

Summary of Business Results for the First Quarter Ending May 31, 2025 [IFRS] (Consolidated)

July 14, 2025

Company **create restaurants holdings inc.**
 Stock Code 3387 URL: <https://www.createrestaurants.com>
 Representative Jun Kawai, President
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 Expected starting date of dividend payment: —
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

Listed on the TSE

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(Rounded down to million yen)

1. Consolidated business results for the three months ending May 2025 (March 1, 2025 to May 31, 2025)

(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	%
Three months ending May 2025	41,814	9.2	3,048	10.7	2,992	15.8	2,263	10.6	2,088	12.7	1,937	-16.8
Three months ending May 2024	38,286	4.6	2,753	-7.6	2,584	-11.6	2,046	-13.3	1,852	-13.9	2,330	-7.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ending May 2025	9.92	—
Three months ending May 2024	8.81	—

(Ref.) Adjusted EBITDA: Three months ending May 2025: 7,420 million yen (4.4%)

Three months ending May 2024: 7,106 million yen (-1.9%)

(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 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, etc., (1) Qualitative information on the consolidated financial results" 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
	Million yen	Million yen	Million yen	%
As of May 2025	139,407	44,964	41,088	29.5
As of Feb. 2025	137,168	43,989	40,167	29.3

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending Feb. 2025	—	4.00	—	4.00	8.00
Year ending Feb. 2026	—				
Year ending Feb. 2026 (forecast)		4.50	—	2.25	—

(Note 1) Revisions to dividend forecast for the current quarter: Yes

(Note 2) Year-end dividend per share for the FY ending Feb. 2026 (Forecast)

The Company plans to conduct a stock split at a ratio of 2 shares per share with the effective date of September 1, 2025. Therefore, for the FY ending Feb. 2026 (forecast), the amount is stated based on the effect of the stock split, and the total annual dividend per share is "—". Without taking into account the stock split, the year-end dividend per share for the FY ending Feb. 2026 will be 4.50 yen per share, and the full-year payment will be 9.00 yen per share. For details, please refer to "Explanation regarding appropriate use of business forecasts and other special instructions."

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
Year ending Feb. 2026	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	165,000	5.5	9,600	12.9	8,800	14.9	6,500	4.4	5,800	3.7	13.78

(Note 1) Revisions to dividend forecast for the current quarter: None

(Note 2) The impact of the stock split was taken into consideration for the basic profit per share in the full-year results forecast for the FY ending Feb. 2026.

For details, please refer to "Explanation regarding appropriate use of business forecasts and other special instructions."

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

*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

New 1 (Company name) Noroshi Co., Ltd. Exclusion — (Company name) —

- (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 May 2025 212,814,284 shares

As of February 2025 212,814,284 shares

- 2) Treasury stock at the end of the period

As of May 2025 2,357,500 shares

As of February 2025 2,387,100 shares

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

Three months ending May 2025 210,445,142 shares

Three months ending May 2024 210,342,394 shares

(Note) Treasury stocks 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 (quarterly cumulative 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."

***Quarterly financial summary is not subject to the quarterly review 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 4 of the attached material for the assumptions upon which the forecasts are based and the cautionary statements regarding the use of the forecasts.

- (3) At the meeting of the Board of Directors held on July 14, 2025, the Company resolved to implement a stock split, and the Company will implement a 2-for-1 stock split of common shares with an effective date of September 1, 2025. Accordingly, the dividend forecasts and consolidated business forecasts for the FY ending Feb. 2026, which were translated prior to the consideration of the stock split, are as follows.

- 1) Dividend forecast for FY 2026

Dividend per share at the end of 2Q: 4.50 yen (Note) 1. Year-end: 4.50 yen (Note) 2.

Annual dividend per share (before stock split) for the FY ending Feb. 2026 amounted to 9.00 yen.

- 2) Consolidated business forecasts for the FY ending Feb. 2026 Basic profit per share: 27.56 yen (Note) 3.

