Summary of Business Results for the Year Ending February 29, 2024 [IFRS] (Consolidated)

April 12, 2024

Company	**create restaurants holdings inc.**	Listed on the TSE
Stock Code	3387 URL: https://www.createrestaurants.com/	
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Expected date of annual shareholders' meeting: May 29, 2024 Expected starting date of dividend payment: May 15, 2024
Expected date of filing of annual securities report: May 30, 2024
Preparation of supplementary financial document: Yes
Briefing of Financial Results: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ending February 2024 (March 1, 2023 through February 29, 2024)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of parent		Total comprehensive profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2024	145,759	23.3	7,075	39.2	6,632	45.3	5,608	44.6	5,041	48.9	6,309	24.4
Year ending Feb. 2023	118,240	51.0	5,083	-33.4	4,565	-36.0	3,878	-41.8	3,385	-42.8	5,072	-28.9

	Basic earnings per share	Diluted earnings per share	Profit ratio to total equity attributable to owners of parent	Profit before taxes ratio to total assets	Operating income ratio to revenue
	Yen	Yen	%	%	%
Year ending Feb. 2024	23.97	-	15.4	5.0	4.9
Year ending Feb. 2023	16.11	-	12.1	3.4	4.3

(Ref.) Adjusted EBITDA: Year ending February 28, 2024: 25,583 million yen (8.1%)
Year ending February 28, 2023: 23,664 million yen (-12.6%)
(Note 1) "Basic earnings per share" is calculated based on "Profit attributable to owners of parent."
(Note 2) Diluted earnings per share is not presented because there are no dilutive shares.
(Note 3) Adjusted EBITDA is disclosed as a useful comparative information on the business performance of the Group. For definitions and calculation methods of adjusted EBITDA, please refer to "1. Summary of operating results, etc., (1) Summary of operating results for the current fiscal year" on page 2 of the attached document.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of Feb. 2024	130,816	39,371	35,969	27.5	171.01
As of Feb. 2023	133,555	34,443	29,606	22.2	140.84

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ending Feb. 2024	23,292	-3,601	-22,496	21,305
Year ending Feb. 2023	24,593	-2,311	-20,131	23,895

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owner of parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ending Feb. 2023	-	3.00	-	3.00	6.00	1,272	37.3	4.5
Year ending Feb. 2024	-	3.50	-	3.50	7.00	1,485	29.2	4.5
Year ending Feb. 2025 (forecast)	-	4.00	-	4.00	8.00		-	

3. Forecast of Consolidated Financial Results for the fiscal year ending February 2025 (March 1, 2024 through February 28, 2025)

(% 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2025	153,000	5.0	9,300	31.4	8,700	31.2	7,000	24.8	6,100	21.0	29.01

(Reference) Adjusted EBITDA: Year ending February 29, 2024 (Forecast): 26,200 million yen (2.4%)

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

Newly included: (Company name)

Excluded: (Company name)

(2) Changes in accounting policies and ~~accounting~~ estimates

①Changes in accounting policies required by IFRS : Yes

②Changes in accounting policies other than ① : None

③Changes 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 February 2024 212,814,284 shares

As of February 2023 212,814,284 shares

② Treasury stock at the end of the period

As of February 2024 2,481,551 shares

As of February 2023 2,607,751 shares

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

Year ending February 2024 210,288,449 shares

Year ending February 2023 210,184,160 shares

(Note) Treasury stock 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, 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."

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ending February 2024 (March 1, 2023 through February 28, 2024)

(1) Non-consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending Feb. 2024	5,609	14.5	1,510	21.3	3,026	21.5	7,851	258.7
Year ending Feb. 2023	4,898	-15.3	1,245	-42.7	2,491	-13.6	2,189	-34.1

	Net Income Per share	Diluted net income per share
	Yen	Yen
Year ending Feb. 2024	37.34	-
Year ending Feb. 2023	10.42	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 2024	69,244	34,190	49.4	162.56
As of Feb. 2023	69,907	27,614	39.5	131.37

(Reference) Equity:

As of February 2024: 34,190 million yen

As of February 2023: 27,614 million yen

***Financial summary is not subject to auditing 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 (“IFRS”).

(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 5 of the attached document, "1. Summary of business results, etc. (4) Future outlook" for the precautions for using the prerequisites for business forecasts.

