

April 6, 2026

Notice Concerning Expected Impairment Loss

Tokyo Century Corporation (“Tokyo Century”) announces that it expects to record an impairment loss for the fiscal year ending March 31, 2026, resulting from a profitability assessment of its biomass co-firing power generation business. The details are as follows:

1. Recording of Impairment Loss

We estimated the recoverable amount for our biomass co-firing power generation business, as a review of future plans based on the current operating environment indicated that the business is no longer expected to achieve its initial profit forecasts. As a result, in our consolidated financial results, we expect to record an impairment loss of 70.1 billion yen as an extraordinary loss after reducing the book value of fixed assets related to the business to their recoverable amount.

Consequently, Tokyo Century expects to record a provision for doubtful accounts, etc., of 60.0 billion yen in its non-consolidated financial results. Please note that this loss represents an intercompany transaction and will be eliminated in the consolidated financial statements.

2. Impact on the Financial Results

Although the recognized loss exceeds the risk buffer initially budgeted for the fiscal year ending March 31, 2026, we have made no changes at this time to the full-year forecast for net income attributable to owners of the parent (100.0 billion yen) announced on November 7, 2025. This is due to steady performance in our business segments, including higher gains on sales of assets than originally planned.

* The forecasts provided above are based on information available as of the release date of this document. Actual results may differ from these forecasts due to a variety of factors.

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