(Note) 1. The dividend at the end of 2Q will be paid on the number of shares prior to the stock split.

2. Dividend is calculated before taking into account the stock split.

3. Basic profit per share before stock split.

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1. Qualitative information on results for the current quarter

(1) Qualitative information on the consolidated financial results

In the first quarter of the consolidated year under review, the Japanese economy is expected to recover moderately due to improvement in the employment and income environment and the effects of various policies, despite a weakening of consumer sentiment. Nevertheless, the outlook remains uncertain due to heightened risks of economic downturn caused by factors such as the U.S. trade policy and instability in the Middle East, as well as the impact of continued price increases on consumer sentiment.

In the restaurant industry, sales in the industry as a whole trended upward due to factors such as an increase in inbound demand accompanying an increase in the number of foreign visitors to Japan and an increase in the unit price per customer due to menu price revisions. On the other hand, the business environment continues to be severe due to continued high costs, such as soaring raw material prices, logistics costs, and utilities costs, representing rice.

In this business environment, as the first year of our Medium-Term Management Plan (announced on April 14, 2025), we are promoting 3 growth pillars ("Evolution of intrinsic value," "Synergistic M&A," and "Expansion of overseas business") and 3 foundations for growth ("Technology utilization," "Promotion of human capital management," and "Sustainability promotion") with the aim of establishing a foundation for sustainable growth and increasing corporate value. During the consolidated cumulative first quarter of the current fiscal year, the Group mainly implemented the following initiatives.

- Integration of Kanto Distribution Center (March):

We have integrated the 3 logistics bases that had been scattered throughout the Kanto region. We expect that this will contribute to curbing rising costs (improving bargaining power by consolidating suppliers and items, controlling logistics costs), reducing CO2 emissions by reviewing delivery routes, and reducing food loss by shortening ordering and delivery lead times.

- Expansion of Contract business (entrusted operation) and Group-in business in the previous fiscal year (April):

We began operating 7 yakiniku (BBQ) restaurants in Gumma Prefecture and 1 yakiniku restaurant in Nagano Prefecture (in collaboration with JA ZEN-NOH).

In addition, we opened our first store in Osaka Prefecture for "Ebisoba Ichigen", a subsidiary of Ichigen Food Company Co., Ltd., which joined our group last year. This store opening is both an M&A synergy and an initiative to improve location, utilizing the group's internal franchise system.

- Joining the Group by "Noroshi", Tsukemen (dipping noodle) restaurant in Saitama (May):

These stores are "Daily," "Standard," and "Community-based" formats, and are consistent with our policy of "Synergistic M&A." We will strive to create synergies with each operating company within the Group.

- Digitizing shareholders benefits coupons (May):

From the viewpoint of improving convenience, we have begun digitization of the shareholder benefit coupons for the items shipped in May 2025. Through the digitization, users can use smartphone apps or coupons (paper material).

In addition, existing store sales remained strong at 102.7% year-on-year, and thanks to new store openings centered on core brands, aggressive business model changes, franchise expansion within the group, and the consolidated contribution of newly acquired operating companies, the group achieved record-high sales revenue for the consolidated cumulative first quarter of the current fiscal year, resulting in year-on-year increases in both sales and profits.

(Million yen)

	Previous consolidated cumulative first quarter	Current consolidated cumulative first quarter	Change	Percentage change (%)
Revenue	38,286	41,814	3,527	9.2
Operating profit	2,753	3,048	295	10.7
Profit before taxes	2,584	2,992	407	15.8
Profit for the period	2,046	2,263	217	10.6
Quarterly Profit attributable to owners of parent	1,852	2,088	235	12.7
Adjusted EBITDA	7,106	7,420	314	4.4
Adjusted EBITDA margins (%)	18.6	17.8	-0.8	—
Adjusted ratio of equity attributable to owners of parent (Adjusted equity ratio) (%)	41.9	42.2	0.2	—

(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) + 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

The content of business results by segment has been omitted because the business of our group is a single segment of the restaurant business, the status of major categories, the number of stores opened and closed, the total number of stores, and the operating company for the fiscal year under review are as follows.

