Summary of Business Results for the Year Ending February 28, 2025 [IFRS] (Consolidated)

April 14, 2025

Company	**create restaurants holdings inc.**	Listed on the TSE
Stock Code	3387 URL: https://www.createrestaurants.com	
Representative	Jun Kawai, President	
Contact	Genta Ohuchi, Director, CFO	T E L: +81-3-5488-8022

Expected date of annual shareholders' meeting: May 28, 2025 Expected starting date of dividend payment: May 14, 2025
Expected date of filing of annual securities report: May 29, 2025
Preparation of supplementary financial document: Yes
Briefing of Financial Results: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ending February 2025 (March 1, 2024 through February 28, 2025)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of parent		Total comprehensive profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2025	156,354	7.3	8,504	20.2	7,659	15.5	6,228	11.0	5,590	10.9	6,164	-2.3
Year ending Feb. 2024	145,759	23.3	7,075	39.2	6,632	45.3	5,608	44.6	5,041	48.9	6,309	24.4

	Basic earnings per share	Diluted earnings per share	Profit ratio to total equity attributable to owners of parent	Profit before taxes ratio to total assets	Operating income ratio to revenue
	Yen	Yen	%	%	%
Year ending Feb. 2025	26.57	-	14.7	5.7	5.4
Year ending Feb. 2024	23.97	-	15.4	5.0	4.9

(Ref.) Adjusted EBITDA: Year ending February 28, 2025: 26,124 million yen (2.1%)
Year ending February 29, 2024: 25,583 million yen (8.1%)

(Note 1) "Basic earnings per share" is calculated based on "Profit attributable to owners of parent."
(Note 2) Diluted earnings per share is not presented because there are no dilutive shares.
(Note 3) Adjusted EBITDA is disclosed as a useful comparative information on the business performance of the Group. For definitions and calculation methods of adjusted EBITDA, please refer to "1. Summary of operating results, etc., (1) Summary of operating results for the current fiscal year" on page 2 of the attached document.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of Feb. 2025	137,168	43,989	40,167	29.3	190.89
As of Feb. 2024	130,816	39,371	35,969	27.5	171.01

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ending Feb. 2025	25,991	-9,199	-16,657	21,474
Year ending Feb. 2024	23,292	-3,601	-22,496	21,305

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owner of parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ending Feb. 2024	-	3.50	-	3.50	7.00	1,485	29.2	4.5
Year ending Feb. 2025	-	4.00	-	4.00	8.00	1,697	30.1	4.4
Year ending Feb. 2026 (forecast)	-	4.50	-	4.50	9.00		32.6	

3. Forecast of Consolidated Financial Results for the fiscal year ending February 2026 (March 1, 2025 through February 28, 2026)

(% 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. 2026	165,000	5.5	9,600	12.9	8,800	14.9	6,500	4.4	5,800	3.7	27.57

(Reference) Adjusted EBITDA: Year ending February 28, 2026 (Forecast): 27,200 million yen (4.1%)

***Notes**

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

New 2 (Company name) Create Restaurants DE LLC
Ichigen Food Company Co., Ltd.
Exclusion 1 (Company name) LG&EW inc.

(2) Changes in accounting policies and accounting estimates

1)Changes in accounting policies required by IFRS : Yes
2)Changes in accounting policies other than 1) : None
3)Changes in accounting estimates : None

(3) Shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (including treasury stock)
As of February 2025 212,814,284 shares
As of February 2024 212,814,284 shares

2) Treasury stock at the end of the period
As of February 2025 2,387,100 shares
As of February 2024 2,481,551 shares

3) Average number of stock during the period (cumulative period)
Year ending February 2025 210,380,119 shares
Year ending February 2024 210,288,449 shares

(Note) Treasury stock to be deducted from the calculation of the number of treasury stock at the end of the period and the average number of shares during the period, includes our 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."

