Note: This document has been translated from the Japanese original as submitted to the Tokyo Stock Exchange for reference purposes only. In the event of any discrepancy, the original release in Japanese shall prevail.

August 13, 2026

Company name: SUNNY SIDE UP GROUP Inc.
Listing: Tokyo Stock Exchange
Securities code: 2180
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Notice Concerning Recording of Extraordinary Losses

SUNNY SIDE UP GROUP Inc. (the "Company") hereby announces that it recorded extraordinary losses (tender offer-related expenses and impairment losses on fixed assets including goodwill) in its consolidated financial results, as well as extraordinary losses (tender offer-related expenses and valuation loss on shares of subsidiaries) in its non-consolidated financial results for the fiscal year ended June 30, 2026, as detailed below.

1. Details of Extraordinary Losses

(1) Consolidated Financial Results

(i) Tender Offer-related Expenses

The Company recorded JPY 635 million in tender offer-related expenses as an extraordinary loss, which combines advisory expenses incurred in the current fiscal year in connection with the tender offer for the Company's share certificates, etc. by Akatsuki Inc. (the "Tender Offer") and expenses associated with contract transfer procedures and other related matters incurred at a consolidated subsidiary with certain business partners due to the change in parent company resulting from the successful completion of the Tender Offer.

(ii) Impairment Losses Comprising Goodwill and Fixed Assets

For BILCOM Inc., which became a consolidated subsidiary in March 2026, the Company revised its future business plan and recorded an impairment loss of JPY 1,390 million (comprising goodwill and fixed assets) as an extraordinary loss. Furthermore, as a result of evaluating the future recoverability of fixed assets related to the stores of consolidated subsidiary SUNNY SIDE UP KOREA, INC, the Company recorded an impairment loss of JPY 35 million as an extraordinary loss, bringing total impairment losses to JPY 1,425 million.

(2) Non-consolidated Financial Results

(i) Tender Offer-related Expenses

The Company has recorded the aforementioned advisory expenses of JPY 99 million as an extraordinary loss under tender offer related expenses, in connection with the Tender Offer.

(ii) Valuation Loss on Shares of Subsidiaries

For consolidated subsidiary BILCOM Inc., in light of the business progress described above, the Company recorded JPY 1,326 million as a valuation loss on shares of subsidiaries under extraordinary losses in its non-consolidated financial results. Note that as this valuation loss on shares of subsidiaries is eliminated in consolidation, it will have no impact on consolidated financial results.

(Note) For further details and the final results of the Tender Offer, please refer to the press releases "Notice Concerning Expression of Opinion in Support of and Recommendation to Tender in the Tender Offer for the Company’s Shares, etc. by Akatsuki Inc. for Business Integration" dated May 13, 2026, and "Notice Concerning Results of the Tender Offer for the Company’s Shares, etc.by Akatsuki Inc. for Business Integration and Changes in Parent Company and the Largest Shareholder among Major Shareholders" dated June 25, 2026.

2. Impact on Financial Results

The details described above are incorporated into the "Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (Under Japan GAAP)" disclosed today.