

Notice Regarding the Recording of Extraordinary Loss (Loss on Valuation of Inventories) and Non-Operating Income (Subsidy Income)

DAISHINKU CORP. (hereinafter, the “Company”) hereby announces that the Board of Directors’ meeting held on March 10, 2017 resolved to dispose of part of inventories and is expected to record the extraordinary loss (loss on valuation of inventories). Also, the Company is expected to record the non-operating income (subsidy income). The details are as follows:

1. Recording of Extraordinary Loss (loss on valuation of inventories)

In part of inventories of the optical business, the Company decided to dispose of the inventories that deemed to be unsalable or unusable because the value of assets has been drastically decreased due to changes in the competitive environment. As a result, the Company is expected to record the loss on valuation of inventories of about 200 million yen to the extraordinary loss in consolidated financial results for the fiscal year ending March 31, 2017.

2. Recording of non-operating income (Subsidy Income)

According to the introduction of new facilities for increased production at Tottori Production Div., the Company received a decision to grant of subsidies from Tottori Prefecture and Tottori City in March 10, 2017. As a result, the Company is expected to record the subsidy income of 313 million yen to the non-operating income in consolidated financial results for the fiscal year ending March 31, 2017.

3. Future outlook

The impact on the result of the fiscal year ending in March 31, 2017 including above is currently reviewing and if it is necessary to revise any performance forecast on it, the Company will announce those revisions immediately.