

March 26, 2021

Name of Company	Demaecan Co., Ltd
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Notice Regarding the Posting of Extraordinary Losses **(On a Consolidated/Non-Consolidated Basis)**

Demaecan Co., Ltd. (the “Company”) hereby announces that it recorded extraordinary losses on a consolidated basis and on a non-consolidated basis for the first six months (from September 1, 2020 through February 28, 2021) of the consolidated fiscal year ending August 31, 2021. Details are as follows:

1. Details of extraordinary losses

The Company will not change its policy of increasing the scale and frequency of its investments, despite the many uncertainties surrounding the future impact of the COVID-19 pandemic in the 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, after examining the collectability of medium- to long-term business investment assets in light of the Medium-Term Management Plan, the Company decided to post a 1,083 million yen impairment loss on capital investments implemented during the first six month of the consolidated fiscal year ending August 31, 2021, given the business environment and other factors going forward.

2. Future outlook

The impact of the impairment loss is being examined. If there are any revisions, the Company will announce them promptly.