

Summary of Business Results for the Third Quarter Ended November 30, 2020 [IFRS] (Consolidated)

January 14, 2021

Company **create restaurants holdings inc.** Listed on the TSE
 Stock Code 3387 URL: <https://www.createrestaurants.com>
 Representative Haruhiko Okamoto, President
 Contact Genta Ohuchi, Executive Officer, CFO, Management of Accounting Dept. TEL: +81-3-5488-8022
 Expected date of filing of quarterly report: January 14, 2021 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the nine months ended November 2020 (March 1, 2020 through November 30, 2020)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the period		Profit attributable to owners of parent		Total comprehensive profit for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Nov. 2020	56,732	-43.0	-9,230	-	-9,816	-	-9,869	-	-8,779	-	-10,310	-
Nine months ended Nov. 2019	99,481	12.8	4,786	44.7	4,573	47.5	2,907	49.1	2,465	79.9	3,020	50.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Nov. 2020	-47.01	-47.01
Nine months ended Nov. 2019	13.20	13.19

(Reference) Adjusted EBITDA: Nine months ended Nov. 2020: 3,694 million yen (-79.8%)

Nine months ended Nov. 2019: 18,335 million yen (138.6%)

(Note 1) "Basic earnings per share" and "Diluted earnings per share" are calculated based on "Profit attributable to owners of the parent."

(Note 2) As for the diluted earnings per share for the nine months ended November 2020, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of diluted earnings per share because they are anti-dilutive.

(Note 3) As of March 1, 2020, the Company conducted a 2-for-1 stock split. Therefore, "Basic earnings per share" and "Diluted earnings per share" have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Note 4) Adjusted EBITDA is disclosed as useful comparative information on the business performance of the Group. For definitions and calculation methods of Adjusted EBITDA, please refer to "1. Qualitative Information on Results for the Current Quarter (1) Qualitative information on the consolidated financial results" on page 2 of the attached document.

(Note 5) During the fourth quarter of the previous fiscal year and the third quarter of the current fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the related consolidated operating results for the third quarter of the previous fiscal year reflect the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	Million yen	Million yen	Million yen	%
As of Nov. 2020	163,446	13,899	7,086	4.3
As of Feb. 2020	150,317	24,115	16,216	10.8

(Note) During the fourth quarter of the previous fiscal year and the third quarter of 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. Dividends

	Annual dividend					
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total	
	Yen	Yen	Yen	Yen	Yen	Yen
Year ended Feb. 2020	-	6.00	-	0.00	6.00	
Year ending Feb. 2021	-	0.00	-	-	-	
Year ending Feb. 2021 (forecast)	-	-	-	-	-	

(Note) Revisions to dividend forecast for the current quarter: None

**3. Forecast of consolidated business results for the fiscal year ending February 2021
(March 1, 2020 through February 28, 2021)**

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2021	77,000	-44.7	-9,200	-	-9,800	-	-9,900	-	-8,400	-	-44.97

(Note) Revisions to business forecast for the current quarter: Yes

(Reference) Adjusted EBITDA: Year ending February 2021 (Forecast): 6,860 million yen (-72.8%)

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies required under IFRS: : Yes

② Changes in accounting policies due to reasons other than ① : None

③ Changes in accounting estimates : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of November 2020 189,445,284 shares

As of February 2020 189,445,284 shares

② Treasury stock at the end of period

As of November 2020 2,663,750 shares

As of February 2020 2,664,750 shares

③ Average number of stock during period (quarterly cumulative period)

Nine months ended November 2020 186,781,201 shares

Nine months ended November 2019 186,779,523 shares

(Note 1) Treasury stock to be deducted for the calculation of the number of treasury stock at the end of the period and the average number of stock during period (quarterly cumulative period) include the Company's shares held by the Japan Trustee Services Bank, Ltd. (trust account) as a trust asset related to the Employee Incentive Plan "Trust-type ESOP for Employees."

