

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

October 14, 2025

Company **create restaurants holdings inc.**
 Stock Code 3387 URL: <https://www.createrestaurants.com>
 Representative Jun Kawai, President
 Contact Genta Ohuchi, Director, CFO
 Expected date of filing of interim report: October 14, 2025
 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 13, 2025

(Rounded down to million yen)

1. Consolidated business results for the six months ending August 2025 (March 1, 2025 to August 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	%
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
Six months ending Aug. 2024	76,467	4.8	4,847	16.5	4,421	12.6	3,506	7.2	3,192	5.1	3,137	-15.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ending Aug. 2025	7.59	7.59
Six months ending Aug. 2024	7.59	7.59

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

Six months ending Aug. 2024: 13,218 million yen (-1.6%)

(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 our 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) On July 14, 2025, the Company's Board of Directors resolved to conduct a stock split and to partially amend the Articles of Incorporation in connection with the stock split. The Company conducted a 2-for-1 stock split effective September 1, 2025, and accordingly, the information below is calculated on the assumption that the stock split had been 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. 2025	139,894	46,448	42,466	30.4
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	—	4.50			
Year ending Feb. 2026 (forecast)			—	2.25	—

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

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

Conducted 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 Aug. 2025 425,628,568 shares

As of Feb. 2025 425,628,568 shares

- 2) Treasury stock at the end of the period

As of Aug. 2025 4,652,600 shares

As of Feb. 2025 4,774,200 shares

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

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

Six months ending Aug. 2024 420,711,029 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 (interim 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."

* 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) 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) The Company has implemented 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.

○ 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.....	3
(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 was on a moderate recovery trend, as socioeconomic activities normalized and the employment and income situation improved. On the other hand, the continued rise in prices has brought a cautious stance toward private consumption, and the outlook remains uncertain due to factors such as developments in energy prices and raw material prices stemming from geopolitical risks, as well as exchange rate fluctuations.

In this environment, in the restaurant industry, the recovery in people's flow became firmly established, and inbound demand accompanying the increase in the number of foreign visitors to Japan recovered strongly, mainly in urban areas and tourist destinations. In addition, an increase in the unit price per customer due to the revision of menu prices contributed to continued recovery in industry sales. On the other hand, in addition to rising prices for rice and other grains and other foodstuffs, we are still experiencing strong upward pressure on costs throughout the supply chain, including personnel, logistics and energy costs. Coupled with consumers' desire to save, we continue to face a challenging business environment.

In this business environment, as stated in the Medium-Term Management Plan (disclosed on April 14, 2025), which began this fiscal year, our Group implemented the following initiatives during the second quarter of the fiscal year under review based on the 3 Growth pillars: Evolution of intrinsic value, Synergistic M&A, and Expansion of overseas business, as well as the 3 Foundations for Growth supporting these initiatives: Technology utilization, Promotion of human capital management, and Sustainability promotion.

- Improve profitability by strengthening the growth base: Established FastWorks Inc.(June)

We established FastWorks Inc., a functional company responsible for managing store design and construction planning, with the purpose of reinforcing our earnings base to support sustainable growth. As a result, we will promote in-house design and construction management functions and consolidate our business partners to strengthen cost competitiveness and increase the speed of store openings. Looking ahead, we will consider receiving orders from outside the Group and cultivate them as a new source of revenues.

- Develop new business formats that embody the evolution of intrinsic value and expand brand portfolio

In order to further evolve our diverse food brands, which are the Group's strengths, we reopened KINOZEN, a long-established sweetener shop with a 160-year history, in Kagurazaka, Tokyo (July). They have joined our group's portfolio as a high-value-added brand by inheriting the "tastes" and "feelings" of the tradition, along with the red-bean-paste craftsman who have devoted themselves for many years. Furthermore, with the purpose of capturing the demands for takeout and prepared meals, and approaching new customer segments, we opened the bakery brand mugi bagel in Meguro, Tokyo (August) and propose new food options for diverse lifestyles with "Mugyu-mochi" texture bakery.

- Initiatives to Co-Create Value with Shareholders

On September 1, 2025, the Company conducted a 2-for-1 stock split of its common stock with the purpose of enhancing the liquidity of its shares and expanding its investor base with the aim of building better relationships with shareholders. In addition, we decided to expand the shareholder benefit plan (based on the record as of the end of February 2026) in order to respond to the daily support of our shareholders.

