

Unlimited Excitement!
Welcome diversity
Collaborate to Create
Surprise the world

Financial Results of FY 2025 Q1 (Supplementary Material)

July 12, 2024

create restaurants holdings inc.

【TSE Prime, Stock Code 3387】

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I. Financial Highlights

1. Financial Results Overview [IFRS]

Revenue: 38.3 billion yen, Operating profit: 2.8 billion yen, Profit attributable to owners of parent 1.9 billion yen, Adjusted EBITDA 7.1 billion yen

✓ Revenue

- Sales increased compared to FY 2024 due to a recovery in inbound demand caused by steady demand for restaurants and an increase in foreign visitors to Japan. (25.0% of full-year forecast)

*1 Same-store sales YoY ratio

	Mar.	Apr.	May	Q1 (Mar.-May)
Target	107.8%	105.1%	106.1%	106.4%
Result	108.8%	104.5%	104.9%	106.1%

✓ Operating profit

- In order to eliminate the opportunity loss stemming from the labor shortage that occurred in the Q1 of FY2024, the current Q1 was staffed appropriately, resulting in a YoY decline in profits, but the operating profit remained steady at 29.6% of full-year forecast.

	FY2024 Q1	FY2025 Q1	Change
	Result	Result	
(Million yen)			
Revenue	36,607	38,286	+1,679
Operating profit	2,981	2,753	- 227
Profit before taxes	2,924	2,584	- 339
Profit for the year	2,360	2,046	- 314
Profit attributable to owners of parent	2,150	1,852	- 298
Adjusted EBITDA *2	7,242	7,106	- 136
Actual operating profit *3 (Operating profit+impairment losses)	3,467	3,351	- 115

FY2025	Progress Rate
Full-year Forecast	
153,000	25.0%
9,300	29.6%
8,700	29.7%
7,000	29.2%
6,100	30.4%
26,200	27.1%
11,300	29.7%

*1: Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.

*2: Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income) + depreciation and amortization + non-recurring expense items (advisory expenses related to share purchases, etc.)

*3: Actual operating profit is operating profit minus impairment losses.

2. Financial Results Overview (by Category)

- ✓ Investment in human equity since the previous fiscal year successfully resulted in the achievement of appropriate allocation of staffs
- ✓ Overall, FY2025 Q1 was favorable. (However, the real wage growth is negative and the polarization of consumer spending is progressing. We would watch for future trends.)

CR category :

Restaurant business in the urban area (reservation-type fine dining) was strong by bringing in the extraordinary scenes.

SFP category:

Inbound demand was strong along with a recovery in demand for Izakaya, especially in Tokyo metropolitan area and central Tokyo.

Specialty Brand category:

Strong performance in everyday business formats such as Tsukemen and Bakery continued strong.

Overseas category:

Singapore is stable, and there is a lull in revenue consumption in North America.

※1 Same-store sales YoY ratio

Category	Mar.	Apr.	May	Q1 (Mar.-May)
CR	110.2%	104.2%	103.7%	106.0%
SFP	107.9%	103.9%	105.3%	105.7%
Specialty Brand	107.8%	103.9%	102.5%	104.7%
Overseas	108.7%	108.1%	114.1%	110.9%
Consolidated	108.8%	104.5%	104.9%	106.1%

(Million yen)

Category	FY2024 Q1			FY2025 Q1			Change		
	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue	Revenue	Category CF *2	Ratio to revenue
CR	12,739	1,650	13.0%	13,372	1,567	11.7%	+633	-83	-1.2%
SFP	7,156	814	11.4%	7,671	863	11.3%	+515	+49	-0.1%
Specialty Brand	12,557	1,491	11.9%	12,821	1,495	11.7%	+263	+3	-0.2%
Overseas	4,720	575	12.2%	5,045	613	12.2%	+325	+38	-0.0%
Adjustments, etc.*3	-566	2,711	-	-624	2,567	-	-57	-143	-
Total	36,607	7,242	19.8%	38,286	7,106	18.6%	+1,679	-136	-1.2%

(NOTE) The figures reflect the reclassification of LG&EW from Specialty Brand categories to CR categories both for FY 2024 Q1 and FY 2025 Q1, taking into accounts the reorganization within the Group dated June 1 (merger between Create Dining inc. and LG&EW inc.: separately disclosed on April 12)

*1: Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.

*2: Category CF = operating profit (JGAAP) + depreciation and amortization + sponsorship income + non-recurring expense items

*3: Other adjustments include depreciation and amortization related to the adoption of IFRS No. 16, as well as head office expenses that are not allocated to individual category.

