

April 13, 2023

**Notice of Recording of Impairment Loss on a Consolidated Basis, and
Recording of Extraordinary Profit on a Non-Consolidated Basis**

create restaurants holdings inc. announces that we have recorded an impairment loss on a consolidated basis, and also recorded an extraordinary profit on a non-consolidated basis during the fourth quarter of the fiscal year under review (December 1, 2022-February 28, 2023).

1. Details of an impairment loss on a consolidated basis

We are closing unprofitable outlets as part of our portfolio review with an eye on the post-COVID era. In the fourth quarter of the fiscal year under review, we have recorded a loss related to the additional closure of unprofitable outlets. In addition, we have recorded an impairment loss totaling 1,756 million yen, following a conservative review of the future recoverability of non-current assets, due in part to an increase in the weighted average cost of capital (WACC) both in Japan and overseas. The cumulative impairment loss for the full year was 3,418 million yen, an increase of 2,418 million yen from the initial forecast.

2. Details of an extraordinary profit (reversal of provision for loss on business of subsidiaries and associates) on a non-consolidated basis

In the fiscal year ended February 2021, in view of the worsening performance at some of our subsidiary due to the spread of COVID-19, we recorded a provision for loss on business of subsidiaries and associates as a reserve for our subsidiaries. However, due to the improved performance of subsidiaries, we recorded a reversal of provision for loss on business of subsidiaries and associates of 1,176 million yen as an extraordinary profit.

3. Impact on business results

The recording of impairment loss on a consolidated basis has been factored into the "Notice of Revision to Business Forecasts" announced today (available only in Japanese).

The reversal of provision for loss on business of subsidiaries and associates are recorded only in the non-consolidated financial statements and eliminated in the consolidated financial statements, and thus have no impact on consolidated results.