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1. Summary of Operating Results

(1) Summary of operating results for the current fiscal year

① Consolidated business results for the current Fiscal Year

During the consolidated current fiscal year, the Japanese economy continued to normalize due to factors such as the relaxation of action restrictions in response to the slowdown in the spread of the COVID-19, and the reduction of the classification of the COVID-19 to Class 5 in the Infections Act on May 8, 2023. Private consumption showed signs of picking up, supported by a recovery in inbound demand due to an increase in domestic travel and an increase in foreign visitors to Japan, as well as continued wage hikes. However, domestic economic trends remain uncertain due to factors such as inflation caused by the depreciation of the yen, logistics constraints caused by the 2024 problem, and a decrease in the labor force accompanying the declining birthrate and aging population. Furthermore, the economic situation abroad is chaotic due to geopolitical risks, such as the situation in Russia, Ukraine, and the Middle East, and the outlook for this situation is unpredictable.

In the restaurant industry, while demand continues to be firm, including from inbound tourists, as the impact of the COVID-19 shows a convergence trend, the business environment is expected to remain challenging due to factors such as a further rise in raw material prices associated with the yen's depreciation, as well as a worsening situation of a shortage of human resources. In addition, the trend of selective consumption is expected to intensify further as wage increases and inflation are expected to continue.

Against this backdrop, our Group is working to further improve the quality of existing stores, with the aim of establishing alean cost structure cultivated by responding to changes in the COVID-19 disaster and moving forward with a shift from location business to brand business with the aim of achieving a new stage. Specifically, in the 25 core brands that form the core of our group, we have clarified our concepts and are actively employing outside advisors to devise high-value-added menus as part of efforts to strengthen our expertise. In addition, we are striving to improve customer satisfaction, optimize sales prices, and maintain and improve the number of customers by implementing strategic business format changes and store renovations. In addition, in order to shift from "defensive" to "offensive," as part of our efforts to invest in DX, we are promoting promotions through the introduction of marketing automation, expanding mobile orders, utilizing serving and serving robots, and improving the efficiency and sophistication of back-office operations. furthermore, we are making large-scale investments unique to our group and creating concepts with high designs, centered on the newly established "Create Brand Laboratory" on October 1, 2023, which is a specialized organization responsible for developing new business formats and concepts such as "wakuwaku."

In terms of new store openings, the Group opened new stores centered on core brands such as "shabu SAI" (all-you-can-eat), "MACCHA HOUSE, Matcha-kan", seafood izakaya "Isomaru Suisan", popular izakaya "Go-no-Go, goma-soba (sesami soba noodle) "Yuzuru", Yakiniku "YOROZU-YA", Bakery "Cent Varie", and "Tsukemen TETSU". Furthermore, while we are changing our business format to Core Brands, we have restarted investing both in quality and quantity at the same time with the simultaneous revision of four stores, including three new brands, for "Marche de Metro", a bulk food court in Omotesando, Tokyo.

At the same time, we have opened franchised stores in Hong Kong that do not involve investment and aggressively opened contract business stores, including restaurants in golf courses. As a consequence, the Group opened 34 new stores, changed the format of 21 stores, and closed 70 stores, mainly closures and unprofitable stores due to the expiration of contracts. As a result, the number of consolidated stores, including contract business stores and other stores, stood at 1,109 at the end of the third quarter. In addition, the Human Resources Project Team, which was established on March 1, 2023, invests in human resources equity to expand employee salary increases, increase hourly wages for crews, and strengthen the hiring of foreign employees. The Group is also working to improve employee retention rates by enhancing its training system, promoting personnel exchanges on a regional basis, and creating a comfortable working environment.