3. TOPICS (1) ~Strengthening the Contract Business~

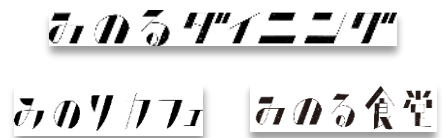
Reviewing portfolio toward Post-Covid

✓ Strengthen the Contract (entrusted operation) business

- Consolidation of the contract business of KR FOOD SERVICE CORPORATION (KR) into create restaurants inc. (CR) (scheduled for September 1) (Succession of absorption-type split among consolidated subsidiaries)
 - ⇒ Integrate KR's expertise in the contract business, including knowledge and know-how, into CR
 - ⇒ Leverage CR's operational structure and product-development capabilities to support nationwide expansion
- Further acceleration of entrusted operation in “Minori-Minoru” brand, etc. based on the comprehensive business alliance agreement with JA ZEN-NOH (January 26)
 - ⇒ Established the Business Development Department within the Company (holding company) to oversee the promotion of entrusted store operation and a comprehensive business alliance



Further Development of Contract Business



Yakiniku Jun Osaka Dome City (open on 3/29)



Wakabatei Nagoya Ekimae (open on 4/1)
Wakabatei Toyohashi Station Higashiguchi (open on 4/3)



Minoru Dining Kyoto Porta (open on 7/1)

3. TOPICS (2)

~Intra-Group Organizational Restructuring / Response to DX and Shortage of Human Resources ~

Further development of Group Federal Management

✓ Implementation of organizational restructuring across the Group

- Merged Create Dining inc. and LG&EW inc. (Jun. 1)
(Absorption-type merger between consolidated subsidiaries)
 - ⇒ Strengthen expertise by concentrating knowledge in the dining business domain
 - ⇒ Promoting the mobility of human resources

Further Development of Dining Business

Improving Productivity and Responding to Personnel Shortages through DX

✓ Introduction of serving and bashing robots

- Gradual introduction of food serving robots at "shabu-SAI", all-you-can-eat restaurants of Shabu-shabu, and "Kagonoya", Japanese restaurants, etc.
 - ⇒ Active use as support for store employees

✓ Expansion of mobile order system

- Introduction of mobile order system tailored to each business category
 - ⇒ Contributing to efficient allocation of store personnel and mitigation of customer stress



✓ Promotion of the active participation of human resources

- Expansion of recruitment of foreign employees and development of follow-up system
 - ⇒ Expand opportunities to play an active role, such as appointing foreign store managers, in addition to hiring more foreign nationals at ISOMARU SUISAN
- Resume mentor system (Sister & Brother system) *Temporarily interrupted due to Covid-19
 - ⇒ Human resource Supporters (Mentors) meet regularly with new employees to create a comfortable workplace
 - ⇒ A program that grows not only with the follow-up of new employees, but also with human resource supporters

II. Summary of FY 2025 Business Forecasts and Shareholder Returns

1. Summary of FY 2025 Business Forecasts

Full-year Business Forecasts disclosed on April 12, 2024 ⇒ No change

Revenue: 153.0 billion yen, Operating profit: 9.3 billion yen, Profit attributable to owners of parent: 6.1 billion yen, Adjusted EBITDA: 26.2 billion yen

(Million yen)	FY2025 Q1		FY2025		Progress Rate (vs. Forecast)
	Result	Ratio to revenue	Forecast	Ratio to revenue	
Revenue	38,286		153,000		25.0%
Operating profit	2,753	7.2%	9,300	6.1%	29.6%
Profit before taxes	2,584	6.8%	8,700	5.7%	29.7%
Profit for the year	2,046	5.3%	7,000	4.6%	29.2%
Profit attributable to owners of parent	1,852	4.8%	6,100	4.0%	30.4%
Adjusted EBITDA *1	7,106	18.6%	26,200	17.1%	27.1%
Actual operating profit *2	3,351	8.8%	11,300	7.4%	29.7%

