November 14, 2023

To all shareholders:

Company name: Monstarlab Holdings Inc.
Representative: Hiroki Inagawa,
Representative Director/Group CEO
(Code: 5255, TSE Growth Market)
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Notice of Recognition of Non-recurring Structural Reform Expenses

Monstarlab Holdings Inc. (hereinafter, the "Company") announces that it has recognized certain non-recurring structural reform expenses for the first nine months (from January 1, 2023 to September 30, 2023) of the fiscal year ending December 31, 2023.

1. Non-recurring Structural Reform Expenses

As announced in the "Notice of Revision of Full-year Consolidated Earnings Forecast, Recognition of Structural Reform Expenses, and Reduction in Directors' Remuneration," dated August 14, 2023, the Group is implementing a structural reform, including the reorganization of overseas bases, for the purpose of creating a foundation to support further fast growth in the future while improving profitability as soon as possible by shifting to a cost structure that is appropriate in proportion to revenue.

As a result, the Company has recognized non-recurring structural reform expenses of 627 million yen mainly in connection with the optimization of headcounts and reorganization of bases (closure and downsizing) for the first nine months of the fiscal year ending December 31, 2023.

2. Impact on Earnings

The impact of the recognition of non-recurring structural reform expenses mentioned above on earnings has already been reflected in the revised full-year consolidated earnings forecast for the fiscal year ending December 31, 2023 in the "Notice of Revision of Full-year Consolidated Earnings Forecast, Recognition of Structural Reform Expenses, and Reduction in Directors' Remuneration" announced on August 14, 2023.