(Million yen/Stores)

CR category						SFP category					
Revenue	Store openings	Store closures	M&A	Change in store format	Total number of stores	Revenue	Store openings	Store closures	M&A	Change in store format	Total number of stores
14,648	7	2	0	4	523	7,751	1	0	0	0	204
It consists of stores operated by create restaurants inc. and Create Dining inc. It operates restaurants and food courts under a diverse range of brands, mainly retail facilities throughout Japan. It also operates restaurants on a contracted basis in golf courses.						It consists of stores operated by SFP Holdings Co., Ltd., SFP Dining Co., Ltd., Joh Smile Corporation, and CLOOC DINING Co., Ltd. The Companies operate Izakaya mainly in urban downtown areas.					
Specialty Brand category						Overseas category					
Revenue	Store openings	Store closures	M&A	Change in store format	Total number of stores	Revenue	Store openings	Store closures	M&A	Change in store format	Total number of stores
12,828	9	3	5	1	336	6,643	1	2	0	0	69
It consists of stores operated by YUNARI Co., Ltd., Gourmet Brands Company inc., KR FOOD SERVICE CORPORATION, YUZURU Inc., Ichhou Inc., SAINT-GERMAIN CO., LTD., L'air bon inc., Ichigen Food Company Co., Ltd., and Noroshi Co., Ltd.						It consists of stores operated in foreign countries. It is mainly comprised 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 (Wildflower) in the United States.					

(Note) "M&A" in the above table indicates the number of stores that increased due to M&A.

(2) Qualitative information on the consolidated financial position

1) Assets, liabilities and equity

(Assets)

The balance of current assets at the end of the consolidated first quarter under review increased by 1,650 million yen from the end of the previous fiscal year to 32,276 million yen. This was mainly due to a decrease of 471 million yen in cash and cash equivalents, despite an increase of 2,148 million yen in trade and other receivables.

The balance of non-current assets at the end of the consolidated first quarter under review increased by 587 million yen from the end of the previous fiscal year to 107,131 million yen. This was mainly due to a decrease of 191 million yen in intangible assets, despite an increase of 810 million yen in property, plant and equipment.

(Liabilities)

The balance of liabilities at the end of the consolidated first quarter under review increased by 1,263 million yen from the end of the previous fiscal year to 94,442 million yen. This was mainly due to increases of 607 million yen in bonds and borrowings and 483 million yen in lease liabilities.

(Equity)

The balance of equity at the end of the consolidated first quarter of the current fiscal year increased by 975 million yen from the end of the previous fiscal year to 44,964 million yen. This was mainly due to a decrease of 325 million yen in the component of other equity despite an increase of 1,246 million yen in retained earnings.

Ratio of equity attributable to owners of parent (equity ratio) is 29.5%.

2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter referred to as “Net cash”) at the end of the consolidated cumulative first quarter of the current fiscal year decreased by 471 million yen from the end of the previous consolidated fiscal year to 21,002 million yen.

The status of each cash flow and their factors for the consolidated cumulative first quarter of the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the consolidated cumulative first quarter of the current fiscal year was 4,934 million yen (down 8.7% year-on year). This was mainly due to the recording of 3,956 million yen in depreciation, 2,992 million yen in profit before taxes, and 2,247 million yen in trade and other receivables.

(Cash flow from investing activities)

Net cash used in investing activities for the consolidated cumulative first quarter of the current fiscal year was 1,625 million yen (up 89.9% year-on-year). This was mainly due to purchase of property, plant and equipment and assets of 1,478 million yen.

(Cash flow from financing activities)

Net cash used in financing activities for the consolidated cumulative first quarter of the current fiscal year was 3,803 million yen (up 6.0% year-on-year). This was mainly due to the recording of 3,423 million yen in repayments of lease liabilities and 1,928 million yen in repayment of long-term loans payable, despite 3,200 million yen in proceeds from long-term loans payable.

