

October 21, 2026

Name of Company: KLab Inc.
(TSE Prime Market: 3656)
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Notice Concerning Partial Amendment (Exercise Conditions) to Terms and Conditions of 21st Stock Acquisition Rights (Market Capitalization and Performance Target Achievement-Type Paid-in Stock Options)

KLab Inc. (the "Company") has announced that at a meeting of the Board of Directors held today, the Company resolved to amend certain terms and conditions regarding the issuance of paid-in stock options (hereinafter referred to as the "21st Stock Acquisition Rights"), which had been authorized by the Board of Directors on July 11, 2025, as follows. Please note that these amendments are intended solely to refine the language in preparation for potential future adjustments to business segment classifications as the Company expands, and they do not alter the intent behind the exercise conditions or the level of difficulty required to meet them.

Notes

1. Reason for amendments

The 21st Stock Acquisition Rights were issued to the Company's directors (excluding Directors Who Are Audit and Supervisory Committee Members) and employees with the aim of further heightening their awareness of the importance of increasing its stock price and providing a strong incentive for the recovery of its business performance. Accordingly, the exercise of these rights is contingent upon the achievement of pre-established targets for market capitalization and performance.

Regarding the performance targets, the Company has set a goal of generating over 1,000 million yen in revenue from areas outside its core game business. This objective is part of a broader strategy to restructure its business portfolio, specifically by expanding revenue from new business areas to reduce its reliance on the highly volatile game sector and foster stable, long-term growth. To track this, the Company uses the "Other" revenue category as reported in the segment information section of its annual securities report. However, if these new businesses other than the game business areas expand successfully and eventually reach a scale that warrants their own separate reporting segment distinct from the "Other" category, then their revenue would no longer be included under "Other." Consequently, the Company has identified a potential issue that even if it achieves the intended business growth, its current metric might fail to accurately reflect that the target has been met.

Accordingly, the Company has decided to amend certain terms of the issuance, specifically by changing the performance metric from the current "revenue from 'Other' categories" to "consolidated revenue minus revenue from the 'Game Business'" in order to more accurately reflect the original intent behind the exercise conditions.

2. Details of amendments (the amended parts are underlined)

Before amendments	After amendments
3. Details of Stock Acquisition Rights (6) Conditions for exercising Stock Acquisition Rights ① The holder of the stock acquisition rights may exercise the stock acquisition rights only if both of the following (a) and (b) apply. (a) If during any fiscal year from the fiscal year ended December 2026 to the fiscal year ended December 2030, the revenue recorded other than the "Game Business" in the annual securities report submitted under the Financial Instruments and Exchange Act exceeds 1,000 million yen. In determining the revenue other than the "Game Business," reference shall be made to <u>the amount of revenue recorded under the "Other" segment in the segment information provided in the annual securities report</u>. If significant changes occur in the concept of items to be referenced due to the application of International Financial Reporting Standards, changes in fiscal year-end, etc., other indicators to be referenced shall be separately determined by the Board of Directors. (b) If at any time between August 13, 2025, and August 11, 2035, the market capitalization of the Company (calculated using the formula below) exceeds 10 billion yen: Market capitalization = closing price of the Company's common stock on the stock exchange where the stock is listed (if listed on multiple exchanges, the highest closing price among those exchanges) × Total number of issued shares of the Company (excluding treasury shares).	3. Details of Stock Acquisition Rights (6) Conditions for exercising Stock Acquisition Rights ① The holder of the stock acquisition rights may exercise the stock acquisition rights only if both of the following (a) and (b) apply. (a) If during any fiscal year from the fiscal year ended December 2026 to the fiscal year ended December 2030, the revenue recorded other than the "Game Business" in the annual securities report submitted under the Financial Instruments and Exchange Act exceeds 1,000 million yen. In determining the revenue other than the "Game Business," reference shall be made to <u>the amount obtained by deducting the revenue of the "Game Business" segment as stated in the segment information of the annual securities report from the Company's consolidated revenue stated in the same report</u>. If significant changes occur in the concept of items to be referenced due to the application of International Financial Reporting Standards, changes in fiscal year-end, etc., other indicators to be referenced shall be separately determined by the Board of Directors. (b) If at any time between August 13, 2025, and August 11, 2035, the market capitalization of the Company (calculated using the formula below) exceeds 10 billion yen: Market capitalization = closing price of the Company's common stock on the stock exchange where the stock is listed (if listed on multiple exchanges, the highest closing price among those exchanges) × Total number of issued shares of the Company (excluding treasury shares).

3. Effective date of amendments

Effective date: October 21, 2026 (Wednesday)

(Reference)

Disclosure dated July 11, 2025

"Notice Concerning Issuance of Stock Acquisition Rights (Market Capitalization and Performance Target Achievement-Type Paid-in Stock Options and Tax-Qualified Stock Options)"

<https://ssl4.eir-parts.net/doc/3656/announcement2/112602/00.pdf>