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

July 14, 2026

Company: **create restaurants holdings inc.** Listed on the TSE
Stock Code: 3387 URL: https://www.createrestaurants.com
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Expected starting date of dividend payment: －
Preparation of quarterly supplementary financial document: Yes
Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ending May 2026 (March 1, 2026 to May 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	%
Three months ending May 2026	43,277	3.5	3,378	10.8	3,221	7.7	2,359	4.2	2,217	6.2	2,603	34.4
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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ending May 2026	5.27	5.27
Three months ending May 2025	4.96	4.96

(Ref.) Adjusted EBITDA: Three months ending May 2026: 7,551 million yen (1.8%)
Three months ending May 2025: 7,420 million yen (4.4%)

(Note 1) “Basic earnings per share” is calculated based on “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 results for the current quarter, etc., (1) Qualitative information on the consolidated financial results” on page 3 of the attached document.
(Note 3) The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. Basic earnings per share and diluted 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 May 2026	144,629	49,582	45,451	31.4
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	－				
Year ending Feb. 2027 (forecast)		2.50	－	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	13.54

(Note) Revisions to consolidated business forecasts 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 1 (Company name) RON Corporation Exclusion 1 (Company name) Tecona Bagel inc.

(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 May 2026 425,628,568 shares
As of February 2026 425,628,568 shares

2) Treasury shares at the end of the period
As of May 2026 4,569,400 shares
As of February 2026 4,604,000 shares

3) Average number of shares during the period (quarterly cumulative period)
Three months ending May 2026 420,906,989 shares
Three months ending May 2025 420,890,285 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 (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.

***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) 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.

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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 showed a gradual recovery trend amid continued improvement in the employment and income situation. On the other hand, the outlook remains unpredictable due to the prolonged and increasingly complex geopolitical risks overseas and the accompanying fluctuations in resource prices, which add to the uncertainty of the global economy, as well as the sluggish growth of real wages due to inflation and changes in consumer sentiment affecting spending trends in Japan.

In the restaurant industry, brisk inbound demand continued to perform steadily. Nevertheless, consumers are becoming more cautious in their spending choices due to the entrenchment of “selective consumption” resulting from rising prices. While the unit price per customer is rising as price revisions take hold, the overall trend of sluggish growth in the number of customers continues, with bipolarization among business categories progressing in securing the number of customers. In particular, the business environment remained challenging, with a delay in the recovery in the number of customers observed in alcohol-based business categories. At the same time, the cost environment surrounding the restaurant industry has remained at a structurally high level, as evidenced by raw material prices remaining high and rising labor costs associated with a severe labor shortage.

In this business environment, our Group has promoted the “expansion of our business portfolio” and “strengthening of the management base” in parallel, 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 consolidated cumulative first quarter under review, the Group mainly focused on the following initiatives.

・Evolution of intrinsic value and expansion of growth areas

Aiming to increase customer traffic at existing stores, we sought to further improve “quality” through the improvement of QSC and the continuation of appropriate pricing. At the same time, we proceeded with flexible store development, such as format changes to well-performing new formats and renovations. Also, in Izakaya format, we implemented initiatives such as strengthening customer attraction capabilities through the official app for our mainstay “ISOMARU SUISAN” and changing business formats to public bars to meet low-price needs, and renovating stores with the aim of increasing customer traffic.

・Synergistic M&A and Expansion of overseas business

In order to strengthen “Daily” and “Standard” business formats, we opened “Tecona Bagel” (which joined the Group in the previous fiscal year) in Osaka in April. In addition, with the aim of strengthening our dominant position in the Kansai area, we welcomed RON Corporation, which operates western-style food category businesses as everyday meals such as “Grill RON”, into the Group. In our overseas business, aiming to further expand our North American operations, we decided to acquire 6 restaurant businesses centered on “Hazelwood Food + Drink” brand, which offers modern American cuisine near Minneapolis, Minnesota, USA (the business joined the Group in July). In addition, as of today (July 14), we have decided to acquire all shares of innocence Co., Ltd., which operates 10 specialty ramen shops in Tokyo, including “ramen KOIKE”, and is highly supported by many customers for its exceptional product quality and brand power (the company is scheduled to join the Group in September).

・Further development of Group Federal Management

We resolved to merge with our consolidated subsidiary, SFP Holdings Co., Ltd., and following a resolution at its general meeting of shareholders, the merger was completed on July 1, 2026. Through this merger, we will push forward with “accelerating growth” through optimal allocation of management resources and speeding up decision-making, “promoting efficiency” by consolidating overlapping functions and infrastructure, and “activating human capital” by providing diverse career paths, thereby aiming for further development of Group Federal Management and sustainable growth.

