

Translation

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February 9, 2022

To whom it may concern:

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Representative: Representative Director and CEO Yuta Tsuruoka
(Code: 4477, Tokyo Stock Exchange Mothers)
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Notice on Recognition of Extraordinary Losses

The Company resolved to recognize extraordinary losses for the year ended December 2021 (January 1, 2021 - December 31, 2021). Now, therefore, notice is hereby given as follows.

1. Details of extraordinary losses

With regard to the shares of subsidiaries and investment securities held by the Company, impairment losses were recorded for those whose net asset value had declined significantly. As a result, the company have decided to record a loss on valuation of shares of subsidiaries of 53 million yen and a loss on valuation of investment securities of 258 million yen as extraordinary losses.

2. Effect on business results

The above-mentioned loss on valuation of shares of subsidiaries will have no impact on the consolidated financial results because those losses are eliminated in the consolidated financial statements. The losses associated with the valuation of investment securities mentioned above is reflected in the "Financial Results for the Fiscal Year Ended December 31, 2021 [Japanese GAAP] (Consolidated)" released today.

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