(Note 2) As of March 1, 2020, the Company conducted a 2-for-1 stock split. Therefore, the number of shares has been calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended February 2020.

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

(1) Our Group adopted International Financial Reporting Standards ("IFRS").

(2) Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. Please refer to page 3 of the attached document for the precautions for using the prerequisites for business forecasts.

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1. Qualitative Information on Results for the Current Quarter

(1) Qualitative information on the consolidated financial results

In the third quarter of the current fiscal year, the Japanese economy was extremely severe, as the Japanese government announced the State of Emergency over the spread of new coronavirus (COVID-19) infections in April, and consumption activities decreased dramatically due to refrain from non-essential going out. After the lifting of the State of Emergency in May, economic activities have been gradually recovered and consumer spending has been picking up thanks to the government-led "Go To Campaign" and other measures to stimulate demand. However, currently the second and third waves of COVID-19 have emerged, and economic activities continued to be affected by the trends of COVID-19.

In the restaurant industry as well, the business environment remains difficult, influenced by trends for COVID-19, due to a decrease in the number of customers reflecting the effect of self-restraint in going out and requests for shorter operating hours by local governments, and a decrease of business dinners and parties particularly in urban areas reflecting the expansion of remote working mainly by major companies.

In response to the government's State of Emergency, many of our outlets located in commercial facilities which temporarily suspended operations and izakaya formats in downtown areas, were forced to suspend its operations. Operations resumed in stages after the lifting of the State of Emergency, and revenue is on a recovery trend despite the impact of trends for COVID-19. Besides, although the number of visitors has been on the rise due to the "Go To Campaign" and other measures, it is still necessary to operate some outlets with shortened operating hours and limit seating capacity to allow for social distancing to prevent the spread of infection.

Under these circumstances, to secure revenue, our group aggressively participated in "Go To Campaign" while thoroughly implementing the COVID-19 prevention measures at each outlet. Also, our group is reducing expenditures through a variety of measures to secure profits by minimizing costs, such as reducing labor costs through furlough for employees at outlets suspended its operation, negotiating for reductions or exemptions of rents, and curbing new investments. Also, the head office has shifted to an emergency system with promoting furlough and teleworking for employees. Furthermore, on September 1, 2020, we reorganized the Group and merged five consolidated subsidiaries into two companies to improve the efficiency of the head office operations of each company. Besides, we established a shared services subsidiary for accounting and human resource administration with SFP Holdings Co., Ltd., a consolidated subsidiary, for cost reduction and operational efficiency by sharing and standardizing operations.

In addition to improving profitability through aforementioned measures, we have secured the necessary working capital with funds on hand and borrowings from financial institutions in the third quarter of the current fiscal year. Accordingly, we believe that there is no material uncertainty regarding the premise of a going concern.

As a result, in the third quarter of the current fiscal year, revenue was 56,732 million yen (down 43.0% year on year), operating loss was 9,230 million yen (4,786 million yen of profit in the same period of the previous fiscal year), loss before taxes was 9,816 million yen (4,573 million yen of profit in the same period of the previous fiscal year), loss for the period was 9,869 million yen (2,907 million yen of profit in the same period of the previous fiscal year), and loss attributable to owners of parent was 8,779 million yen (2,465 million yen of profit in the same period of the previous fiscal year). Adjusted EBITDA was 3,694 million yen (down 79.8% year on year) and Adjusted EBITDA margin was 6.5% (18.4% in the same period of the previous fiscal year) (Note 1).

(Note 1) Adjusted EBITDA and Adjusted EBITDA margin are used as a useful indicator of our financial results.

The formula for Adjusted EBITDA and Adjusted EBITDA margin 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.)
- Adjusted EBITDA margin = Adjusted EBITDA/Revenue × 100

(2) Qualitative information on consolidated financial position

(1) Assets, liabilities and shareholders' equity

(Assets)

Current assets at the end of the third quarter of the current fiscal year were 46,651 million yen, increased by 20,738 million

yen from the end of the previous fiscal year. This was mainly due to an increase of 19,957 million yen in cash and deposits.