As a result of the above, revenue for the current fiscal year was 145.759 million yen (up 23.3% year on year), operating profit was 7,075 million yen (up 39.2% year on year), profit before income taxes was 6,632 million yen (up 45.3% year on year), profit for the year was 5,608 million yen (up 44.6% year on year), and profit attributable to owners of parent was 5,041 million yen (up 48.9% year on year). In addition, adjusted EBITDA was 25.583 million yen (up 8.1% year on year), adjusted EBITDA margins were 17.6% (compared to 20.0% in the previous fiscal year), and adjusted Ratio of equity attributable to owners of parent (adjusted equity ratio) was 41.1% (compared to 33.5% in the previous fiscal year) (Note)

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

Adjusted EBITDA, adjusted EBITDA margin and adjusted 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, employment adjustment subsidies, subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + Depreciation and amortization + Non-recurring expense items (advisory expenses related to share acquisition, etc.)
- Adjusted EBITDA margin = Adjusted EBITDA/revenue × 100
- Adjusted equity attributable to owners of parent (adjusted equity ratio): Ratio of equity attributable to owners of parent (equity ratio) excluding the impact of IFRS No. 16.

Reportable segments are omitted because there are no reportable segments other than the restaurant business. The status of each major category in the restaurant business is as follows.

(CR category)

This category consists of the outlets operated by create restaurants inc. and Create Dining inc. The Group operates restaurants and food courts under a variety of brands, mainly in commercial facilities, and also operates restaurants on a contracted basis in golf courses.

During the fiscal year under review, create restaurants inc. opened "shabu-SAI" and "Nikusoba Takeshiro". In addition, the Group opened intra-group franchise outlets and added 5 restaurants in golf courses to its contract business, and thus it opened 9 new outlets and closed 31 outlets.

As a result of the above, revenue in this category for the current consolidated fiscal year was 47,326 million yen, and the number of consolidated outlets was 484

(SFP category)

This category consists of outlets operated by SFP Holdings Co., Ltd., Joe Smile Corporation, and CLOOC DINING Co., Ltd. We operate izakaya such as "ISOMARU SUISAN", "Toriyoshi Shoten", and "Omotenashi Toriyoshi" brands, mainly in urban downtown areas, and also operates izakaya restaurants in Kumamoto and Nagano prefectures.

During the current consolidated fiscal year, we opened the public Izakaya "Go no Go" and the seafood Izakaya "ISOMARU SUISAN." In addition, we opened intra-group franchise restaurants, and thus it resulted in 7 new outlets and closed 13 outlets.

As a result of the above, revenue in this category for the current consolidated fiscal year was 29,079 million yen, and the number of consolidated outlets was 202.

(Specialty brand category)

This category consists of outlets operated by LG&EW inc, YUNARI Co., Ltd., Gourmet Brands Company, inc., KR FOOD SERVICE CORPORATION, YUZURU Inc., Icchou Inc., SAINT-GERMAIN CO., LTD., Ltd., and L'air bon inc.

In the current consolidated fiscal year, we opened 10 new outlets and closed 19 outlets due to contract business of 6 stores by KR FOOD SERVICE CORPORATION in collaboration with JA ZEN-NOH in addition to the opening of "YUZURU" by YUZURU Inc., "YOROZU-YA" by Icchou Inc., "Cent Varie" and "L'air bon" by L'air bon inc.

As a result of the above, revenue in this category for the current consolidated fiscal year was 51,473 million yen, and the number of consolidated outlets was 368.

(Overseas category)

This category consists of outlets operating overseas. It consists of outlets operated by create restaurants asia Pte. Ltd., in Singapore, create retaurants hong kong Ltd. in Hong Kong, and Il Fornaio (America) LLC in the United States. .

During the current consolidated fiscal year, we opened four franchised stores in Thailand and Indonesia in addition to opening "shabu-SAI" in Singapore, "MOMIJI CHAYA" in Hong Kong, and IL Fornaio in the United States. As a result, we opened eight new outlets and closed seven outlets.