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ending February 2025 (March 1, 2024 through February 28, 2025)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2025	6,400	14.1	1,757	16.4	3,123	3.2	2,400	-69.4
Year ending Feb. 2024	5,609	14.5	1,510	21.3	3,026	21.5	7,851	258.7

	Net Income Per share	Diluted net income per share
	Yen	Yen
Year ending Feb. 2025	11.41	-
Year ending Feb. 2024	37.34	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 2025	68,886	35,062	50.9	166.63
As of Feb. 2024	69,244	34,190	49.4	162.56

(Reference) Equity:

As of February 2025: 35,062 million yen

As of February 2024: 34,190 million yen

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

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

(1) Our Group adopts International Financial Reporting Standards.

(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 5 of the attached document, "1. Summary of business results, etc. (4) Future outlook" for the precautions for using the prerequisites for business forecasts.

○ Table of contents of the appendix

1. Summary of Operating Results

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

1) Consolidated business results for the current fiscal Year

During the fiscal year under review, the economy showed a tendency to pick up in personal consumption, underpinned by an expansion in inbound demand due to a recovery in people's flux resulting from normalization of economic activity and an increase in foreign visitors to Japan, as well as continued wage hikes. However, in the domestic market, the outlook remains uncertain due to factors such as inflation caused by the depreciation of the yen and unusual weather conditions, as well as labor shortages caused by the declining birthrate and aging population, in addition to the policy trends in the U.S. and the geopolitical risks such as the situation in Russia, Ukraine and the Middle East which cannot be expected to be resolved.

In the restaurant industry, demand continues to be firm, mainly due to the increase in well-rounded consumption with contrast and the number of foreign visitors to Japan. On the other hand, in addition to the persistently high price of energy resources, the continuing depreciation of the yen and a further rise in the price of raw materials associated with extreme weather conditions, the labor shortage is still expected to remain, although some relief can be expected from relaxation of taxable income standards for part-timers. Consequently, we expect the business environment to remain severe. In addition, although there are signs of a positive change in domestic real wages, it is unclear whether the trend will become entrenched, so the trend of selective consumption is likely to intensify further. Overseas, the U.S. and other countries are showing signs of inflation fatigue, which will continue to require close monitoring.

Against this backdrop, we celebrated our 25th anniversary in May 2024, and we will continue to strive 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 undertook reorganization within the Group. 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. In the Contract Business, 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 Domain, 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 Wild Flower brand in Arizona, U.S., from Wildflower Bread Company LLC on September 3, 2024. This is aimed at strengthening our portfolio toward Post-Covid, based on the keywords of "daily," "standard," and "community-based." We aim to further expand our business in the U.S. On October 1, 2024, we made a consolidated subsidiary of Ichigen Food company Co., Ltd., which operates "Ebisoba Ichigen", a ramen store representing Sapporo, Hokkaido,, as a business that contributes to this growth strategy.

In addition, we focused on investing in human capital and DX, which are essential for sustained growth. With regard to human capital, we expanded the employee salary increase fund and strengthened the hiring of foreign employees, raised the age of employees, introduced experts as a means of diversifying career paths, and enhanced employee benefits through the introduction of a special leave system for new employees. Through these and other measures, we worked to create an enabling environment for diverse human resources to realize diverse work styles. In DX, we promoted the introduction of serving/bashing robots, mobile orders system, and self-served checkout machine in an effort to both improve customer convenience and reduce the burden on store employees.

With regard to new store openings, we opened a core brand of all-you-can-eat Shabu-Shabu, "shabu-SAI," "Maccha House," Matcha-kan, Bakery "Cent Varie," Seafood Izakaya "ISOMARU SUISAN," and Public-bar, "Go no Go." We also aggressively opened contract business stores in collaboration with restaurants in golf courses and JA ZEN-NOH. In addition, as candidates for the next core brand, we developed new formats such as Korean cuisine "SHIK-TTANG" and Monjayaki "Marumon," and also implemented business format changes from existing stores.

