



## Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under IFRS)

November 14, 2025

Company name Monstarlab Inc.

Stock exchange listings: Tokyo  
Growth

Securities code 5255 URL <https://monstar-lab.com/jp/>

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Dividend payable date (as planned) —

Supplemental material of results: Yes

Convening briefing of results : Yes (for analysts and institutional investors [on-demand video])

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	5,830	(26.6)	613	—	234	—	280	—	300	—	349	—
September 30, 2024	7,942	(21.4)	(7,766)	—	(7,804)	—	(7,765)	—	(7,735)	—	(6,844)	—

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	5.56	4.55
September 30, 2024	(225.34)	(225.34)

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2025	9,959	1,496	1,546	15.5
December 31, 2024	7,589	(4,776)	(4,738)	(62.4)

### 2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2025	—	0.00	—		
Fiscal year ending December 31, 2025 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
December 31, 2025	8,517	(14.8)	360	—	274	—	206	—	5.27

Note:Revisions to the earnings forecasts most recently announced:None

\* Notes

(1) Significant changes in the scope of consolidation during the period:None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS:None

(ii) Changes in accounting policies due to other reasons :None

(iii) Changes in accounting estimates :None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the period end (including treasury stock)

As of September 30, 2025	64,900,722 shares	As of December 31, 2024	39,176,950 shares
As of September 30, 2025	243,300 shares	As of December 31, 2024	0 shares
Nine months ended September 30, 2025	54,005,990 shares	Nine months ended September 30, 2024	34,326,950 shares

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

\* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company deems reasonable. Therefore, this is not intended to promise its achievement. Actual results may differ materially due to various factors. For the assumptions underlying earnings forecasts and disclaimers concerning the use of earnings forecasts, please refer to the Appendix (P.4, "1. Qualitative Information on Operating Results, etc. (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Information").

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Overview of Operating Results for the Current Quarter

The Monstarlab Group (the “Group”) operates under the mission “Leverage diversity to change the world through technology.” We aim to contribute to a better world by working with our clients as their digital partner to create products, services, and ecosystems that will resolve global issues, while simultaneously providing “opportunities” such as “opportunities to work,” “opportunities to grow,” and “opportunities to participate in projects that tackle global issues” across national borders.

During the nine months ended September 30, 2025, the global and Japanese economies showed a moderate recovery trend, supported by an expansion in inbound demand and an improvement in the income environment due to wage increases. However, the economic outlook both domestically and internationally remains uncertain due to factors such as prolonged price hikes caused by the situation in Ukraine, as well as future policy trends in the United States and fluctuations in financial capital markets. On the other hand, in the IT industry, the momentum for digital shifts triggered by the COVID-19 pandemic shows no signs of waning. Demand for digital transformation (DX) directly linked to management strategies has increased, and corporate appetite for DX investment continues to be strong.

Amidst this business environment, the Group operates its main “Digital Consulting Business,” which primarily supports DX for corporations and local governments in line with their business challenges and new business needs, as well as “Other Business” including product businesses, in 12 countries and regions globally (as of September 30, 2025). The Group classifies the areas where its Digital Consulting Business operates into two regions: APAC, which refers to Japan, the Asia-Pacific region, and the Middle East; and AMER, which refers to North, Central, and South America.

For the nine months ended September 30, 2025, the Group steadily accumulated operating profit as a result of completing the establishment of a growth foundation and transforming into a structure capable of generating profits. This was accomplished through fundamental structural reforms centered on the withdrawal and downsizing of unprofitable bases and cost optimization, which were promoted throughout the fiscal year ended December 31, 2024. In APAC, approaches utilizing generative AI and initiatives for data and enterprise system projects progressed smoothly. Sales increased to multiple existing customers, and revenue grew due to factors such as securing advanced and sophisticated generative AI-related projects. In the field of utilizing generative AI, we globally launched “MonstarX,” a proprietary multi-AI agent developed for AI-driven development, on November 6, 2025.

