

Summary of Business Results for the Second Quarter Ending August 31, 2026 [IFRS] (Consolidated)

October 14, 2026

Company **create restaurants holdings inc.**
 Stock Code 3387 URL: <https://www.createrestaurants.com>
 Representative Jun Kawai, Representative Director, President, CEO
 Contact Genta Ohuchi, Director, CFO
 Expected date of filing of interim report: October 14, 2026
 Preparation of interim supplementary financial document: Yes
 Interim results briefing: Yes (for institutional investors and analysts)

Listed on the TSE

T E L: +81-3-5488-8022

Expected starting date of dividend payment: November 16, 2026

(Rounded down to million yen)

1. Consolidated business results for the six months ending August 2026 (March 1, 2026 to August 31, 2026)

(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	%
Six months ending Aug. 2026	86,091	3.5	4,121	-16.6	3,756	-26.8	2,790	-19.7	2,697	-15.6	3,046	-9.4
Six months ending Aug. 2025	83,204	8.8	4,940	1.9	5,132	16.1	3,474	-0.9	3,195	0.1	3,362	7.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ending Aug. 2026	6.26	6.26
Six months ending Aug. 2025	7.59	7.59

(Ref.) Adjusted EBITDA: Six months ending Aug. 2026: 13,056 million yen (-7.0%)

Six months ending Aug. 2025: 14,037 million yen (6.2%)

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

(Note 2) Adjusted EBITDA is disclosed as useful comparative information of the business performance of the Group. For definitions and calculation methods of adjusted EBITDA, please refer to "1. Qualitative information on interim financial results, etc., (1) Qualitative information on the consolidated financial results" on page 2 of the attached document.

(Note 3) The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. Basic interim earnings per share and diluted interim earnings per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(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 Aug. 2026	146,317	50,082	50,082	34.2
As of Feb. 2026	139,669	47,888	43,769	31.3

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending Feb. 2026	—	4.50	—	2.25	—
Year ending Feb. 2027	—	2.50			
Year ending Feb. 2027 (forecast)			—	2.50	5.00

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

(Note 2) The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. Regarding the dividends for the fiscal year ending February 2026, the dividend per share at the end of 2Q is stated in the amount before the stock split, and the year-end dividend per share is stated in the amount taking into account the effect of the stock split. The dividend per share at the end of 2Q for the fiscal year ending February 2026 taking into account the effect of the stock split would be 2.25 yen, and the total annual dividend per share would be 4.50 yen.

3. Forecast of consolidated financial results for the fiscal year ending February 2027

(March 1, 2026 through February 28, 2027)

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2027	171,000	3.4	9,000	13.3	8,000	1.8	6,000	15.0	5,700	21.9	13.22

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

(Ref.) Adjusted EBITDA: Year ending February 28, 2027 (Forecast): 27,100 million yen (3.2%)

*Notes

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

New 3 (Company name)	RON Corporation, Create Restaurants MN LLC, Create Restaurants Malaysia Sdn. Bhd.	Exclusion 2 (Company name)	Tecona Bagel inc., SFP Holdings Co., Ltd.
----------------------	---	----------------------------	---

- (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 shares)

As of Aug. 2026 455,586,094 shares

As of Feb. 2026 425,628,568 shares

- 2) Treasury shares at the end of the period

As of Aug. 2026 4,508,440 shares

As of Feb. 2026 4,604,000 shares

- 3) Average number of shares during the period (interim cumulative period)

Six months ending Aug. 2026 431,075,147 shares

Six months ending Aug. 2025 420,780,576 shares

(Note 1) Treasury shares to be deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period (interim 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."

(Note 2) The Company conducted a 2-for-1 stock split effective September 1, 2025, and accordingly, the number of shares outstanding at the end of the period, treasury shares at the end of the period and the average number of shares during the period are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

* The financial summary for the second quarter (interim period) is not subject to the review procedures by certified public accountants or auditing firms.

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

- (1) The 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.