As a result, the Group opened 32 new stores, changed the format of 16 stores, and closed 51 stores, mainly due to the expiration of contracts. On the other hand, the number of consolidated stores, including contract business stores, totaled 1116 at the end of the fiscal year under review, due to the addition of 16 "Wild Flower" stores and 10 "Ebisoba Ichigen" stores to the scope of consolidation.

As a consequence, revenue for the fiscal year under review was 156,354 million yen (up 7.3% year on year), operating profit was 8,504 million yen (up 20.2% year on year), profit before income taxes was 7,659 million yen (up 15.5% year on year), profit for the year was 6,228 million yen (up 11.0% year on year), and profit attributable to owners of parent was 5,590 million yen (up 10.9% year on year). Adjusted EBITDA was 26,124 million yen (up 2.1% year on year), adjusted EBITDA margins were 16.7% (17.6% in the previous fiscal year), and adjusted Ratio of equity attributable to owners of parent (adjusted equity ratio) was 42.9% (41.1% in the previous fiscal year). (Note)

(Note) We use Adjusted EBITDA, Adjusted EBITDA margins and adjusted ratio of equity attributable to owners of parent (adjusted equity ratio) as useful measures 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, employment adjustment subsidies, subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + depreciation and amortization + non-recurring expense items (advisory expenses, etc. related to share acquisitions)

・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 the parent (equity ratio) excluding the impact of IFRS No. 16

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

(CR category)

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

During the fiscal year under review, create restaurants inc. mainly opened franchises within the group in addition to its core brands such as "shabu-SAI" and "Maccha House," Matcha-kan. Furthermore, Create Dining inc. opened "GOTTA," a dining format resulting in opening of 19 new stores and closing of 33 stores.

As a result of the above, revenue in this category for the fiscal year under review was 54,777 million yen, and the number of consolidated stores was 518.

(SFP category)

This category consists of stores operated by SFP Holdings Co., Ltd., Joh Smile Corporation, and CLOOC DINING Co., Ltd. It operates izakaya restaurants such as "ISOMARU SUISAN," "Toriyoshi Shoten," and "Omotenashi Toriyoshi" brands, mainly in urban downtown areas, and also operates izakaya restaurants in Kumamoto and Nagano prefectures.

During the current consolidated fiscal year under review, in addition to the opening of seafood Izakaya "ISOMARU SUISAN" and Public bar, "Go no Go," we opened 6 new stores as franchise within the Group and closed 5 stores.

As a result of the above, revenue in this category for the fiscal year under review was 30,389 million yen and the number of consolidated stores was 203.

(Specialty brand category)

This category consists of stores operated by YUNARI Co., Ltd., Gourmet Brands Company inc., KR FOOD SERVICE CORPORATION, YUZURU Inc., Icchou Inc., SAINT-GERMAIN CO., LTD., L'air bon inc., and Ichigen Food Company Co., Ltd.

In the current consolidated fiscal year under review, it opened 6 new stores and closed 6 stores as a result of the opening of Bakery "IKEDAYAMA" by Gourmet Brands Company inc., Food Court in Makinohara Service Area (Inbound lane) by KR FOOD SERVICE CORPORATION, and Bakery "Cent Varie" by L'air bon inc., resulting in new opening of 6 stores, closing of 6 stores. In addition, 5 stores of Ichigen Food Company Co., Ltd. increased through M&A.

As a result of the above, revenue in this category for the fiscal year under review was 49,815 million yen, and the number of consolidated stores was 325.

(Overseas category)

This category consists of stores operating overseas. It mainly consists of stores operated by CREATE RESTAURANTS ASIA Pte. Ltd. in Singapore, stores operated by create restaurants hong kong Ltd. in Hong Kong, and stores operated by Il Fornaio (America) LLC and Create Restaurants DE LLC in the United States.