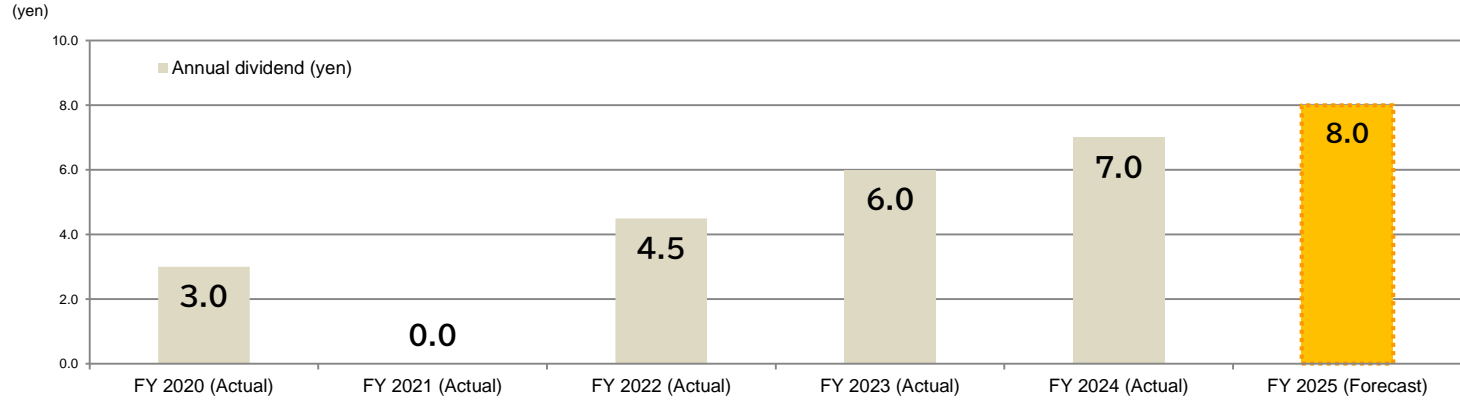
*1 :Adjusted EBITDA = operating profit + other operating expenses - other operating revenues (excluding sponsorship income) + depreciation and amortization + non-recurring expense items (advisory expenses related to share acquisitions, etc.)

*2 :Actual operating profit is operating profit minus impairment losses.

2. Shareholder Returns

Dividends

Dividend Forecast for FY 2025 ⇒ 4.0 yen as interim dividend and 4.0 yen as year-end dividend, for an annual dividend of **8.0 yen per share** (1.0 yen increase from the previous year)



Shareholder Special Benefit Plan

We will continue to offer the Shareholder benefits as an important shareholder returns.

Expansion of stores where shareholders benefits are available

- ✓ As part of the business alliance with JA ZEN-NOH (disclosed on January 26, 2024), shareholders benefit became available in 12 stores from April 1.
- Furthermore, they are available at 5 stores from June 1, and 6 more stores from July 1 (planned to be expanded gradually in the future)

Available from Apr. 2024	NEW Jun.~	NEW Jul.~	Aug. Sep. Oct...
Minori Café S-PAL Sendai / Ginza Mitsukoshi / Fukuoka Teniin / Nagasaki Ekimae	Ginga Rikyu (Morioka)	Fukushima Beef Yakiniku GYU-HOU	Asahi / Yatsuyamada
Minori Café Kiraku COM BOX Saga Ekimae	Nikusho Jade Kanazawa (Kanazawa)	Wakabatei	Nagoyaekimae / Toyohashi Station Higashiuchi
Minoru Shokudo Ginza Mitsukoshi / ekie Hiroshima / AMU PLAZA KUMAMOTO	Kobe PLAISIR San'nomiya Main Store	Minoru Dining FES"AN Morioka	Minoru Dining Kyoto Porta
Minoru Dining Sapporo STELLAR PLACE / Nagoya / SUN STATION TERRACE Okayama	Minoru Dining AMU PLAZA OITA	Nagasaki Wagyu Yakiniku Pure (Nagasaki)	
Grill Minoru S-PAL Sendai	Café & Dining Minoru Minoru		



III. Appendix

1. Openings and Closings of Outlets

➤ **New store openings: 6, Store closings: 11, and Brand changes: 4**
 ⇒ **Total number of group stores as of the end of May, 2024: 1,104**

• **Major breakdown of new store openings (6 stores)**

- Opened "GOTTA", a new American dining, in Gotanda as a Wakuwaku (Exciting) project
- Opened Core brands: "shabu-SAI" Kuzuha Mall, and "Go-no-Go" Abeno-Lucias
- New contract business of golf-course restaurants : 1 stores
- Opened stores in collaboration with JA ZEN-NOH : 2 stores for Yakiniku "Wakabatei"

• **Retirement of stores mainly due to expiration of contract (11 stores)**

• **Brand changes in line with location environment and customer needs (4 stores)**

- "MACCHA HOUSE, Matcha-kan" WITH HARAJUKU, "Yakiniku Jun" Osaka Dome City, "Stamina Manpuku Shokudo" NEOPASA Hamamatsu, "Teppan Hormone Go-no-Go" Pio City Sakuragicho

[List of stores opened and closed as of FY 2025 Q1]

