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(TSE Prime Market: 3656)

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Notice Concerning Difference in Actual Results for the Fiscal Year Ended December 2022 and the Actual Results for the Previous Fiscal Year

KLab Inc. (“the Company”) has announced that there is a difference concerning the actual results for the fiscal year ended December 2022 (Jan. 1, 2022 – Dec. 31, 2022) and the actual results for the previous fiscal year as follows.

Notes

1. Difference in Actual Results for the Fiscal Year Ended December 2022 (Jan. 1, 2022 – Dec. 31, 2022) and the Actual Results for the Previous Fiscal Year

(in Millions of Yen)

	Revenue	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income Per Share (Yen)
Actual Results for Previous Fiscal Year (A) (Ended Dec. 31, 2021)	23,895	(1,105)	(1,028)	(3,468)	(90.38)
Actual Results for Current Fiscal Year (A) (Ended Dec. 31, 2022)	16,880	(598)	(73)	(541)	(13.97)
Amount of Increase / Decrease	(7,014)	507	954	2,926	
Rate of Increase / Decrease	(29.4%)	—	—	—	

2. Reason for Difference

Revenue decreased YoY due to a decrease in the number of operated titles that was due to the transfer and withdrawal of titles with poor performance, as well as a decline in existing titles.

On the other hand, the Company will continue to review the personnel structure for operations and

detailed expenses for the entire group, and plan to shift to a profitable structure. As a result of efforts to control costs as much as possible, the deficit in each level of profit below operating income decreased from the previous fiscal year.

Furthermore, ordinary income decreased due to the depreciation of the yen worldwide during the current consolidated fiscal year. A foreign exchange gain of 380 million yen was recorded due to the settlement of business transactions and revaluation based on the exchange rate at the end of the period, further reducing the deficit.

The difference in profit attributable to owners of parent was due to an extraordinary loss of 1,679 million yen resulting from an impairment loss on software assets in the previous fiscal year and the recording of 546 million yen in income taxes-deferred due to the partial reversal of deferred tax assets.