As a result of the above, revenue exceeded that of the previous corresponding period. This was due to the generally strong performance of existing stores (Same-store sales YoY ratio: 102.8%), in addition to the continued strong performance of “Daily” and “Standard” bakery and noodle formats, and the capture of special occasion demand at stores in urban retail facilities. Regarding operating profit, although Izakaya category recorded a decrease in profit mainly due to a year-on-year decline in same-store sales centered on ISOMARU SUISAN, overall consolidated results exceeded the previous corresponding period due to a significant increase in profit in CR category, as well as the steady performance of Specialty Brand category and Overseas category.

Consequently, the consolidated results of operations for the three months ending May 2026 were as follows: Revenue 43,277 million yen (up 3.5% year on year), Operating profit 3,378 million yen (up 10.8%), Profit before tax 3,221 million yen (up 7.7%), Profit attributable to owners of parent 2,217 million yen (up 6.2%), Adjusted EBITDA 7,551 million yen, and Adjusted EBITDA margins 17.5%.

(Million yen)

	Previous consolidated cumulative first quarter	Current consolidated cumulative first quarter	Change	Percentage change (%)
Revenue	41,814	43,277	1,463	3.5
Operating profit	3,048	3,378	329	10.8
Profit before taxes	2,992	3,221	229	7.7
Profit for the period	2,263	2,359	95	4.2
Quarterly profit attributable to owners of parent	2,088	2,217	128	6.2
Adjusted EBITDA	7,420	7,551	130	1.8
Adjusted EBITDA margins (%)	17.8	17.5	-0.3	—
Adjusted ratio of equity attributable to owners of parent (adjusted equity ratio) (%)	43.1	45.6	2.5	—

(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 the 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 related to share acquisitions, etc.)

・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 fiscal year 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
15,221	4	11	0	2	516	13,284	3	1	10	0	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., Icchou Inc., SAINT-GERMAIN CO., LTD., L'air bon inc., Create Noodles Inc. and RON Corporation.					
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
7,962	1	2	0	5	209	6,868	0	2	0	0	55
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.						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 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 name of 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 consolidated first quarter under review increased by 2,703 million yen from the end of the previous fiscal year to 30,044 million yen. This was mainly due to increases of 2,163 million yen in trade and other receivables and 1,504 million yen in cash and cash equivalents.

The balance of non-current assets at the end of the consolidated first quarter under review increased by 2,256 million yen from the end of the previous fiscal year to 114,585 million yen. This was mainly due to increases of 1,283 million yen in property, plant and equipment and 455 million yen in goodwill.

(Liabilities)

The balance of liabilities at the end of the consolidated first quarter under review increased by 3,265 million yen from the end of the previous fiscal year to 95,047 million yen. This was mainly due to increases of 1,504 million yen in borrowings and 898 million yen in trade and other payables.

(Equity)

The balance of equity at the end of the consolidated first quarter of the current fiscal year increased by 1,694 million yen from the end of the previous fiscal year to 49,582 million yen. This was mainly due to increases of 1,269 million yen in retained earnings and 244 million yen in other components of equity.

Ratio of equity attributable to owners of parent (equity ratio) is 31.4%.

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 increased by 1,504 million yen from the end of the previous consolidated fiscal year to 19,001 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 6,981 million yen (up 41.5% year-on-year). This was mainly due to the recording of 4,179 million yen in depreciation and amortization, 3,221 million yen in profit before taxes, and a decrease of 2,114 million yen in trade and other receivables.

(Cash flows from investing activities)

Net cash used in investing activities for the consolidated cumulative first quarter of the current fiscal year was 1,721 million yen (up 5.9% year-on-year). This was mainly due to payments for purchases of property, plant and equipment of 1,334 million yen.

(Cash flows from financing activities)

Net cash used in financing activities for the consolidated cumulative first quarter of the current fiscal year was 3,789 million yen (down 0.4% year-on-year). This was mainly due to the recording of 4,116 million yen in repayments of lease liabilities and 1,805 million yen in repayments 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

Regarding the full-year consolidated business forecasts, although the business performance for the consolidated cumulative first quarter under review has generally remained firm and the consolidated contribution from new M&A is expected to expand, we have carefully considered the uncertainty of the international situation, the impact of high prices on consumer behavior, and the unpredictable outlook of the market environment. Accordingly, there are no changes to the “Consolidated Financial Results for the FY ending Feb. 2026” [IFRS] (Consolidated) disclosed on April 14, 2026.