3) Qualitative information on the consolidated business forecasts

The business forecasts for the consolidated cumulative first quarter under review are generally firm, but there are no changes to the "Consolidated Financial Results for the FY ending Feb. 2025" [IFRS] (Consolidated) on April 14, 2025, due to the uncertainty that the impact on consumer sentiment is also uncertain as the risks of economic downturn due to unstable global conditions, raw material prices, logistics and utility costs, etc., continue to soaring.

The above forecasts have been prepared based on information available as of the announcement date. We will promptly disclose any revisions to our full-year business forecasts that we deem necessary due to future performance trends, etc.

2. Condensed quarterly consolidated financial statements and major notes

(1) Condensed quarterly consolidated statements of financial position

(Million yen)

	Previous Fiscal Year (February 28, 2025)	Current First Quarter (May 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	21,474	21,002
Trade and other receivables	5,903	8,051
Other financial assets	559	538
Inventories	1,221	1,349
Corporate income taxes receivable	0	73
Other current assets	1,466	1,260
Total current assets	30,625	32,276
Non-current assets		
Property, plant and equipment	59,199	60,009
Goodwill	26,544	26,479
Intangible assets	7,752	7,561
Other financial assets	8,765	8,960
Deferred tax assets	3,695	3,550
Other non-current assets	584	569
Total non-current assets	106,543	107,131
Total assets	137,168	139,407

(Million yen)

	Previous Fiscal Year (February 28, 2025)	Current First Quarter (May 31, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,194	5,362
Bonds and borrowings	13,432	12,641
Lease liabilities	11,533	11,613
Corporate income taxes payable	1,378	678
Provisions	2,332	1,933
Other current liabilities	10,921	11,990
Total current liabilities	44,793	44,220
Non-current liabilities		
Bonds and borrowings	12,784	14,182
Lease liabilities	29,949	30,352
Obligations for retirement pay	1,007	975
Provisions	2,825	2,893
Deferred tax liabilities	1,407	1,396
Other non-current liabilities	411	421
Total non-current liabilities	48,386	50,221
Total liabilities	93,179	94,442
Equity		
Capital stock	50	50
Capital surplus	24,893	24,875
Retained earnings	14,229	15,475
Treasury stock	-1,122	-1,104
Other components of equity	2,117	1,791
Total equity attributable to owners of parent	40,167	41,088
Non- controlling equity	3,821	3,876
Total Equity	43,989	44,964
Total liabilities and equity	137,168	139,407

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

Condensed quarterly consolidated statements of income

Consolidated cumulative first quarter

(Million yen)

	Previous First Quarter (March 1, 2024 - May 31, 2024)	Current First Quarter (March 1, 2025 - May 31, 2025)
Revenue	38,286	41,814
Cost of sales	-10,902	-12,260
Gross profit	27,383	29,553
Selling, general and administrative expenses	-24,181	-26,195
Other operating revenue	191	182
Other operating expenses	-640	-490
Operating profit	2,753	3,048
Financial income	99	237
Financing cost	-267	-293
Profit before taxes	2,584	2,992
Corporate income tax expense	-538	-728
Profit for the period	2,046	2,263
Profit attributable to		
Owners of parent	1,852	2,088
Non- controlling equity	193	175
Profit for the period	2,046	2,263
Profit per share attributable to owners of parent (yen)		
Basic earnings per share	8.81	9.92
Diluted earnings per share	—	—

Condensed quarterly consolidated statements of comprehensive income

Consolidated cumulative first quarter

(Million yen)

	Previous First Quarter (March 1, 2024 - May 31, 2024)	Current First Quarter (March 1, 2025 - May 31, 2025)
Profit for the period	2,046	2,263
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	284	-325
Total	284	-325
Total other comprehensive profit	284	-325
Comprehensive profit	2,330	1,937
Comprehensive profit attributable to		
Owners of parent	2,137	1,762
Non- controlling equity	193	175
Comprehensive profit	2,330	1,937

