

# Summary of Business Results for the Third Quarter Ending November 30, 2024 [IFRS] (Consolidated)

January 14, 2025

Company **create restaurants holdings inc.**  
 Stock Code 3387 URL: <https://www.createrestaurants.com>  
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 Expected starting date of dividend payment: -  
 Preparation of interim supplementary financial document: Yes  
 Quarterly results briefing: None

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(Rounded down to million yen)

## 1. Consolidated business results for the nine months ending November 2024 (March 1, 2024 to November 30, 2024)

### (1) Consolidated results of operations (Cumulative)

(% change from the previous corresponding period)

|                              | Revenue     |      | Operating profit |      | Profit before taxes |      | Profit for the period |      | Profit attributable to owners of parent |      | Total comprehensive profit for the period |       |
|------------------------------|-------------|------|------------------|------|---------------------|------|-----------------------|------|---|------|---|-------|
|                              | Million yen | %    | Million yen      | %    | Million yen         | %    | Million yen           | %    | Million yen                             | %    | Million yen                               | %     |
| Nine months ending Nov. 2024 | 115,403     | 6.4  | 7,134            | 23.8 | 6,569               | 22.1 | 5,180                 | 23.4 | 4,735                                   | 21.4 | 5,178                                     | 9.9   |
| Nine months ending Nov. 2023 | 108,448     | 29.1 | 5,763            | 1.4  | 5,379               | -0.8 | 4,199                 | -0.1 | 3,901                                   | 3.0  | 4,713                                     | -14.3 |

|                              | Basic earnings per share | Diluted earnings per share |
|------------------------------|--------------------------|----------------------------|
|                              | Yen                      | Yen                        |
| Nine months ending Nov. 2024 | 22.51                    | -                          |
| Nine months ending Nov. 2023 | 18.55                    | -                          |

(Reference) Adjusted EBITDA: Nine months ending Nov. 2024: 19,610 million yen (1.6%)

Nine months ending Nov. 2023: 19,229 million yen (3.7%)

(Note 1) "Basic earnings per share" are calculated based on "Profit attributable to owners of parent."

(Note 2) Diluted earnings per share are not presented because there are no dilutive securities.

(Note 3) Adjusted EBITDA is disclosed as useful comparative information of our business performance of the Group. For definitions and calculation methods of adjusted EBITDA, please refer to "1. Qualitative information on results for the current quarter" of P.2 (1) Qualitative information on the consolidated financial results."

### (2) Consolidated financial position

|                 | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent |
|-----------------|--------------|--------------|---|--|
|                 | Million yen  | Million yen  | Million yen                             | %  |
| As of Nov. 2024 | 137,653      | 42,909       | 39,292                                  | 28.5   |
| As of Feb. 2024 | 130,816      | 39,371       | 35,969                                  | 27.5   |

## 2. Dividends

|                                  | Annual dividend |           |           |          |       |
|----------------------------------|-----------------|-----------|-----------|----------|-------|
|                                  | End of 1Q       | End of 2Q | End of 3Q | Year-end | Total |
|                                  | Yen             | Yen       | Yen       | Yen      | Yen   |
| Year ending Feb. 2024            | -               | 3.50      | -         | 3.50     | 7.00  |
| Year ending Feb. 2025            | -               | 4.00      | -         |          |       |
| Year ending Feb. 2025 (forecast) |                 |           | -         | 4.00     | 8.00  |

(Note) Revisions to dividend forecast for the current quarter: None

### 3. Forecast of consolidated financial results for the fiscal year ending February 2025

(March 1, 2024 through February 28, 2025)

(% change from the previous corresponding period)

|                       | Revenue     |     | Operating profit |      | Profit before taxes |      | Profit for the year |      | Profit attributable to owners of parent |      | Basic profit per share |
|-----------------------|-------------|-----|------------------|------|---------------------|------|---------------------|------|---|------|------------------------|
|                       | Million yen | %   | Million yen      | %    | Million yen         | %    | Million yen         | %    | Million yen                             | %    | Yen                    |
| Year ending Feb. 2025 | 156,000     | 7.0 | 9,300            | 31.4 | 8,700               | 31.2 | 7,000               | 24.8 | 6,100                                   | 21.0 | 29.00                  |

(Note) Revisions to the most recently announced business forecast: None

(Reference) Adjusted EBITDA: Year ending February 28, 2025 (Forecast): 26,200 million yen (2.4%)

#### \*Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New 2 (Company name) Create Restaurants DE LLC

Exclusion 1 (Company name) LG&EW inc.

