

# Summary of Business Results for the Third Quarter Ended November 30, 2021 [IFRS] (Consolidated)

January 14, 2022

Company **create restaurants holdings inc.** Listed on the TSE  
 Stock Code 3387 URL: <https://www.createrestaurants.com>  
 Representative Jun Kawai, President  
 Contact Genta Ohuchi, Director, CFO, Management of Accounting Dept. T E L: +81-3-5488-8022  
 Expected date of filing of quarterly report: January 14, 2022 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 nine months ended November 2021 (March 1, 2021 through November 30, 2021)

(1) Consolidated results of operations (% 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	%
Nine months ended Nov. 2021	55,721	-1.8	11,720	-	11,466	-	8,385	-	7,449	-	8,802	-
Nine months ended Nov. 2020	56,732	-43.0	-9,230	-	-9,816	-	-9,869	-	-8,779	-	-10,310	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Nov. 2021	39.58	39.58
Nine months ended Nov. 2020	-47.01	-47.01

(Reference) Adjusted EBITDA: Nine months ended Nov. 2021: 24,219 million yen (555.5%)

Nine months ended Nov. 2020: 3,694 million yen (-79.8%)

(Note 1) "Basic earnings per share" and "Diluted earnings per share" are calculated based on "Profit attributable to owners of the parent."

(Note 2) As for the diluted earnings per share for the nine months ended November 2021, dilutive shares have no dilution effect because the exercise of stock options issued by consolidated subsidiary decreases quarterly loss per share.

(Note 3) Adjusted EBITDA is disclosed as useful comparative information on 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 (1) Qualitative information on the consolidated financial results" 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
	Million yen	Million yen	Million yen	%
As of Nov. 2021	177,035	46,381	39,229	22.2
As of Feb. 2021	161,966	23,264	17,052	10.5

## 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Feb. 2021	-	0.00	-	0.00	0.00
Year ending Feb. 2022	-	1.50	-	-	-
Year ending Feb. 2022 (forecast)	-	-	-	3.00	4.50

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

**3. Forecast of consolidated business results for the fiscal year ending February 2022  
(March 1, 2021 through February 28, 2022)**

(% 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. 2022	91,200	22.5	10,800	-	10,200	-	7,400	-	6,500	34.80

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

(Reference) Adjusted EBITDA: Year ending February 2022 (Forecast): 27,100 million yen (428.2%)

**\*Notes**

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

(2) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies required under IFRS: : Yes

② Changes in accounting policies due to reasons other than ① : None

③ Changes in accounting estimates : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of November 2021 211,145,284 shares

As of February 2021 189,445,284 shares

② Treasury stock at the end of period

As of November 2021 2,660,550 shares

As of February 2021 2,662,150 shares

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

Nine months ended November 2021 188,204,003 shares

Nine months ended November 2020 186,781,201 shares

(Note) Treasury stock to be deducted for the calculation of the number of treasury stock at the end of the period and the average number of stock during period (quarterly cumulative period) include the Company's shares held by the Japan Trustee Services Bank, Ltd. (trust account) as a trust asset related to the Employee Incentive Plan "Trust-type ESOP for Employees."

**\*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) Our Group adopted 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 3 of the attached document for the precautions for using the prerequisites for business forecasts.

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## 1. Qualitative Information on Results for the Current Quarter

### (1) Qualitative information on the consolidated financial results

In the third quarter of the current fiscal year, the Japanese economy was affected by the outbreak of COVID-19, as same as the previous fiscal year. Due to the intermittent application of the stricter COVID-19 measures and the declaration of the State of Emergency, economic activities were restrained. Reflecting this situation, corporate activities and consumer spending have been weak. However, since the vaccination rate increased and the number of new cases was staying low, the government lifted all the State of Emergency in 19 prefectures and the stricter COVID-19 measures in 8 prefectures on September 30, 2021. Since October, amidst the continued spread of vaccinations and treatment drugs, the government has announced a policy of relaxing restrictions so that people can continue their daily life and economic and social activities while preventing the spread of infectious. With this, consumption activities have shown signs of a gradual recovery, although some weakness remains in them.

