

January 14, 2021

Notice of Revisions to Business Forecasts of its Subsidiary

create restaurants holdings inc. announces that SFP Holdings Co., Ltd., a subsidiary of our company, announced a reversal of deferred tax assets and a revision to its consolidated business forecasts as shown in the attached sheet.

For details of our consolidated results, please refer to the "Notice of Revisions to Business Forecasts" dated January 14, 2021.

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**Notice of Reversal of Deferred Tax Assets and
Revisions to Consolidated Business Forecasts**

In view of recent trend in operating results, SFP Holdings Co., Ltd. resolved to reverse deferred tax assets in the third quarter of the fiscal year ending February 2021 and revise its consolidated business forecasts for the fiscal year ending February 2021 (March 1, 2020 to February 28, 2021) that were announced on July 14, 2020 as follows.

1. Reversal of deferred tax assets

As a result of careful examination of the recoverability of deferred tax assets, taking into account the overall impact of COVID-19 on performance and other factors, we recorded a total of 755 million yen in corporate tax adjustments in the third quarter of the fiscal year ending February 2021, due to the reversal of deferred tax assets and other factors.

2. Revisions to consolidated business forecasts

Consolidated business forecasts for the fiscal year ending February 2021 (March 1, 2020 to February 28, 2021)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A)	25,000	-2,500	-2,200	-1,300	-50.48
Revised forecasts (B)	18,500	-4,300	-4,000	-3,800	-147.42
Increase/decrease (B-A)	-6,500	-1,800	-1,800	-2,500	-
Percentage change (%)	-26.0	-	-	-	-
(Reference) Previous results (FY2/20)	40,216	2,549	2,914	1,461	56.74

2. Reasons for the revision

With regard to the consolidated business forecasts for the fiscal year ending February 2021, net sales are expected to fall below the previous forecast, and operating income and ordinary income are also expected to fall below the previous forecasts accordingly. This is mainly due to the fact that our outlets are shortening opening hours and implementing temporary closures in response to the re-issuance of the State of Emergency due to the spread of COVID-19.

In addition, net income attributable to owners of parent is expected to be significantly lower than the previous forecast due to the impact of the reversal of deferred tax assets described above.

This consolidated business forecasts are based on information currently available and certain assumptions judged to be reasonable, and actual results may differ significantly due to various factors. The impact of COVID-19 in the future may fluctuate significantly, and we will promptly announce any events that may affect the Group's performance.