Category	Total no. at end of Feb. 2024	Increase /Decrease		Total no. at and of May.2024	Brand Changes *1
		New	Close		
CR	502	3	7	498	2
SFP	202	1	2	201	1
Specialty Brand	350	2	2	350	1
Overseas *2	55	0	0	55	0
Group total *3	1,109	6	11	1,104	4

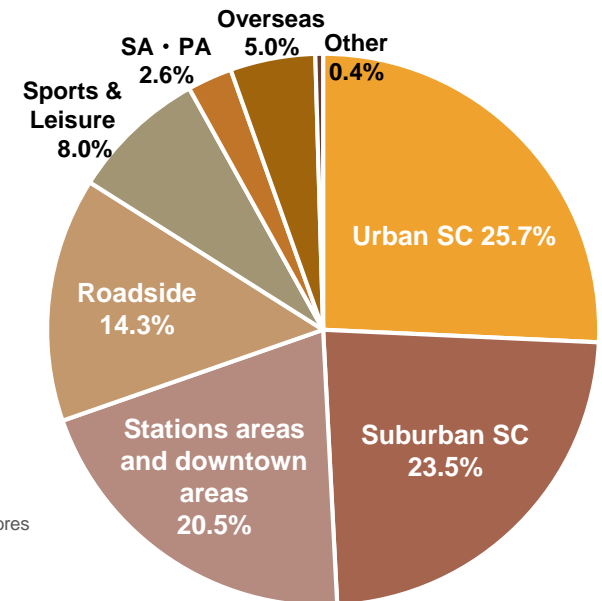
*1 : The number of stores includes the changes of business category within the Group.

*2 : The number of stores in the overseas category includes 2 franchised stores of LGEW in Jakarta and 15 franchised stores of KR in Thailand.

*3 : The number of stores as of the end of the fiscal year in this document is the total number of stores in the Group, including contract business stores and FC stores, as of the end of May 2024.

*4 : The figures reflect the reclassification of LG&EW from Specialty Brand Categories to CR Categories for number of outlets both in FY 2024 Q4 and FY 2025 Q1, taking into accounts the reorganization within the Group dated June 1.

[Composition of stores by location (as of the end of May, 2024)]



2. Trends in same-store sales YoY ratio

【Consolidated】

	Mar.	Apr.	May	Q1 Total	Jun.	Jul.	Aug.	Q2 Total	Sep.	Oct.	Nov.	Q3 Total	Dec	Jun.	Feb.	Full-year
FY 2025 Same-store sales YoY	108.8%	104.5%	104.9%	106.1%	-	-	-	-	-	-	-	-	-	-	-	-
FY 2024 Same-store sales YoY	146.0%	121.1%	115.4%	126.1%	111.5%	118.1%	121.3%	121.4%	114.5%	107.2%	110.3%	117.5%	112.1%	110.7%	109.9%	116.0%

【By category】

		Mar.	Apr.	May	Q1 Total	Jun.	Jul.	Aug.	Q2 Total	Sep.	Oct.	Nov.	Q3 Total	Dec	Jun.	Feb.	Full-year
CR	FY 2025 Same-store sales YoY	110.2%	104.2%	103.7%	106.0%	-	-	-	-	-	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	137.4%	125.9%	118.7%	126.8%	116.5%	124.6%	126.3%	124.8%	118.4%	111.2%	114.1%	121.2%	113.6%	112.8%	114.5%	119.1%
SFP	FY 2025 Same-store sales YoY	107.9%	103.9%	105.3%	105.7%	-	-	-	-	-	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	276.6%	132.7%	121.7%	154.5%	113.8%	128.4%	136.5%	139.1%	122.2%	109.1%	111.1%	129.6%	116.3%	111.3%	111.3%	125.1%
Specialty Brand	FY 2025 Same-store sales YoY	107.8%	103.9%	102.5%	104.7%	-	-	-	-	-	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	122.7%	112.7%	108.8%	114.5%	104.3%	110.0%	115.0%	112.3%	109.4%	103.2%	109.0%	110.5%	111.1%	110.6%	108.4%	110.6%
Overseas	FY 2025 Same-store sales YoY	108.7%	108.1%	114.1%	110.9%	-	-	-	-	-	-	-	-	-	-	-	-
	FY 2024 Same-store sales YoY	140.9%	117.1%	117.1%	123.3%	114.8%	110.0%	108.8%	116.0%	108.6%	105.2%	103.4%	111.5%	106.5%	104.5%	102.1%	110.8%

(NOTE) Same-store sales YoY ratio is calculated using the figures of FY 2024, and also including closed stores.