In the restaurant industry, there is a need to respond to lifestyle changes, such as the increase in remote workers and the self-restraint of business dinners. In addition, the number of customers had been declining reflecting the suspend of operations and shortening of business hours, etc. due to the State of Emergency by governments and local governments and various requests related to stricter COVID-19 measures. However, the harsh business environment showed signs of recovery backed by the subsidy system by each local government. In addition, after the lifting of the State of Emergency and other measures, we received requests from local governments to shorten operating hours and refrain from dining with large number of people to prevent rebounds in COVID-19 cases. However, on October 25, the government lifted requests to shorten operating hours in Tokyo, Osaka, and five other prefectures. As a result, the number of customers is showing a recovery trend.

Under these circumstances, our group cooperated to prevent the spread of infections and to protect the health of customers and our employees. In response to the requests from governments and local governments for shorter operating hours and the ban on serving alcohol, we temporarily suspended many outlet operations for a period of time, particularly in the izakaya format in downtown areas. Meanwhile, since the previous fiscal year, our group has continued to strengthen operations to reduce personnel expenses, rent, and other fixed costs. At the same time, the Group has promoted a shift to a lean cost structure by thoroughly closing outlets, mainly unprofitable outlets. The Group has maintained a system that can respond to the decline in revenue due to the impact of COVID-19 by applying for employment adjustment subsidies and subsidy for shorten operating hours, etc. In addition, we established a joint venture with consolidated subsidiary SFP Holdings Co., Ltd. to undertake purchasing planning functions, and promoted cost reduction and maximization of foodstuff value by strengthening supply chain management. Under the leadership of the DX Promotion Office established in August, we continued to focus on preparations for the introduction of the mobile order system and the utilization of mobile apps tailored to each outlet format as the Group's digital transformation (DX) efforts. As a result, although our third quarter performance has been severely affected by COVID-19, we were able to ensure surplus in operating profit and other each profit as in the second quarter. As a result of establishing a system that can respond to the decline in revenue through the aforementioned measures, we have determined that we could ensure profitability at each profit for the full year.

The Company has secured sufficient working capital, which is required until the spread of infection is controlled, through borrowings from financial institutions executed in the previous fiscal year, etc. In addition, as a result of procuring funds through a perpetual subordinated loan in February 2021 and a public offering of new shares in November 2021, financial stability has also been ensured.

As a result, in the third quarter of the current fiscal year, revenue was 55,721 million yen (down 1.8% year on year), operating profit was 11,720 million yen (9,230 million yen of loss in the same period of the previous fiscal year), profit before taxes was 11,466 million yen (9,816 million yen of loss in the same period of the previous fiscal year), profit for the period was 8,385 million yen (9,869 million yen of loss in the same period of the previous fiscal year), and profit attributable to owners of parent was 7,449 million yen (8,779 million yen of loss in the same period of the previous fiscal year). Adjusted EBITDA was 24,219 million yen (up 555.5% year on year) and Adjusted EBITDA margin was 43.5% (6.5% in the same period of the previous fiscal year) (Note 1).

(Note 1) Adjusted EBITDA and Adjusted EBITDA margin are used as a useful indicator of our financial results.

The formula for Adjusted EBITDA and Adjusted EBITDA margin is 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

### (2) Qualitative information on consolidated financial position

#### (1) Assets, liabilities and shareholders' equity

##### (Assets)

Current assets at the end of the third quarter of the current fiscal year were 67,763 million yen, increased by 22,013 million yen from the end of the previous fiscal year. This was mainly due to increases of 15,559 million yen in cash and cash equivalents and 6,976 million yen in trade and other receivables.

Noncurrent assets at the end of the third quarter of the current fiscal year were 109,271 million yen, decreased by 6,945

million yen from the end of the previous fiscal year. This was mainly due to decreases of 6,634 million yen in property, plant and equipment and 556 million yen in guarantee deposits included in other financial assets.

(Liabilities)

The balance of liabilities at the end of the third quarter of the current fiscal year was 130,654 million yen, decreased by 8,048 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,767 million yen in income taxes payable, and decreases of 6,061 million yen in bonds and borrowings and 4,628 million yen in lease obligations.