Ichigen Food Company Co., Ltd.

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required under IFRS: : Yes

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (treasury stock included)

As of Nov. 2024 212,814,284 shares

As of Feb. 2024 212,814,284 shares

2) Treasury stock at the end of period

As of Nov. 2024 2,412,100 shares

As of Feb. 2024 2,481,551 shares

3) Average number of stock during the period (quarterly cumulative period)

Nine months ending Nov. 2024 210,367,782 shares

Nine months ending Nov. 2023 210,274,656 shares

(Note) Treasury stocks to be deducted for the calculation of the number of treasury stocks at the end of the period and the average number of shares during the period (quarterly cumulative period) include the Company's shares owned by The Custody Bank of Japan, Ltd. (trust account) as trust assets related to the Employee Incentive Plan "Trust-type ESOP for Employees."

**\*Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None**

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

(1) Our Group adopts International Financial Reporting Standards.

(2) Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. Please refer to page 4 of the attached material for the assumptions upon which the forecasts are based and the cautionary statements regarding the use of the forecasts.

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## 1. Qualitative information on results for the current quarter

### (1) Qualitative information on the consolidated financial results

In the third quarter of the consolidated year under review, the Japanese economy saw a recovery in inbound demand due to an increase in the number of foreign visitors to Japan and an increase in the number of people traveling to Japan due to the normalization of economic activity. Private consumption also remained steady, underpinned by the continued trend of wage increases. However, in the domestic market, in addition to factors such as inflation caused by the depreciation of the yen and extreme weather conditions and labor shortages caused by the declining birthrate and aging population, there are concerns about a slowdown in the Chinese economy, US policy trends and geopolitical risks at overseas such as the situation in Russia, Ukraine, and the Middle East, which cannot be expected to be resolved. As a result, the outlook remains uncertain.

In the restaurant industry, although demand continues to be firm due to a recovery in corporate entertainment expenses accompanying tax reform and an increase in the number of foreign visitors to Japan, the business environment is expected to remain challenging as rising energy resource prices, the yen's continued depreciation and extreme weather conditions are expected to lead to further rises in raw material prices, as well as a worsening of the supply shortage in terms of human resources. In addition, although domestic real wages are showing signs of a positive turnaround, the trend of selective consumption seems to become more pronounced due to uncertainty as to whether the trend will take hold. On the other hand, it is necessary to pay close attention to the fact that inflationary fatigue has appeared in the U.S. and other countries.

Against this backdrop, we will celebrate the 25th anniversary of our founding in May this year, and we will continue to aim for further growth by leveraging our ability to respond to changes cultivated over many years. Specifically, as part of our efforts to evolve Group Federal Management, we are undertaking group-wide organizational restructuring. On June 1, 2024, LG&EW inc. was merged with Create Dining inc. to strengthen expertise and promote human resource exchanges through the consolidation of knowledge in various business domains. Furthermore, in the Contract Business Domain, on September 1, 2024, the contract business of KR FOOD SERVICE CORPORATION was split and transferred to create restaurants inc. with the aim of further developing the Contract Business, including streamlining the allocation of human resources.

In addition, as part of our efforts to "Reviewing portfolio toward Post-Covid" which is one of the pillars of our growth strategy, we acquired the bakery-restaurant business, which operates the Wildflower brand in the United States, from Wildflower Bread Company LLC on September 3, 2024. This is intended to strengthen the portfolio with a view to Post-Covid, with the keywords of "daily," "standard," and "community-based," and to further expand the business in the United States. In Japan, as a business that contributes to this growth strategy, Ichigen Food Company, Co., Ltd., which operates "Ebisoba Ichigen," a ramen restaurant representing Sapporo, Hokkaido, became a consolidated subsidiary as of October 1, 2024.