(3) Condensed quarterly consolidated statements of changes in equity

Previous First Quarter (March 1, 2024 - May 31, 2024)

	Total equity attributable to owners of parent							Non-controlling equity	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other equity components		Total		
					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	—	—	1,852	—	—	—	1,852	193	2,046
Other comprehensive profit	—	—	—	—	284	284	284	—	284
Comprehensive profit	—	—	1,852	—	284	284	2,137	193	2,330
Dividends	—	—	-736	—	—	—	-736	-112	-848
Share-based payment transactions	—	45	—	—	—	—	45	—	45
Other	—	0	—	10	—	—	11	—	11
Total transactions with owners	—	45	-736	10	—	—	-679	-112	-791
Balance at May 31, 2024	50	24,734	11,310	-1,167	2,500	2,500	37,427	3,482	40,910

Current First Quarter (March 1, 2025 - May 31, 2025)

(Million yen)

(Amount in \$M)

	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, 2025	50	24,893	14,229	-1,122	2,117	2,117	40,167	3,821	43,989
Profit for the period	—	—	2,088	—	—	—	2,088	175	2,263
Other comprehensive profit	—	—	—	—	-325	-325	-325	—	-325
Comprehensive profit	—	—	2,088	—	-325	-325	1,762	175	1,937
Dividends	—	—	-841	—	—	—	-841	-121	-963
Share-based payment transactions	—	-17	—	—	—	—	-17	—	-17
Other	—	-0	—	18	—	—	17	0	18
Total transactions with owners	—	-18	-841	18	—	—	-841	-120	-962
Balance at May 31, 2025	50	24,875	15,475	-1,104	1,791	1,791	41,088	3,876	44,964

(4) Condensed quarterly consolidated statements of cash flows

(Million yen)

	Previous First Quarter (March 1, 2024 - May 31, 2024)	Current First Quarter (March 1, 2025 - May 31, 2025)
Cash flows from operating activities		
Profit before taxes	2,584	2,992
Depreciation and amortization	3,822	3,956
Impairment loss	598	391
Interest income	-21	-8
Interest expense	151	198
Loss (gain) on sale of non-current assets	-0	-0
Loss on disposal of fixed assets	5	5
Decrease (increase) in inventories	-82	-134
Decrease (increase) in trade and other receivables	-1,180	-2,247
Increase (decrease) in trade and other payables	420	519
Increase (decrease) in net defined benefit liability	-44	-31
Increase (decrease) in provisions	-315	-427
Other	261	1,124
Sub-total	6,198	6,339
Interest and dividend received	21	8
Interest expenses paid	-54	-65
Corporate Income taxes paid	-810	-1,348
Corporate income taxes refunded	50	0
Cash flows from operating activities	5,405	4,934
Cash flow from investing activities		
Payments into time deposits	-5	—
Purchase of property, plant and equipment	-819	-1,478
Proceeds from sales of property, plant and equipment	0	0
Payments for asset retirement obligations	-94	-34
Purchase of intangible assets	-4	-22
Payment for guaranty deposits	-72	-61
Proceeds from collection of guaranty deposits	146	117
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	-111
Other	-5	-34
Cash flow from investing activities	-856	-1,625

	(Million yen)	
	Previous First Quarter (March 1, 2024 - May 31, 2024)	Current First Quarter (March 1, 2025 - May 31, 2025)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	—	-700
Proceeds from long-term debt	2,400	3,200
Repayment of long-term loans payable	-1,859	-1,928
Repayments of lease liabilities	-3,292	-3,423
Cash dividends paid	-725	-831
Dividends paid to non-controlling interests	-109	-119
Cash flow from financing activities	-3,587	-3,803
Effect of exchange rate change on cash and cash equivalents	75	23
Net increase (decrease) in cash and cash equivalents	1,037	-471
Balance of cash and cash equivalents at beginning of period	21,305	21,474
Balance of cash and cash equivalents at beginning of period-end	22,342	21,002

(5) Notes on the condensed quarterly consolidated financial statements

(Notes on the going concern assumptions)

None

(Material accounting policies)

The accounting policies applied by our group in the condensed quarterly 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 first quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

From the first quarter of the fiscal year under review, our Group has adopted the following standards.