(Assets)

The balance of shareholders' equity at the end of the third quarter of the current fiscal year was 46,381 million yen, increased by 23,116 million yen from the end of the previous fiscal year. This was mainly due to increases of 16,013 million yen in capital surplus and 6,707 million yen in retained earnings.

The ratio of equity attributable to owners of the parent (equity ratio) is 22.2%.

(2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter "Net cash") at the end of the third quarter of the current fiscal year was 52,872 million yen, increased by 15,559 million yen from the end of the previous fiscal year.

The status of each cash flow in the third quarter of the current fiscal year and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the third quarter was 18,392 million yen (125 million yen was used in the same period of the previous fiscal year). This was mainly due to the recording of 12,241 million yen in depreciation and amortization, 11,466 million yen in profit before taxes, and -7,279 million yen in change in trade and other receivables.

(Cash flow from investing activities)

Net cash used in investing activities in the third quarter was 775 million yen (down 74.6% year on year). This was mainly due to purchase of property, plant and equipment of 1,092 million yen.

(Cash flow from financing activities)

Net cash provided by financing activities in the third quarter was 2,084 million yen (23,168 million yen was provided in the same period of the previous fiscal year). This was mainly due to proceeds from issuance of shares of 14,943 million yen, repayments of lease liabilities of 9,941 million yen, repayments of long-term loans payable of 5,806 million yen, and net increase (decrease) in short-term borrowings of 1,500 million yen.

(3) Qualitative information on the consolidated business forecasts

As for the outlook for the current fiscal year, the timing of the containment of COVID-19 is not clearly foreseen, and we expect that the period of instability will continue, with revenues and profits depending on the infection situation. In addition, customers' lifestyles are changing due to the impact of COVID-19, and it is still difficult to predict what kind of lifestyles will take root in the future.

We will strengthen our business foundation by securing profits by focusing on reviewing outlet locations and developing new business formats in anticipation of post-COVID era, and maintaining and reinforcing the lean management structure realized through thorough cost reductions undertaken to combat COVID-19, on the assumption that customer needs will not completely reverse.

As the performance for the third quarter of the current fiscal year has been generally in line with forecasts, the full-year business forecasts for the fiscal year ending February 2022, which was announced on October 14, 2021, remain unchanged.

## 2. Condensed Quarterly Consolidated Financial Statements and Major Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Third Quarter (November 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	37,312	52,872
Trade and other receivables	5,287	12,264
Other financial assets	283	596
Inventories	659	728
Other current assets	2,207	1,302
Total current assets	45,750	67,763
Non-current assets		
Property, plant and equipment	71,692	65,058
Goodwill	23,060	23,262
Intangible assets	7,117	6,996
Other financial assets	10,147	9,399
Deferred tax assets	4,187	3,876
Other non-current assets	11	677
Total non-current assets	116,216	109,271
Total assets	161,966	177,035

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Third Quarter (November 30, 2021)
Liabilities and assets		
Liabilities		
Current liabilities		
Trade and other payables	2,449	3,372
Bonds and borrowings	40,298	38,596
Lease liabilities	11,360	10,563
Other financial liabilities	84	51
Income taxes payable	523	2,291
Provision	2,146	1,764
Other current liability	7,796	8,437
Total current liabilities	64,659	65,077
Non-current liability		
Bonds and borrowings	29,967	25,607
Lease liabilities	37,408	33,575
Obligations for retirement pay	774	729
Provision	3,343	3,382
Deferred tax liabilities	2,049	1,999
Other non-current liabilities	500	282
Total non-current liabilities	74,042	65,576
Total liabilities	138,702	130,654
Capital		
Capital stock	1,012	50
Capital surplus	3,267	19,280
Other equity instruments	14,832	14,832
Retained earnings	-618	6,088
Treasury stock	-1,250	-1,249
Other components of equity	-189	227
Equity attributable to the owners of parent	17,052	39,229
Non-controlling equity	6,211	7,151
Total capital	23,264	46,381
Total liabilities and shareholders' equity	161,966	177,035

(2) Condensed Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Income

Cumulative Third Quarter

(Million yen)