○ Table of contents of the appendix

1. Qualitative information on the current interim financial results.....	2
(1) Qualitative information on the consolidated financial results.....	2
(2) Qualitative information on the consolidated financial position.....	4
(3) Qualitative information on the consolidated business forecasts.....	4
2. Condensed interim consolidated financial statements and major notes	5
(1) Condensed interim consolidated statements of financial position.....	5
(2) Condensed interim consolidated statements of income and statements of comprehensive income.....	7
(3) Condensed interim consolidated statements of changes in equity.....	9
(4) Condensed interim consolidated statements of cash flows.....	10
(5) Notes on the condensed interim consolidated financial statements.....	12

1. Qualitative information on the current interim financial results

(1) Qualitative information on the consolidated financial results

In the current interim consolidated accounting period under review, the Japanese economy showed a moderate recovery trend amid continuous wage increases and improvements in the employment and income environment. On the other hand, in addition to uncertainty in energy and raw material prices due to prolonged geopolitical risks overseas and exchange rate fluctuations, heightened defensive consumer spending habits and cautious consumer sentiment stemming from rising domestic prices continue to affect spending trends, leaving the future outlook unpredictable.

In the restaurant industry, while steady inbound demand continued to support the industry, consumers' choices regarding spending have become increasingly cautious due to the establishment of "selective consumption" against the backdrop of inflation. While average spending per customer maintained an upward trend due to the penetration of price revisions, polarization among business formats progressed in securing customer traffic due to an increasing preference for selective value provided, compounded by the impact of adverse weather such as typhoons and heavy rain, leading to stagnant overall customer numbers. At the same time, in addition to high raw material prices, the cost environment surrounding the restaurant industry remains at a structurally high level, including rising labor costs associated with severe labor shortages and increases in logistics and utility expenses.

In this business environment, the Group has steadily promoted each measure, based on the 3 Growth pillars set out in the Medium-Term Management Plan: "Evolution of intrinsic value", "Synergistic M&A" and "Expansion of overseas businesses". During the second quarter of the fiscal year under review, the Group mainly focused on the following initiatives.

- Evolution of intrinsic value and addressing key challenges

For our core brand "shabu-SAI," we worked to unify brand identity and improve customer satisfaction by refreshing the brand logo and signboards for the first time in about 20 years and converting sister brands such as "Shunsai Shabu-Ju" into "shabu-SAI." Furthermore, as an initiative to provide new value, we flexibly expanded stores, including adding a crepe specialty corner at our bakery & café "JEAN FRANÇOIS" and nationwide expansion of well-performing new formats such as "Saisai Malatang" and "Hitonigiri."

As for addressing key challenges, for "ISOMARU SUISAN," the mainstay of our Izakaya category, in addition to increasing customer appeal through new menu introductions and attracting/retaining customers using the official app, we are promoting format conversions to public bars in urban centers and store openings in well-performing regional areas. In addition, for "Kagonoya," under the structural reform into an authentic Japanese dining format, we are focusing on improving quality by reviewing ingredients and cooking procedures, as well as strengthening our menu line-up, aiming to rebalance food costs and operational costs.

- Synergistic M&A

In order to further strengthen "Daily" and "Standard" business formats, we acquired all shares of Koike Group (innocence inc.) (the acquisition was completed in September), which operates 10 specialty ramen shops in Tokyo, including "ramen KOIKE," "chuka-soba NISHINO," and "KING SEIMEN," which have a history of being selected for the Michelin Guide's "Bib Gourmand." Under Create Noodles Inc., our ramen business management company, we are accelerating synergy creation in store openings and product development to expand the Group's earnings base.

- Expansion of overseas businesses

Hazelwood Food + Drink, a modern American restaurant operating 6 stores centered in Minnesota, USA, joined the Group in July, and we opened our first new Wildflower store (Thunderbird store) in Phoenix, Arizona, since joining the Group. Furthermore, through know-how provision and support from our Singapore subsidiary, we opened our first franchise store of "MACCHA HOUSE Matcha-kan" in Jakarta, Indonesia, steadily advancing the expansion of our overseas business foundation.

As a result of the above, revenue exceeded that of the previous corresponding period, thanks to the continued strong performance of "Daily" and "Standard" bakery and noodle brands, as well as contributions from "RON" (March) and "Hazelwood Food + Drink" (July), which joined the Group through M&A. Regarding operating profit, results were lower than the previous corresponding period. This was mainly due to the decline in performance at roadside-centered "Kagonoya" and street-level "ISOMARU SUISAN" severely affected by adverse weather such as typhoons and heavy rain, as well as the overlap of non-recurring expenses including expenses related to the merger with SFP Holdings Co., Ltd. and M&A-related costs.