As a result of the above, revenue in this category for the current consolidated fiscal year was 19,706 million yen and the number of consolidated outlets was 55.

(2) Summary of financial condition for the current fiscal year

Total assets at the end of the fiscal year amounted to 130,816 million yen, down 2.1% year on year. This was mainly due to increases of 92 million yen in other current assets and 489 million yen in trade and other receivables, while there was a decrease of 2,589 billion yen in cash and cash equivalents.

Liabilities at the end of the fiscal year were 91,444 million yen (down 7.7% year on year). This was mainly due to an increase of 453 million yen in income taxes payable, while there was a decrease of 7,792 million yen in bonds and borrowings.

Equity at the end of the fiscal year was 39,371 million yen (up 14.3% year on year).

(3) Summary of cash flow in the current fiscal year

Cash and cash equivalents (hereinafter referred to as "Net cash") at the end of the fiscal year resulted in an increase in net cash from operating activities of 23,292 million yen (down 5.3% year on year), a decrease in net cash from investing activities of 3,601 million yen (up 55.8% year on year), and a decrease in net cash from financing activities of 22,496 million yen (up 11.7% year on year). After taking into accounts translation differences, the balance of cash at the end of the fiscal year was 21,305 million yen (down 10.8% year on year).

The status of each cash flow for the current consolidated fiscal year and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the current fiscal year was 23,292 million yen. This was mainly due to the recording of depreciation and amortization of 15,512 million yen and profit before income taxes of 6,632 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year was 3,601 million yen. This was mainly due to expenditures of 3,273 million yen for the purchase of property, plant and equipment, and 279 million yen for the payments of guarantee deposits.

(Cash flows from financing activities)

Net cash used in financing activities for the current fiscal year was 22,496 million yen. This was mainly due to expenditure of 13,120 million yen for repayment of lease liabilities and expenditure of 7,945 million yen for repayment of long-term debt.

(Reference) Trends in cash flow indicators

	As of February 2024
Ratio of equity attributable to owners of parent (%)	27.5
Ratio of equity attributable to owners of parent based on market value (%)	168.7
Interest-bearing debt to cash flow ratio (years)	1.2
Interest coverage ratio (time)	97.0

(Note) 1. All calculations are based on consolidated financial figures.

2. The formula for the above indicators is as follows:

Ratio of equity attributable to owners of parent: Equity attributable to owners of parent/Total assets

Ratio of equity attributable to owners of parent based on market value: Market capitalization (excluding treasury stock)/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: operating cash-flow/interest expenses

3. Cash flows from operating activities are based on cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt covers all liabilities reported in the consolidated statement of financial position for which interest is paid (excluding lease liabilities). Interest expense is equal to interest payments as stated in the Consolidated statements of cash flows.

(4) Future outlook

Looking at the outlook for the next fiscal year, on the domestic demand side, it is expected to remain firm due to factors such as the trend toward higher stock prices accompanying an improvement in corporate earnings, the improvement in the employment environment and the continued trend of wage increases, and further expansion in inbound demand. On the supply side, however, the supply-demand gap is expected to continue to worsen due to concerns over persistently high raw material prices and energy costs, including the serious labor shortage and logistics problems caused by the declining birthrate and aging population, as well as uncertainties in the international situation stemming from geopolitical risks such as the situation in Russia, Ukraine and the Middle East.

In the restaurant industry, the business environment is expected to remain challenging due to factors such as continued inflation, including rises in raw material prices, labor costs, and utility costs, in addition to concerns about a supply shortage in terms of human resources, despite the prospect of continued robust demand, such as brisk domestic consumption and inbound tourists, including a recovery in corporate entertainment expenses following the tax reform.

Against this backdrop, our Group aims to achieve sustainable earnings growth based on the 3 pillars of our growth strategy: "reviewing our portfolio with an eye on the post-COVID era, "further evolving the Group Federal Management;" and "improving productivity and solving human resource shortages through DX".

