

2. Dividends

	Annual dividends					Total amount of dividends (Total) (Million Yen)	Dividend payout ratio (Consolidated) (%)	Ratio of dividends to net assets (Consolidated) (%)
	End of Q1	End of Q2	End of Q3	Year end	Total			
	Yen	Yen	Yen	Yen	Yen			
FY2024	—	0.00	—	0.00	0.00	—	—	—
FY2025	—	0.00	—	0.00	0.00	—	—	—
FY2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated Operating Performance Forecasts for FY2026 (January 1, 2026 – December 31, 2026)

The consolidated operating performance forecasts for FY2026 will not be disclosed. For more information, please refer to “1. Overview of Business Performance, etc.; (4) Forecasts and Various Factors in the Future” on page 4 of Supporting Information.

■ Explanatory Notes

(1) Changes to major subsidiaries during FY2025: Yes

New - (Company name), Excluded 1 company (Company name) GlobalGear Co. Ltd.

(2) Changes to accounting policies, estimates, and restatements

- | | |
|---|-----|
| ① Changes to accounting policies due to revision of accounting standards: | Yes |
| ② Changes other than ①: | No |
| ③ Changes to accounting estimates: | No |
| ④ Restatements: | No |

(3) Number of outstanding shares (common shares)

	FY2025	76,832,200 shares	FY2024	48,502,300 shares
① Period end outstanding shares (including treasury shares)	FY2025	641,617 shares	FY2024	641,605 shares
② Period end treasury shares	FY2025	56,802,119 shares	FY2024	44,240,688 shares
③ Average outstanding shares during the period				

[Reference] Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance for FY2025 (January 1, 2025 – December 31, 2025)

(1) Non-Consolidated Operating Results

(% represents rate of increase or decrease over same period of previous fiscal year)

	Revenue		Operating Income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	6,332	(16.4)	(1,147)	—	(1,299)	—	(4,535)	—
FY2024	7,571	(24.5)	(1,556)	—	(1,187)	—	(2,586)	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY2025	(79.85)	—
FY2024	(58.48)	—

(2) Non-Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	13,432	10,201	75.2	132.54
FY2024	16,368	10,569	64.5	220.61

Reference: Shareholder's Equity

FY2025: 10,098 million yen

FY2024: 10,558 million yen

- Financial statements are not subject to audits by certified public accountants or audit firms.
- Other special instructions
(Method of obtaining supplementary materials on quarterly financial results)
For an overview of the financial results, please refer to the quarterly financial results presentation slides posted on the Company website.
<https://www.klab.com/en/ir/library/presentations/>

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1. Overview of Business Performance, etc.

(1) Overview of Business Performance for the Period

(in thousands of yen)

	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Difference (%)
Revenue	8,306,355	6,856,276	(17.5)
Operating Income	(1,342,143)	(1,304,256)	—
Ordinary Income	(1,280,364)	(1,421,088)	—
Net Income Before Income Taxes	(2,164,932)	(4,050,581)	—
Profit Attributable to Owners of Parent	(2,782,986)	(4,176,818)	—

The Company Group business revolves around the planning, development, and operation of mobile online games that utilize IPs such as manga and anime.

In this fiscal year, the Company worked to secure revenue through stable operations of existing titles *BLEACH Brave Souls* and *Captain Tsubasa: Dream Team*, while also focusing on the development of new titles, such as *DRAGON QUEST Smash/Grow*, scheduled for release in 2026, and titles utilizing the IP of the TV anime *My Hero Academia*.

As *BLEACH Brave Souls* was celebrating its 10th anniversary, the Company actively implemented promotions and various campaigns throughout the year, working to acquire new users and give back to existing and returning users. While these measures resulted in steady progress from the beginning of the fiscal year, performance weakened toward the end of the fiscal year due to the impact of a decline in overseas users in particular.

For *Captain Tsubasa: Dream Team*, the Company made efforts to secure revenue through the sale of new products, but a certain degree of decline continued, resulting in weak revenue throughout the year.

As part of the new management strategy announced at the beginning of the fiscal year, the Company launched the GPU AI Cloud Business and the Comprehensive AI Entertainment Business in order to break away from its reliance on the game business, which has high revenue volatility. Of these, sales of GPU servers in the GPU AI Cloud Business remained strong, contributing to sales of other sales of ¥490,736 thousand (an increase of 591.8% compared to the previous fiscal year).