In addition, the Group is focusing on investing in human capital and DX, and is continuing to expand its employee salary increase fund and strengthen its hiring of foreign employees. At the same time, the Group is working to create an enabling environment for diverse human resources to realize diverse working styles by raising the age of employees and introducing new Expert position and special leave system for new employees to make career pass broader. In DX, we are also working to improve both customer convenience and reduce the workload of store employees, focusing on the introduction of serving robots, mobile orders, and self-checkout systems.

With regard to new store openings, In addition, we opened new stores centered on core brands such as "shabu-SAI", all-you-can-eat Shabu Shabu, and "MACCHA HOUSE", Matcha-kan, bakery "Cent Varie", Seafood Izakaya, "ISOMARU SUISAN", and Public bar, "Go no Go". We also aggressively opened restaurants in golf courses and contract business stores in collaboration with JA ZEN-NOH. Furthermore, as candidates for next core brands, we developed new business format such as "SHIK-TTANG" Korean cuisine and "Marumon" monjayaki, and worked to change the business format of existing stores.

As a consequence, the Group opened 24 new stores, changed the format of 14 stores, and closed 28 stores, mainly due to the expiration of contracts. On the other hand, the addition of 16 "Wildflower" stores and 10 "Ebisoba Ichigen" stores to the scope of consolidation resulted in the increase in the number of consolidated stores, including contract business stores, etc. totaled 1,131 at the end of the current third quarter under review .

As a result of the above, for the current interim consolidated accounting period, revenue was 115,403 million yen (up 6.4% year on year), operating profit was 7,134 million yen (up 23.8% year on year), interim profit before tax was 6,569 million yen (up 22.1% year on year), interim profit was 5,180 million yen (up 23.4% year on year), and interim profit attributable to owners of parent was 4,735 million yen (up 21.4% year on year). The adjusted EBITDA was 19,610 million yen (up 2.0% year on year) and the adjusted EBITDA

margins were 17.0% (17.7% in the same period of the previous year) and adjusted ratio of equity attributable to owners of parent (adjusted equity ratio) is 41.5% (compared to 39.6% in the same period of the previous fiscal year) (Note)

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

Adjusted EBITDA, Adjusted EBITDA margins and adjusted ratio of equity attributable to owners of parent (adjusted equity ratio) are calculated as follows:

- Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income) + depreciation and amortization + non-recurring expense items (advisory expenses, etc. related to share acquisitions, etc.)
- Adjusted EBITDA margin = Adjusted EBITDA/revenue × 100
- Adjusted ratio of equity attributable to owners of parent (adjusted equity ratio): Ratio of equity attributable to owners of parent (shareholder's equity ratio) excluding the impact of IFRS No. 16.

## (2) Qualitative information on the consolidated financial position

### 1) Assets, liabilities and equity

#### (Assets)

The balance of current assets at the end of the current third quarter consolidated period increased by 638 million yen from the end of the previous consolidated fiscal year to 31,978 million yen. This was mainly due to an increase of 1,344 million yen in cash and cash equivalents, despite an increase of 1,838 million yen in trade and other receivables.

The balance of non-current assets at the end of the current third quarter consolidated accounting period increased by 6,199 million yen from the end of the previous consolidated fiscal year to 105,675 million yen. This was mainly due to an increase of 2,868 million yen in good will, and 2,117 million yen in intangible assets.

#### (Liabilities)

The balance of liabilities at the end of the current third quarter consolidated accounting period increased by 3,299 million yen from the end of the previous consolidated fiscal year to 94,744 million yen. This was mainly due to an increase of 1,173 million yen in trade and other payables, and 1,133 million yen in accrued expenses included in other current liability.

#### (Equity)

The balance of equity at the end of the current third quarter consolidated accounting period increased by 3,538 million yen from the end of the previous fiscal year to 42,909 million yen. This was mainly due to an increase of 3,157 million yen in retained earnings and 215 million yen in non-controlling equity.

Ratio of equity attributable to owners of parent (equity ratio) is 28.5%.

### 2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter referred to as "Net cash") at the end of the current third quarter consolidated accounting period decreased by 104 million from the end of the previous fiscal year to 21,201 million yen.