To address the top priority issue, we will work to increase the frequency of repeat visits and the reservation rate of repeat customers in order to increase the number of customers at existing outlets. To this end, the Group will further promote DX investment, such as strengthening online bookings, and invest in repair and renovation of outlets. In addition, the Group will promote "rebranding investment" to improve in-store appeal and comfort, and work to refine its business formats, particularly its core brands.

We will also work to strengthen our contract business in order to strengthen our business portfolio. Specifically, through a business alliance with JA ZEN-NOH, we will accelerate the management of collaborative formats, including "Minori MINORU” and strengthen the development of new restaurants in golf courses. Furthermore, in addition to the Wakuwaku Project, which pursues the unique characteristics of the create restaurants group, and the development of new core brands, the Group will continue to actively engage in domestic and overseas M&A.

In addition, as in the previous fiscal year, we will continue to invest in human equity by expanding the number of employee salary increase funds and strengthening the recruitment of foreign employees. At the same time, we will create an environment and a system in which diverse human resources can realize diverse working styles in order to create "a comfortable workplace" and "a fulfilling workplace." In addition, in order to promote interchange of human resources within the Group, the Group aims to grow sustainably as an organization while utilizing HX (human transformation), such as by undertaking organizational restructuring across the Group.

Based on the above, we forecast consolidated earnings for the fiscal year ending February 2025 to be revenue of 153 billion yen, operating profit of 9.3 billion yen, income before income taxes of 8.7 billion yen, net income of 7 billion yen, and profit attributable to owners of parent of 6.1 billion yen. In addition, adjusted EBITDA is expected to be 26.2 billion yen and adjusted EBITDA margins to be 17.1%.

(Note) The above forecasts are based on information available as of the date of this report. Actual results may differ from the forecasts due to various factors.

2. Basic policies regarding the selection of accounting standards

We have been disclosing consolidated financial statements based on International Financial Reporting Standards (IFRS) since the end of the fiscal year ending February 2019, with the aim of improving the foundations for domestic and international M&A, improving international comparability in equity marketplace, and optimizing business administration through the unification of accounting standards within the Group.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated statements of financial position

(Million yen)

	Previous fiscal year (February 28, 2023)	Fiscal year under review (February 29, 2024)
Assets		
Current assets		
Cash and cash equivalents	23,895	21,305
Trade and other receivables	5,240	5,729
Other financial assets	499	480
Inventories	1,054	1,024
Corporate income taxes receivable	216	1,344
Other current assets	1,361	1,454
Total current assets	32,266	31,340
Non-current assets		
Property, plant and equipment	57,584	56,619
Goodwill	23,688	23,726
Intangible assets	6,177	6,026
Other financial assets	9,390	9,052
Deferred tax assets	3,766	3,413
Other non-current assets	681	637
Total non-current assets	101,288	99,475
Total assets	133,555	130,816

(Million yen)

	Previous fiscal year (February 28, 2023)	Fiscal year under review (February 29, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,538	4,398
Bonds and borrowings	8,608	8,221
Lease liabilities	10,855	11,377
Corporate income taxes payable	472	926
Provisions	2,326	2,236
Other current liabilities	10,039	10,373
Total current liabilities	36,841	37,533
Non-current liabilities		
Bonds and borrowings	26,766	19,361
Lease liabilities	29,298	28,813
Obligations for retirement pay	1,162	1,089
Provisions	3,045	2,963
Deferred tax liabilities	1,630	1,279
Other non-current liabilities	366	404
Total non-current liabilities	62,270	53,911
Total liabilities	99,112	91,444
Equity		
Capital stock	50	50
Capital surplus	22,744	24,688
Retained earnings	6,509	10,193
Treasury stock	-1,217	-1,178
Other components of equity	1,519	2,215
Total equity attributable to owners of parent	29,606	35,969
Non- controlling equity	4,836	3,401
Equity	34,443	39,371
Total liabilities and equity	133,555	130,816

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Million yen)