In terms of expenses, while continuing to implement company-wide cost controls, the Company has implemented workforce reductions by downsizing and relocating offices and offering voluntary retirement, thereby achieving a significant reduction in fixed costs.

As a result of the above, revenue was ¥6,856,276 thousand (a decrease of 17.5% compared to the previous fiscal year), operating loss was ¥1,304,256 thousand (operating loss was ¥1,342,143 thousand in the previous fiscal year), and ordinary loss was ¥1,421,088 thousand (ordinary loss was ¥1,280,364 thousand in the previous fiscal year).

Extraordinary income included a gain on the sale of investment securities of ¥1,637,461 thousand resulting from the sale of multiple securities, and a support grant of ¥209,478 thousand for an office relocation in the fourth quarter. Extraordinary losses included a special retirement benefit of ¥41,483 thousand resulting from the implementation of a voluntary retirement offering in the second quarter, an impairment loss of ¥4,426,697 thousand on software assets for EA SPORTS FC™ TACTICAL, and an impairment loss of ¥81,400 thousand on software assets for multiple casual games in the fourth quarter.

As a result of the above, the net loss attributable to owners of parent was ¥4,176,818 thousand (net loss attributable to owners of parent was ¥2,782,986 thousand in the previous fiscal year).

(2) Overview of Financial Status for the Period

Status of Assets, Liabilities and Net Assets

Assets

Total assets at the end of FY2025 were ¥13,273,301 thousand (a decrease of ¥2,510,885 thousand when compared to the end of the previous fiscal year). This was mainly due to a decrease of ¥4,075,305 thousand in software in progress, a decrease of ¥1,785,088 thousand in investment securities, and a decrease of ¥555,425 thousand in goodwill, despite an increase of ¥3,608,855 thousand in cash and deposits.

Liabilities

Total liabilities at the end of FY2025 were ¥2,969,165 thousand (a decrease of ¥2,443,516 thousand when compared to the end of the previous fiscal year). This was mainly due to a decrease of ¥800,000 thousand in short-term loans, a decrease of ¥547,754 thousand in long-term loans to be repaid within one year, a decrease of ¥328,713 thousand in advance payments received, and a decrease of ¥620,596 thousand in other non-current liabilities.

Net assets

Net assets at the end of FY2025 were ¥10,304,136 thousand (a decrease of ¥67,368 thousand when compared to the end of the previous fiscal year). This was mainly due to a decrease of ¥4,176,818 thousand in retained earnings due to the recording of a net loss attributable to owners of parent, etc., and a decrease of ¥711,470 thousand in valuation difference on available-for-sale securities, despite an increase of ¥2,393,612 thousand in capital and capital reserves.

(3) Overview of Cash Flows for the period

At the end of FY2025, cash and cash equivalents (hereinafter referred to as "Funds") increased by ¥3,608,855 thousand compared to the end of the previous fiscal year, amounting to ¥5,214,034 thousand.

The following is the status of cash flows at the end of FY2025 and the underlying factors.

Cash flows from operating activities

Funds used in operating activities were 1,800,692 thousand (a decrease of ¥138,223 thousand in the previous period), mainly due to the recording of an impairment loss of ¥4,508,098 thousand, the recording of a loss before income taxes of ¥4,050,581 thousand, and the recording of a gain on sales of investment securities of ¥1,637,461 thousand.

Cash flows from investing activities

Funds obtained in investing activities were 2,479,391 thousand (a decrease of ¥1,045,551 thousand in the previous period), mainly due to proceeds of ¥2,443,854 thousand from the sale of investment securities.

Cash flows from financing activities

Funds obtained in financing activities were 2,916,895 thousand (an increase of ¥555,110 thousand in the previous period), mainly due to proceeds of ¥2,876,250 thousand from the issuance of shares.

[Reference] Changes in Cash Flow Indicators

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio	68.4%	62.9%	64.3%	65.6%	76.9%
Equity ratio on market value basis	100.7%	83.8%	65.4%	53.1%	217.0%
Cash flow to interest-bearing debt ratio	—	—	—	—	—
Interest coverage ratio	—	—	—	—	—

Equity ratio: Shareholders' equity ÷ Total assets

Equity ratio on market value basis: Market capitalization ÷ Total assets

Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities ÷ Cash flows

Interest coverage ratio: Cash flows ÷ Interest expense

(Note 1) Each indicator is calculated using consolidated financial figures.