The status of each cash flow during the current third quarter consolidated accounting period and its factors are as follows.

#### (Cash flow from operating activities)

Net cash provided by operating activities during the current interim consolidated accounting period was 19,033 million yen (up 17.3% year on year). This was mainly due to the recording of depreciation and amortization of 11,567 million yen and quarterly profit before tax of 6,569 million yen.

#### (Cash flow from investing activities)

Net cash used in investing activities for the current third quarter consolidated accounting period was 7,969 million yen (up 173.5% year on year). This was mainly due to payments for acquisition of businesses of 4,153 million yen and purchases of property, plant and equipment of 2,578 million yen.

#### (Cash flow from financing activities)

Net cash used in financing activities during the current third quarter consolidated accounting period was 11,131 million yen (down 37.1% year on year). This was mainly due to repayments of lease liabilities of 10,018 million yen, proceeds from long-term

debt of 6,650 million yen and repayments of long-term loans payable of 5,663 million yen.

### (3) Qualitative Information on the consolidated business forecasts

The outlook for the year under review is for the domestic demand side to remain firm due to a rising stock market trend with improved corporate earnings, an improved employment environment, a continuing trend towards higher wages, a recovery in corporate entertainment expenditure and a further expansion of inbound demand, while real wages are showing signs of a positive turnaround, but it is unclear whether this will become an established trend. So, the trend towards selective consumption is expected to intensify. In addition, it is necessary to keep a close watch on the fact that overseas countries are showing signs of inflation fatigue in the United States and elsewhere. On the supply side, on the other hand, in addition to serious labor shortages and logistics problems caused by the declining birthrate and aging population, there are concerns about a slowdown in the Chinese economy, as well as uncertainties in the international situation caused by geopolitical risks, such as future policy trends in the United States, the situation in Russia, Ukraine, and the Middle East, and concerns about further increases in raw material prices and energy costs. Therefore, the supply-demand gap is expected to continue to worsen.

Against this backdrop, our Group aims to achieve sustainable earnings growth based on the 3 pillars of our growth strategy: Reviewing portfolio toward Post-Covid, Further development of Group Federal Management, and Improving Productivity and Responding to Personnel Shortages through DX.

In Japan, the Group will continue to pursue appropriate pricing in response to rising costs, such as higher raw material prices and labor costs. In addition, we will aggressively invest in DX, such as serving robots and self-checkout system, and respond to restrictions on the supply of human resources by strengthening the hiring of foreign employees and supporting them in their activities. Overseas, we will further expand our business in North America by strengthening our portfolio through the addition of “Wildflower” to the group, a daily business category that is less affected by inflation fatigue in the United States.

The full-year consolidated earnings forecast for the fiscal year ending February 2025 remains unchanged from the consolidated earnings forecast announced on October 11 2024, as the company's performance has been generally in line with our current expectations.

## 2. Condensed quarterly consolidated financial statements and major notes

### (1) Condensed quarterly consolidated statements of financial position

(Million yen)

|                                   | Previous Fiscal Year<br>(February 29, 2024) | Current Third Quarter<br>(November 30, 2024) |
|-----------------------------------|---|--|
| Assets                            |   |  |
| Current assets                    |   |  |
| Cash and cash equivalents         | 21,305                                      | 21,201                                       |
| Trade and other receivables       | 5,729                                       | 7,568  |
| Other financial assets            | 480   | 526  |
| Inventories                       | 1,024                                       | 1,290  |
| Corporate income taxes receivable | 1,344                                       | 0  |
| Other current assets              | 1,454                                       | 1,392  |
| Total current assets              | 31,340                                      | 31,978                                       |
| Non-current assets                |   |  |
| Property, plant and equipment     | 56,619                                      | 58,000                                       |
| Goodwill                          | 23,726                                      | 26,595                                       |
| Intangible assets                 | 6,026                                       | 8,144  |
| Other financial assets            | 9,052                                       | 8,869  |
| Deferred tax assets               | 3,413                                       | 3,425  |
| Other non-current assets          | 637   | 640  |
| Total non-current assets          | 99,475                                      | 105,675                                      |
| Total assets                      | 130,816                                     | 137,653                                      |

