

Listed Company Name: **Chugai Mining Co., Ltd.**
Stock Code Number: 1491
Stock Exchange: Tokyo Stock Exchange (Standard Market)
Website: www.chugaikogyo.co.jp
Representative: Takeo NISHIMOTO, CEO and President
For Inquiry: Isao SAKURABA, IR Center (Telephone: (03)3201-1541)

Recording Deferred Tax Assets and Extraordinary Loss

The Company hereby announce that it has decided to record the following deferred tax assets and extraordinary losses for the second quarter of the fiscal year ending in March 2023.

Details are as follows.

1. Recording deferred tax assets

Upon considering the recoverability of deferred tax assets based on the future business outlooks and other factors, a decision has been made to record deferred tax assets for the portion that is expected to be collectible. As a result, a corporate tax credit of 99,758 thousand yen will be recorded for the second cumulative quarter of the fiscal year ending in March 2023.

2. Recording of Extraordinary Loss

(1) Upon considering the recoverability

At the Board of Directors meeting held today, the Company has decided to demolish and rebuild an ageing rental building. In accordance with this decision, the impairment loss of 198,402 thousand yen will be recognized as an extraordinary loss.

(2) Provision for demolition costs

The Company, upon estimating the cost of demolition and removal of the above-mentioned building, has recorded a provision of 100-million-yen demolition expenses as an extraordinary loss.

3. Impact on the Company's Performance

The impact on the Company's performance with regards to the above-mentioned recording of deferred tax assets and extraordinary loss is reflected in the "Differences between Business Performance Outlook and Actual Results for the Second Quarter and Revision to Business Performance Outlook for the Fiscal Year Ending in March 2023" released today.

This is an English translation of the financial report created in Japanese.

Should there be any discrepancies between the Japanese original and the English translation, the Japanese original shall prevail.