During the current consolidated fiscal year under review, the Company opened "Ebisoba Ichigen" in Hong Kong and opened 1 new store and closed 7 stores. In the US, Create Restaurants DE LLC acquired the bakery restaurant business from Wildflower Bread Company LLC, resulting in an increase of 16 stores, and through M&A, the number of “Ebisoba Ichigen” franchise stores increased by 4 stores in Hong Kong and 1 store in Taiwan.

As a result of the above, revenue in this category for the fiscal year under review was 23,262million yen and the number of consolidated stores was 70.

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

Total assets at the end of the current consolidated fiscal year under review amounted to 137,168 million yen (up 4.9% year on year). This was mainly due to increases of 2,818 million yen in goodwill, 2,580 million yen in property, plant and equipment, and 1,726 million yen in intangible assets.

Liabilities at the end of the fiscal year under review were 93,179 million yen (up 1.9% year on year). This was mainly due to increases of 1,292 million yen in lease liabilities and 452 million yen in income taxes payable, while there was a decrease of 1,365 million yen in bonds and borrowings.

Equity at the end of the fiscal year under review was 43,989 million yen (up 11.7% year on year).

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

Cash and cash equivalents (hereinafter referred to as "Net cash") at the end of the fiscal year under review resulted in an increase in net cash from operating activities of 25,991 million yen (up 11.6% year on year), a decrease in net cash from investing activities of 9,199 million yen (up 155.4% year on year), and a decrease in net cash used in financing activities of 16,657 million yen (down 26.0% year on year). After taking into account translation differences, the balance of cash at the end of the fiscal year under review was 21,474 million yen (up 0.8% year on year).

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

(Cash flows from operating activities)

Net cash provided by operating activities for the current fiscal year was 25,991 million yen. This was mainly due to the recording of depreciation and amortization of 15,487 million yen and profit before income taxes of 7,659 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year was 9,199 million yen. This was mainly due to expenditures of 4,231 million yen for the acquisition of businesses and expenditures of 3,410 million yen for the acquisition of property, plant and equipment and assets.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year was 16,657 million yen. This was mainly due to expenditure of 13,478 million yen for repayment of lease liabilities and expenditure of 7,614 million yen for repayment of long-term debt.

(Reference) Trends in cash flow indicators

	As of February 2025
Ratio of equity attributable to owners of parent (%)	29.3
Ratio of equity attributable to owners of parent based on market value (%)	191.1
Interest-bearing debt to cash flow ratio (years)	1.0
Interest coverage ratio (time)	106.0

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

financial position for which interest is paid (excluding lease liabilities). Interest expense is equal to interest payments as stated in the consolidated statements of cash flows.

(4) Future outlook

Looking at the outlook for the next fiscal year, on the domestic demand side, we expect the business to remain firm due to the improvement in the employment environment and the continued trend of wage increases, as well as the expansion of inbound demand. On the supply side, on the other hand, despite the relaxation of taxable income standards for part-timers, the labor shortage is expected to continue due to the declining birthrate and aging population. In addition, the supply-demand gap is expected to continue to worsen due to concerns about the continued high prices of raw materials and energy costs due to uncertainties in the international situation stemming from geopolitical risks, such as policy trends in the United States, the situation in Russia, Ukraine, and the Middle East.

In the restaurant industry, domestic consumption is expected to remain strong due to factors such as continued inbound tourist consumption, but inflation fatigue has begun to appear in part. In terms of human resources, supply shortages are still a concern. In addition, the business environment is expected to remain challenging due to factors such as continued inflation, such as rising energy resource prices, raw material prices, and personnel costs.