(Note 2) Market capitalization is calculated based on the number of outstanding shares, excluding treasury shares.

(Note 3) Operating cash flows are used for cash flows.

(Note 4) Interest-bearing debt covers all liabilities on the balance sheet for which interest is paid.

(Note 5) Cash flow to interest-bearing debt ratio and interest coverage ratio are not stated because operating cash flow was negative.

(4) Forecasts and Various Factors in the Future

The Company believes that the mobile online game market in which it operates will remain huge, but will continue to face a tough competitive environment. By providing games that use Japan's leading IPs, such as manga and anime, which are highly popular and enthusiastic around the world, the Company aims to secure a competitive advantage and stabilize its game business.

In the fiscal year ended December 2026, the Company plans to release titles that utilize the IPs of *DRAGON QUEST Smash/Grow* and the TV anime *My Hero Academia*.

Furthermore, starting from the current consolidated fiscal year, the Company has revised its management strategy to move away from a business structure that relies on revenue from the highly volatile game business and achieve stable business growth, and has launched the GPU AI Cloud Business and the Comprehensive AI Entertainment Business. In addition to establishing these businesses, the Company will focus on launching further new businesses in the fiscal year ended December 2026.

The Company has decided not to disclose its earnings forecast for the fiscal year ended December 2026, as it believes it would be difficult to present a reasonable and reliable forecast due to the high level of uncertainty surrounding new businesses, as well as the high volatility of revenue in the game business and the planned release of new titles.

It is the Company policy to promptly disclose any estimations that become possible based on future progress.

2. Rationale Behind the Choice of Accounting Standards

With regard to the timing for introducing the International Financial Reporting Standards (IFRS), the Company is closely monitoring the adoption trend in Japan, and its future adoption has yet to be determined.

3. Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(In thousands of yen)

	FY2024 (Dec. 31, 2024)	FY2025 (Dec. 31, 2025)
Assets		
Current assets		
Cash and deposits	1,605,179	5,214,034
Accounts receivable	1,220,550	1,151,572
Prepaid expenses	1,083,366	1,010,849
Income taxes receivable	—	3,246
Other	529,311	760,005
Allowance for doubtful accounts	(37,946)	(819)
Total current assets	4,400,462	8,138,888
Non-current assets		
Property, plant, and equipment		
Buildings	157,175	167,027
Accumulated depreciation	(147,935)	(2,797)
Buildings, net	9,239	164,229
Other	717,353	653,237
Accumulated depreciation	(644,763)	(597,816)
Other, net	72,589	55,420
Total property, plant, and equipment	81,828	219,650
Intangible assets		
Goodwill	555,425	—
Software	24,748	12,551
Software in progress	7,226,182	3,150,877
Other	4,731	4,158
Total intangible assets	7,811,088	3,167,588
Investments and other assets		
Investment securities	2,031,273	246,185
Capital investment	860,359	809,715
Deferred tax assets	196,930	399,110
Other	551,415	421,193
Allowance for doubtful accounts	(149,171)	(129,030)
Total investments and other assets	3,490,807	1,747,174
Total non-current assets	11,383,724	5,134,412
Total assets	15,784,187	13,273,301

(In thousands of yen)

	FY2024 (Dec. 31, 2024)	FY2025 (Dec. 31, 2025)
Liabilities		
Current liabilities		
Accounts payable	592,556	673,620
Short-term loans	800,000	—
Long-term loans to be repaid within one year	773,350	225,596
Income taxes payable	69,517	74,768
Advance payments	1,772,205	1,443,492
Provision for bonuses	105,920	82,246
Other	571,849	362,755
Total current liabilities	4,685,399	2,862,479
Non-current liabilities		
Other	727,282	106,686
Total non-current liabilities	727,282	106,686
Total liabilities	5,412,681	2,969,165
Net assets		
Shareholders' equity		
Capital stock	6,220,354	8,613,967
Capital surplus	5,974,903	8,368,516
Retained earnings	(1,782,339)	(5,959,157)
Treasury stock	(397,395)	(397,397)
Total shareholders' equity	10,015,523	10,625,928
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	744,674	33,203
Foreign currency translation adjustment	(400,125)	(457,700)
Total accumulated other comprehensive income	344,548	(424,496)
Subscription rights to shares	11,432	102,704
Total net assets	10,371,505	10,304,136
Total liabilities and net assets	15,784,187	13,273,301