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, 2026)	Current First Quarter (May 31, 2026)
Assets		
Current assets		
Cash and cash equivalents	17,497	19,001
Trade and other receivables	6,745	8,909
Other financial assets	142	94
Inventories	1,384	1,345
Corporate income taxes receivable	50	46
Other current assets	1,520	645
Total current assets	27,340	30,044
Non-current assets		
Property, plant and equipment	63,438	64,722
Goodwill	25,755	26,211
Intangible assets	9,111	9,343
Investment property	511	510
Other financial assets	9,900	10,170
Deferred tax assets	3,490	3,476
Other non-current assets	120	149
Total non-current assets	112,329	114,585
Total assets	139,669	144,629

(Million yen)

	Previous Fiscal Year (February 28, 2026)	Current First Quarter (May 31, 2026)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,949	5,848
Borrowings	5,837	6,156
Lease liabilities	11,319	10,808
Corporate income taxes payable	1,204	767
Provisions	1,255	774
Other current liabilities	11,564	12,956
Total current liabilities	36,131	37,312
Non-current liabilities		
Borrowings	15,208	16,393
Lease liabilities	32,673	33,080
Obligations for retirement pay	959	953
Provisions	4,597	4,974
Deferred tax liabilities	1,743	1,811
Other non-current liabilities	468	520
Total non-current liabilities	55,650	57,734
Total liabilities	91,781	95,047
Equity		
Share capital	50	50
Capital surplus	25,005	25,161
Retained earnings	17,129	18,398
Treasury shares	-1,071	-1,058
Other components of equity	2,655	2,899
Total equity attributable to owners of parent	43,769	45,451
Non-controlling equity	4,118	4,130
Total Equity	47,888	49,582
Total liabilities and equity	139,669	144,629

(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, 2025 - May 31, 2025)	Current First Quarter (March 1, 2026 - May 31, 2026)
Revenue	41,814	43,277
Cost of sales	-12,260	-12,715
Gross profit	29,553	30,562
Selling, general and administrative expenses	-26,195	-27,319
Other operating revenue	182	502
Other operating expenses	-490	-367
Operating profit	3,048	3,378
Financial income	237	67
Financing cost	-293	-224
Profit before taxes	2,992	3,221
Corporate income tax expense	-728	-862
Profit for the period	2,263	2,359
Profit attributable to		
Owners of parent	2,088	2,217
Non-controlling equity	175	142
Profit for the period	2,263	2,359
Profit per share attributable to owners of parent (yen)		
Basic earnings per share	4.96	5.27
Diluted earnings per share	4.96	5.27

Condensed quarterly consolidated statements of comprehensive income

Consolidated cumulative first quarter

(Million yen)

	Previous First Quarter (March 1, 2025 - May 31, 2025)	Current First Quarter (March 1, 2026 - May 31, 2026)
Profit for the period	2,263	2,359
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-325	244
Total	-325	244
Total other comprehensive profit	-325	244
Comprehensive profit	1,937	2,603
Comprehensive profit attributable to		
Owners of parent	1,762	2,461
Non-controlling equity	175	142
Comprehensive profit	1,937	2,603

(3) Condensed quarterly consolidated statements of changes in equity

Previous First Quarter (March 1, 2025 – May 31, 2025)

(Million yen)

	Total equity attributable to owners of parent								
					Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	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

Current First Quarter (March 1, 2026 – May 31, 2026)

	Total equity attributable to owners of parent								
					Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Foreign currency translation adjustments	Total	Total	Non-controlling equity	Total equity
Balance at March 1, 2026	50	25,005	17,129	-1,071	2,655	2,655	43,769	4,118	47,888
Profit for the period	—	—	2,217	—	—	—	2,217	142	2,359
Other comprehensive profit	—	—	—	—	244	244	244	—	244
Comprehensive profit	—	—	2,217	—	244	244	2,461	142	2,603
Dividends	—	—	-947	—	—	—	-947	-131	-1,078
Share-based payment transactions	—	156	—	—	—	—	156	—	156
Other	—	-1	-0	13	—	—	11	1	12
Total transactions with owners	—	155	-947	13	—	—	-779	-130	-909
Balance at May 31, 2026	50	25,161	18,398	-1,058	2,899	2,899	45,451	4,130	49,582

(4) Condensed quarterly consolidated statements of cash flows

(Million yen)