In this environment, the Group will formulate its medium-term management plan, which will be positioned as the "5 years to solve fundamental problems" starting in the fiscal year ending February 2026, with the aim of establishing a foundation for sustainable growth and raising corporate value. We will comprehensively redefine our existing key management strategies of "Multi-brand, Multi-location Strategy" and "Group Federal Management," including domestic and overseas business development and organizational structure, and evolve them as "Group Federal Management 2.0." Specifically, as the 3 Growth pillars, we will accelerate the growth of existing businesses and the development of new formats through the "Evolution of intrinsic value" centered on our core brands, aggressively execute "Synergistic M&A" that make maximum use of the know-how we have accumulated through many M&A deals to date, and work to "Expansion of overseas business" including entry into new market areas in addition to strengthening our portfolio in existing markets. In addition, as the 3 Foundations for growth, we will promote customer satisfaction by combining hospitality with "Technology utilization" by promoting DX suitable for respective brands and customers and by utilizing AI, create a rewarding workplace through "Promotion of human capital management" including the expansion of the total fund amount for salary increase, and "Sustainability promotion" that contributes to the realization of a sustainable society. We aim to become "a professional team that will be chosen by stakeholders for a long time" by continuing to take on the challenge of co-creation of a rich food experience.

Based on the above, we forecast consolidated earnings for the fiscal year ending February 2026 to generate revenue of 165 billion yen, operating profit of 9.6 billion yen, profit before income taxes of 8.8 billion yen, net income of 6.5 billion yen, and profit attributable to owners of parent of 5.8 billion yen. We also expect adjusted EBITDA of 27.2 billion yen and adjusted EBITDA margins of 16.5%.

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

2. Basic policies regarding the selection of accounting standards

We have been disclosing consolidated financial statements based on International Accounting Standards since the end of the fiscal year ending February 2019, with the aim of improving the foundations for domestic and international M&A, improving international comparability in equity marketplace, and optimizing business administration through the unification of accounting standards within the Group.

3. Consolidated financial statements and major notes

(1) Consolidated statements of financial position

(Million yen)

	Previous fiscal year (February 29, 2024)	Fiscal year under review (February 28, 2025)
Assets		
Current assets		
Cash and cash equivalents	21,305	21,474
Trade and other receivables	5,729	5,903
Other financial assets	480	559
Inventories	1,024	1,221
Corporate income taxes receivable	1,344	0
Other current assets	1,454	1,466
Total current assets	31,340	30,625
Non-current assets		
Property, plant and equipment	56,619	59,199
Goodwill	23,726	26,544
Intangible assets	6,026	7,752
Other financial assets	9,052	8,765
Deferred tax assets	3,413	3,695
Other non-current assets	637	584
Total non-current assets	99,475	106,543
Total assets	130,816	137,168

(Million yen)

	Previous fiscal year (February 29, 2024)	Fiscal year under review (February 28, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,398	5,194
Bonds and borrowings	8,221	13,432
Lease liabilities	11,377	11,533
Corporate income taxes payable	926	1,378
Provisions	2,236	2,332
Other current liabilities	10,373	10,921
Total current liabilities	37,533	44,793
Non-current liabilities		
Bonds and borrowings	19,361	12,784
Lease liabilities	28,813	29,949
Obligations for retirement pay	1,089	1,007
Provisions	2,963	2,825
Deferred tax liabilities	1,279	1,407
Other non-current liabilities	404	411
Total non-current liabilities	53,911	48,386
Total liabilities	91,444	93,179
Equity		
Capital stock	50	50
Capital surplus	24,688	24,893
Retained earnings	10,193	14,229
Treasury stock	-1,178	-1,122
Other components of equity	2,215	2,117
Total equity attributable to owners of parent	35,969	40,167
Non- controlling equity	3,401	3,821
Equity	39,371	43,989
Total liabilities and equity	130,816	137,168

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Million yen)

