



April 14, 2022

To whom it may concern:

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| Company name | Kitanotatsujin Corporation |
| Representative | Katsuhisa Kinoshita Representative Director & President |
| (Stock code | 2930; Prime Market of the Tokyo Stock Exchange/Sapporo Securities Exchange) |
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Notice of Recording of Extraordinary Losses (Consolidated and Non-consolidated Basis)

Kitanotatsujin Corporation (the “Company”) hereby announces the recording of extraordinary losses for the year ended February 28, 2022 (March 1, 2021 to February 28, 2022) on a consolidated and non-consolidated basis as described below.

1. Recording of impairment losses in consolidated accounting

Business performance of FM NORTH WAVE CO., LTD., a consolidated subsidiary of the Company, has fallen short of initial forecasts due to the prolongation of the impact of COVID-19. As it is expected to take a certain amount of time for earnings to improve, the Company carefully examined the future recoverability of non-current assets held by the subsidiary based on the “Accounting Standard for Impairment of Fixed Assets.” As a result, in the fourth quarter of the year ended February 28, 2022, the Company recorded impairment losses of 115 million yen under extraordinary losses.

2. Recording of extraordinary losses in non-consolidated accounting

Due to the recording of impairment losses as described above, the Company recorded loss on valuation of shares of subsidiaries and associates in an amount of 12 million yen pertaining to the shares in the subsidiary, provision of allowance for doubtful accounts for subsidiaries and associates of 90 million yen as allowance for loans to the subsidiary, and provision for loss on business of subsidiaries and associates amounting to 27 million yen, all of which were recorded under extraordinary losses.

As these extraordinary losses recorded on a non-consolidated basis are eliminated in consolidated accounting, there is no impact on consolidated results.

3. Impact on business performance

The extraordinary losses described above were reflected in the “Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)” announced today.

End