	Previous fiscal year (March 1, 2022 – February 28, 2023)	Fiscal year under review (March 1, 2023 – February 29, 2024)
Revenue	118,240	145,759
Cost of sales	-33,231	-41,934
Gross profit	85,008	103,825
Selling, general and administrative expenses	-83,131	-94,175
Other operating revenue	7,048	773
Other operating expenses	-3,842	-3,347
Operating profit	5,083	7,075
Financial income	215	220
Financing cost	-733	-663
Profit before taxes	4,565	6,632
Corporate income tax expense	-686	-1,023
Profit for the year	3,878	5,608
Profit attributable to		
Owners of parent	3,385	5,041
Non- controlling equity	493	567
Profit for the year	3,878	5,608
Profit per share attributable to owners of the parent (yen)		
Basic profit per share	16.11	23.97
Diluted earnings per share	-	-

Consolidated statements of comprehensive income

(Million yen)

	Previous fiscal year (March 1, 2022 – February 28, 2023)	Fiscal year under review (March 1, 2023 – February 29, 2024)
Profit for the year	3,878	5,608
Other comprehensive profit		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	5	4
Total	5	4
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	1,188	696
Total	1,188	696
Total other comprehensive profit	1,193	700
Comprehensive profit for the year	5,072	6,309
Comprehensive profit attributable to		
owners of parent	4,577	5,742
Non- controlling equity	495	566
Comprehensive profit for the year	5,072	6,309

(3) Consolidated statements of changes in equity

Previous fiscal year (March 1, 2022 – February 28, 2023)

	Total equity attributable to owners of parent									
					Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Total	Non-controlling equity	Total equity
Balance at March 1, 2022	50	22,628	4,381	-1,246	330	-	330	26,143	4,587	30,730
Profit for the year	-	-	3,385	-	-	-	-	3,385	493	3,878
Other comprehensive profit	-	-	-	-	1,188	3	1,192	1,192	1	1,193
Comprehensive profit for the year	-	-	3,385	-	1,188	3	1,192	4,577	495	5,072
Dividend	-	-	-1,261	-	-	-	-	-1,261	-187	-1,448
Change in equity of parent related to transactions with non-controlling shareholders	-	-60	-	-	-	-	-	-60	-59	-120
Share-based payment transactions	-	178	-	-	-	-	-	178	-	178
Transfer from other components of equity to retained earnings	-	-	3	-	-	-3	-3	-	-	-
Other	-	-1	-	29	-	-	-	28	0	29
Total transactions with owners	-	116	-1,257	29	-	-3	-3	-1,114	-245	-1,360
Balance at February 28, 2023	50	22,744	6,509	-1,217	1,519	-	1,519	29,606	4,836	34,443

Fiscal year under review (March 1, 2023 – February 29, 2024)

(Million yen)

	Total equity attributable to owners of parent									
					Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total	Total	Non-controlling equity	Total equity
Balance at March 1, 2023	50	22,744	6,509	-1,217	1,519	-	1,519	29,606	4,836	34,443
Profit for the year	-	-	5,041	-	-	-	-	5,041	567	5,608
Other comprehensive profit	-	-	-	-	696	4	701	701	-0	700
Comprehensive profit for the year	-	-	5,041	-	696	4	701	5,742	566	6,309
Dividend	-	-	-1,366	-	-	-	-	-1,366	-196	-1,563
Change in equity of parent related to transactions with non-controlling shareholders	-	-15	-	-	-	-	-	-15	-4	-19
Changes in ownership interests in consolidated subsidiaries without a loss of control	-	1,801	-	-	-	-	-	1,801	-1,801	-
Share-based payment transactions	-	178	-	2	-	-	-	180	-	180
Transfer from other components of equity to retained earnings	-	-	4	-	-	-4	-4	-	-	-
Other	-	-20	4	36	-	-	-	20	-0	20
Total transactions with owners	-	1,943	-1,357	38	-	-4	-4	620	-2,002	-1,381
Balance at February 29, 2024	50	24,688	10,193	-1,178	2,215	-	2,215	35,969	3,401	39,371

(4) Consolidated statement of cash flows

(Million yen)

