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To the press and whom it may concern,

Company name: CMIC HOLDINGS Co., Ltd.

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Notice Regarding the Recognition of Deferred Tax Assets and Extraordinary Loss

CMIC HOLDINGS Co., Ltd. (the "Company") hereby announces the following deferred tax assets and extraordinary loss (impairment loss) as follows in the fiscal year ended September 2022.

Notes

1. Description

(1) Details of Deferred Tax Assets

Deferred tax assets increased due to the revision of tax-effect company classification in some consolidated subsidiaries and an increase in future deductible temporary differences, and as a result, the Company expects to record -3,071 million yen for income taxes-deferred.

(2) Details of Extraordinary Losses

Regarding the impairment loss, for the fixed assets of the facility launched in October 2019 by CMIC CMO USA Corporation, which operates CDMO business in the U.S., the start of operation has been significantly delayed from the original plan due to the impact of the new coronavirus and other factors, and in this consolidated fiscal year, the Company expects to record 1,386 million yen as it has become difficult to recover the amount within the originally expected period.

2. Impact on business performance

The impact of the above deferred tax assets and extraordinary losses on business results is reflected in the "Notice of Revisions of Full-Year Earnings Forecasts" announced today.