February 2, 2021

Notice of Debt Financing through a Permanent Subordinated Loan

create restaurants holdings inc. announces that, at the the Board of Directors Meeting held today, we have resolved to conclude a loan agreement for a total of 15 billion yen of debt financing through a permanent subordinated loan (hereinafter referred to as the "subordinated loan"). The details of the transaction are as follows.

1. Reason for concluding a loan agreement for this subordinated loan

In view of the impact of the new coronavirus (COVID-19) infection on our business, the Company has set a policy of improving its financial base so as to stabilize the management of the Group. As one of the concrete measures of this policy, the Company has decided to raise funds through this subordinated loan. The funds raised from the subordinated loan will be used for the repayment of existing interest-bearing debt.

Since there is no fixed date for repayment of the principal and interest can be deferred voluntarily, the amount of the proceeds from the subordinated loan is treated as "capital" and will be recorded as such in the Company's consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

2. Summary of the Subordinated Loan

(1)	Use of funds	Business capital (repayment of existing interest-bearing debt, etc.)
(2)	Borrowing amount	15 billion yen
(3)	Arranger	Mizuho Bank, Ltd.
(4)	Contract conclusion date	February 2, 2021
(5)	Borrowing date	February 5, 2021
(6)	Payment deadline	No deadline is set. However, on each interest payment date of the Subordinated Loan, all or part of the principal can be repaid voluntarily.
(7)	Applicable interest rate	Floating interest rate based on 3-month Japanese yen TIBOR
(8)	Interest payment provisions	Interest can be voluntarily deferred.

3. Future outlook

Although the impact of the borrowing through this subordinated loan on the consolidated financial results for the fiscal year ending February 2021 is expected to be minimal, the equity ratio attributable to owners of the parent company (the capital adequacy ratio) is expected to improve by increasing from 4.3% (as of November 30, 2020) to at least 10%.