	Previous fiscal year (March 1, 2022 – February 28, 2023)	Fiscal year under review (March 1, 2023 – February 29, 2024)
Cash flows from operating activities		
Profit before tax for the year	4,565	6,632
Depreciation and amortization	15,155	15,512
Impairment loss	3,418	3,097
Interest income	-11	-50
Interest expense	566	603
Loss (gain) on sale of non-current assets	-19	-22
Loss on retirement of non-current assets	38	109
Decrease (increase) in inventories	-102	43
Decrease (increase) in trade and other receivables	402	-653
Increase (decrease) in trade and other payables	1,883	-416
Increase (decrease) in net retirement benefit liability	5	-66
Increase (decrease) in provisions	-404	-88
Other changes	1,696	609
Sub-total	27,196	25,308
Interest and dividend received	15	51
Interest expenses paid	-271	-240
Corporate income taxes paid	-2,795	-2,173
Corporate income taxes refunded	447	345
Cash flows from operating activities	24,593	23,292
Cash flow from investing activities		
Payments into time deposits	-45	-9
Proceeds from withdrawal of time deposits	15	61
Purchase of property, plant and equipment	-1,738	-3,273
Proceeds from sales of property, plant and equipment	37	9
Payments for asset retirement obligations	-294	-229
Purchase of intangible assets	-75	-151
Payments for guarantee deposits	-229	-279
Proceeds from collection of guarantee deposits	333	380
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-213	-
Other	-101	-110
Cash flow from investing activities	-2,311	-3,601

(Million yen)

	Previous fiscal year (March 1, 2022 – February 28, 2023)	Fiscal year under review (March 1, 2023 – February 29, 2024)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	-	400
Proceeds from long-term debt	2,600	-
Repayment of long-term loans payable	-8,336	-7,945
Redemption of bonds	-280	-250
Repayments of lease liabilities	-12,546	-13,120
Cash dividends paid	-1,259	-1,365
Dividends paid to non-controlling interests	-189	-196
Payment for acquisition of subsidiaries' equity from non-controlling interests	-120	-19
Cash flow from financing activities	-20,131	-22,496
Effect of exchange rate change on cash and cash equivalents	242	216
Net increase (decrease) in cash and cash equivalents	2,392	-2,589
Balance of cash and cash equivalents at beginning of period	21,502	23,895
Balance of cash and cash equivalents at year-end	23,895	21,305

(5) Notes on the consolidated financial statements

(Notes on the going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in our consolidated financial statements for the fiscal year under review 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.

The Group has adopted the following criteria effective from the first quarter of the fiscal year under review.

Statement of Standards	Standard name	Outline of new establishment and revision
IAS No. 1	Presentation of financial statements	・Require disclosure of material accounting policies rather than significant accounting policies
IAS No. 8	Changes in accounting policies, estimates and errors	・Clarify how changes in accounting policies should be distinguished from changes in accounting estimates
IAS No. 12	Corporate income tax	・Clarified accounting for deferred taxes on transactions that recognize both assets and liability, such as leasing and abandonment obligations ・Introduction of temporary exceptions to income tax accounting and disclosure requirements resulting from tax laws enacted to introduce the secondary pillar model rule published by the Organization for Economic Co-operation and Development

The adoption of the aforementioned pronouncements did not have a material impact on 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 fiscal year (March 1, 2022 – February 28, 2023)	Fiscal year under review (March 1, 2023 – February 29, 2024)
Profit attributable to owners of parent	3,385	5,041
Weighted average number of common shares outstanding (shares)	210,184,160	210,288,449
Basic earnings per share (yen)	16.11	23.97

(Note) 1. In the calculation of "Basic earnings per share", our stock owned by "Trust-type ESOP for Employees," are included in the treasury stock as a deduction in the calculation of the average number of shares during the period (1,963,572 shares in the previous fiscal year and 1,905,938 shares in the current fiscal year).

2. Diluted earnings per share for the fiscal year is not presented because there are no dilutive shares.

(Significant subsequent events)

None