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For immediate release

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Notice Concerning Recording of Extraordinary Loss and Deferred Tax Assets

kaonavi, inc. (the "Company") announces that it has posted an extraordinary loss and deferred tax assets in the fiscal year ended March 31, 2024. Details are as follows:

1. Recording of extraordinary loss
   The Company posted an extraordinary loss of 27 million yen in relation to revalued amount of investment securities due to an impairment loss, as some of the investment securities held by the Company had significantly declined in market value compared to their acquisition cost.

2. Recording of deferred tax assets
   Having carefully assessed the realizability of deferred tax assets based on the performance trends in the fiscal year ended March 31, 2024 and onward, the Company has decided to record deferred tax assets to the extent of probable realization and post deferred income taxes of 290 million yen as profit.

3. Impact on financial results
   This matter is reflected in the "Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Japanese GAAP)" released today.