

January 11, 2019

Notice of Revisions to Business Forecasts

In view of recent trend in operating results, create restaurants holdings inc. made revisions to its business forecasts that were announced on April 25, 2018 as follows.

● **Revisions to business forecasts**

Revisions to business forecasts for the fiscal year ending February 2019 (March 1, 2018 to February 28, 2019)
(Million yen)

	Revenue	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of parent	Basic profit per share (Yen)
Previous forecasts (A)	125,000	7,600	7,400	5,100	4,000	42.38
Revised forecasts (B)	120,000	5,700	5,600	3,600	2,900	30.77
Increase/decrease (B-A)	-5,000	-1,900	-1,800	-1,500	-1,100	
Percentage change (%)	-4.0	-25.0	-24.3	-29.4	-27.5	
(Reference) Previous results (Fiscal 2018)	116,567	6,413	6,894	3,557	2,501	26.50

(Note 1) The Company will voluntarily apply the International Financial Reporting Standards (IFRS) accounting from the full-year business results for the fiscal year ending February 2019. As a result, the consolidated business forecasts for the fiscal year ending February 2019 are presented in conformity with the IFRS accounting.

(Note 2) The figures for the previous fiscal year presented as "(Reference)" are calculated in conformity with Japanese GAAP. Therefore, net sales are presented as revenue, ordinary income is presented as profit before taxes, net income is presented as profit for the year, net income attributable to owners of parent is presented as profit attributable to owners of parent, and net income per share is presented as basic profit per share.

Reasons for the revision

As for the full-year business forecasts, revenue is expected to fall below the previous forecasts due to the impact of earthquakes in the Kansai and Hokkaido regions, unseasonable weather such as the repeated heavy typhoons in summer and autumn and the extremely hot weather, as well as the strategic slowdown in the pace of new outlet openings.

Regarding the profits, although the cost of sales ratio has been basically controlled as expected amid an increase in the price of foodstuffs, profits decreased due to a decrease in revenue, as performances of some outlets, that implemented brand changes, did not recovered as planned, and personnel expenses increased more than expected. In these circumstances, profits are also expected to fall below the previous forecasts.

The year-end dividend forecasts for the fiscal year ending February 2019 remains unchanged, and the Company plans to pay a dividend of 6.0 yen per share, as announced on April 25, 2018.

*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.