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**Notice Regarding the Recording of Impairment Losses and Differences Between Consolidated Earnings Forecast and Actual Results**

We hereby inform you that the Company has recorded an impairment loss as outlined below. Additionally, we have observed differences between the consolidated earnings forecast, which was announced on February 14, 2024, and the actual results announced today, as detailed below.

**1. Details of the Impairment Loss**

During the fourth quarter, based on the "Accounting Standards for Impairment of Fixed Assets," the Company reviewed the recoverability of its assets. As a result, the Company has recorded an impairment loss of 378 million yen on software assets related to its marketing business.

This impairment loss has been reflected in the "Financial Report for the Fiscal Year Ended March 31, 2024 [Japanese GAAP] (Consolidated)," which was also announced today.

**2. Differences Between Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ending March 2024**

(Unit: Million yen)

	Net Sales	Operating Profit	Adjusted EBITDA	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per Share
Previous Forecast (A)	2,100	(250)	(50)	(290)	(960)	(64.18)
Actual Results (B)	2,229	(216)	47	(235)	(1,261)	(84.07)
Difference (B-A)	129	34	97	55	(301)	-
Percentage Change (%)	6.1%	-	-	-	-	-
Reference: Previous Year Results (FY2023)	1,924	(55)	689	46	(530)	(36.45)

\* Regarding the previous year's results, the figures were revised following the instructions of the audit firm after the "Financial Report for the Fiscal Year Ended March 31, 2023 [Japanese GAAP] (Consolidated)" was announced on May 15, 2023. Therefore, the figures presented in the securities report submitted on June 30, 2023, are reflected here.

### Reasons for the Differences

During the fiscal year ending March 2024, the Company aimed for balanced growth both domestically and internationally, focusing on restructuring its domestic business portfolio and strengthening its global presence.

As a result, the number of stores implementing the FollowUP service increased overseas, while domestic orders for development projects and social media-related businesses also grew, leading all consolidated subsidiaries, excluding the Company, to perform above expectations. However, in the third quarter, the Company recorded significant operating losses and ordinary losses, and a consolidated subsidiary recorded a special loss of 505 million yen due to bad debt processing of long-term loans and 89 million yen in corporate tax adjustment due to the reversal of deferred tax assets. Consequently, the Company revised its full-year consolidated earnings forecast for the fiscal year ending March 31, 2024, on February 14, 2024.

In the fourth quarter, net sales exceeded expectations, leading to higher profits up to the ordinary profit level. However, due to the occurrence of an impairment loss of 378 million yen as disclosed in section 1, profit attributable to owners of the parent fell below expectations, resulting in the observed differences.

«Reference: Breakdown of Operating Income in Earnings Forecast and Actual Results for the Fiscal Year Ending March 2024»

(Units: Million yen)

	Previous Forecast (A)	Actual Results (B)	Difference (B-A)	Percentage Change (%)	Reference: Previous Year Results (FY2023)
Domestic Business	(375)	(455)	(80)	-	(95)
Overseas Business	181	181	0	0	154
Consolidated Elimination	(56)	(57)	(1)	-	(114)
Total Operating Profit	(250)	(216)	34	-	(55)

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