(Million yen)

|   | Previous Fiscal Year<br>(February 29, 2024) | Current Third Quarter<br>(November 30, 2024) |
|---|---|--|
| Liabilities and equity                        |   |  |
| Liabilities                                   |   |  |
| Current liabilities                           |   |  |
| Trade and other payables                      | 4,398                                       | 5,572  |
| Bonds and borrowings                          | 8,221                                       | 8,232  |
| Lease liabilities                             | 11,377                                      | 11,371                                       |
| Corporate income taxes payable                | 926   | 1,084  |
| Provisions                                    | 2,236                                       | 1,875  |
| Other current liability                       | 10,373                                      | 11,691                                       |
| Total current liabilities                     | 37,533                                      | 39,827                                       |
| Non-current liabilities                       |   |  |
| Bonds and borrowings                          | 19,361                                      | 20,033                                       |
| Lease liabilities                             | 28,813                                      | 29,062                                       |
| Obligations for retirement pay                | 1,089                                       | 1,052  |
| Provisions                                    | 2,963                                       | 2,930  |
| Deferred tax liabilities                      | 1,279                                       | 1,406  |
| Other non-current liabilities                 | 404   | 430  |
| Total non-current liabilities                 | 53,911                                      | 54,916                                       |
| Total liabilities                             | 91,444                                      | 94,744                                       |
| Equity  |   |  |
| Capital stock                                 | 50  | 50   |
| Capital surplus                               | 24,688                                      | 24,817                                       |
| Retained earnings                             | 10,193                                      | 13,351                                       |
| Treasury stock                                | -1,178                                      | -1,139                                       |
| Other equity components                       | 2,215                                       | 2,213  |
| Total equity attributable to owners of parent | 35,969                                      | 39,292                                       |
| Non-controlling equity                        | 3,401                                       | 3,616  |
| Total Equity                                  | 39,371                                      | 42,909                                       |
| Total liabilities and equity                  | 130,816                                     | 137,653                                      |



(2) Condensed quarterly consolidated statements of income and statements of comprehensive income

Condensed quarterly consolidated statements of income

Consolidated cumulative third quarter

(Million yen)

|   | Previous Third Quarter<br>(March 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(March 1, 2024 -<br>November 30, 2024) |
|---|--|---|
| Revenue   | 108,448  | 115,403   |
| Cost of sales   | -31,222  | -33,015   |
| Gross profit  | 77,225   | 82,388  |
| Selling, general and administrative expenses            | -69,949  | -74,663   |
| Other operating revenue                                 | 619  | 604   |
| Other operating expenses                                | -2,131   | -1,194  |
| Operating profit  | 5,763  | 7,134   |
| Financial income  | 154  | 49  |
| Financing cost  | -537   | -614  |
| Profit before taxes                                     | 5,379  | 6,569   |
| Corporate income tax expense                            | -1,179   | -1,388  |
| Profit for the period                                   | 4,199  | 5,180   |
| Net profit attributable to                              |  |   |
| Owners of parent  | 3,901  | 4,735   |
| Non-controlling equity                                  | 298  | 445   |
| Profit for the period                                   | 4,199  | 5,180   |
| Profit per share attributable to owners of parent (yen) |  |   |
| Basic earnings per share                                | 18.55  | 22.51   |
| Diluted earnings per share                              | -  | -   |

## Current third quarter

(Million yen)

|   | Previous Third Quarter<br>(September 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(September 1, 2024 -<br>November 30, 2024) |
|---|--|---|
| Revenue   | 35,465   | 38,935  |
| Cost of sales   | -10,229  | -11,271   |
| Gross profit  | 25,235   | 27,663  |
| Selling, general and administrative expenses            | -23,370  | -25,332   |
| Other operating revenue                                 | 193  | 218   |
| Other operating expenses                                | -455   | -262  |
| Operating profit  | 1,603  | 2,287   |
| Financial income  | 19   | 96  |
| Financing cost  | -169   | -236  |
| Profit before taxes                                     | 1,453  | 2,147   |
| Corporate income tax expense                            | -523   | -473  |
| Profit for the period                                   | 929  | 1,674   |
| Net profit attributable to                              |  |   |
| Owners of parent  | 863  | 1,542   |
| Non-controlling equity                                  | 66   | 131   |
| Profit for the period                                   | 929  | 1,674   |
| Profit per share attributable to owners of parent (yen) |  |   |
| Basic earnings per share                                | 4.10   | 7.33  |
| Diluted earnings per share                              | -  | -   |