In addition to the steady implementation of these initiatives, the Company succeeded in steady growth (in same-store sales YoY: 102.5%), strategic store openings centered on core brands, and business format changes and renovations that make maximum use of intra-group resources.

As a consequence, our business results for the current interim consolidated accounting period were higher than the corresponding period of the previous fiscal year in terms of both revenue and Operating profit, as shown below.

(Million yen)

	Previous interim Consolidated accounting period	Current interim Consolidated accounting period	Change	Percentage change (%)
Revenue	76,467	83,204	6,736	8.8
Operating profit	4,847	4,940	93	1.9
Interim Profit before taxes	4,421	5,132	710	16.1

Interim profit	3,506	3,474	-32	-0.9
interim profit attributable to owners of parent	3,192	3,195	2	0.1
Adjusted EBITDA	13,218	14,037	818	6.2
Adjusted EBITDA margins (%)	17.3	16.9	-0.4	—
Adjusted ratio of equity attributable to owners of parent (Adjusted equity ratio) (%)	41.9	43.8	1.9	—

(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
29,648	13	8	0	7	523	15,344	3	0	0	1	206
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 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
25,713	10	3	5	2	337	12,698	1	6	0	0	65
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 current interim consolidated accounting period increased by 2,038 million yen from the end of the previous consolidated accounting year to 32,663 million yen. This was mainly due to a decrease of 767 million yen in cash and cash equivalents, despite an increase of 2,964 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 687 million yen

from the end of the previous consolidated accounting year to 107,230 million yen. This was mainly due to an increase of 476 million yen in property, plant and equipment in fixed assets.

(Liabilities)

The balance of liabilities at the end of the current interim consolidated accounting period increased by 266 million yen from the end of the previous consolidated accounting year to 93,446 million yen. This was mainly due to decreases of 1,374 million yen in bonds and borrowings and 278 million yen in lease liabilities, while there were increases of 1,276 million yen in accrued expenses and 749 million yen in trade and other payables included in other current liabilities.

(Equity)

The balance of equity at the end of the current interim consolidated accounting period increased by 2,458 million yen from the end of the previous consolidated accounting year to 46,448 million yen. This was mainly due to an increase of 2,353 million yen in retained earnings.

Ratio of equity attributable to owners of parent (equity ratio) is 30.4%.

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 767 million yen from the end of the previous fiscal year to 20,706 million yen.

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

(Cash flows from operating activities)

Net cash provided by operating activities was 11,279 million yen (decrease of 13.2% YoY). This was mainly due to recording of depreciation and amortization of 8,075 billion yen and interim profit before tax of 5,132 million yen.

(Cash flow from investing activities)

Net cash used in investing activities for the current interim consolidated accounting period was 2,854 million yen (decrease of 52.4% YoY). This was mainly due to purchase of property, plant and equipment in fixed assets of 2,511 million yen.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 9,248 billion yen (up 9.7% YoY). This was mainly due to repayments of lease liabilities of 6,874 million yen and repayments of long-term loans payable of 3,803 million yen.

3) Qualitative information on the consolidated business forecasts

The full-year consolidated earnings forecasts for the fiscal year ending February 2026 are unchanged from those announced on April 14, 2025.

The business results for the current interim consolidated accounting period were solid, thanks in part to the ongoing capture of demand on special occasions and the effects of various measures in line with the medium-term management plan.

However, in the second half of the fiscal year, in addition to geopolitical risks and exchange rate fluctuations attributable to unstable global situations, raw material prices and energy costs are expected to remain at high levels. In addition, the impact of long-term price rises on consumer sentiment also needs to be monitored closely.

In light of these uncertainties in the business environment, based on a comprehensive consideration of the results up to the current interim consolidated accounting period and future risk factors, we have decided to leave the previously announced results forecasts unchanged at this time.

In the second half of the fiscal year, our Group will continue to strive to improve productivity on a company-wide basis. At the same time, we will focus on providing products and services that customers will feel value. By steadily implementing the growth strategies outlined in the Medium-Term Management Plan, we will aim to achieve our full-year earnings forecasts.

