Mar.	Apr.	May	Q1 Total	Jun.	Jul.	Aug.	Q2 Total	Sep. (Preliminary)	Oct.	Nov.	Q3 Total	Dec.	Jan.	Feb.	Full-year
CR	FY 2025 Same-store sales YoY	110.2%	104.2%	103.7%	106.0%	112.0%	104.1%	107.5%	106.9%	109.5%	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	137.4%	125.9%	118.7%	126.8%	116.5%	124.6%	126.3%	124.8%	118.4%	111.2%	114.1%	121.2%	113.6%	112.8%	114.5%	119.1%
SFP	FY 2025 Same-store sales YoY	107.9%	103.9%	105.3%	105.7%	107.4%	100.4%	104.0%	104.8%	105.8%	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	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%	111.3%	111.3%	125.1%
Specialty Brand	FY 2025 Same-store sales YoY	107.8%	103.9%	102.5%	104.7%	110.2%	103.6%	111.1%	106.5%	109.6%	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	122.7%	112.7%	108.8%	114.5%	104.3%	110.0%	115.0%	112.3%	109.4%	103.2%	109.0%	110.5%	111.1%	110.6%	108.4%	110.6%
Overseas	FY 2025 Same-store sales YoY	108.7%	108.1%	114.1%	110.9%	111.1%	107.8%	107.9%	108.6%	110.0%	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	140.9%	117.1%	117.1%	123.3%	114.8%	110.0%	108.8%	116.0%	108.6%	105.2%	103.4%	111.5%	106.5%	104.5%	102.1%	110.8%

* Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.

3. Sustainability Initiatives

Holding children’s baking classroom



- L'air bon, a consolidated subsidiary that operates 70 bakeries in Hokkaido, held a "Summer Vacation Children's Baking Classroom" for elementary school students in the neighborhood of the company, with the aim of educating children about food and bread artisans.
- In a post-experience questionnaire, 97% of the participants were satisfied with the experience, and many of them said it was a good experience and that they would like to participate again.



Dog bread



Crab bread

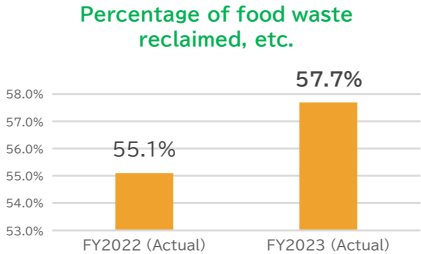
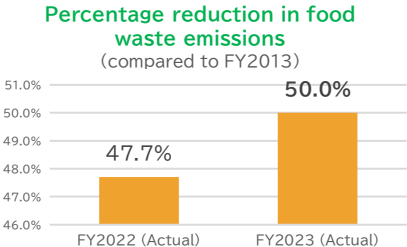
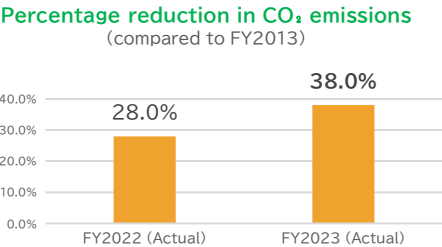
⇒ Toward the realization of a better society together with local communities through such events in the future

Progress on each indicator in Materiality



Actual results of percentage reduction in CO₂ emissions, food waste emissions , and food waste reclaimed, etc. (compared to FY2013 for each) are steadily increasing compared to the previous fiscal year.
 → Continue to strengthen initiatives in each category

* Base year: FY 2013
 * Reduction rate per unit of production (sales in million yen)



Disclaimer

The purpose of this material is to provide information regarding the financial results of FY 2025 Q2 and is not intended to solicit investments 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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