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income
Fiscal Year Consolidated Cumulative Period

(In thousands of yen)

	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Revenue	8,306,355	6,856,276
Cost of sales	7,173,726	6,025,736
Gross profit	1,132,628	830,540
Selling, general and administrative expenses	2,474,772	2,134,796
Operating income (loss)	(1,342,143)	(1,304,256)
Non-operating income		
Interest income	8,236	9,085
Dividend income	68,973	37,752
Foreign exchange gains	65,596	12,103
Other	36,023	23,826
Total non-operating income	178,829	82,767
Non-operating income		
Interest expense	36,371	32,961
Commission paid	32,148	80,653
Investment partnership operating loss	37,827	69,147
Other	10,702	16,836
Total non-operating expenses	117,049	199,598
Ordinary income (loss)	(1,280,364)	(1,421,088)
Extraordinary income		
Gain on sale of investment securities	246,558	1,637,461
Support grant for office relocation	—	209,478
Other	4,467	75,982
Total extraordinary income	251,025	1,922,923
Extraordinary loss		
Impairment loss	152,949	4,508,098
Losses related to trust-type stock options	114,946	—
Other	867,697	44,318
Total extraordinary losses	1,135,594	4,552,416
Net income (loss) before income taxes	(2,164,932)	(4,050,581)
Income taxes - current	612,418	126,236
Income taxes - deferred	5,635	—
Total income taxes	618,054	126,236
Net income (loss)	(2,782,986)	(4,176,818)
Profit (loss) attributable to owners of parent	(2,782,986)	(4,176,818)

Consolidated Statements of Comprehensive Income
Fiscal Year Consolidated Cumulative Period

(In thousands of yen)

	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Net income (loss)	(2,782,986)	(4,176,818)
Other comprehensive income		
Valuation difference on other securities	278,852	(711,470)
Foreign currency translation adjustment	(69,075)	(57,574)
Total other comprehensive income	209,777	(769,045)
Comprehensive income	(2,573,209)	(4,945,864)
(Breakdown)		
Comprehensive income attributable to owners of parent	(2,571,875)	(4,945,864)
Comprehensive income attributable to non-controlling interests	(1,333)	—

(3) Consolidated Statements of Changes in Equity

FY2024 (January 1, 2024 - December 31, 2024)

(In thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	5,457,956	5,212,506	1,009,094	(397,377)	11,282,179
Changes of items during period					
Issuance of new shares	762,397	762,397			1,524,795
Profit (loss) attributable to owners of parent			(2,782,986)		(2,782,986)
Acquisition of treasury stock				(17)	(17)
Capital increase of consolidated subsidiaries			(8,446)		(8,446)
Net changes of items other than shareholders' equity					
Total changes of items during period	762,397	762,397	(2,791,433)	(17)	(1,266,656)
Balance at end of current period	6,220,354	5,974,903	(1,782,339)	(397,395)	10,015,523

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	465,821	(332,383)	133,437	289,401	4,276	11,709,295
Changes of items during period						
Issuance of new shares						1,524,795
Profit (loss) attributable to owners of parent						(2,782,986)
Acquisition of treasury stock						(17)
Capital increase of consolidated subsidiaries						(8,446)
Net changes of items other than shareholders' equity	278,852	(67,741)	211,111	(277,968)	(4,276)	(71,134)
Total changes of items during period	278,852	(67,741)	211,111	(277,968)	(4,276)	(1,337,790)
Balance at end of current period	744,674	(400,125)	344,548	11,432	—	10,371,505

FY2025 (January 1, 2025 - December 31, 2025)

(In thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	6,220,354	5,974,903	(1,782,339)	(397,395)	10,015,523
Changes of items during period					
Issuance of new shares	2,393,612	2,393,612			4,787,225
Profit (loss) attributable to owners of parent			(4,176,818)		(4,176,818)
Acquisition of treasury stock				(1)	(1)
Capital increase of consolidated subsidiaries			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	2,393,612	2,393,612	(4,176,818)	(1)	610,405
Balance at end of current period	8,613,967	8,368,516	(5,959,157)	(397,397)	10,625,928