Consolidated statements of comprehensive profit

Consolidated cumulative third quarter

(Million yen)

|  | Previous Third Quarter<br>(March 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(March 1, 2024 -<br>November 30, 2024) |
|--|--|---|
| Profit for the period  | 4,199  | 5,180   |
| Other comprehensive profit                                       |  |   |
| Items that may be reclassified subsequently to<br>profit or loss |  |   |
| Foreign currency translation adjustments                         | 514  | -2  |
| Total  | 514  | -2  |
| Total other comprehensive profit                                 | 514  | -2  |
| Comprehensive profit   | 4,713  | 5,178   |
| Comprehensive profit attributable to                             |  |   |
| Owners of parent   | 4,415  | 4,732   |
| Non-controlling equity   | 298  | 445   |
| Comprehensive profit   | 4,713  | 5,178   |

## Current third Quarter

(Million yen)

|  | Previous Third Quarter<br>(September 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(September 1, 2024 -<br>November 30, 2024) |
|--|--|---|
| Profit for the period  | 929  | 1,674   |
| Other comprehensive profit                                       |  |   |
| Items that may be reclassified subsequently to<br>profit or loss |  |   |
| Foreign currency translation adjustments                         | 65   | 367   |
| Total  | 65   | 367   |
| Total other comprehensive profit                                 | 65   | 367   |
| Comprehensive profit   | 994  | 2,041   |
| Comprehensive profit attributable to                             |  |   |
| Owners of parent   | 928  | 1,909   |
| Non-controlling equity   | 66   | 131   |
| Comprehensive profit   | 994  | 2,041   |

### (3) Condensed quarterly consolidated statements of changes in equity

Previous third quarter (March 1, 2023 to November 30, 2023)

(Million yen)

|   | Total equity attributable to owners of parent |                 |                   |                |  |       |        |                        |              |
|---|---|-----------------|-------------------|----------------|--|-------|--------|------------------------|--------------|
|   |   |                 |                   |                | Other equity components                  |       |        |                        |              |
|   | Capital stock                                 | Capital surplus | Retained earnings | Treasury stock | Foreign currency translation adjustments | Total | Total  | Non-controlling equity | Total equity |
| Balance at March 1, 2023  | 50  | 22,774          | 6,509             | -1,217         | 1,519                                    | 1,519 | 29,606 | 4,836                  | 34,443       |
| Profit for the period   | -   | -               | 3,901             | -              | -  | -     | 3,901  | 298                    | 4,199        |
| Other comprehensive profit  | -   | -               | -                 | -              | 514                                      | 514   | 514    | -                      | 514          |
| Comprehensive profit  | -   | -               | 3,901             | -              | 514                                      | 514   | 4,415  | 298                    | 4,713        |
| Dividends   | -   | -               | -1,366            | -              | -  | -     | -1,366 | -196                   | -1,563       |
| Changes in ownership interests in consolidated subsidiaries without a loss of control | -   | 1,782           | -                 | -              | -  | -     | 1,782  | -1,782                 | -            |
| Share-based payment transactions  | -   | 137             | -                 | 2              | -  | -     | 139    | -                      | 139          |
| Others  | -   | -15             | 5                 | 29             | -  | -     | 19     | -5                     | 13           |
| Total transactions with owners  | -   | 1,904           | -1,361            | 31             | -  | -     | 575    | -1,985                 | -1,410       |
| Balance at November 30, 2023  | 50  | 24,649          | 9,049             | -1,185         | 2,033                                    | 2,033 | 34,596 | 3,150                  | 37,746       |

Current third quarter (March 1, 2024 to November 30, 2024)

