

February 8, 2024

Name of Company: KLab Inc.

Representative: Hidekatsu Morita,

Representative Director,

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(TSE Prime Market: 3656)

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Notice Concerning Difference in Consolidated Results for FY2023 and Previous Fiscal Year Actual Results

KLab Inc. (“the Company”) has announced that there is a difference in the previous fiscal year actual results for the fiscal year ended December 2023 (Jan. 1, 2023 – Dec. 31, 2023) as follows.

Notes

1. Difference in Consolidated Results for Fiscal Year Ended December 2023 (Jan. 1, 2023 – Dec. 31, 2023) and Previous Fiscal Year Actual Results

(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, 2022)	16,880	(598)	(73)	(541)	(13.97)
Actual Results for Current Fiscal Year (A) (Ended Dec. 31, 2023)	10,717	(1,127)	(761)	(1,728)	(42.74)
Amount of Increase / Decrease	(6,163)	(529)	(688)	(1,186)	
Rate of Increase / Decrease	(36.5%)	—	—	—	

2. Reason for Difference

During the consolidated accounting period of the fiscal year ended December 31, 2023, the Company focused on the stable operation of existing titles, the development of new titles, the search for new revenue sources, and cost structure reforms with a priority toward profitability.

As part of these strategies, the Company reviewed the company-wide operating system and worked to

improve profitability, but revenue from three titles decreased due to the termination of services, and revenue of existing titles continued to decline. As a result, revenue and each profit category decreased compared to the previous fiscal year.

Additionally, net income attributable to owners of parent widened in the red with a difference due to the recording of an impairment loss on software assets for *Is It Wrong to Try to Pick Up Girls in a Dungeon?: Battle Chronicle*" in the fourth quarter.