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	744,674	(400,125)	344,548	11,432	—	10,371,505
Changes of items during period						
Issuance of new shares						4,787,225
Profit (loss) attributable to owners of parent						(4,176,818)
Acquisition of treasury stock						(1)
Capital increase of consolidated subsidiaries						(0)
Net changes of items other than shareholders' equity	(711,470)	(57,574)	(769,045)	91,271		(677,773)
Total changes of items during period	(711,470)	(57,574)	(769,045)	91,271	—	(67,368)
Balance at end of current period	33,203	(457,700)	(424,496)	102,704	—	10,304,136

(4) Consolidated Statements of Cash Flows

(In thousands of yen)

	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Cash flows from operating activities		
Income (loss) before income taxes	(2,164,932)	(4,050,581)
Depreciation	100,786	63,001
Impairment loss	152,949	4,508,098
Increase (decrease) in the amount of the allowance for doubtful accounts	53,832	(17,952)
Interest income	(8,236)	(9,085)
Dividend income	(68,973)	(37,752)
Interest expense	36,371	32,961
Foreign exchange loss (gain)	(167,373)	(77,365)
Decrease (increase) in notes and accounts receivable	(265,214)	18,693
Decrease (increase) in prepaid expenses	126,003	56,187
Increase (decrease) in advance payments	(6,464)	(341,502)
Increase (decrease) in notes and accounts payable - trade	(37,500)	80,143
Increase (decrease) in advances received	716,742	(325,839)
Increase (decrease) in income taxes payable (pro forma standard taxation)	17,790	34,250
Loss (gain) on sale of investment securities	(246,558)	(1,637,461)
Investment partnership operating loss (gain)	37,827	69,147
Increase (decrease) in the amount of the allowance for bonuses	(16,930)	(23,673)
Other	1,684,320	(80,918)
Subtotal	(55,559)	(1,739,649)
Interest and dividend income received	80,713	45,906
Interest paid	(38,186)	(35,259)
Income taxes refunded (paid)	(125,190)	(71,689)
Net cash used in operating activities	(138,223)	(1,800,692)
Cash flows from investing activities		
Income from sale of investment securities	1,823,081	2,443,854
Expenditures for acquisition of investment securities	(732,345)	(40,216)
Expenditures for acquisition of tangible fixed assets	(5,945)	(183,024)
Expenditures for acquisition of intangible assets	(1,925,985)	(492,426)
Expenditures for sale of subsidiary shares with changes in scope of consolidation	—	696,844
Income from collection of security deposits and guarantees	7,643	279,596
Expenditures for deposits and guarantees	—	(192,241)
Expenditures for capital investment payments	—	(50,000)
Other	(212,000)	17,004
Cash flows from investing activities	(1,045,551)	2,479,391
Cash flows from financing activities		
Increase (decrease) in short-term loans	800,000	(800,000)
Expenditures for repayment of long-term loans	(1,756,676)	(1,178,350)
Income from issuance of corporate bonds	1,000,000	1,390,000
Expenditures for redemption of corporate bonds	(1,000,000)	(1,300,000)
Income from issuance of shares	—	2,876,250
Income from issuance of subscription rights by exercise	1,494,413	1,910,975
Income from issuance of stock acquisition rights	17,390	18,021
Other	(17)	(1)
Cash flows from financing activities	555,110	2,916,895
Cash and equivalents conversion changes	22,608	13,261

(In thousands of yen)

	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Cash and equivalents increase (decrease)	(606,056)	3,608,855
Cash and equivalents (starting balance)	2,211,236	1,605,179
Cash and equivalents (ending balance)	1,605,179	5,214,034

(5) Notes Related to Consolidated Financial Statements

(Notes Related to Ongoing Concern Assumptions)

Not applicable.

(Change in Accounting Policy)

The "Accounting Standard for Income Taxes" (ASBJ Guidance No. 27, October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standard"), etc. has been applied from the beginning of the current consolidated fiscal year.

Regarding the revision of the classification of income taxes, etc. (taxation on other comprehensive income), the Company complies with the transitional measures stipulated in the provisions of Article 20-3 of the 2022 Revised Accounting Standard and the transitional measures stipulated in the provisions of Article 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance"). Additionally, the change in accounting policy has no impact on the quarterly consolidated financial statements.

Furthermore, regarding the revision related to the review of the treatment of consolidated financial statements in cases where gains or losses from the sale of subsidiary shares, etc., between consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the consolidated fiscal year. This change in accounting policy has been applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and fiscal year have been retroactively applied. However, the change in accounting policy has no impact on the quarterly consolidated financial statements for the previous quarter or the consolidated financial statements for the previous consolidated fiscal year.