(Million yen)

|   | Total equity attributable to owners of parent |                 |                   |                |  |       | Total  | Non-controlling equity | Total equity |
|---|---|-----------------|-------------------|----------------|--|-------|--------|------------------------|--------------|
|   | Capital stock                                 | Capital surplus | Retained earnings | Treasury stock | Other equity components                  |       |        |                        |              |
|   |   |                 |                   |                | Foreign currency translation adjustments | Total |        |                        |              |
| Balance at March 1, 2024  | 50  | 24,688          | 10,193            | -1,178         | 2,215                                    | 2,215 | 35,969 | 3,401                  | 39,371       |
| Profit for the period   | -   | -               | 4,735             | -              | -  | -     | 4,735  | 445                    | 5,180        |
| Other comprehensive profit  | -   | -               | -                 | -              | -2                                       | -2    | -2     | -                      | -2           |
| Comprehensive profit  | -   | -               | 4,735             | -              | -2                                       | -2    | 4,732  | 445                    | 5,178        |
| Dividends   | -   | -               | -1,577            | -              | -  | -     | -1,577 | -233                   | -1,811       |
| Purchase of treasury shares   | -   | -               | -                 | -0             | -  | -     | -0     | -                      | -0           |
| Changes in ownership interests in consolidated subsidiaries without a loss of control     | -   | 12              | -                 | -              | -  | -     | 12     | 12                     | 24           |
| Change in ownership interest of parent due to transactions with non-controlling interests |   | -0              | -                 | -              | -  | -     | -0     | -0                     | -1           |
| Share-based payment transactions  | -   | 109             | -                 | 0              | -  | -     | 109    | -                      | 109          |
| Others  | -   | 7               | -                 | 38             | -  | -     | 46     | -8                     | 38           |
| Total transactions with owners  | -   | 128             | -1,577            | 39             | -  | -     | -1,409 | -230                   | -1,640       |
| Balance at November 30, 2024  | 50  | 24,817          | 13,351            | -1,139         | 2,213                                    | 2,213 | 39,292 | 3,616                  | 42,909       |

## (4) Condensed quarterly consolidated statement of cash flows

(Million yen)

|  | Previous Third Quarter<br>(March 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(March 1, 2024 -<br>November 30, 2024) |
|--|--|---|
| Cash flows from operating activities                 |  |   |
| Profit before taxes                                  | 5,379  | 6,569   |
| Depreciation and amortization                        | 11,616   | 11,567  |
| Impairment loss                                      | 1,960  | 1,105   |
| Interest income                                      | -32  | -47   |
| Interest expense                                     | 450  | 499   |
| Loss (gain) on sale of non-current assets            | -19  | -5  |
| Loss on disposal of fixed assets                     | 95   | 20  |
| Decrease (increase) in inventories                   | -4   | -187  |
| Decrease (increase) in trade and other receivables   | -1,106   | -1,990  |
| Increase (decrease) in trade and other payables      | -136   | 655   |
| Increase (decrease) in net defined benefit liability | -74  | -36   |
| Increase (decrease) in provision                     | -390   | -298  |
| Other changes  | 449  | 1,395   |
| Sub-total  | 18,187   | 19,247  |
| Interest and dividend received                       | 33   | 47  |
| Interest expenses paid                               | -183   | -177  |
| Income taxes paid                                    | -2,159   | -1,428  |
| Corporate income taxes refunded                      | 345  | 1,345   |
| Cash flows from operating activities                 | 16,222   | 19,033  |
| Cash flow from investing activities                  |  |   |
| Payments into time deposits                          | -9   | -5  |
| Proceeds from withdrawal of time deposits            | 61   | -   |
| Purchase of property, plant and equipment            | -2,619   | -2,578  |
| Proceeds from sales of property, plant and equipment | 7  | 6   |
| Payments for asset retirement obligations            | -154   | -216  |
| Purchase of intangible assets                        | -121   | -44   |
| Payment for guaranty deposits                        | -228   | -257  |
| Proceeds from collection of guaranty deposits        | 239  | 289   |
| Payments to escrow agent                             | -  | -947  |
| Payments for acquisition of businesses               | -  | -4,153  |
| Others   | -89  | -62   |
| Cash flow from investing activities                  | -2,913   | -7,969  |

