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July 10, 2026

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Notice Regarding Recording of Extraordinary Income, Extraordinary Loss, Non-Operating Income and Non-Operating Expenses, and Change in Accounting Treatment for Crypto Asset-Denominated Fund

Gyet Co., Ltd. (hereinafter "the Company") announces that it has recorded extraordinary income, extraordinary loss, non-operating income, and non-operating expenses during the first quarter cumulative consolidated period of Fiscal Year Ending February 2027 (March 1, 2026 to May 31, 2026).

The Company also announces that it has decided to change the accounting treatment for the crypto asset-denominated fund as described below.

1. Details of Extraordinary Income

At the Board of Directors meeting held on January 29, 2026, the Company resolved to acquire all shares of COEN CO., LTD. (hereinafter "COEN CO., LTD.") held by UNITED ARROWS LTD. and to make COEN CO., LTD. a wholly owned subsidiary, and completed the acquisition of all shares of COEN CO., LTD. on March 2, 2026.

As a result, COEN CO., LTD. has been included in the scope of consolidation from the first quarter consolidated accounting period of Fiscal Year Ending February 2027. As the allocation of acquisition cost has not yet been completed, provisional accounting treatment related to the allocation of acquisition cost has been applied, resulting in the recording of a gain on negative goodwill of 664 million yen as extraordinary income. In the consolidated earnings forecast for Fiscal Year Ending February 2027 included in the "Financial Results for Fiscal Year February 2026 [Japanese GAAP] (Non-

Consolidated)" announced by The Company on April 14, 2026, gain on negative goodwill of 684 million yen was anticipated in the second half of the fiscal year as the impact of business combination accounting associated with the acquisition of COEN CO., LTD. As a result of the current provisional accounting treatment, 664 million yen has been recorded in the first quarter cumulative consolidated period, representing a change in both the timing and amount of recognition compared to the initial forecast. Please note that the said amount has been provisionally calculated and may change upon finalization of the allocation of acquisition cost and other factors.

2. Details of Extraordinary Loss

During the first quarter cumulative consolidated period, as a result of reviewing the future recoverability of store assets and other assets held by the Company and its consolidated subsidiaries, an impairment loss of 66 million yen has been recorded as an extraordinary loss.

3. Details of Non-Operating Expenses

During the first quarter cumulative consolidated period, as a result of incorporating the Company's proportionate share of the profit and loss of AltPlus Inc., an equity-method affiliate of The Company, an investment loss under the equity method of 37 million yen has been recorded as a non-operating expense.

4. Change in Accounting Treatment for Crypto Asset-Denominated Fund and Recording of Non-Operating Income

As of March 31, 2026, the Company invested in a BTC-denominated fund (hereinafter "the Fund") that invests in crypto assets, using Bitcoin (BTC) held by the Company as the source of funds.

Regarding the valuation and investment performance of the Fund, following discussions with the auditing firm and a review of the accounting treatment, the investment performance after contribution to the Fund has been recorded as unrealized gains on other securities in net assets of 46 million yen.

On the other hand, unrealized gains arising during the period when the Company held the assets on its own account prior to contribution to the Fund are no longer recorded as net sales from the current fiscal year, and have instead been recorded as crypto asset valuation gains of 93 million yen under non-operating income.

As a result, in the first quarter cumulative consolidated period, compared to the case where accounting treatment was applied based on the initial policy, net sales decreased by 161 million yen and non-operating income increased by 93 million yen, resulting in a decrease of 67 million yen in ordinary income.

Please note that this change does not constitute a change in accounting policy as defined under Accounting Standards Board of Japan Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections."

5. Impact on Business Performance

The extraordinary income, extraordinary loss, non-operating income, non-operating expenses, and change in accounting treatment for the crypto asset-denominated fund described above are reflected in the "Summary of Financial Results for the First Quarter of Fiscal Year Ending February 2027 [Japanese GAAP] (Consolidated)" announced today.

The gain on negative goodwill has already been incorporated into the consolidated earnings forecast for Fiscal Year Ending February 2027 announced on April 14, 2026; the current changes are that the timing of recognition has been changed from the second half to the first quarter, and the recognized amount has been changed from 684 million yen to 664 million yen, respectively.

Furthermore, while the impact on ordinary income due to the change in accounting treatment described in item 4 above is a decrease of approximately 67 million yen, based on information currently available and after comprehensively considering the business progress of the entire group including COEN CO., LTD., projected cost incurrence, inventory valuation, and other factors, the Company has determined that the results are within the range of the previously announced consolidated earnings forecasts for the second quarter cumulative consolidated period and the full fiscal year.

Therefore, the Company has not made any changes at this time to the consolidated earnings forecasts for the second quarter cumulative consolidated period and the full fiscal year. Should any revision to the earnings forecast become necessary in the future, the Company will promptly make an announcement.

Please note that forward-looking statements regarding earnings forecasts and other matters contained in this document are based on information available to The Company as of the date of this announcement and certain assumptions that The Company considers reasonable, and actual results may differ materially due to various factors.