	Previous Third Quarter (March 1, 2020 - November 30, 2020)	Current Third Quarter (March 1, 2021- November 30, 2021)
Revenue	56,732	55,721
Cost of sales	-16,221	-15,672
Gross profit	40,510	40,049
Selling, general and administrative expenses	-57,715	-52,652
Other operating revenue	10,226	25,534
Other operating expenses	-2,252	-1,210
Operating profit (loss)	-9,230	11,720
Financial income	10	232
Financing cost	-596	-486
Profit (loss) for the period	-9,816	11,466
Corporate income tax expense	-53	-3,080
Profit (loss) for the period	-9,869	8,385
Net profit attributable to		
Owners of parent	-8,779	7,449
Non-controlling equity	-1,089	935
Profit (loss) for the period	-9,869	8,385
Profit per share attributable to owners of parent (yen)		
Basic earnings (loss) per share	-47.01	39.58
Diluted earnings (loss) per share	-47.01	39.58



## Current Third Quarter

(Million yen)

	Previous Third Quarter (September 1, 2020 to November 30, 2020)	Current Third Quarter (September 1, 2021 to November 30, 2021)
Revenue	24,700	21,227
Cost of sales	-6,852	-5,950
Gross profit	17,847	15,276
Selling, general and administrative expenses	-19,309	-17,925
Other operating revenue	2,866	7,801
Other operating expenses	-875	-747
Operating profit	529	4,405
Financial income	32	48
Financing cost	-180	-157
Profit before taxes	381	4,295
Corporate income tax expense	-81	-1,177
Profit for the period	300	3,118
Net profit attributable to		
Owners of parent	385	2,625
Non-controlling equity	-85	492
Profit for the period	300	3,118
Profit per share attributable to owners of parent (yen)		
Basic earnings per share	2.06	13.74
Diluted earnings per share	2.06	13.74

Consolidated Statements of Comprehensive Profit  
Cumulative Third Quarter

(Million yen)

	Previous Third Quarter (March 1, 2020 - November 30, 2020)	Current Third Quarter (March 1, 2021 - November 30, 2021)
Profit (loss) for the period	-9,869	8,385
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-441	417
Total	-441	417
Total other comprehensive profit	-441	417
Comprehensive profit	-10,310	8,802
Comprehensive profit attributable to		
Owners of parent	-9,221	7,866
Non-controlling equity	-1,089	935
Comprehensive profit	-10,310	8,802

## Cumulative Third Quarter

(Million yen)

	Previous Third Quarter (September 1, 2020 to November 30, 2020)	Current Third Quarter (September 1, 2021 to November 30, 2021)
Profit for the period	300	3,118
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-113	210
Total	-113	210
Total other comprehensive profit	-113	210
Comprehensive profit	186	3,329
Comprehensive profit attributable to		
Owners of parent	272	2,836
Non-controlling equity	-85	492
Comprehensive profit	186	3,329

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

Previous Third Quarter (March 1, 2020 to November 30, 2020)

(Million yen)

	Equity attributable to owners of parent							(million yen)	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity		Total	Non-controlling equity	Total capital
					Foreign currency translation adjustments	Total			
Balance at March 1, 2020	1,012	3,153	13,244	-1,252	58	58	16,216	7,899	24,115
Profit (loss) for the period	-	-	-8,779	-	-	-	-8,779	-1,089	-9,869
Other comprehensive profit	-	-	-	-	-441	-441	-441	-	-441
Comprehensive profit	-	-	-8,779	-	-441	-441	-9,221	-1,089	-10,310
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-2	-	-	-	-	-2	2	0
Share-based payment transactions	-	93	-	-	-	-	93	-	93
Other	-	-0	-	0	-	-	0	0	0
Total transactions with owners	-	90	-	0	-	-	91	3	94
Balance at November 30, 2020	1,012	3,244	4,464	-1,251	-382	-382	7,086	6,812	13,899

Current Third Quarter (March 1, 2021 to November 30, 2021)

(Million yen)