Noncurrent assets at the end of the third quarter of the current fiscal year were 116,794 million yen, decreased by 7,609 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 5,806 million yen in property, plant and equipment and a decrease of 854 million yen in guarantee deposits included in other financial assets.

(Liabilities)

The balance of liabilities at the end of the third quarter of the current fiscal year was 149,546 million yen, increased by 23,344 million yen from the end of the previous fiscal year. This was mainly due to an increase of 32,529 million yen in bonds and borrowings.

(Assets)

The balance of shareholders' equity at the end of the third quarter of the current fiscal year was 13,899 million yen, decreased by 10,216 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 8,779 million yen in retained earnings.

(2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter "Net cash") at the end of the third quarter of the current fiscal year was 37,876 million yen, increased by 19,957 million yen from the end of the previous fiscal year.

The status of each cash flow in the third quarter of the current consolidated fiscal year and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the third quarter was 125 million yen (17,645 million yen was provided in the same period of the previous fiscal year). This was mainly due to the recording of 9,816 million yen in loss before taxes and 12,951 million yen in depreciation and amortization.

(Cash flow from investing activities)

Net cash used in investing activities in the third quarter was 3,056 million yen (down 87.0% year on year). This was mainly due to purchase of property, plant and equipment of 2,939 million yen.

(Cash flow from financing activities)

Net cash provided by financing activities in the third quarter was 23,168 million yen (up 112.9% year on year). This was mainly due to repayments of long-term debt of 10,192 million yen, repayments of lease liabilities of 9,355 million yen, despite net increase in short-term debt of 40,910 million yen and proceeds from long-term loans payable of 2,080 million yen.

(3) Qualitative information on the consolidated business forecasts

Since the lifting of the State of Emergency in May 2020, once economic activities have gradually resumed, and business conditions showed a recovery trend owing to factors such as the start of the "Go To Campaign" led by the government. However, as the State of Emergency was reissued in some areas in January 2021 due to the second and third waves of COVID-19, local governments have been asked to further shorten operating hours for restaurants. In light of the uncertain outlook for economic activity, our group has revised the full-year business forecasts for the fiscal year ending February 2021 from the forecasts announced on July 14, 2020. For details, please refer to the "Notice of Revisions to Business Forecasts" announced on January 14, 2021.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	Note	Previous Fiscal Year (February 29, 2020)	Current Third Quarter (November 30, 2020)
Assets			
Current assets			
Cash and cash equivalents		17,918	37,876
Trade and other receivables		5,113	5,690
Other financial assets		545	289
Inventories		994	745
Other current assets		1,341	2,049
Total current assets		25,913	46,651
Non-current assets			
Property, plant and equipment		77,532	71,726
Goodwill		23,188	23,040
Intangible assets		8,123	7,543
Other financial assets		11,661	10,769
Deferred tax assets		3,860	3,702
Other non-current assets		36	11
Total non-current assets		124,403	116,794
Total assets		150,317	163,446

(Million yen)

	Note	Previous Fiscal Year (February 29, 2020)	Current Third Quarter (November 30, 2020)
Liabilities and assets			
Liabilities			
Current liabilities			
Trade and other payables		5,137	3,680
Bonds and borrowings		27,706	62,717
Lease liabilities		12,035	11,244
Other financial liabilities		145	94
Income taxes payable		1,369	548
Provision		1,132	1,420
Other current liability		10,767	8,666
Total current liabilities		58,295	88,371
Non-current liability			
Bonds and borrowings		22,067	19,586
Lease liabilities		39,814	36,010
Obligations for retirement pay		762	789
Provision		3,875	3,366
Deferred tax liabilities		845	809
Other non-current liabilities		540	612
Total non-current liabilities		67,906	61,175
Total liabilities		126,201	149,546
Capital			
Capital stock		1,012	1,012
Capital surplus		3,153	3,244
Retained earnings		13,244	4,464
Treasury stock		-1,252	-1,251
Other components of equity		58	-382
Equity attributable to the owners of parent		16,216	7,086
Non-controlling equity		7,899	6,812
Total capital		24,115	13,899
Total liabilities and shareholders' equity		150,317	163,446

