

June 26, 2019

**Notice of Acquisition of Some Restaurant Operations of
the Seiyu Food-Compass Group, Inc. (Sports and Leisure Businesses)**

At the Board of Directors meeting held on June 26, 2019, the Company resolved to acquire all of the shares of SSL, Inc. (hereinafter referred to as "SSL") newly established by Seiyu Food-Compass Group, Inc. (hereinafter referred to as "SFCG") for the purpose of acquiring the sports business and leisure business (hereinafter referred to as the "Relevant Business") operated by SFCG and MFS, Inc. (hereinafter referred to as "MFS") from SFCG, which provides food services mainly in various scenes such as employee cafeterias, school lunches, and golf course restaurants, and to make them consolidated subsidiaries as follows:

1. Reason for the acquisition

SFCG is a member of the world's largest Compass Group in contract food services. It provides high-quality food services in various categories: operates cafeterias for offices and factories, provides food services at school lunches and educational facilities, hospitals, Nursing home, and operates restaurants in service areas, parking areas and golf courses, operates and manages various public facilities, and operates restaurants in theme parks and commercial facilities.

We resolved to acquire all of the shares of SSL, which was newly established by SFCG, in order to acquire a part of the sports business (restaurant operations at golf courses) and leisure business (operation and management of various public facilities, restaurant operations at theme parks and commercial facilities, etc.) in the above business. After the acquisition of the Relevant Business through absorption-type split, we changed its name to Create Sports & Leisure Co., Ltd. and made it a consolidated subsidiary.

Through Create Sports & Leisure Co., Ltd., we will make a full-fledged entry into the contract services business, and we expect to improve the quality of the Group's business portfolio by acquiring a comprehensive portfolio of entrusted businesses in which clients bear the investment burden.

In particular, SFCG boasts the industry's leading market share for golf courses restaurant management in the sports business. Based on its trust and business results, we expect an increase in outsourcing of restaurant management within golf courses, and we believe that it will be able to secure stable earnings by acquiring restaurants that have been maintained by leading companies in the industry for many years.

In addition, we believe that we can further improve our store management capabilities by sharing experiences and know-how, management methods, purchasing, menu development, etc. each other, to deploy diverse brands nationwide in diverse locations.

The Company decided to acquire the shares based on the judgment that this will lead to further evolution of Group Federation Management and, consequently, to an increase in corporate value, with the aim of expanding the scope of the Group's business and create synergies within the Group.

2. Overview of the subsidiary to be acquired

(1) Name	SSL, Inc.	
(2) Location	5-5-12 Tsukiji, Chuo-ku, Tokyo	
(3) Representative	Toshio Maei, President	
(4) Business Content	Operation of restaurants in golf courses, and operation and management of various public and accommodation facilities, Operation of restaurants in theme parks and commercial facilities	
(5) Capital	1 million yen	
(6) Establishment date	May 17, 2019	
(7) Number of stores	134 stores (Sports business: 92, Leisure business: 42)	
(8) Major shareholders and holding ratio	Seiyo Food-Compass Group, Inc. 100.0%	
(9) Relationship between a listed company and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
(10) Most recent operating results and financial position	<p>SSL will acquire the relevant business through a company split (absorption-type company split), so there is no definite final fiscal year.</p> <p>For this reason, net sales and operating income of the relevant businesses for the immediately preceding fiscal year (FY9/18) of SFCG and MFS are estimated.</p> <p>Reference</p> <ul style="list-style-type: none"> • Net sales: 11.8 billion yen • Operating profit: 0.6 billion yen • Net assets: 1.3 billion yen 	

* The Company plans to change its company name and representative after the share acquisition.

- Name: Create Sports & Leisure Co., Ltd. (planned)
- Representative: Hiroshi Ikeda (planned)

3. Outline of the counterparty to the share acquisition

(1) Name	Seiyo Food-Compass Group, Inc.
(2) Location	5-5-12 Tsukiji, Chuo-ku, Tokyo
(3) Representative	Takashi Ishida, President
(4) Business Content	Contract management of restaurants, provision of food and beverage services, and operation of restaurants
(5) Capital	100 million yen
(6) Establishment date	September 6, 1947
(7) Net assets	13,384 million yen
(8) Total assets	45,030 million yen

(9) Major shareholders and holding ratio	Seiyo Food-Compass Group Holdings, Inc. 100.0%	
(10) Relationship between a listed company and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable

4. Number of shares acquisition, transfer price and shares held before and after acquisition

(1) Number of shares owned prior to transfer	0 shares (Number of voting rights: 0 voting rights) (Ownership ratio: 0.00%)
(2) Number of shares to acquire	5,871 thousand shares (Number of voting rights: 5,871 thousand voting rights) (Ownership ratio: 100.0%)
(3) Acquisition cost	Common shares of SSL 5,870 million yen Advisory fees, etc. (estimated) 14 million yen Total (approximate amount) 5,884 million yen
(4) Number of shares owned after acquisition	5,871 thousand shares (Number of voting rights: 5,871 thousand voting rights) (Ownership ratio: 100.0%)

*Number of shares to acquire and Number of shares owned after acquisition (Number of voting rights) subject to change.

5. Schedule

(1) Date of execution of the share transfer agreement	June 26, 2019
(2) Date of share acquisition	September 1, 2019 (planned)

6. Future outlook

As a result of this transaction, SSL becomes a consolidated subsidiary of our Company. We are currently in the process of scrutinizing the impact on consolidated results for the fiscal year ending February 2020, and will announce it as soon as it is determined.

(References) Consolidated forecasts (announced on April 12, 2019) and results for the previous fiscal year (Million yen)

	Revenue	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of parent
Forecasts for the current fiscal year (FY2/20)	124,000	5,800	5,600	3,800	3,100
Results for the previous fiscal year (FY2/19)	119,281	3,975	3,688	2,072	1,321