

July 6, 2022

Name of Company: KLab Inc.

Representative: Hidekatsu Morita,

Representative Director,

President and CEO

(TSE Prime Market: 3656)

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Notice Concerning the Recording of Extraordinary Loss

KLab Inc. (the “Company”) has announced that it will record an extraordinary loss in the second quarter of the consolidated accounting period of the fiscal year ended December 31, 2022.

Notes

1. Recording of Extraordinary Loss

After careful consideration of the future recoverability of software assets based on recent trends in business performance and other factors, the Company has decided to recognize impairment charges for the entire book value of the software for the game title, *Lapis Re:LiGHTs* released on December 14, 2021.

As a result, an impairment loss of 410,029 thousand yen is expected to be recorded as an extraordinary loss in the second quarter of the fiscal year ended December 31, 2022.

2. Future Outlook

Forecasts for the fiscal year ended December 31, 2022 are not disclosed because it is difficult to make rational calculations at this time. The Company will promptly disclose information when it becomes possible to make forecasts in the future.