(2) Condensed Quarterly Consolidated Statements of Income and Statements of Comprehensive Profit

Condensed Quarterly Consolidated Statements of Income

Consolidated Cumulative Third Quarter

(Million yen)

	Note	Previous Third Quarter (March 1, 2019 - November 30, 2019)	Current Third Quarter (March 1, 2020 - November 30, 2020)
Revenue		99,481	56,732
Cost of sales		-28,372	-16,221
Gross profit		71,108	40,510
Selling, general and administrative expenses		-65,770	-57,715
Other operating revenue		1,420	10,226
Other operating expenses		-1,973	-2,252
Operating profit (loss)		4,786	-9,230
Financial income		145	10
Financing cost		-358	-596
Profit (loss) before taxes		4,573	-9,816
Corporate income tax expense		-1,666	-53
Profit (loss) for the period		2,907	-9,869
Net profit attributable to			
Owners of parent		2,465	-8,779
Non-controlling equity		441	-1,089
Profit (loss) for the period		2,907	-9,869
Profit per share attributable to owners of parent (yen)			
Basic earnings (loss) per share		13.20	-47.01
Diluted earnings (loss) per share		13.19	-47.01

Current Third Quarter

(Million yen)

	Note	Previous Third Quarter (September 1, 2019 - November 30, 2019)	Current Third Quarter (September 1, 2020 - November 30, 2020)
Revenue		35,956	24,700
Cost of sales		-10,281	-6,852
Gross profit		25,674	17,847
Selling, general and administrative expenses		-24,876	-19,309
Other operating revenue		375	2,866
Other operating expenses		-684	-875
Operating profit		490	529
Financial income		11	32
Financing cost		-231	-180
Profit before taxes		269	381
Corporate income tax expense		-136	-81
Profit for the period		133	300
Net profit attributable to			
Owners of parent		64	385
Non-controlling equity		69	-85
Profit for the period		133	300
Profit per share attributable to owners of parent (yen)			
Basic earnings per share		0.34	2.06
Diluted earnings per share		0.34	2.06

Consolidated Statements of Comprehensive Profit
Consolidated Cumulative Third Quarter

(Million yen)

	Note	Previous Third Quarter (March 1, 2019 - November 30, 2019)	Current Third Quarter (March 1, 2020 - November 30, 2020)
Profit (loss) for the period		2,907	-9,869
Other comprehensive profit			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		113	-441
Total		113	-441
Total other comprehensive profit		113	-441
Comprehensive profit		3,020	-10,310
Comprehensive profit attributable to			
Owners of parent		2,578	-9,221
Non-controlling equity		441	-1,089
Comprehensive profit		3,020	-10,310

Current Third Quarter

(Million yen)

	Note	Previous Third Quarter (September 1, 2019 - November 30, 2019)	Current Third Quarter (September 1, 2020 - November 30, 2020)
Profit for the period		133	300
Other comprehensive profit			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		195	-113
Total		195	-113
Total other comprehensive profit		195	-113
Comprehensive profit		328	186
Net profit attributable to			
Owners of parent		259	272
Non-controlling equity		69	-85
Comprehensive profit		328	186

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Previous Third Quarter (March 1, 2019 to November 30, 2019)

(Unit: Million yen)