	Previous fiscal year (March 1, 2023 – February 29, 2024)	Fiscal year under review (March 1, 2024 – February 28, 2025)
Revenue	145,759	156,354
Cost of sales	-41,934	-45,002
Gross profit	103,825	111,352
Selling, general and administrative expenses	-94,175	-101,126
Other operating revenue	773	901
Other operating expenses	-3,347	-2,623
Operating profit	7,075	8,504
Financial income	220	53
Financing cost	-663	-897
Profit before taxes	6,632	7,659
Corporate income tax expense	-1,023	-1,431
Profit for the year	5,608	6,228
Profit attributable to		
Owners of parent	5,041	5,590
Non- controlling equity	567	637
Profit for the year	5,608	6,228
Profit per share attributable to owners of the parent (yen)		
Basic profit per share	23.97	26.57
Diluted earnings per share	-	-

Consolidated statements of comprehensive income

(Million yen)

	Previous fiscal year (March 1, 2023 – February 29, 2024)	Fiscal year under review (March 1, 2024 – February 28, 2025)
Profit for the year	5,608	6,228
Other comprehensive profit		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	4	34
Total	4	34
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	696	-97
Total	696	-97
Total other comprehensive profit	700	-63
Comprehensive profit for the year	6,309	6,164
Comprehensive profit attributable to		
owners of parent	5,742	5,515
Non- controlling equity	566	649
Comprehensive profit for the year	6,309	6,164

(3) Consolidated statements of changes in equity

Previous fiscal year (March 1, 2023 – February 29, 2024)

	Total equity attributable to owners of parent									
					Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Total	Non-controlling equity	Total equity
Balance at March 1, 2023	50	22,744	6,509	-1,217	1,519	-	1,519	29,606	4,836	34,443
Profit for the year	-	-	5,041	-	-	-	-	5,041	567	5,608
Other comprehensive profit	-	-	-	-	696	4	701	701	-0	700
Comprehensive profit for the year	-	-	5,041	-	696	4	701	5,742	566	6,309
Dividends	-	-	-1,366	-	-	-	-	-1,366	-196	-1,563
Change in equity of parent related to transactions with non-controlling shareholders	-	-15	-	-	-	-	-	-15	-4	-19
Changes in ownership interests in consolidated subsidiaries without a loss of control	-	1,801	-	-	-	-	-	1,801	-1,801	-
Share-based payment transactions	-	178	-	2	-	-	-	180	-	180
Transfer from other components of equity to retained earnings	-	-	4	-	-	-4	-4	-	-	-
Other	-	-20	4	36	-	-	-	20	-0	20
Total transactions with owners	-	1,943	-1,357	38	-	-4	-4	620	-2,002	-1,381
Balance at February 29, 2024	50	24,688	10,193	-1,178	2,215	-	2,215	35,969	3,401	39,371

Fiscal year under review (March 1, 2024 – February 28, 2025)

(Million yen)

	Total equity attributable to owners of parent								Non-controlling equity	Total equity
					Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total	Total		
Balance at March 1, 2024	50	24,688	10,193	-1,178	2,215	-	2,215	35,969	3,401	39,371
Profit for the year	-	-	5,590	-	-	-	-	5,590	637	6,228
Other comprehensive profit	-	-	-	-	-97	22	-75	-75	12	-63
Comprehensive profit for the year	-	-	5,590	-	-97	22	-75	5,515	649	6,164
Dividends	-	-	-1,577	-	-	-	-	-1,577	-233	-1,811
Purchase of treasury shares	-	-	-	-0	-	-	-	-0	-	-0
Change in equity of parent related to transactions with non-controlling shareholders	-	-0	-	-	-	-	-	-0	-0	-1
Changes in ownership interests in consolidated subsidiaries without a loss of control	-	12	-	-	-	-	-	12	12	24
Share-based payment transactions	-	185	-	0	-	-	-	186	-	186
Transfer from other components of equity to retained earnings	-	-	22	-	-	-22	-22	-	-	-
Other	-	6	-	55	-	-	-	62	-7	54
Total transactions with owners	-	204	-1,555	55	-	-22	-22	-1,317	-229	-1,546
Balance at February 28, 2025	50	24,893	14,229	-1,122	2,117	-	2,117	40,617	3,821	43,989