	Equity attributable to owners of parent									(million yen)
						Other components of equity				
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Foreign currency translation adjustments	Total	Total	Non-controlling equity	Total capital
Balance at March 1, 2021	1,012	3,267	14,832	-618	-1,250	-189	-189	17,052	6,211	23,264
Profit for the period	-	-	-	7,449	-	-	-	7,449	935	8,385
Other comprehensive profit	-	-	-	-	-	417	417	417	-	417
Comprehensive profit	-	-	-	7,449	-	417	417	7,866	935	8,802
Dividend	-	-	-	-283	-	-	-	-283	-	-283
Capital reduction	-962	962	-	-	-	-	-	-	-	-
Issuance of new shares	7,510	7,510	-	-	-	-	-	15,020	-	15,020
Stock issuance costs	-	-77	-	26	-	-	-	-50	-	-50
Transfer from capital stock to capital surplus	-7,510	7,510	-	-	-	-	-	-	-	-
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-1	-	-	-	-	-	-1	4	2
Share-based payment transactions	-	109	-	-	-	-	-	109	-	109
Payments of distributions to owners of other equity instruments	-	-	-	-485	-	-	-	-485	-	-485
Other	-	-0	-	-	0	-	-	0	-0	0
Total transactions with owners	-962	16,013	-	-742	0	-	-	14,309	4	14,313
Balance at November 30, 2021	50	19,280	14,832	6,088	-1,249	227	227	39,229	7,151	46,381

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Previous Third Quarter (March 1, 2020 - November 30, 2020)	Current Third Quarter (March 1, 2021 - November 30, 2021)
Cash flows from operating activities		
Profit (loss) for the period	-9,816	11,466
Depreciation and amortization	12,951	12,241
Impairment loss	1,724	591
Interest income	-10	-6
Interest expense	440	486
Loss (gain) on sale of non-current assets	-1	1
Loss on retirement of fixed assets	23	11
Decrease (increase) in inventories	242	-61
Decrease (increase) in trade and other receivables	-603	-7,279
Increase (decrease) in trade and other payables	-1,140	897
Increase (decrease) in net retirement benefit liability	26	10
Increase (decrease) in allowance	-41	-25
Other changes	-2,179	205
Sub-total	1,614	18,539
Interest and dividend received	10	3
Interest expenses paid	-222	-257
Income taxes paid	-1,529	-856
Income taxes refunded	0	962
Cash flows from operating activities	-125	18,392
Cash flow from investing activities		
Payments into time deposits	-60	-325
Proceeds from withdrawal of time deposits	573	30
Purchase of property, plant and equipment	-2,939	-1,092
Proceeds from sales of property, plant and equipment	4	53
Payments for asset retirement obligations	-468	-323
Purchase of intangible assets	-79	-21
Payments of guarantee deposits	-116	-28
Proceeds from collection of guarantee deposits	476	958
Other	-445	-27
Cash flow from investing activities	-3,056	-775

	(Million yen)	
	Previous Third Quarter (March 1, 2020 - November 30, 2020)	Current Third Quarter (March 1, 2021 - November 30, 2021)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	40,910	-1,500
Proceeds from long-term debt	2,080	1,530
Repayment of long-term loans payable	-10,192	-5,806
Proceeds from issuance of shares	-	14,943
Redemption of bonds	-271	-288
Repayments of lease liabilities	-9,355	-9,941
Cash dividends paid	-2	-276
Payments of distributions to owners of other equity instruments	-	-747
Other	0	3
Cash flow from financing activities	23,168	-2,084
Effect of exchange rate change on cash and cash equivalents	-29	26
Net increase (decrease) in cash and cash equivalents	19,957	15,559
Balance of cash and cash equivalents at beginning of period	17,918	37,312
Balance of cash and cash equivalents at period-end	37,876	52,872

## (5) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in the Group's condensed quarterly consolidated financial statements are identical to the accounting policies applied in the consolidated financial statements for the previous fiscal year.

The income tax expense for the third quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

From the first quarter of the current fiscal year, the Group has adopted the following standard.

IFRS	Outline of new standard and amendment
IFRS No. 16 Leases	The amended accounting treatment for rent reductions related to COVID-19 after June 30, 2021

This revision allows lessees that have received rent reductions and exemptions as a direct consequence of the spread of a new coronavirus (COVID-19) infections to select a simplified accounting treatment. The period of application has been extended by the revision in March 2021.

