



April 10, 2020

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Notice Regarding the Extraordinary Profit

HIRAYAMA HOLDINGS Co., Ltd. (“the Group”) announces that the Group will record the extraordinary profit as described below in the fiscal year ending June 30, 2020.

1. Reason for the Extraordinary Profit

Regarding to transaction counterparties' receivables at our subsidiary, preservation of account receivables was made, due to the request for postponing of the payment. With consideration of its collection status, it had been determined that the total amount of claims other than collateral preservation was difficult to collect; consequently, the entire amount was recorded as the extraordinary loss as the provision of allowance for doubtful accounts.

Today, the subsidiary performed setting up the collective property transfer security interest and collected a portion of the receivables from the counterparty. Thereby, the extraordinary profit of 20 million yen to be recorded as a gain on reversal of allowance for doubtful accounts.

For this counterparty, the Sapporo District Court has determined ordering commencement of bankruptcy proceedings on April 8.

2. Details of the Extraordinary Profit

Gain on reversal of allowance for doubtful accounts 20 million yen.

3. Outlook for Performance

The earnings forecast for the fiscal year ending June 30, 2020, shall be stated in the financial result scheduled to be announced on May 14, 2020 based on the above.