Consequently, the consolidated results of operations for the interim period under review were as follows: Revenue 86,091 million yen (up 3.5% year on year), Operating profit 4,121 million yen (down 16.6%), Profit before tax 3,756 million yen (down 26.8%), Interim profit attributable to owners of parent 2,697 million yen (down 15.6%), Adjusted EBITDA 13,056 million yen, and Adjusted EBITDA margin 15.2%.

(Million yen)

	Previous interim Consolidated accounting period	Current interim Consolidated accounting period	Change	Percentage change (%)
Revenue	83,204	86,091	2,887	3.5
Operating profit	4,940	4,121	-819	-16.6
Interim Profit before taxes	5,132	3,756	-1,375	-26.8
Interim profit	3,474	2,790	-684	-19.7
Interim profit attributable to owners of parent	3,195	2,697	-497	-15.6
Adjusted EBITDA	14,037	13,056	-980	-7.0
Adjusted EBITDA margin (%)	16.9	15.2	-1.7	—
Adjusted ratio of equity attributable to owners of parent (Adjusted equity ratio) (%)	43.8	48.6	4.8	—

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

Adjusted EBITDA, Adjusted EBITDA margin 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 the Group is a single segment of the restaurant business; however, the status of major categories, the number of stores opened and closed, the total number of stores, and the operating company for the interim period under review are as follows.

(Million yen/Stores)

CR category						Specialty Brand 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
30,158	6	16	0	6	513	26,118	4	2	10	1	347
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 in retail facilities throughout Japan. It also operates restaurants on a contracted basis in golf courses.						It consists of stores operated by Gourmet Brands Company inc., KR FOOD SERVICE CORPORATION, YUZURU Inc., Ichhou Inc., SAINT-GERMAIN CO., LTD., L'air bon inc., Create Noodles Inc., and RON Corporation, operating highly specialized stores in a variety of locations.					
Izakaya 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
15,507	4	4	0	6	210	14,416	3	6	6	0	60
It consists of stores operated by SFP Dining Co., Ltd., Joh Smile Corporation, and CLOOC Dining Co., Ltd., operating Izakaya mainly in downtown areas and major cities.						It consists of stores operated in foreign countries. It is mainly comprised of stores operated by CREATE RESTAURANTS ASIA PTE. LTD. in Singapore, create restaurants hong kong Ltd. in Hong Kong, and stores operated by Il Fornaio (America) LLC, Create Restaurants DE LLC (Wildflower), and Create Restaurants MN LLC (Hazelwood Food + Drink) in the United States.					

(Note 1) "M&A" in the above table indicates the number of stores that increased due to M&A.

(Note 2) From the fiscal year ending February 2027, the category name previously reported as SFP category has been changed to Izakaya category.

(Note 3) As a result of an absorption-type merger with the Company as the surviving company and SFP Holdings Co., Ltd. as the dissolving company, SFP Holdings Co., Ltd. was dissolved on July 1, 2026, the effective date.

(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 interim consolidated accounting period increased by 327 million yen from the end of the previous fiscal year to 27,668 million yen. This was mainly due to a decrease of 1,035 million yen in other current assets, while there was an increase of 1,503 million yen in trade and other receivables.

The balance of non-current assets at the end of the current interim consolidated accounting period increased by 6,320 million yen from the end of the previous fiscal year to 118,649 million yen. This was mainly due to increases of 2,425 million yen in property, plant and equipment and 2,375 million yen in goodwill.

(Liabilities)

The balance of liabilities at the end of the current interim consolidated accounting period increased by 4,453 million yen from the end of the previous fiscal year to 96,235 million yen. This was mainly due to increases of 3,472 million yen in borrowings and 1,051 million yen in trade and other payables.

(Equity)

The balance of equity at the end of the current interim consolidated accounting period increased by 2,194 million yen from the end of the previous fiscal year to 50,082 million yen. This was mainly due to a decrease of 4,118 million yen in non-controlling interests, while there were increases of 4,276 million yen in capital surplus and 1,750 million yen in retained earnings.