3. Summary of FY 2025 Business Forecasts (by Category)

Category	FY 2024 (Previous Year Results)			FY 2025 (Full-year forecasts)			Difference		
	Revenue	Category CF	Ratio to revenue	Revenue	Category CF	Ratio to revenue	Revenue	Category CF	Ratio to revenue
CR	50,239	5,563	11.1%	54,500	6,450	11.8%	+4,260	+886	+0.8%
SFP	29,079	2,997	10.3%	30,000	3,090	10.3%	+920	+92	+0.0%
Specialty brand	48,560	4,946	10.2%	50,700	5,460	10.8%	+2,139	+513	+0.6%
Overseas	19,706	2,409	12.2%	19,900	2,690	13.5%	+193	+280	+1.3%
Adjustments, etc.	-1,826	9,667	-	-2,100	8,510	-	-273	-1,157	-
Total	145,759	25,583	17.6%	153,000	26,200	17.1%	+7,240	+616	-0.4%

*The figures reflect the reclassification of LG&EW from Specialty Brand categories to CR categories both for FY 2024 results and FY 2025 full-year forecasts, taking into accounts the reorganization within the Group dated June 1 (merger between Create Dining inc. and LG&EW inc.: separately disclosed on April 12)

*Category CF = operating profit (JGAAP) + depreciation and amortization + sponsorship income + non-recurring expense items

*Other adjustments include depreciation and amortization related to the adoption of IFRS No. 16, as well as head office expenses that are not allocated to individual category.

4. Sustainability Initiatives (1) ~Cleanup Activities~

Picking up trash at Moire beach in Hokkaido

- L'air bon inc., a consolidated subsidiary, which operates 70 bakeries in Hokkaido, has identified "Promoting the project of Smile with Bread ~Creation of a population with local relationships~" as one of the main measures for FY 2024.
 - As one of our goals to contribute to the local community, we picked up trash on the beach this May.
(*Realized as a joint event with CO-OP Sapporo, where we have stores)
- ⇒ Nearly 100 people participated in the cleanup, including CO-OP Sapporo's suppliers and neighborhood residents.



Cleaning up around stores

- Icchou Inc., which operates Japanese restaurants such as "Icchou" in North Kanto, and YUZURU Inc., which operates Goma Soba "YUZURU" in Hokkaido, are cleaning the area around each store every month.
- Create Dining inc. which operates "EVERYONEs CAFÉ" in Ueno Park, participates in cleanup volunteers in the Ueno Park and engages in clean-up activities in various group-wide locations.



(around Icchou store area)



(in Ueno Park)

4. Sustainability Initiatives (2) ~HEART BARRIER FREE~

Speech by Ms. Kimie Ikeda of "HEART BARRIER FREE Project at NPO Corporation"

✓ A lecture "Toward the Realization of a Society in which Wheelchairs and Baby Cars are safe to go out." was given in the company.

- Ms. Ikeda was suddenly forced to live in a wheelchair one day due to an unexpected accident. Although she tended to stay indoors after the accident, she was shocked to see how many wheelchair users in the U.S. were enjoying going out on the streets.
- Even if there is a step, if there is kindness or "Heart", it becomes "barrier-free" which is easy to go to any place.
→The lecture was based on the real-life experiences and made us think about what barrier-free means.



Lecturer Ms. Kimie Ikeda

Check

- If steps, stairways, and a range of entrance to a toilet can be grasped in advance, the hurdle for visiting the store will be greatly reduced because a countermeasure can be considered.
- "HEART BARRIER FREE Project at NPO Corporation" operates a website that contains barrier-free information from about 3000 restaurants nationwide, centered on restaurants as "HEART BARRIER FREE Support Stores". Stickers are displayed at these stores.
- As a message to the employees working in our stores, she would like them to think about what they can do to help, and to be kind, welcoming to people in wheelchairs by asking, "How can I help you?".

Affiliation with HEART BARRIER FREE Support Stores

- After the lecture, our group stores are gradually joining HEART BARRIER FREE Support Stores.
- We began posting information on search sites and posting stickers at stores, such as the "Rain Forest Café" in Maihama, "Hassan" Shabu-shabu and sushi, and "Nanxiang Mantou Dian", specializing in Xiaolongbao (Steamed Bun) both in Roppongi.
→It also serves as an opportunity for employees working at our stores to have a kind attitude toward a diverse range of customers, and it also leads to an improvement in hospitality.



Disclaimer

The purpose of this material is to provide information regarding the financial results of FY 2025 Q1 and is not intended to solicit investments in securities issued by the Company.

Furthermore, although the contents in this material is prescribed based on reasonable assumptions of the Company at the time of publication, it does not warrant or guarantee the information's accuracy or completeness and is subject to change without prior announcement.

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