

February 28, 2022

Notice of Repayment of Borrowings by its Subsidiary

As shown in the appendix, SFP Holdings Co., Ltd., our consolidated subsidiary, has published information on the repayment of borrowings.

Please refer to the "Notice of Borrowing and Repayment of Funds" announced today for details of our disclosure.

February 28, 2022

Notice of Repayment of Borrowings

SFP Holdings Co., Ltd. has partially repaid the borrowing on February 28, 2022, as shown below.

1. Reason for the repayment

We made short-term borrowings from March to May 2020 to increase liquidity on hand, as the impact of the outbreak of COVID-19 on our business was uncertain. Thereafter, sales declined temporarily due to requests from governments and local governments to suspend operations and shorten operating hours with each intermittent epidemic. At the same time, we have reduced fixed costs and closed unprofitable outlets to improve our earnings structure. Meanwhile, we have been able to curb cash outflows by applying for employment adjustment subsidies and subsidy for shorter operating hours. Although there remains uncertainty about future trends related to COVID-19, we have decided to repay the funds that we judge to be surplus in light of financial balance, working capital needs, and investments for regrowth.

2. Overview of repayment (Short-term borrowings)

(1) Lenders	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., etc.
(2) Outstanding borrowings before repayment	9.35 billion yen
(3) Amount of repayment	9.145 billion yen
(4) Outstanding borrowing after repayment	205 million yen
(5) Initial borrowing period	March - May 2020
(6) Repayment date	February 28, 2022

3. Future outlook

The repayment of borrowing has a minor impact on the business results for the fiscal year ending February 2022.