Note: This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

February 14, 2025

To whom it may concern

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Notice Regarding Differences Between Full-Year Earnings Forecast and Actual Results for FY2024, and Recognition of Special Losses and Corporate Tax Adjustments

giftee Inc. ("The Company") hereby announces that there is a discrepancy between the earnings forecast for the fiscal year ending December 31, 2024 (January 1, 2024 – December 31, 2024) announced on February 14, 2024, and the actual results published today.

Additionally, the Company reports the recognition of extraordinary losses and corporate tax adjustments in the consolidated financial results for the fourth quarter of FY2024 (October 1, 2024 – December 31, 2024), as detailed below.

1. Differences Between Consolidated Full-Year Earnings Forecast and Actual Results (January 1, 2024 – December 31, 2024)

(1) Differences Between Forecasted and Actual Full-Year Consolidated Financial Results for FY2024

(Millions of yen)	Net Sales	EBITDA	Operating Profit	Ordinary Profit	Net Income Attributable to Shareholders of Parent Company	Earnings Per Share
Forecast (A)	9,109	2,280	1,702	1,618	—	—
Actual Results (B)	9,554	2,295	1,743	1,579	(510)	(17.33)yen
Increase (Decrease) (B-A)	445	15	41	(39)	—	
Increase (Decrease) (%)	4.9	0.7	2.4	(2.4)	—	
(Reference) FY2023 Results	7,226	1,728	1,267	1,239	129	(4.43)yen

(2) Reasons for differences

The company's consolidated financial results for the fiscal year were generally in line with the forecast regarding net sales, EBITDA, and operating profit. However, net income attributable to shareholders of the parent company, which was not disclosed in the forecast due to the difficulty in making precise estimates, resulted in a net loss. This was primarily due to the recognition of impairment losses on the goodwill related to Sow Experience Inc. ("SOW"), recorded as an extraordinary loss, as detailed in section 2 below.

2. Recognition of Special Losses

In the fourth quarter of FY2024 (October 1, 2024 – December 31, 2024), the company recorded a total special loss of 1,519 million yen, primarily due to the impairment of goodwill and other assets related to SOW.

The Company acquired SOW as a consolidated subsidiary in March 2021. Although SOW's transaction volume grew, its business performance fell short of the original business plan at the time of acquisition. Given these circumstances, a careful asset valuation was conducted, resulting in the full impairment of goodwill and trademark rights and an extraordinary loss of 1,250 million yen.

Additionally, after reassessing the value of its assets, the company recorded a valuation loss on investment securities of 264 million yen and a loss on disposal of fixed assets of 3 million yen as special losses.

3. Recognition of Corporate Tax Adjustments

In the fourth quarter of FY2024 (October 1, 2024 – December 31, 2024), the Company reversed some of its deferred tax liabilities, resulting in a corporate tax adjustment of 128 million yen.

These figures have been reflected in the "Full-Year Financial Results for FY2024 (Consolidated, Japanese GAAP)" disclosed today.