In AMER, a stable pipeline has been established, primarily with existing major clients, and the business environment is favorable and stable. The region has consistently recorded operating profits in each quarter since achieving operating profitability in the third quarter of the fiscal year ended December 31, 2024, and the improvement in the profit structure due to structural reforms is clearly evident. As a one-time fluctuating factor, a significant positive impact on operating profit was recorded due to a large reversal of share-based compensation expenses resulting from the expiration of stock options and other factors.

As a result, for the nine months ended September 30, 2025, the Group’s revenue was 5,830,819 thousand yen (a decrease of 26.6% year-on-year), operating profit was 613,740 thousand yen (compared to an operating loss of 7,766,992 thousand yen in the same period of the previous year), profit before tax was 234,697 thousand yen (compared to a loss before tax of 7,804,946 thousand yen in the same period of the previous year), and profit attributable to owners of parent was 300,484 thousand yen (compared to a loss attributable to owners of parent of 7,735,278 thousand yen in the same period of the previous year).

The operating results for the Digital Consulting Business by region are as follows:

#### 1. APAC

For the nine months ended September 30, 2025, revenue amounted to 4,701,464 thousand yen (a decrease of 0.8% year-on-year), and operating profit was 261,265 thousand yen (compared to an operating loss of 305,998 thousand yen in the same period of the previous year). These figures are compared to APAC in the previous year, which consisted of Japan and the Asia-Pacific region.

As a result of sales growth to existing customers and the acquisition of advanced AI projects, sales increased compared to the same quarter of the previous year, and remained almost flat compared to the same nine-month period of the previous year.

#### 2. AMER

For the nine months ended September 30, 2025, revenue amounted to 799,220 thousand yen (an increase of 6.6% year-on-year), and operating profit was 127,349 thousand yen (compared to an operating loss of 75,092 thousand yen in the same period of the previous year).

A stable pipeline has been established, primarily with existing major clients, and the business environment is favorable and stable. The delivery of large-scale projects is progressing, and the development of new customers is also proceeding smoothly.

## (2) Explanation of Financial Position

### 1) Status of Assets, Liabilities, and Equity

The status of various items at the end of the consolidated third quarter accounting period is as follows:

#### (Current assets)

The balance of current assets was 5,592,204 thousand yen (compared to 2,723,335 thousand yen at the end of the previous fiscal year). The main components included cash and cash equivalents of 4,070,265 thousand yen (compared to 1,550,889 thousand yen at the end of the previous fiscal year) and trade and other receivables of 854,803 thousand yen (compared to 733,683 thousand yen at the end of the previous fiscal year).

#### (Non-current assets)

The balance of non-current assets was 4,367,717 thousand yen (compared to 4,865,784 thousand yen at the end of the previous fiscal year). The main components included goodwill of 699,354 thousand yen (compared to 699,354 thousand yen at the end of the previous fiscal year) and other financial assets of 2,946,027 thousand yen (compared to 3,213,434 thousand yen at the end of the previous fiscal year).

#### (Current liabilities)

The balance of current liabilities was 2,019,816 thousand yen (compared to 5,710,500 thousand yen at the end of the previous fiscal year). The main components included trade and other payables of 523,119 thousand yen (compared to 694,227 thousand yen at the end of the previous fiscal year), bonds and borrowings of 82,317 thousand yen (compared to 3,372,457 thousand yen at the end of the previous fiscal year), and other current liabilities of 995,901 thousand yen (compared to 1,095,464 thousand yen at the end of the previous fiscal year).

#### (Non-current liabilities)

The balance of non-current liabilities was 6,444,063 thousand yen (compared to 6,655,339 thousand yen at the end of the previous fiscal year). The main components included bonds and borrowings of 5,799,591 thousand yen (compared to 5,808,099 thousand yen at the end of the previous fiscal year) and lease liabilities of 184,093 thousand yen (compared to 265,114 thousand yen at the end of the previous fiscal year).