Note	Equity attributable to owners of parent						Total	Total	Non-controlling equity	Total capital
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity					
					Foreign currency translation adjustments	Total				
Balance at March 1, 2019	1,012	3,071	13,551	-1,253	-20	-20	16,361	7,635	23,996	
Cumulative effects of changes in accounting policies	-	-	-386	-	-	-	-386	-53	-439	
Balance as of March 1, 2019 (revised)	1,012	3,071	13,164	-1,253	-20	-20	15,974	7,582	23,557	
Profit for the period	-	-	2,465	-	-	-	2,465	441	2,907	
Other comprehensive profit	-	-	-	-	113	113	113	-	113	
Comprehensive profit	-	-	2,465	-	113	113	2,578	441	3,020	
Dividend	-	-	-1,132	-	-	-	-1,132	-242	-1,374	
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-21	-	-	-	-	-21	23	1	
Share-based payment transactions	-	91	-	-	-	-	91	-	91	
Other	-	-	-	0	-	-	0	0	1	
Total transactions with owners	-	69	-1,132	0	-	-	-1,061	-218	-1,280	
Balance at November 30, 2019	1,012	3,141	14,497	-1,252	93	93	17,491	7,805	25,297	

Current Third Quarter (March 1, 2020 to November 30, 2020)

(Unit: Million yen)

Note	Equity attributable to owners of parent						Total	Total	Non-controlling equity	Total capital
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity					
					Foreign currency translation adjustments	Total				
Balance at March 1, 2020	1,012	3,153	13,244	-1,252	58	58	16,216	7,899	24,115	
Profit (loss) for the period	-	-	-8,779	-	-	-	-8,779	-1,089	-9,869	
Other comprehensive profit	-	-	-	-	-441	-441	-441	-	-441	
Comprehensive profit	-	-	-8,779	-	-441	-441	-9,221	-1,089	-10,310	
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-2	-	-	-	-	-2	2	0	
Share-based payment transactions	-	93	-	-	-	-	93	-	93	
Other	-	-0	-	0	-	-	0	0	0	
Total transactions with owners	-	90	-	0	-	-	91	3	94	
Balance at November 30, 2020	1,012	3,244	4,464	-1,251	-382	-382	7,086	6,812	13,899	

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Note	Previous Third Quarter (March 1, 2019 - November 30, 2019)	Current Third Quarter (March 1, 2020 - November 30, 2020)
Cash flows from operating activities			
Profit (loss) before taxes		4,573	-9,816
Depreciation and amortization		12,396	12,951
Impairment loss		1,696	1,724
Interest income		-6	-10
Interest expense		350	440
Loss (gain) on sale of non-current assets		-0	-1
Loss on retirement of non-current assets		64	23
Changes in inventories		-77	242
Decrease (increase) in trade and other receivables		-2,125	-603
Increase (decrease) in trade and other payables		604	-1,140
Increase (decrease) in net retirement benefit liability		1	26
Increase (decrease) in allowance		-143	-41
Other changes		1,698	-2,179
Sub-total		19,031	1,614
Interest and dividend received		10	10
Interest expenses paid		-344	-222
Income taxes paid		-2,108	-1,529
Income taxes refunded		1,057	0
Cash flows from operating activities		17,645	-125
Cash flow from investing activities			
Payments into time deposits		-	-60
Proceeds from withdrawal of time deposits		-	573
Purchase of property, plant and equipment		-2,569	-2,939
Proceeds from sales of property, plant and equipment		20	4
Payments for asset retirement obligations		-158	-468
Purchase of intangible assets		-63	-79
Payments for guarantee deposits		-526	-116
Proceeds from collection of guarantee deposits		109	476
Purchase of investments in subsidiaries resulting in change in scope of consolidation		-20,243	-
Other		-146	-445
Cash flow from investing activities		-23,578	-3,056

(Million yen)

	Note	Previous Third Quarter (March 1, 2019 - November 30, 2019)	Current Third Quarter (March 1, 2020 - November 30, 2020)
Cash flow from financing activities			
Net increase (decrease) in short-term borrowings		14,404	40,910
Proceeds from long-term debt		12,128	2,080
Repayment of long-term loans payable		-4,798	-10,192
Redemption of bonds		-278	-271
Repayments of lease liabilities		-9,206	-9,355
Cash dividends paid		-1,123	-2
Proceeds from share issuance to non-controlling interests		15	0
Dividends paid to non-controlling interests		-237	-0
Payment for acquisition of subsidiaries' equity from non-controlling interests		-13	-
Other		-8	0
Cash flow from financing activities		10,882	23,168
Effect of exchange rate change on cash and cash equivalents		79	-29
Net increase (decrease) in cash and cash equivalents		5,028	19,957
Balance of cash and cash equivalents at beginning of period		13,248	17,918
Balance of cash and cash equivalents at period-end		18,277	37,876

(5) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in the Group's condensed quarterly consolidated financial statements are identical to the accounting policies applied in the consolidated financial statements for the previous fiscal year except for the following items.

