



October 15, 2020

Name of Company	Demaecan Co., Ltd
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## Notice Regarding the Posting of Extraordinary Losses

Demaecan Co., Ltd. (the “Company”) hereby announces that it recorded extraordinary losses on a consolidated basis and on a non-consolidated basis for the fiscal year ended August 31, 2020 (from September 1, 2019 through August 31, 2020). Details are as follows:

### 1. Details of extraordinary losses

The Company will not change the policy to increase the investment scale and its frequency although there are many uncertainties over the future impact due to the COVID-19 pandemic in the newly formulated Medium-Term Management Plan (from fiscal 2021 to fiscal 2023) even at the current stage and it will continue to invest in businesses strategically going forward. However, as a result of examining the collectability of assets based on the new Medium-Term Management Plan, 1,156 million yen was posted as an impairment loss for the fiscal year ended August 31, 2020, given the business environment and other factors going forward.

### 2. Future outlook

It is incorporated in the figures of the operating results for the fiscal year ended August 31, 2020, announced on October 15, 2020.