These forecasts are based on currently available information, and actual results may differ from these forecasts due to various factors. We will promptly disclose any revisions to our business forecasts that we deem necessary in the future.

2. Condensed interim consolidated financial statements and major notes

(1) Condensed interim consolidated statements of financial position

(Million yen)

	Previous Fiscal Year (February 28, 2025)	Current Second Quarter (August 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	21,474	20,706
Trade and other receivables	5,903	8,867
Other financial assets	559	545
Inventories	1,221	1,282
Corporate income taxes receivable	0	43
Other current assets	1,466	1,218
Total current assets	30,625	32,663
Non-current assets		
Property, plant and equipment	59,199	59,675
Goodwill	26,544	25,316
Intangible assets	7,752	8,838
Other financial assets	8,765	9,473
Deferred tax assets	3,695	3,366
Other non-current assets	584	559
Total non-current assets	106,543	107,230
Total assets	137,168	139,894

(Million yen)

	Previous Fiscal Year (February 28, 2025)	Current Second Quarter (August 31, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,194	5,944
Bonds and borrowings	13,432	11,791
Lease liabilities	11,533	11,352
Corporate income taxes payable	1,378	1,029
Provisions	2,332	2,366
Other current liabilities	10,921	11,947
Total current liabilities	44,793	44,430
Non-current liabilities		
Borrowings	12,784	13,051
Lease liabilities	29,949	29,852
Obligations for retirement pay	1,007	974
Provisions	2,825	2,941
Deferred tax liabilities	1,407	1,762
Other non-current liabilities	411	433
Total non-current liabilities	48,386	49,015
Total liabilities	93,179	93,446
Equity		
Capital stock	50	50
Capital surplus	24,893	24,914
Retained earnings	14,229	16,582
Treasury stock	-1,122	-1,086
Other components of equity	2,117	2,005
Total equity attributable to owners of parent	40,167	42,466
Non- controlling equity	3,821	3,982
Total Equity	43,989	46,448
Total liabilities and equity	137,168	139,894

(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, 2024 - August 31, 2024)	Current interim period (March 1, 2025 - August 31, 2025)
Revenue	76,467	83,204
Cost of sales	-21,743	-24,400
Gross profit	54,724	58,803
Selling, general and administrative expenses	-49,330	-52,995
Other operating revenue	385	387
Other operating expenses	-931	-1,253
Operating profit	4,847	4,940
Financial income	41	647
Financing cost	-466	-456
Interim profit before taxes	4,421	5,132
Corporate income tax expense	-914	-1,657
Interim profit for the period	3,506	3,474
Profit attributable to		
Owners of parent	3,192	3,195
Non- controlling equity	314	279
Profit for the period	3,506	3,474
Interim profit per share attributable to owners of parent (yen)		
Basic interim earnings per share	7.59	7.59
Diluted interim earnings per share	7.59	7.59

Condensed interim consolidated statements of comprehensive income

Interim consolidated accounting period

(Million yen)

	Previous interim period (March 1, 2024 - August 31, 2024)	Current interim period (March 1, 2025 - August 31, 2025)
Interim profit for the period	3,506	3,474
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-369	-112
Total	-369	-112
Total other comprehensive profit	-369	-112
Interim comprehensive profit	3,137	3,362
Attribution of interim profit		
Owners of parent	2,823	3,083
Non- controlling equity	314	279
Interim comprehensive profit	3,137	3,362

(3) Condensed interim consolidated statements of changes in equity

Previous interim consolidated accounting period (March 1, 2024 - August 31, 2024)

(Million yen)

	Total equity attributable to owners of parent								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other equity components		Total	Non-controlling equity	Total equity
					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	—	—	3,192	—	—	—	3,192	314	3,506
Other comprehensive profit	—	—	-	—	-369	-369	-369	-	-369
Comprehensive profit	—	—	3,192	—	-369	-369	2,823	314	3,137
Dividends	—	—	-736	—	—	—	-736	-112	-848
Changes in ownership interests in consolidated subsidiaries without a loss of control	—	12	—	—	—	—	12	12	24
Change in ownership interest of parent due to transactions with non-controlling interests	—	-0	—	—	—	—	-0	-0	-1
Share-based payment transactions	—	65	—	0	—	—	66	-0	66
Other	—	9	—	23	—	—	33	-9	23
Total transactions with owners	—	86	-736	23	—	—	-625	-109	-734
Balance at August 31, 2024	50	24,775	12,650	-1,154	1,846	1,846	38,167	3,606	41,773