	Previous First Quarter (March 1, 2025 - May 31, 2025)	Current First Quarter (March 1, 2026 - May 31, 2026)
Cash flows from operating activities		
Profit before taxes	2,992	3,221
Depreciation and amortization	3,956	4,179
Impairment losses (or reversal of impairment losses)	391	115
Interest income	-8	-22
Interest expense	198	216
Loss (gain) on sale of non-current assets	-0	-2
Loss on disposal of fixed assets	5	13
Decrease (increase) in inventories	-134	51
Decrease (increase) in trade and other receivables	-2,247	-2,114
Increase (decrease) in trade and other payables	519	847
Increase (decrease) in net defined benefit liability	-31	-21
Increase (decrease) in provisions	-427	-470
Other	1,124	2,148
Sub-total	6,339	8,164
Interest and dividend received	8	7
Interest expenses paid	-65	-62
Corporate Income taxes paid	-1,348	-1,127
Corporate income taxes refunded	0	—
Cash flows from operating activities	4,934	6,981
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,478	-1,334
Proceeds from sales of property, plant and equipment	0	2
Payments for asset retirement obligations	-34	-69
Purchase of intangible assets	-22	-57
Payment for guaranty deposits	-61	-138
Proceeds from collection of guaranty deposits	117	65
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-111	-160
Other	-34	-30
Cash flows from investing activities	-1,625	-1,721

(Million yen)

	Previous First Quarter (March 1, 2025 - May 31, 2025)	Current First Quarter (March 1, 2026 - May 31, 2026)
Cash flows from financing activities		
Repayment of short-term borrowings	-700	—
Proceeds from long-term debt	3,200	3,200
Repayment of long-term loans payable	-1,928	-1,805
Repayments of lease liabilities	-3,423	-4,116
Cash dividends paid	-831	-937
Dividends paid to non-controlling interests	-119	-130
Cash flows from financing activities	-3,803	-3,789
Effect of exchange rate change on cash and cash equivalents	23	34
Net increase (decrease) in cash and cash equivalents	-471	1,504
Balance of cash and cash equivalents at beginning of period	21,474	17,497
Balance of cash and cash equivalents at end of period	21,002	19,001

(5) Notes on the condensed quarterly consolidated financial statements

(Notes on the going concern assumptions)

None

(Material accounting policies)

The accounting policies applied by the 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, 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 quarterly 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., KR FOOD SERVICE CORPORATION, etc., 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 in the Restaurant Business. The description is omitted because the Group's business is categorized as the restaurant business and there are no segments to be classified.

(Per share information)

(Million yen)

	Previous First Quarter (March 1, 2025 - May 31, 2025)	Current First Quarter (March 1, 2026 - May 31, 2026)
Quarterly profit attributable to owners of parent	2,088	2,217
Quarterly profit adjustments	—	—
Profit used to calculate diluted earnings per share	2,088	2,217
Basic average number of common shares during the period (shares)	420,890,285	420,906,989
Average number of common shares used in the computation of diluted earnings per share (shares)	420,890,285	421,044,389
Basic earnings per share (yen)	4.96	5.27
Diluted earnings per share (yen)	4.96	5.27

(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 (3,547,682 shares in the previous first quarter consolidated cumulative period and 3,388,378 shares in the current first quarter consolidated cumulative period).

(Note 2) The Company conducted a 2-for-1 stock split effective September 1, 2025, and accordingly, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Significant subsequent events)

(Conclusion of Merger Agreement between the Company and SFP Holdings Co., Ltd.)

The Company (“CRH”) and SFP Holdings Co., Ltd. (“SFPHD,” and together with CRH, the “Companies”) resolved, at their respective meetings of the Board of Directors held on April 14, 2026, to implement an absorption-type merger (the “Merger”), with CRH as the surviving company and SFPHD as the disappearing company, and entered into a merger agreement (the “Merger Agreement”) on the same date.

The Merger was implemented on July 1, 2026 as the effective date, through a simplified merger procedure for CRH.

1. Purpose of the Merger

The purpose is to push forward with “accelerating growth” through optimal allocation of management resources, “promoting efficiency” by consolidating overlapping functions and infrastructure and speeding up decision-making, and “activating human capital” by providing diverse career paths, thereby aiming for further development of Group Federal Management and sustainable growth.