The income tax expense for the third quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

From the first quarter of the current fiscal year, the Group has adopted the following standard.

IFRS	Outline of new standard and amendment
IFRS No. 16 Leases	The amended accounting treatment for rent reductions related to COVID-19

This revision allows lessees that have received rent reductions and exemptions as a direct consequence of the spread of a new coronavirus (COVID-19) infections to select a simplified accounting treatment.

The amendment provides that the lessee may choose a practical method of rent reductions and exemptions due to COVID-19 that does not require an assessment as to whether it meets the requirements of IFRS 16 for "lease modifications."

Our Group has applied this method to the reduction of rent that meets the above requirements.

Loss before taxes for the third quarter of the current fiscal year decreased by 1,917 million yen due to the adoption of this new accounting standard.

(Segment Information)

Segment information is omitted because the Group's business is categorized as restaurant business and there are no segments to be categorized.

(Per-stock Information)

Basic earnings (loss) per share and diluted earnings (loss) per share and the basis for calculation are as follows.

(Unit: Million yen)

	Previous Third Quarter (March 1, 2019 to November 30, 2019)	Current Third Quarter (March 1, 2020 to November 30, 2020)
Profit (loss) attributable to owners of parent	2,465	-8,779
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-1	-
Profit (loss) for the period used to compute diluted earnings per share	2,463	-8,779
Weighted average number of shares of common shares outstanding (shares)	186,779,523	186,781,201
Weighted average number of common diluted shares outstanding (shares)	186,779,523	186,781,201
Basic earnings (loss) per share (yen)	13.20	-47.01
Diluted earnings (loss) per share (yen)	13.19	-47.01
Summary of potentially dilutive securities not included in the calculation of diluted loss per share due to their anti-dilutive effect	-	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000)

(Note)1. "Basic earnings (loss) per share" and "Diluted earnings (loss) per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares in other components of equity, from the calculation of the average number of shares during the period. (Previous third quarter: 1,999,210 shares, current third quarter: 1,997,532 shares)

2. In the diluted loss per share for the third quarter of the current fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of “diluted loss per share” because they are anti-dilutive.
3. As of March 1, 2020, the Company conducted a 2-for-1 stock split. Therefore, "Basic earnings (loss) per share" and "Diluted earnings (loss) per share” have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Unit: Million yen)

	Previous Third Quarter (September 1, 2019 to November 30, 2019)	Current Third Quarter (September 1, 2020 to November 30, 2020)
Profit attributable to owners of parent	64	385
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-0	-
Profit for the period used to compute diluted earnings per share	64	385
Weighted average number of shares of common shares outstanding (shares)	186,780,155	186,781,534
Weighted average number of common diluted shares outstanding (shares)	186,780,155	186,781,534
Basic earnings per share (yen)	0.34	2.06
Diluted earnings per share (yen)	0.34	2.06
Summary of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	-	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000)

(Note) "Basic earnings per share" and "Diluted earnings per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares in other components of equity, from the calculation of the average number of shares during the period. (Previous third quarter: 1,998,578 shares, Current third quarter: 1,997,200 shares)

2. In the diluted earnings per share for the third quarter of the current fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of “diluted earnings per share” because they are anti-dilutive.
3. As of March 1, 2020, the Company conducted a 2-for-1 stock split. Therefore, "Basic earnings per share" and "Diluted earnings per share” have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Significant subsequent events)

None