

April 23, 2024

To whom it may concern,

Name of company:	Nippon Kayaku Co., Ltd.
Name of representative:	Atsuhiko Wakumoto, President
Code No.:	4272
Contact:	Tokyo Stock Exchange, Prime Market Tsutomu Kawamura, Director General Manager of Finance & Accounting Division (Tel: +81-3-6731-5842)

Notice regarding the Recording of an Extraordinary Loss (Impairment Loss)

Nippon Kayaku Co., Ltd. (hereinafter “the Company”) has announced that it expects to record an extraordinary loss (impairment loss) as follows for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024).

1. Details of the Extraordinary Loss (Impairment Loss)

During the fourth quarter of the fiscal year under review, the Company abandoned the development projects anticipated at the time of acquiring the cleaner business by the Functional Materials Group, which forms part of the Fine Chemicals Business Unit. A downward deviation from the initial business plan is therefore expected.

For this reason, in accordance with the “Accounting Standards for Impairment of Fixed Assets” the Company must take into account future recoverability for cleaner business intangible fixed assets, thereby leading to the book value being reduced to the recoverable amount and the recording of an extraordinary loss of 2,555 million yen.

2. Impact on Financial Results

For the impact on consolidated results for the fiscal year ended March 31, 2024, please refer to the “Notice of Revision to the Business Results Forecasts” announced today.