(4) Consolidated statement of cash flows

(Million yen)

	Previous fiscal year (March 1, 2023 – February 29, 2024)	Fiscal year under review (March 1, 2024 – February 28, 2025)
Cash flows from operating activities		
Profit before tax for the year	6,632	7,659
Depreciation and amortization	15,512	15,487
Impairment loss	3,097	1,763
Interest income	-50	-53
Interest expense	603	703
Loss (gain) on sale of non-current assets	-22	-8
Loss on retirement of non-current assets	109	28
Decrease (increase) in inventories	43	-121
Decrease (increase) in trade and other receivables	-653	-341
Increase (decrease) in trade and other payables	-416	320
Increase (decrease) in net retirement benefit liability	-66	-29
Increase (decrease) in provisions	-88	102
Other changes	609	784
Sub-total	25,308	26,296
Interest and dividend received	51	54
Interest expenses paid	-240	-245
Corporate income taxes paid	-2,173	-1,453
Corporate income taxes refunded	345	1,339
Cash flows from operating activities	23,292	25,991
Cash flow from investing activities		
Payments into time deposits	-9	-31
Proceeds from withdrawal of time deposits	61	-
Purchase of property, plant and equipment	-3,273	-3,410
Proceeds from sales of property, plant and equipment	9	12
Payments for asset retirement obligations	-229	-260
Purchase of intangible assets	-151	-59
Payments for guarantee deposits	-279	-409
Proceeds from collection of guarantee deposits	380	321
Payments for acquisition of businesses	-	-4,231
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-1,003
Other	-110	-127
Cash flow from investing activities	-3,601	-9,199

(Million yen)

	Previous fiscal year (March 1, 2023 – February 29, 2024)	Fiscal year under review (March 1, 2024 – February 28, 2025)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	400	-205
Proceeds from long-term debt	-	6,650
Repayment of long-term loans payable	-7,945	-7,614
Redemption of bonds	-250	-200
Repayments of lease liabilities	-13,120	-13,478
Purchase of treasury shares	-	-0
Cash dividends paid	-1,365	-1,576
Dividends paid to non-controlling interests	-196	-231
Payment for acquisition of subsidiaries' equity from non-controlling interests	-19	-1
Cash flow from financing activities	-22,496	-16,657
Effect of exchange rate change on cash and cash equivalents	216	34
Net increase (decrease) in cash and cash equivalents	-2,589	168
Balance of cash and cash equivalents at beginning of period	23,895	21,305
Balance of cash and cash equivalents at year-end	21,305	21,474

(5) Notes on the consolidated financial statements

(Notes on the going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in our consolidated financial statements for the fiscal year under review 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.

The Group has adopted the following criteria effective from the first quarter of the fiscal year under review.

Statement of Standards	Standard name	Outline of new establishment and revision
IAS No. 1	Presentation of financial statements	・Clarified requirements for classification of liabilities as current or non-current ・Revisions requiring disclosure of information on long-term debt with special covenants
IFRS No. 16	Lease	・Clarified post-transaction accounting for sale-leaseback transactions

The adoption of the aforementioned pronouncements did not have a material impact on 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 fiscal year (March 1, 2023 – February 29, 2024)	Fiscal year under review (March 1, 2024 – February 28, 2025)
Profit attributable to owners of parent	5,041	5,590
Weighted average number of common shares outstanding (shares)	210,288,449	210,380,119
Basic earnings per share (yen)	23.97	26.57

(Note) 1. In the calculation of "Basic earnings per share", our stock owned by "Trust-type ESOP for Employees," are included in the treasury stock as a deduction in the calculation of the average number of shares during the period (1,905,938 shares in the previous fiscal year and 1,837,213 shares in the current fiscal year).

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

(Significant subsequent events)

None