April 13, 2021

Notice of Revision to Business Forecasts

create restaurants holdings inc. announces that we have revised its business forecasts which were announced on January 14, 2021, in view of recent trends in operating results. Details are as follows.

1. Revision to business forecasts

Business forecasts for the fiscal year ended February 2021 (March 1, 2020 to February 28, 2021)

(Million yen, rounded down to the nearest million)

	Revenue	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of parent	Basic earnings per share (Yen, Note 1)	(Reference) Adjusted EBITDA (Note 2)
Previous forecasts (A) (announced on January 14, 2021)	77,000	-9,200	-9,800	-9,900	-8,400	-44.97	6,860
Revised forecasts (B)	74,425	-14,434	-15,274	-15,824	-14,127	-75.64	4,877
Increase/ decrease (B-A)	-2,574	-5,234	-5,474	-5,924	-5,727		-1,982
Percentage change (%)	-3.3	-	-	-	-		-28.9
(Reference) Previous results (FY2/20) (Note 3)	139,328	3,378	3,012	1,745	1,205	6.45	25,212

(Note 1) On March 1, 2020, the Company conducted a 2-for-1 stock split of its common stock. Therefore, "Basic earnings per share" is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended February 2020.

(Note 2) The adjusted EBITDA is presented as a useful indicator of business performance.
The formula for adjusted EBITDA is as follows:
Adjusted EBITDA= Operating profit + Other operating expenses - Other operating revenues (excluding sponsorship income, subsidies for employment adjustment and rent reduction and exemption, etc.) + Depreciation and amortization + non-recurring expense items (advisory expenses related to share acquisition, etc.)

(Note 3) During the current fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the related consolidated operating results for the previous fiscal year reflect the provisional accounting treatment.

2. Reason for the revision

Revenue is expected to fall short of the previous forecast as our outlets were significantly impacted by shortened operating hours and temporary closures. This is caused by the extended State of Emergency declared in January 2021, which was originally expected to last until February 7, but was postponed to the end of February or later in most regions.

We expect each profit to fall short of the previous forecasts due to the following factors: a decrease in profit reflecting a decrease in revenue, despite our continued efforts to reduce fixed costs and promote "scrap and build" approach; a postponement of the receipt and posting of financial aid from local governments due to the shortening of operating hours to the next fiscal year; a loss associated with the closure of outlets due to aggressive "scrap and build" approach; and conservatively added an impairment loss on valuation based on the full-year forecast for the fiscal year ending February 2022.