

November 8, 2022

Name of Company: KLab Inc.

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(TSE Prime Market: 3656)

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## Notice Concerning Suspension of Shareholder Benefit Program

KLab Inc. (“the Company”) has decided that it will suspend the shareholder benefit program as follows.

### Notes

#### 1. Reasons for Suspension of Shareholder Benefit Program

The Company has introduced a shareholder benefit program to thank its shareholders for their daily support, to deepen their understanding of the business, and to have as many shareholders as possible hold shares over the mid- to long-term.

At present, the Company is facing sluggish top-line growth due to weakening revenue of titles released in recent years and their decline was earlier than expected, as well as rising costs due to soaring development costs. In addition to focusing on the development of new titles for the future, the top priority is to shift to a stable profit generation structure for the business by thoroughly reviewing costs, such as organizing titles under operation, improving operational efficiency, and strengthening the development structure.

As a result of repeated and careful discussions in light of the business situation, the Company has decided to suspend the shareholder benefit program, although it is extremely regrettable.

The Company will strive to recover its business performance at an early stage and work to rebuild the financial structure so that it can offer stable shareholder benefits. Thank you for your understanding.

#### 2. Timing of Suspension of Shareholder Benefit Program

The Company will suspend the shareholder benefit program based on the record as of December 31, 2022.