2. Summary of the Merger

(1) Time table for the Merger

Record date for the Annual General Meeting of Shareholders (SFPHD)	February 28, 2026
Date of resolution at the meeting of the Board of Directors (Both Companies)	April 14, 2026
Date of conclusion of the Merger Agreement (Both Companies)	April 14, 2026
Date of resolution at the Annual General Meeting of Shareholders (SFPHD)	May 21, 2026
Last trading day (SFPHD)	June 26, 2026
Delisting date (SFPHD)	June 29, 2026
Effective date of the Merger	July 1, 2026

(Note) CRH implemented the Merger without obtaining approval of the Merger Agreement by a resolution of its General Meeting of Shareholders, pursuant to the simplified merger procedures set forth in Article 796, Paragraph 2 of the Companies Act.

(2) Form of the Merger

The Merger was conducted as an absorption-type merger, with CRH as the surviving company and SFPHD as the disappearing company.

(3) Details of allotment related to the Merger

	CRH (Company surviving the absorption-type merger)	SFPHD (Company disappearing in the absorption-type merger)
Allotment ratio related to the Merger	1	3.2

(Note) CRH allotted and delivered 3.2 shares of CRH for each share of SFPHD. Note, however, that no allocation of shares through the Merger was performed for SFPHD Stock held by CRH and the treasury shares held by SFPHD.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the Merger

SFPHD has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Overview of Companies Involved in the Merger (as of May 31, 2026)

		Surviving Company (Company surviving the absorption-type merger)	Disappearing Company (Company disappearing in the absorption-type merger)
(1)	Name	create restaurants holdings inc.	SFP Holdings Co., Ltd.
(2)	Location	5-10-18 Higashi-Gotanda, Shinagawa-ku, Tokyo	8F Hagiwara No. 2 Bldg., 2-24-7 Tamagawa, Setagaya-ku, Tokyo
(3)	Job title and name of representative	Jun Kawai, President	Makoto Sato, President
(4)	Description of business	Restaurant management	Restaurant management
(5)	Share capital	50 million yen	49 million yen

4. Overview of accounting treatments

As a result of the Merger, non-controlling interests recorded in the consolidated statement of financial position of CRH are expected to decrease, and the ratio of equity attributable to owners of parent is expected to increase. Additionally, while the attribution of profit to non-controlling interests in the consolidated statement of profit or loss is expected to be eliminated, the amount of the impact on the consolidated financial statements has not yet been determined at this time.

(Transfer of business)

At a meeting of the Board of Directors held on June 8, 2026, the Company resolved to acquire 6 restaurant businesses centered on the “Hazelwood Food + Drink” brand, which offers modern American cuisine near Minneapolis, Minnesota, USA, through a US subsidiary, and concluded a business transfer agreement on June 8, 2026. Based on this agreement, the transfer of the business was completed on July 1, 2026.

1. The outline of the business combination

(1) Name of the counterparty company and description of the acquired business

Name of the counterparty company	Nova Restaurant Group LLC and its group companies
Description of the acquired business	Restaurant business

(2) Main reasons for the business combination

The transferor, Nova Restaurant Group, is a group that operates several restaurants in Minnesota and Wisconsin, USA. Its core modern American cuisine, “Hazelwood Food + Drink”, offers a wide-ranging menu that adds unique twists to classic dishes, as well as brunch on weekends. It has earned a reputation for reasonable prices in exchange for high-quality food, hospitality, and a sophisticated store environment, and has been supported by local customers for many years as a restaurant for everyday use. Currently, our Group is expanding its overseas operations mainly in the United States and Singapore, and we consider the expansion of our business foundation through M&A in North America to be one of the important pillars of our growth strategy in the Medium-Term Management Plan. So far, we have acquired the Italian restaurant “Il Fornaio” centered in California and the bakery restaurant “Wildflower” in Arizona, and have promoted business expansion in North America. We have decided to acquire the business this time, judging that this project matches the “Daily,” “Standard,” and “Community-based” formats that the Company values in M&A, and that it will contribute to the expansion of overseas businesses centered on North America in the medium to long term.

(3) Date of business combination

July 1, 2026

(4) Legal form of business combination

Business acquisition for cash consideration

2. Acquisition cost of the acquired business and breakdown by type of consideration

Consideration for acquisition (cash) (approximate amount)	23.4 million US dollars *
Acquisition cost (Total) (approximate amount)	23.4 million US dollars

*This acquisition price is the consideration for the business acquisition, and is expected to be finalized based on the conditions stated in the business transfer agreement, so it may fluctuate from the above amount.

3. Details and amount of major acquisition-related expenses

Advisory expenses, etc. (approximate amount) 0.4 million US dollars

4. Amount and source of goodwill arising from the acquisition and the fair value of assets acquired and liabilities assumed as of the acquisition date

The fair values of the assets acquired and liabilities assumed at the acquisition date are still being determined and have not been finalized at this time.