

June 20, 2024

Notice of Reorganization of the Contract Business within the Group

At the Board of Directors meeting held today, we have resolved to implement that, effective September 1, 2024, the Company will transfer the contract restaurants business of KR FOOD SERVICE CORPORATION (hereinafter referred to as "KR"), a consolidated subsidiary of the Company, to be succeeded by create restaurants inc. (hereinafter referred to as "CR"), another consolidated subsidiary of the Company, by means of an absorption-type company split. (hereinafter referred to as "the Reorganization"), as follows.

Since the Reorganization is an absorption-type split between consolidated subsidiaries, disclosure items and details are partially omitted.

1. Purpose of the Reorganization

As part of the review of our portfolio with an eye on post Covid in our medium-term management plan, our group is strengthening the contract (entrusted operation) business. Through the Reorganization, we will consolidate the expertise and know-how of KR and CR in the contract business into CR and utilize the management structure and product development capabilities that support the nationwide expansion of the Company, with the aim of further developing the contract business.

Through the Reorganization, in addition to restaurants in golf courses and leisure facilities, our Group will further accelerate the consignment operations of store management in "MINORI MINORU" brand and other brands in accordance with a comprehensive business alliance agreement concluded with the National Federation of Agricultural Cooperatives (Representative of the Board: Sakae Noguchi / hereinafter referred to as "JA ZEN-NOH") on January 26 this year.

2. Outline of the Reorganization**(1) Summary**

This is a company split (absorption-type split) in which KR, a subsidiary of the Company, will be the absorption-type splitting company and CR will be the absorption-type split successor company.

(2) Outline of the company involved in the Reorganization

	The absorption-type split successor company (As of February 29, 2024)	The absorption-type splitting company (As of February 29, 2024)
① Name	create restaurants inc. (CR)	KR FOOD SERVICE CORPORATION (KR)
② Address	5-10-18, Higashi-Gotanda, Shinagawa-ku, Tokyo	Ogimachi Park Building 8F, 3- 6-26 Tenjinbashi, Kita-ku, Osaka-shi, Osaka
③ Representative	Representative Director & President Tatsuo Iinuma	Representative Director & President Susumu Mochizuki
④ Description of business	Operation of restaurants	Operation of restaurants
⑤ Capital	9.9 million yen	7.9 million yen
⑥ Establishment date	January 15, 2010	February 8, 2012
⑦ Shares outstanding	2,000 Shares	70,500 Shares
⑧ Fiscal year end	February	February

⑨ Major shareholders and holding ratio	create restaurants holdings inc. 100.00%	create restaurants holdings inc. 99.99%
⑩ Major brands	shabu-SAI, Dessert Oukoku, MACCHA HOUSE	Kagonoya, Azusa Coffee, Minoru Shokudo, Minori Cafe, YAKINIKU JUN
⑪ Number of outlets	414	148

(3) Summary of Businesses to be Divided

The business to be split or succeeded through this Reorganization is the contract restaurants business of KR, which is engaged in the consignment operations of store management from JA ZEN-NOH.

(4) Status after the Reorganization and our Organizational Restructuring and Appointment of Executive Officers

There is no change in the name, location, position and name of the representative, business description, equity and fiscal year-end of CR after the Reorganization. In conjunction with the Reorganization, on September 1, 2024, we established the Business Development Department within the Company to oversee the outsourced store management business from JA ZEN-NOH, and on the same date, we decided to appoint Mr. Susumu Mochizuki, the current Representative Director & President of KR, as an executive officer in charge of the department. At the same time, Mr. Takeshi Furukawa, Managing Director of KR, will be appointed as Representative Director & President on the same day.

3. Schedule of the Reorganization

Resolution of the Board of Directors for the absorption-type company split	June 20, 2024
Absorption-type split agreement	June 21, 2024 (planned)
Resolution at the General Meeting of Shareholders of each company subject to the Reorganization	July 22, 2024 (planned)
Scheduled date of the absorption-type split (effective date)	September 1, 2024 (planned)

4. Impact on the future results

The Reorganization is conducted between our consolidated subsidiaries and has a minimal impact on our consolidated financial results.