Our Group has applied this method to the reduction of rent that meets the above requirements continued from the previous fiscal year.

Profit before taxes for the third quarter of the current fiscal year increased by 743 million yen due to the adoption of this new accounting standard.

(Segment Information)

Segment information is omitted because the Group's business is categorized as restaurant business and there are no segments to be categorized.

(Per-stock Information)

Basic earnings (loss) per share and diluted earnings (loss) per share and the basis for calculation are as follows.

	(Unit: Million yen)	
	Previous Third Quarter (March 1, 2020 to November 30, 2020)	Current Third Quarter (March 1, 2021 to November 30, 2021)
Profit (loss) attributable to owners of parent	-8,779	7,449
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-	-0
Profit (loss) for the period used to compute diluted earnings per share	-8,779	7,449
Weighted average number of shares of common shares outstanding (shares)	186,781,201	188,204,003
Weighted average number of common diluted shares outstanding (shares)	186,781,201	188,204,003
Basic earnings (loss) per share (yen)	-47.01	39.58
Diluted earnings (loss) per share (yen)	-47.01	39.58
Summary of potentially dilutive securities not included in the calculation of diluted loss per share due to their anti-dilutive effect	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000 shares)	-

(Note) 1. "Basic earnings (loss) per share" and "Diluted earnings (loss) per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares, from the calculation of the average number of shares during the period. (Previous third quarter: 1,997,532 shares, current third quarter: 1,995,094 shares)

2. In the diluted loss per share for the third quarter of the current fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of "diluted loss per share" because they are anti-dilutive.

(Unit: Million yen)

	Previous Third Quarter (September 1, 2020 to November 30, 2020)	Current Third Quarter (September 1, 2021 to November 30, 2021)
Profit attributable to owners of parent	385	2,625
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-	-
Profit for the period used to compute diluted earnings per share	385	-
Weighted average number of shares of common shares outstanding (shares)	186,781,534	191,076,709
Weighted average number of common diluted shares outstanding (shares)	186,781,534	-
Basic earnings per share (yen)	2.06	13.74
Diluted earnings per share (yen)	2.06	-
Summary of potentially dilutive securities not included in the calculation of diluted earnings per share due to their anti-dilutive effect	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000 shares)	-

- (Note) 1. "Basic earnings per share" and "Diluted earnings per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares, from the calculation of the average number of shares during the period. (Previous third quarter: 1,997,200 shares, Current third quarter: 1,994,331 shares)
2. In the diluted earnings per share for the third quarter of the previous fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of "diluted earnings per share" because they are anti-dilutive.
3. Diluted earnings per share for the third quarter of the current fiscal year is not presented since there were no dilutive shares.

(Significant subsequent events)

(Issuance of new shares through third-party allotment and decrease in the amount of capital stock)

At a meeting of the Board of Directors held on October 28, 2021, we resolved to issue new shares through a third-party allotment of shares to Mizuho Securities Co., Ltd., and the payment was completed on December 15, 2021.

- |     |   |   |
|-----|---|---|
| (1) | Type and number of shares issued                | Common shares: 1,669,000 shares   |
| (2) | Amount to be paid                               | 692.20 yen per share  |
| (3) | Total amount to be paid                         | 1,155 million yen   |
| (4) | Amount of increased capital and capital surplus | Increased capital: 577 million yen<br>Increased capital surplus: 577 million yen  |
| (5) | Payment date                                    | December 15, 2021   |
| (6) | Allottee  | Mizuho Securities Co., Ltd.   |
| (7) | Use of funds                                    | The funds will be used for outlet capital investment, such as domestic and overseas new outlet openings, business format changes, and renovations, as well as for DX promotion and repayment of long-term debt, including perpetual subordinated loans. |

In addition, based on the resolution of the Board of Directors meeting held on July 19, 2021, the reduction in the amount of capital stock became effective at the same time as the issuance of new shares. As a result, capital stock decreased by 577 million yen and capital surplus increased by 577 million yen.