

July 12, 2019

Notice of Revisions to Business Forecasts

In view of recent trends in business results, create restaurants holdings inc. announces that the Company has revised its business forecasts announced on April 12, 2019.

1. Revisions to Business Forecasts

(1) Revisions to business forecasts for the fiscal year ending February 2020

(March 1, 2019 to February 29, 2020)

(Figures are rounded down to the nearest million yen)

(Million yen)

	Revenue	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of parent	Basic profit per share (Yen)	(Reference) Adjusted EBITDA (Note 2)
Previous forecasts (A)	124,000	5,800	5,600	3,800	3,100	32.84	11,000
Revised forecasts (B)	130,000	6,700	6,300	4,000	3,300	35.34	22,700
Increase/decrease (B-A)	+6,000	+900	+700	+200	+200		+11,700
Percentage change (%)	+4.8	+15.5	+12.5	+5.3	+6.5		+106.4
(Reference) Previous results (FY2/19)	119,281	3,975	3,688	2,072	1,321	14.05	10,814

(Note 1) The Company has voluntarily adopted the International Financial Reporting Standards (IFRS) accounting from the full-year business results for the fiscal year ended February 2019.

(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) + Depreciation and amortization + non-recurring expense items (advisory expenses related to share acquisition, etc.)

(2) Reasons for the revisions

The Company's performance are expected to exceed the previously announced forecasts owing to the current strong performance and the effect of contribution from SSL, Inc. since the Company will acquire the shares as its consolidated subsidiary (the company name of SSL, Inc. will be changed to Create Sports & Leisure Co., Ltd.) on September 1, 2019, as announced in the "Notice of Acquisition of Some Restaurant Operations of the Seiyu Food-Compass Group, Inc. (Sports and Leisure Businesses)" dated June 26, 2019.

In addition, from the first quarter of the fiscal year ending February 2020, the Company has adopted IFRS No. 16, Leases standard, and after considering the effects of this, adjusted EBITDA is expected to increase significantly.

*The above forecasts are based on information available at the time this report was released. Actual results may differ from these forecasts for various factors.