#### (Total equity)

Total equity was 1,496,041 thousand yen (compared to minus 4,776,719 thousand yen at the end of the previous fiscal year). The main components included share capital of 1,153,281 thousand yen (compared to 2,175,325 thousand yen at the end of the previous fiscal year), capital surplus of 1,712,532 thousand yen (compared to 10,896,713 thousand yen at the end of the previous fiscal year), and retained earnings of minus 2,082,921 thousand yen (compared to minus 18,505,948 thousand yen at the end of the previous fiscal year).

### 2) Status of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated third quarter accounting period amounted to 4,070,265 thousand yen (compared to 1,550,889 thousand yen at the end of the previous fiscal year).

Cash flow activities during the nine months ended September 30, 2025, and their main factors were as follows:

#### (Cash flows from operating activities)

Net cash used in operating activities totaled 156,789 thousand yen (compared to net cash used in operating activities of 3,191,224 thousand yen in the same period of the previous year). This was mainly due to profit before tax of 234,697 thousand yen (compared to a loss before tax of 7,804,946 thousand yen in the same period of the previous year), an increase/decrease in trade and other receivables of (215,546) thousand yen (compared to 437,783 thousand yen in the same

period of the previous year), foreign exchange gains/losses of 143,778 thousand yen (compared to (25,381) thousand yen in the same period of the previous year), a decrease/increase in contract assets of (259,364) thousand yen (compared to (123) thousand yen in the same period of the previous year), an increase/decrease in provisions of 122,576 thousand yen (compared to (9,317) thousand yen in the same period of the previous year), and income taxes paid of 94,916 thousand yen (compared to 92,032 thousand yen in the same period of the previous year).

(Cash flows from investing activities)

Net cash provided by investing activities totaled 63,206 thousand yen (compared to net cash used in investing activities of 336,359 thousand yen in the same period of the previous year). This was mainly due to purchase of property, plant and equipment of 5,865 thousand yen (compared to 26,920 thousand yen in the same period of the previous year), purchase of intangible assets of 20,701 thousand yen (compared to 106,449 thousand yen in the same period of the previous year), and proceeds from sale of investments accounted for using equity method of 91,007 thousand yen (compared to zero in the same period of the previous year).

(Cash flows from financing activities)

Net cash provided by financing activities totaled 2,685,848 thousand yen (compared to net cash provided by financing activities of 3,027,441 thousand yen in the same period of the previous year). This was due to factors such as a net decrease in short-term borrowings of 2,633,764 thousand yen (compared to a net increase of 3,808,243 thousand yen in the same period of the previous year), repayments of long-term borrowings of 666,236 thousand yen (compared to 504,537 thousand yen in the same period of the previous year), repayments of lease liabilities of 160,074 thousand yen (compared to 226,264 thousand yen in the same period of the previous year), proceeds from issuance of new shares of 6,213,084 thousand yen (compared to zero in the same period of the previous year), and payments for acquisition of interests in subsidiaries from non-controlling interests of 67,160 thousand yen (compared to zero in the same period of the previous year).

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

There are no changes to the consolidated financial forecast for the fiscal year ending December 31, 2025, from the figures announced at the time of the financial results announcement on February 14, 2025.

(4) Significant Matters Regarding the Assumption of Going Concern

The Group recorded negative operating cash flows in the previous consolidated fiscal year and during the nine months ended September 30, 2025. As described in “1. Qualitative Information on Quarterly Financial Results (1) Overview of Operating Results for the Current Quarter,” although the Group recorded an operating profit of 613,740 thousand yen for the period, the Group has received a deferral on the repayment of principal on borrowings from its financial institutions. Accordingly, a situation that casts significant doubt on the premise of a going concern exists. To resolve this situation, the Group is implementing the following measures:

1) Measures to Improve Business Profitability

The Group is strengthening efforts to acquire projects by specializing in the healthcare & life sciences and financial fields, where it is establishing its strengths. In addition, with the goal of establishing a stable growth foundation, the Group is investing in its own technologies that enable differentiation in areas such as location information and pricing strategies, while also promoting the globalization of solutions developed from past DX project achievements. Furthermore, to enhance the value of its SoE (Systems of Engagement) areas of expertise, the Group is strengthening its data domains, such as location data and purchasing behavior data like price sensitivity, and advancing the development of enterprise systems utilizing generative AI. Concurrently, the Group strives to continuously strengthen its technological and sales capabilities by leveraging investments and partnerships with advanced technology companies, consulting firms, and business corporations.