Ratio of equity attributable to owners of parent (equity ratio) is 34.2%.

2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter referred to as "Net cash") at the end of the current interim consolidated accounting period decreased by 72 million yen from the end of the previous fiscal year to 17,425 million yen.

The status of each cash flow during the current interim consolidated accounting period and their factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the current interim consolidated accounting period was 12,136 million yen (up 7.6% year-on-year). This was mainly due to the recording of 8,428 million yen in depreciation and amortization and 3,756 million yen in interim profit before taxes.

(Cash flows from investing activities)

Net cash used in investing activities for the current interim consolidated accounting period was 6,828 million yen (up 139.3% year-on-year). This was mainly due to payments for business acquisitions of 3,842 million yen and purchase of property, plant and equipment of 2,413 million yen, etc.

(Cash flows from financing activities)

Net cash used in financing activities for the current interim consolidated accounting period was 5,362 million yen (down 42.0% year-on-year). This was mainly due to proceeds from long-term borrowings of 6,800 million yen, repayments of lease liabilities of 7,645 million yen, and repayments of long-term loans payable of 3,437 million yen, etc.

(3) Qualitative information on the consolidated business forecasts

No changes have been made to the full-year consolidated business forecasts for the fiscal year ending February 28, 2027, disclosed on April 14, 2026.

We have maintained our full-year forecast based on expected second-half factors: consolidated contributions from three completed M&As ("RON" and "Koike Group" in Japan, and "Hazelwood Food + Drink" in North America), the dissipation of one-time costs associated with the merger and other events, and head office cost reductions.

The Group will continue promoting its 3 Growth pillars—"Evolution of intrinsic value," "Synergistic M&A," and "Expansion of overseas businesses"—while focusing on productivity and value creation to achieve its targets.

These forecasts are based on information available as of the announcement date, and actual results may differ due to various factors. Any required revisions will be disclosed promptly.

2. Condensed interim consolidated financial statements and major notes

(1) Condensed interim consolidated statements of financial position

(Million yen)

	Previous Fiscal Year (February 28, 2026)	Current interim period (August 31, 2026)
Assets		
Current assets		
Cash and cash equivalents	17,497	17,425
Trade and other receivables	6,745	8,249
Other financial assets	142	78
Inventories	1,384	1,411
Corporate income taxes receivable	50	19
Other current assets	1,520	485
Total current assets	27,340	27,668
Non-current assets		
Property, plant and equipment	63,438	65,864
Goodwill	25,755	28,130
Intangible assets	9,111	10,322
Investment property	511	510
Other financial assets	9,900	10,225
Deferred tax assets	3,490	3,476
Other non-current assets	120	119
Total non-current assets	112,329	118,649
Total assets	139,669	146,317

(Million yen)

	Previous Fiscal Year (February 28, 2026)	Current interim period (August 31, 2026)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,949	6,001
Borrowings	5,837	6,520
Lease liabilities	11,319	10,571
Corporate income taxes payable	1,204	861
Provisions	1,255	1,257
Other current liabilities	11,564	12,064
Total current liabilities	36,131	37,277
Non-current liabilities		
Borrowings	15,208	17,997
Lease liabilities	32,673	32,978
Obligations for retirement pay	959	916
Provisions	4,597	4,575
Deferred tax liabilities	1,743	1,826
Other non-current liabilities	468	661
Total non-current liabilities	55,650	58,958
Total liabilities	91,781	96,235
Equity		
Share capital	50	50
Capital surplus	25,005	29,282
Retained earnings	17,129	18,879
Treasury shares	-1,071	-1,041
Other components of equity	2,655	2,911
Total equity attributable to owners of parent	43,769	50,082
Non-controlling interests	4,118	—
Total equity	47,888	50,082
Total liabilities and equity	139,669	146,317

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

Condensed interim consolidated statements of income

Interim consolidated accounting period

(Million yen)