|   | (Million yen)  |   |
|---|--|---|
|   | Previous Third Quarter<br>(March 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(March 1, 2024 -<br>November 30, 2024) |
| Cash flow from financing activities   |  |   |
| Proceeds from short-term debt   | -300   | -205  |
| Proceeds from long-term debt  | -  | 6,650   |
| Repayment of long-term loans payable  | -5,934   | -5,663  |
| Redemption of bonds   | -100   | -100  |
| Repayments of lease liabilities   | -9,823   | -10,018   |
| Purchase of treasury shares   | -  | -0  |
| Cash dividends paid   | -1,353   | -1,564  |
| Dividends paid to non-controlling interests                                       | -193   | -229  |
| Payment for acquisition of subsidiaries' equity<br>from non-controlling interests | -  | -1  |
| Cash flow from financing activities   | -17,704  | -11,131   |
| Effect of exchange rate change on cash and cash<br>equivalents                    | 154  | -36   |
| Net increase (decrease) in cash and cash equivalents                              | -4,241   | -104  |
| Cash and cash equivalents at beginning of period                                  | 23,895   | 21,305  |
| Cash and cash equivalents at period-end   | 19,653   | 21,201  |

## (5) Notes on the condensed quarterly consolidated financial statements

(Notes on the going concern assumptions)

None

(Material accounting policies)

The material accounting policies applied by our group in the condensed interim consolidated financial statements are the same as the accounting policies applied in the consolidated financial statements for the previous fiscal year, except for the newly adopted standards described below.

Corporate income tax for the current third quarter consolidated accounting period is calculated based on the estimated annual effective tax rate.

From the current first quarter consolidated accounting period, our group has adopted the following standards.

| Statement of standards | Standard name                        | Outline of new establishment and revision   |
|------------------------|--------------------------------------|---|
| IAS No. 1              | Presentation of Financial Statements | <ul style="list-style-type: none"><li>• Clarified requirements for classification of liabilities as current or non-current</li><li>• Revisions requiring disclosure of information on long-term debt with special covenants</li></ul> |
| IFRS No. 16            | Lease                                | <ul style="list-style-type: none"><li>• Clarified post-transaction accounting for sale-and-leaseback transactions</li></ul>   |

The adoption of the aforementioned pronouncements did not have a material impact on the condensed interim consolidated financial statements.

(Segment information)

The description is omitted because the group's business is categorized as restaurant business and there are no segments to be classified.

(Per-stock information)

(Million yen)

|   | Previous Third Quarter<br>(March 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(March 1, 2024 -<br>November 30, 2024) |
|---|--|---|
| Profit attributable to owners of parent                       | 3,901  | 4,735   |
| Weighted average number of common shares outstanding (shares) | 210,274,656  | 210,367,782   |
| Basic interim earnings per share (yen)                        | 18.55  | 22.51   |

(Notes) 1. Based on the calculation of "Basic earnings per share," we include our stock owned by the "Trust-type ESOP for Employees," in the calculation of the mean number of treasury stocks deducted during the period (1,912,999 shares in the previous third quarter consolidated accounting period and 1,849,264 shares in the current third quarter consolidated accounting period).

2. Diluted earnings per share are not presented because there are no dilutive shares.

(Million yen)

|   | Previous Third Quarter<br>(September 1, 2023 -<br>November 30, 2023) | Current Third Quarter<br>(September 1, 2024 -<br>November 30, 2024) |
|---|--|---|
| Quarterly profit attributable to owners of parent             | 863  | 1,542   |
| Weighted average number of common shares outstanding (shares) | 210,316,885  | 210,392,588   |
| Basic earnings per share (yen)                                | 4.10   | 7.33  |

(Notes) 1. Based on the calculation of "Basic earnings per share," we include our stock owned by the "Trust-type ESOP for Employees," in the calculation of the mean number of treasury stocks deducted during the period (1,897,847 shares in the third quarter of the previous fiscal year and 1,825,413 shares in the third quarter of the current fiscal year).

2. Diluted earnings per share are not presented because there are no dilutive shares.



(Significant subsequent events)

None