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

(Million yen)

	Total equity attributable to owners of parent								
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other equity components		Total	Non-controlling equity	Total equity
					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

(4) Condensed interim consolidated statements of cash flows

(Million yen)

	Previous interim period (March 1, 2024 - August 31, 2024)	Current interim period (March 1, 2025 - August 31, 2025)
Cash flows from operating activities		
Interim profit before taxes	4,421	5,132
Depreciation and amortization	7,658	8,075
Impairment loss	867	848
Interest income	-41	-147
Interest expense	314	398
Loss (gain) on sale of non-current assets	-4	-0
Loss on disposal of fixed assets	12	14
Decrease (increase) in inventories	-136	-63
Decrease (increase) in trade and other receivables	-2,433	-3,034
Increase (decrease) in trade and other payables	733	968
Increase (decrease) in net defined benefit liability	-41	-33
Increase (decrease) in provisions	50	51
Other changes	1,219	434
Sub-total	12,620	12,645
Interest and dividend received	41	147
Interest expenses paid	-114	-136
Corporate income taxes paid	-870	-1,377
Corporate income taxes refunded	1,313	0
Cash flows from operating activities	12,991	11,279
Cash flow from investing activities		
Payments into time deposits	-5	—
Purchase of property, plant and equipment	-1,765	-2,511
Proceeds from sales of property, plant and equipment	5	0
Payments for asset retirement obligations	-124	-85
Purchase of intangible assets	-24	-38
Payment for guaranty deposits	-133	-148
Proceeds from collection of guaranty deposits	181	117
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	-111
Payments to escrow agent	-4,092	—
Other	-39	-76
Cash flow from investing activities	-5,998	-2,854

	(Million yen)	
	Previous interim period (March 1, 2024 - August 31, 2024)	Current interim period (March 1, 2025 - August 31, 2025)
Cash flow from financing activities		
Proceeds from short-term debt	205	—
Repayment of short-term debt	-405	-708
Proceeds from long-term debt	3,050	3,200
Repayment of long-term loans payable	-3,737	-3,803
Redemption of bonds	-100	-100
Repayments of lease liabilities	-6,596	-6,874
Cash dividends paid	-735	-840
Dividends paid to non-controlling interests	-110	-121
Payment for acquisition of subsidiaries' equity from non-controlling interests	-1	—
Cash flow from financing activities	-8,430	-9,248
Effect of exchange rate change on cash and cash equivalents	93	55
Net increase (decrease) in cash and cash equivalents	-1,343	-767
Cash and cash equivalents at beginning of period	21,305	21,474
Cash and cash equivalents at end of interim period	19,961	20,706

(5) Notes on the condensed interim consolidated financial statements

(Notes on the going concern assumptions)

None

(Material accounting policies)

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

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

From the current interim consolidated accounting period, 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 interim consolidated financial statements.

(Segment information)

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

(Per-stock information)

(Million yen)

	Previous interim period (March 1, 2024 - August 31, 2024)	Current interim period (March 1, 2025 - August 31, 2025)
Interim profit attributable to owners of parent	3,192	3,195
Interim income adjustment amount	—	—
Interim profit used to calculate diluted earnings per share	3,192	3,195
Basic average number of common shares during the period (shares)	420,711,029	420,780,576
Average number of common shares used in the computation of diluted earnings per share (shares)	420,711,029	420,926,176
Basic interim earnings per share (yen)	7.59	7.59
Diluted interim earnings per share (yen)	7.59	7.59

(Note) 1. For the purpose of calculating "Basic 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 (3,722,120 shares in the previous interim consolidated accounting period and 3,513,939 shares in the current interim consolidated accounting period).

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)

(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, and the stock split was carried out effective September 1, 2025.

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 implemented 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 was closed on that date, the effective date was August 29, 2025 (Friday).

(4) Impact on per share information

Impact on per share information is described in the relevant section.