Statement of standards	Standard name	Outline of new establishment and revision
IAS No. 21	Effects of changes in foreign exchange rates	• Clarifying a consistent approach in assessing whether a currency can be exchanged for another currency and in determining the exchange rate to be used and disclosures to be provided when the currency cannot be exchanged

The adoption of the aforementioned pronouncements did not have a material impact on the condensed quarterly 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 First Quarter (March 1, 2024 - May 31, 2024)	Current First Quarter (March 1, 2025 - May 31, 2025)
Quarterly profit attributable to owners of parent	1,852	2,088
Weighted average number of common shares outstanding (shares)	210,342,394	210,445,142
Basic earnings per share (yen)	8.81	9.92

(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 (1,872,338 shares in the previous first quarter consolidated cumulative period and 1,773,841 shares in the current first quarter consolidated cumulative period).

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

(Significant subsequent events)

(Stock Split)

On July 14, 2025, the Board of Directors resolved to conduct a stock split and to partially amend the Articles of Incorporation in connection with the stock split.

1. Purpose of the stock split.

By lowering the amount per unit of investment of our shares, we aim to improve the liquidity of our shares and expand our investor base by creating an environment that is easier for investors to invest in.

2. Outline of stock split

(1) Method of stock split

On August 31, 2025 (Sunday) as the record date (effectively, August 29, 2025 (Friday)), the Company will implement a 2-for-1 stock split of common shares held by shareholders of record as of the last such date.

(2) Increase in number of shares due to stock split

Number of shares outstanding before the stock split	212,814,284 shares
Increase in number of shares due to the stock split	212,814,284 shares
Total number of shares issued after the stock split	425,628,568 shares
Total number of shares issuable after the stock split	763,200,000 shares

(3) Schedule

Publication date of record date	Friday, August 15, 2025
Record date	Sunday, August 31, 2025 (Note)
Effective date	Monday, September 1, 2025

(Note) As the shareholder registry administrator is closed on that date, the effective date will be August 29, 2025 (Friday).

(4) Impact on per share information

Per share information assuming that the stock split had taken place at the beginning of the previous fiscal year is as follows.

	Previous consolidated cumulative first quarter (March 1, 2024 - May 31, 2024)	Current consolidated cumulative first quarter (March 1, 2025 - May 31, 2025)
Basic profit per share (yen)	4.40	4.96

(Note) 1. Based on the calculation of "quarterly basic profit per share," we include our stock owned by "Trust Type ESOP for Employees" in the calculation of the mean number of stocks during the period (the previous first quarterly consolidated cumulative period of 3,744,676 and the current first quarterly consolidated cumulative period of 3,547,682).

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

3. Partial change to the Articles of Incorporation upon stock split

(1) Reason for the change to the Articles of Incorporation

In accordance with the provisions of Article 184, Paragraph 2 of the Companies Act, the total number of shares authorized to be issued pursuant to the provisions of Article 6 of the Articles of Incorporation of the Company shall be changed as of September 1, 2025.

(2) Change to the Articles of Incorporation

(Underlined areas indicate changes)

Before change	After change
(Total number of shares issuable) Article 6 The total number of shares issuable by the Company shall be <u>381.6 million</u> shares.	(Total number of shares issuable) Article 6 The total number of shares issuable by the Company shall be <u>763.2 million</u> shares.

(3) Schedule of change to the Articles of Incorporation

Effective date of partial change of Articles of Incorporation: Scheduled for September 1, 2025 (Monday)