	Previous interim period (March 1, 2025 - August 31, 2025)	Current interim period (March 1, 2026 - August 31, 2026)
Revenue	83,204	86,091
Cost of sales	-24,400	-25,365
Gross profit	58,803	60,725
Selling, general and administrative expenses	-52,995	-56,367
Other operating revenue	387	641
Other operating expenses	-1,253	-878
Operating profit	4,940	4,121
Financial income	647	102
Finance costs	-456	-466
Interim profit before taxes	5,132	3,756
Corporate income tax expense	-1,657	-966
Interim profit for the period	3,474	2,790
Profit attributable to		
Owners of parent	3,195	2,697
Non-controlling interests	279	92
Interim profit for the period	3,474	2,790
Interim profit per share attributable to owners of parent (yen)		
Basic interim earnings per share	7.59	6.26
Diluted interim earnings per share	7.59	6.26

Condensed interim consolidated statements of comprehensive income

Interim consolidated accounting period

(Million yen)

	Previous interim period (March 1, 2025 - August 31, 2025)	Current interim period (March 1, 2026 - August 31, 2026)
Interim profit for the period	3,474	2,790
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-112	256
Total	-112	256
Total other comprehensive profit	-112	256
Interim comprehensive profit	3,362	3,046
Attribution of interim comprehensive profit		
Owners of parent	3,083	2,953
Non-controlling interests	279	92
Interim comprehensive profit	3,362	3,046

(3) Condensed interim consolidated statements of changes in equity

Previous interim consolidated accounting period (March 1, 2025 - August 31, 2025)

(Million yen)

	Total equity attributable to owners of parent								Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other equity components		Total	Non-controlling interests	
					Foreign currency translation adjustments	Total			
Balance at March 1, 2025	50	24,893	14,229	-1,122	2,117	2,117	40,167	3,821	43,989
Interim profit	—	—	3,195	—	—	—	3,195	279	3,474
Other comprehensive profit	—	—	—	—	-112	-112	-112	—	-112
Interim comprehensive profit	—	—	3,195	—	-112	-112	3,083	279	3,362
Dividends	—	—	-841	—	—	—	-841	-121	-963
Changes in ownership interests in consolidated subsidiaries without a loss of control	—	3	—	—	—	—	3	3	6
Share-based payment transactions	—	16	—	0	—	—	16	—	16
Other	—	0	—	36	—	—	37	-0	36
Total transactions with owners	—	20	-841	36	—	—	-784	-118	-903
Balance at August 31, 2025	50	24,914	16,582	-1,086	2,005	2,005	42,466	3,982	46,448

Current interim consolidated accounting period (March 1, 2026 - August 31, 2026)

(Million yen)

	Total equity attributable to owners of parent								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other equity components		Total	Non-controlling interests	Total equity
					Foreign currency translation adjustments	Total			
Balance at March 1, 2026	50	25,005	17,129	-1,071	2,655	2,655	43,769	4,118	47,888
Interim profit	—	—	2,697	—	—	—	2,697	92	2,790
Other comprehensive profit	—	—	—	—	256	256	256	—	256
Interim comprehensive profit	—	—	2,697	—	256	256	2,953	92	3,046
Dividends	—	—	-947	—	—	—	-947	-131	-1,078
Changes in ownership interests in subsidiaries	—	4,081	—	—	—	—	4,081	-4,081	—
Purchase of treasury shares	—	—	—	-0	—	—	-0	—	-0
Changes in ownership interest of parent due to transactions with non-controlling interests	—	-0	—	—	—	—	-0	—	-0
Share-based payment transactions	—	200	—	—	—	—	200	—	200
Other	—	-5	-0	30	—	—	25	1	27
Total transactions with owners	—	4,276	-947	30	—	—	3,359	-4,211	-852
Balance at August 31, 2026	50	29,282	18,879	-1,041	2,911	2,911	50,082	—	50,082

(4) Condensed interim consolidated statements of cash flows

(Million yen)