(Segment Information and Other Information)

[Segment Information]

1. Overview of Reported Segments

The "Reported Segment" for the Company Group provides segregated financial information of segregated business units and is subject to regular assessment by the Board of Directors to allocate management resources and to evaluate operating results.

The Company Group only has the reportable segment of the "Game Business," which provides mobile online games.

2. Calculation Method of Revenue, Income or Loss, Assets, Liabilities and Other Items for Each

Reported Segment

The accounting method used for reported business segments is generally the same accounting method used in preparing the consolidated balance statements.

The business segment income is the figure based on gross profit.

3. Pertaining to Revenue, Income or Loss, Assets, Liabilities and Other Items

FY2024 (January 1, 2024 - December 31, 2024)

(In thousands of yen)

	Reported Segment	Other (Note 1)	Amount Listed on Consolidated Statement of Income (Note 2)
	Game Business		
Revenue			
Income from Paid Users	6,320,656	—	6,320,656
Other	1,914,768	70,931	1,985,699
Revenue from Contracts with Customers	8,235,424	70,931	8,306,355
Other Income	—	—	—
Revenue from External Customers	8,235,424	70,931	8,306,355
Intersegment Internal Revenue or Account Transfer Amount	—	—	—
Total	8,235,424	70,931	8,306,355
Segment Profit (Loss)	1,182,351	(49,722)	1,132,628
Other items Depreciation Expense	64,321	9,971	74,293

Notes:

1. "Other" refers to the business segment not included in the "Reported Segment" above.
2. "Segment Profit (Loss)" has not been adjusted as it is the same as the gross profit in the consolidated statements of income.
3. The amount of segment assets and liabilities are omitted as they are not subject to regular assessment for allocating administrative resources and evaluating performance.

FY2025 (January 1, 2025 - December 31, 2025)

(In thousands of yen)

	Reported Segment	Other (Note 1)	Amount Listed on Consolidated Statement of Income (Note 2)
	Game Business		
Revenue			
Income from Paid Users	4,907,098	—	4,907,098
Other	1,458,442	490,736	1,949,178
Revenue from Contracts with Customers	6,365,540	490,736	6,856,276
Other Income	—	—	—
Revenue from External Customers	6,365,540	490,736	6,856,276
Intersegment Internal Revenue or Account Transfer Amount	—	—	—
Total	6,365,540	490,736	6,856,276
Segment Profit (Loss)	836,233	(5,692)	830,540
Other items Depreciation Expense	41,785	270	42,055

Notes:

1. "Other" refers to the business segment not included in the "Reported Segment" above.
2. "Segment Profit (Loss)" has not been adjusted as it is the same as the gross profit in the consolidated statements of income.
3. The amount of segment assets and liabilities are omitted as they are not subject to regular assessment for allocating administrative resources and evaluating performance.

4. Information on impairment loss on fixed assets or goodwill, etc. by Reported Segment

(Significant impairment loss on fixed assets)

In the Game Business segment, an impairment loss on software in progress was recorded. The amount of the impairment loss recorded was ¥121,254 thousand in the previous consolidated fiscal year and ¥4,508,098 thousand in the current consolidated fiscal year.

(Significant Change in Goodwill Amount)

During the current consolidated fiscal year, all shares of GlobalGear Co. Ltd. were transferred, and the company was excluded from the scope of consolidation. As a result of this, the decrease in goodwill in the Game Business segment was ¥510,991 thousand.

(Per Share Data)

	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Net assets per share	216.46 yen	133.89 yen
Net loss per share	62.91 yen	73.53 yen

Notes:

1. Diluted net income per share is not stated because there is a net loss per share despite the presence of issuable shares.
2. The basis for calculating net loss per share is as follows.

Item	FY2024 (Jan. 1, 2024 – Dec. 31, 2024)	FY2025 (Jan. 1, 2025 – Dec. 31, 2025)
Net loss per share		
Loss attributable to owners of parent (in thousands of yen)	2,782,986	4,176,818
Amount not available to common shareholders (in thousands of yen)	—	—
Loss attributable to owners of parent attributable for common shares (in thousands of yen)	2,782,986	4,176,818
Average common shares during period (shares)	44,240,688	56,802,119

(Significant Subsequent Events)

Not applicable.