2) Group-wide Cost Reduction Measures Including Business Operations

As announced in the "Notice Regarding Rationalization Including Personnel Reduction of Consolidated Subsidiary and Decision to Dissolve Consolidated Subsidiary" dated May 31, 2024, the Group implemented group-wide personnel reductions, including a significant downsizing of the EMEA (Europe and the Middle East) business, along with office downsizing and IT cost reviews to reduce fixed costs by December 31, 2024. As a result, for continuing consolidated subsidiaries, selling, general and administrative expenses decreased by 1,068,355 thousand yen compared to the same period of the previous year. The Group will continue to strive for further cost reductions by proceeding with office downsizing and IT cost reviews as necessary.

### 3) Financial Aspects

The Group has discussed business and funding plans and requested deferrals on repayments from its financial institutions, and has received such deferrals on the principal of its borrowings. The Group will continue to maintain close relationships with its financial institutions and strive to receive their ongoing support. Furthermore, as announced in the "Notice Regarding Completion of Exercise of the 81st Series of Stock Acquisition Rights (with Exercise Price Adjustment Clause) Issued by Third-Party Allotment and Monthly Exercise Status" dated June 23, 2025, the Group has raised capital through equity financing. Additionally, as announced in the "Notice Regarding Completion of Payment for Issuance of Preferred Shares by Third-Party Allotment, Reduction of Stated Capital and Capital Reserve, and Disposition of Surplus" dated March 28, 2025, the issuance and payment of Class A preferred shares totaling 3,300,000 thousand yen to The San-in Godo Bank, Ltd. has been completed. As a result, the Group has resolved its negative equity position, with total equity of 1,496,041 thousand yen at the end of the nine months under review. Regarding cash management, cash and cash equivalents at the end of the nine months under review amounted to 4,070,265 thousand yen, securing sufficient funds for ongoing business operations.

Based on the above, management has concluded that no material uncertainty exists regarding the going concern assumption.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Statement of Financial Position

(Thousands of yen)

	Note	As of December 31, 2024	As of September 30, 2025
<b>Assets</b>			
Current assets			
Cash and cash equivalents		1,550,889	4,070,265
Trade and other receivables		733,683	854,803
Contract assets		150,840	387,134
Inventories		4,494	391
Other current assets		279,863	276,343
Subtotal		2,719,771	5,588,938
Assets held for sale		3,563	3,265
Total current assets		2,723,335	5,592,204
Non-current assets			
Property, plant and equipment		87,800	65,130
Right-of-use assets		139,336	140,483
Goodwill		699,354	699,354
Intangible assets		276,099	275,190
Investments accounted for using equity method		67,777	9,292
Other financial assets	5	3,213,434	2,946,027
Deferred tax assets		80,708	44,619
Other non-current assets		301,272	187,619
Total non-current assets		4,865,784	4,367,717
Total assets		7,589,119	9,959,921



(Thousands of yen)

	Note	As of December 31, 2024	As of September 30, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		694,227	523,119
Contract liabilities		270,260	265,282
Bonds and borrowings		3,372,457	82,317
Lease liabilities		122,027	49,009
Income taxes payable		69,659	9,984
Provisions		86,403	94,201
Other current liabilities		1,095,464	995,901
Total current liabilities		5,710,500	2,019,816
Non-current liabilities			
Bonds and borrowings	5	5,808,099	5,799,591
Lease liabilities		265,114	184,093
Provisions		118,244	114,107
Deferred tax liabilities		289,740	176,043
Other non-current liabilities		174,139	170,227
Total non-current liabilities		6,655,339	6,444,063
Total liabilities		12,365,839	8,463,880
Equity			
Share capital		2,175,325	1,153,281
Capital surplus		10,896,713	1,712,532
Retained earnings		(18,505,948)	(2,082,921)
Other components of equity		695,364	763,726
Total equity attributable to owners of parent		(4,738,544)	1,546,619
Non-controlling interests		(38,175)	(50,577)
Total equity		(4,776,719)	1,496,041
Total liabilities and equity		7,589,119	9,959,921