	Previous interim period (March 1, 2025 - August 31, 2025)	Current interim period (March 1, 2026 - August 31, 2026)
Cash flows from operating activities		
Interim profit before taxes	5,132	3,756
Depreciation and amortization	8,075	8,428
Impairment losses	848	417
Interest income	-147	-50
Interest expense	398	461
Loss (gain) on sale of non-current assets	-0	-3
Loss on disposal of fixed assets	14	34
Decrease (increase) in inventories	-63	31
Decrease (increase) in trade and other receivables	-3,034	-1,473
Increase (decrease) in trade and other payables	968	821
Increase (decrease) in net defined benefit liability	-33	-57
Increase (decrease) in provisions	51	-373
Other changes	434	1,364
Sub-total	12,645	13,357
Interest and dividend received	147	35
Interest expenses paid	-136	-147
Corporate income taxes paid	-1,377	-1,120
Corporate income taxes refunded	0	12
Cash flows from operating activities	11,279	12,136
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,511	-2,413
Proceeds from sales of property, plant and equipment	0	3
Payments for asset retirement obligations	-85	-132
Purchase of intangible assets	-38	-88
Payment for guaranty deposits	-148	-230
Proceeds from collection of guaranty deposits	117	100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-111	-160
Payments for business acquisitions	—	-3,842
Other	-76	-64
Cash flows from investing activities	-2,854	-6,828

	(Million yen)	
	Previous interim period (March 1, 2025 - August 31, 2025)	Current interim period (March 1, 2026 - August 31, 2026)
Cash flows from financing activities		
Repayment of short-term borrowings	-708	—
Proceeds from long-term borrowings	3,200	6,800
Repayments of long-term borrowings	-3,803	-3,437
Redemption of bonds	-100	—
Repayments of lease liabilities	-6,874	-7,645
Dividends paid	-840	-942
Dividends paid to non-controlling interests	-121	-135
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-0
Cash flows from financing activities	-9,248	-5,362
Effect of exchange rate change on cash and cash equivalents	55	-17
Net increase (decrease) in cash and cash equivalents	-767	-72
Cash and cash equivalents at beginning of period	21,474	17,497
Cash and cash equivalents at end of interim period	20,706	17,425

(5) Notes on the condensed interim consolidated financial statements

(Notes on the going concern assumptions)

None

(Material accounting policies)

The accounting policies applied by the 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 interim consolidated accounting period is calculated based on the estimated annual effective tax rate.

From the current interim consolidated accounting period, the Group has adopted the following standards.

Statement of standards	Standard name	Outline of new establishment and revision
IFRS No. 9 IFRS No. 7	Amendments to Classification and Measurement of Financial Instruments	• Clarification of classification of financial assets with ESG-linked features • Clarification of the date of derecognition in the electronic transfer system
IFRS No. 9 IFRS No. 7	Contracts referring to nature-dependent power	• Accounting and disclosure requirements for power purchase agreements

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

(Segment information)

The Group's business segments are components of the Company for which separate financial information is available and which are subject to regular review by the Board of Directors in order to decide on the allocation of management resources and to evaluate performance. The Group has business segments such as create restaurants inc., SFP Dining Co., Ltd., and KR FOOD SERVICE CORPORATION, which are aggregated and reported as "Restaurant business." Each business segment in the Restaurant business has a generally similar level of gross profit margin, shares similar economic characteristics, and is similar in that the methods of procurement, processing, cooking, and delivery of ingredients to stores are fundamentally common as a business that primarily provides food and drink to general consumers. The description of segment revenue and performance is omitted because the Group operates in a single reportable segment of the Restaurant business.

(Per share information)

(Million yen)

	Previous interim period (March 1, 2025 - August 31, 2025)	Current interim period (March 1, 2026 - August 31, 2026)
Interim profit attributable to owners of parent	3,195	2,697
Interim income adjustment amount	—	—
Interim profit used to calculate diluted earnings per share	3,195	2,697
Basic average number of common shares during the period (shares)	420,780,576	431,075,147
Increase in number of common shares (shares)	145,600	29,800
Average number of common shares used in the computation of diluted earnings per share (shares)	420,926,176	431,104,947
Basic interim earnings per share (yen)	7.59	6.26
Diluted interim earnings per share (yen)	7.59	6.26

(Note 1) For the purpose of calculating "Basic interim earnings per share," our shares held by the "trust-type ESOP for granting shares to employees," which are recorded as treasury shares, are included in treasury shares, which are deducted from the calculation of the weighted-average number of shares during the period (3,513,939 shares in the previous interim period and 3,361,507

shares in the current interim period).

(Note 2) On September 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. Basic interim earnings per share and diluted interim earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Significant subsequent events)

None