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February 14, 2025

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Representative: Chih-Han Yu, Representative Director and CEO
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Notice Regarding the Recognition of Deferred Tax Assets and the Differences Between the Full-Year Consolidated Guidance and Actual Results

Appier Group, Inc. (the "**Company**") hereby announces that we have recognized deferred tax assets related to tax loss carryforwards in FY2024. In addition, there are differences between the full-year consolidated guidance for FY2024, announced on February 14, 2024, and the actual results announced today. Accordingly, we hereby provide the following notice.

I. Recognition of Deferred Tax Assets

Based on the improvement in profitability for FY2024 and the outlook for further profit growth in the future, we have carefully assessed the recoverability of deferred tax assets. As a result, we have recognized deferred tax assets related to tax loss carryforwards in the amount of JPY 920 million in FY2024. This amount has contributed to the increase in net income as deferred tax income.

II. Differences Between the Full-Year Consolidated Guidance and Actual Results

1. Differences

	Revenue	EBITDA	Operating Income	Income before income taxes	Net income	Net income attributable to owners of the parent company	Basic earnings per share
Guidance (A)	Millions of yen 34,495	Millions of yen 4,898	Millions of yen 2,090	Millions of yen 2,003	Millions of yen 1,899	Millions of yen 1,899	Yen 18.64
Actual Results (B)	34,057	4,916	1,981	2,062	2,927	2,927	28.70
Difference (B – A)	(438)	18	(109)	59	1,028	1,028	10.06
% Change	(1.3)	0.4	(5.2)	2.9	54.1	54.1	54.0
(For Reference) FY2023 Result	26,418	2,834	801	1,063	1,002	1,002	9.85

*1 EBITDA = Operating income + Depreciation and amortization + Tax expenses included in operating expenses

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2. Reasons for the Differences

Revenue for FY2024 demonstrated strong growth across our key regions, including Northeast Asia and US&EMEA regions. In Northeast Asia, revenue growth was particularly strong among e-commerce customers, while in US&EMEA, revenue growth was driven by customers in the digital content and other internet services verticals. On the other hand, in the fourth quarter, seasonal effects occurred in other regions.

In terms of profitability, operating profit saw a significant increase due to the improvement in the gross profit margin and strengthened operating leverage, which led to an improved operating profit margin compared to the previous fiscal year, in line with steady revenue growth. However, it was impacted by headwinds from Japanese yen depreciation. Profit before tax exceeded the guidance, primarily driven by the increase in interest income.

Regarding net income, as noted in Section I, "Recognition of Deferred Tax Assets," we recognized deferred tax assets of JPY 920 million related to tax loss carryforwards, reflecting improvements in profitability. As a result, net income significantly exceeded our guidance.

End