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Profit or Loss)

(Thousands of yen)

	Note	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Revenue	7	7,942,630	5,830,819
Cost of sales		(7,129,659)	(3,399,089)
Gross profit		812,971	2,431,729
Selling, general and administrative expenses		(4,722,316)	(1,901,651)
Other income		1,193,101	95,577
Other expenses		(5,050,748)	(11,916)
Operating profit (loss)	7	(7,766,992)	613,740
Finance income		103,112	2,425
Finance costs		(109,212)	(322,983)
Share of profit (loss) of investments accounted for using equity method		(31,852)	(58,484)
Profit (loss) before tax		(7,804,946)	234,697
Income tax expense		39,026	46,050
Profit (loss)		(7,765,919)	280,748
Profit attributable to			
Owners of parent		(7,735,278)	300,484
Non-controlling interests		(30,640)	(19,736)
Profit (loss)		(7,765,919)	280,748
Earnings (loss) per share			
Basic earnings (loss) per share	8	(225.34)	5.56
Diluted earnings (loss) per share	8	(225.34)	4.55

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Note	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit (loss)		(7,765,919)	280,748
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(15)	(29)
Total		(15)	(29)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		921,811	68,582
Total		921,811	68,582
Other comprehensive income, net of tax		921,795	68,552
Comprehensive income		(6,844,123)	349,300
Comprehensive income attributable to			
Owners of parent		(6,812,814)	368,846
Non-controlling interests		(31,309)	(19,546)
Comprehensive income		(6,844,123)	349,300

## (3) Consolidated Statement of Changes in Equity

For the Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

(Thousands of yen)

	Note	Equity attributable to owners of parent							Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Other components of equity			Total equity attributable to owners of parent		
					Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	Total			
Balance at beginning of period		1,922,586	10,499,729	(8,558,362)	(153,474)	604	(152,870)	3,711,083	(5,055)	3,706,027
Profit (loss)		—	—	(7,735,278)	—	—	—	(7,735,278)	(30,640)	(7,765,919)
Other comprehensive income		—	—	—	922,480	(15)	922,464	922,464	(668)	921,795
Comprehensive income		—	—	(7,735,278)	922,480	(15)	922,464	(6,812,814)	(31,309)	(6,844,123)
Transfer to retained earnings		—	—	—	—	—	—	—	—	—
Issuance of new shares		—	—	—	—	—	—	—	—	—
Exercise of share acquisition rights		—	—	—	—	—	—	—	—	—
Share-based payment transactions		—	126,143	—	—	—	—	126,143	—	126,143
Changes in ownership interest in subsidiaries		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	36	36
Total		—	126,143	—	—	—	—	126,143	36	126,179
Balance at end of period		1,922,586	10,625,872	(16,293,641)	769,005	589	769,594	(2,975,587)	(36,328)	(3,011,916)

For the Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

(Thousands of yen)

