



February 14, 2024

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 Additional Non-recurring Structural Reform Expenses

Monstarlab Holdings Inc. (hereinafter, the “Company”) announces that it has recognized certain non-recurring structural reform expenses for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023).

1. Non-recurring Structural Reform Expenses

During the third quarter of the fiscal year ended December 31, 2023, the Group implemented a structural reform involving the optimization of headcount and the reorganization of bases (closure and downsizing) 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. Although the structural reform was scheduled to be completed by the end of the third quarter, we permitted a delay in the progress in certain headcount reduction plans in consideration of their impact on ongoing projects. As a result, the completion of the structural reform was delayed until the fourth quarter of the current fiscal year. As a result of the delay, the Company has recognized non-recurring structural reform expenses of 877 million yen in total for the current fiscal year (including 249 million yen for the fourth quarter).

2. Impact on Earnings

The impact of the recognition of the non-recurring structural reform expenses mentioned above on earnings has been reflected in the “Summary of Consolidated Financial Results for the Fiscal Year ended December 31, 2023 (IFRS)” announced today.