	Note	Equity attributable to owners of parent							Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Other components of equity			Total equity attributable to owners of parent		
					Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	Total			
Balance at beginning of period		2,175,325	10,896,713	(18,505,948)	694,745	618	695,364	(4,738,544)	(38,175)	(4,776,719)
Profit (loss)		—	—	300,484	—	—	—	300,484	(19,736)	280,748
Other comprehensive income		—	—	—	68,391	(29)	68,361	68,361	190	68,552
Comprehensive income		—	—	300,484	68,391	(29)	68,361	368,846	(19,546)	349,300
Transfer to retained earnings	12	(4,134,622)	(11,987,919)	16,122,541	—	—	—	—	—	—
Issuance of new shares	12	3,112,578	3,087,871	—	—	—	—	6,200,449	—	6,200,449
Exercise of share acquisition rights	12	—	(12,072)	—	—	—	—	(12,072)	—	(12,072)
Share-based payment transactions		—	(197,825)	—	—	—	—	(197,825)	—	(197,825)
Changes in ownership interest in subsidiaries		—	(74,234)	—	—	—	—	(74,234)	7,073	(67,160)
Other		—	—	—	—	—	—	—	69	69
Total		(1,022,044)	(9,184,180)	16,122,541	—	—	—	5,916,316	7,143	5,923,460
Balance at end of period		1,153,281	1,712,532	(2,082,921)	763,137	589	763,726	1,546,619	(50,577)	1,496,041

## (4) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Note	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Cash flows from operating activities			
Profit (loss) before tax		(7,804,946)	234,697
Depreciation and amortization		258,639	81,501
Impairment losses (reversal of impairment losses)		4,141,999	—
Finance income and finance costs		106,916	105,671
Loss(Gain) on valuation of financial instruments		(19,241)	139,920
Foreign exchange loss (gain)		(25,381)	143,778
Gain on sales of shares of subsidiary		(295,517)	—
Liquidation of subsidiary		49,522	—
Decrease (increase) in trade and other receivables		437,783	(215,546)
Increase (decrease) in trade and other payables		80,168	(167,480)
Decrease (increase) in inventories		(2,430)	4,102
Decrease (increase) in contract assets		(123)	(259,364)
Increase (decrease) in provisions		(9,317)	122,576
Other		90,339	(149,211)
Subtotal		(2,991,588)	40,645
Interest received		2,296	2,426
Interest paid		(109,899)	(104,946)
Income taxes paid		(92,032)	(94,916)
Net cash provided by (used in) operating activities		(3,191,224)	(156,789)
Cash flows from investing activities			
Purchase of property, plant and equipment		(26,920)	(5,865)
Purchase of intangible assets		(106,449)	(20,701)
Proceeds from sale of investments accounted for using equity method		—	91,007
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation		(29,757)	—
Loss on liquidation of subsidiary		(99,163)	—
Other		(74,069)	(1,233)
Net cash provided by (used in) investing activities		(336,359)	63,206
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		3,808,243	(2,633,764)
Repayments of long-term borrowings		(504,537)	(666,236)
Proceeds from issuance of bonds		200,000	—
Redemption of bonds		(250,000)	—
Repayments of lease liabilities		(226,264)	(160,074)
Proceeds from allocation of new shares to a third party of consolidated subsidiaries		—	6,213,084
Payments for acquisition of interests in subsidiaries from non-controlling interests		—	(67,160)
Net cash provided by (used in) financing activities		3,027,441	2,685,848
Effect of exchange rate changes on cash and cash equivalents		10,733	(72,890)
Net increase (decrease) in cash and cash equivalents		(489,409)	2,519,375

Cash and cash equivalents at beginning of period	1,783,264	1,550,889
Cash and cash equivalents	1,293,855	4,070,265

## (5) Notes to Condensed Quarterly Consolidated Financial Statements

### 1. Reporting Entity

Monstarlab Inc. (hereinafter, the "Company") is a stock company (kabushiki kaisha) located in Japan. Its registered head office is located in Shibuya-ku, Tokyo. Effective April 1, 2025, the Company changed its trade name from Monstarlab Holdings Inc. to Monstarlab Inc. Also, effective the same date, the Company's wholly-owned subsidiary, Monstarlab Inc., changed its trade name to Monstarlab Japan Inc.. The condensed quarterly consolidated financial statements of the Company for the three months ended September 30, 2025, comprise the Company and its subsidiaries (hereinafter, the "Group"). The principal business activities of the Company are described in "7. Operating Segments."

### 2. Basis of Preparation of Condensed Quarterly Consolidated Financial Statements

#### (1) Statement of Compliance with IFRS

The condensed quarterly consolidated financial statements of Monstarlab Inc. and its subsidiaries (the "Group") have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting," as stipulated in Article 5, Paragraph 2 of the "Rules for Preparation of Quarterly Financial Statements, etc." of the Tokyo Stock Exchange, Inc.

These condensed quarterly financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

These condensed quarterly consolidated financial statements were approved by Hiroki Inagawa, Representative Director and President, and Sumito Suzuki, CFO, on September 14, 2025.

#### (2) Functional Currency and Presentation Currency

The condensed quarterly consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Group. All financial information presented in Japanese yen has been rounded down to the nearest thousand yen.

#### (3) Changes in Presentation

The Group has changed the presentation of revenue by region from the first quarter of the current fiscal year.

This change was made to include revenue previously classified as "EMEA" within "APAC." This is due to the significant downsizing of operations in the EMEA region, the consolidation of management of this region at the head office, and to more appropriately reflect the current situation where EMEA-related projects are also handled in Japan.

In conjunction with this change in presentation, revenue by region for the same quarter of the previous year has been restated to conform to the changed presentation. As a result, 2,139,383 thousand yen that was recorded under "EMEA" in the same quarter of the previous year has been reclassified to "APAC."

This change has no impact on the Company's reportable segments.

### 3. Material Accounting Policies

The material accounting policies applied to the Group's condensed quarterly consolidated financial statements are consistent with those applied to the consolidated financial statements for the previous fiscal year.

### 4. Significant Accounting Judgments, Estimates, and Assumptions

In preparing the Group's condensed quarterly consolidated financial statements, management is required to make judgments, estimates, and assumptions that affect the application of the Group's accounting policies and reported amounts of income, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities. However, uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Any judgments, estimates, and assumptions that have a significant impact on the amounts in the condensed quarterly consolidated financial statements are, in principle, the same as those applied to the consolidated financial statements for the previous fiscal year.

## 5. Fair values of financial instruments

### 1) Fair value measurement method

The fair values of financial instruments are measured as follows:

a. Cash and cash equivalents, trade and other receivables, short-term loans receivable, and trade and other payables  
These are valued at their book values, which approximate their fair values due to their short maturities.

#### b. Equity shares

The fair values of equity shares for which an active market exists are calculated based on market price. When evaluating the fair value of specific financial instruments for which no active market exists, the Group uses valuation techniques that include inputs not based on observable market data. Regarding valuation techniques, the Group uses the one that is most suitable for each investee, considering factors such as its financing situation, profitability, and financial condition. As for the inputs used, the Group uses the most appropriate inputs for the investee, considering their relevance, objectivity, and reasonableness. The main assumptions include the investee's future revenue growth rate and the discount rate used in the stock valuation. Inputs not based on observable market data and key assumptions may be affected by future changes in uncertain economic conditions, and if they need to be revised, it could have a significant impact on the amounts recognized in the consolidated financial statements of the following fiscal year.

#### c. Leasehold and guarantee deposits

The fair values of leasehold and guarantee deposits are determined by discounting future cash flows using interest rates based on appropriate indicators, such as deposit period and government bond yields.

#### d. Bonds

The fair values of bonds are determined by discounting the total amount of principal and interest using a rate that reflects the time to maturity and credit risk of the bond.

#### e. Long-term borrowings

The fair values of long-term borrowings are determined by discounting the total amount of principal and interest using the assumed rate that would be applied to a similar new loan.

### 2) Fair value hierarchy

Fair values of financial instruments are categorized as Level 1 to Level 3 based on a fair value hierarchy as follows:

Level 1: Fair values measured by quoted prices on active markets.

Level 2: Fair values calculated using observable prices other than those included in Level 1, either directly or indirectly.

Level 3: Fair values calculated using a valuation technique that includes inputs which are not based on observable market data.

### 3) Financial Instruments measured at fair value on a recurring basis

#### (1) Fair value hierarchy

The following tables provide a breakdown of financial instruments by fair value hierarchy level.

For the fiscal year ended December 31, 2024

(Unit: Thousand yen)

	Fair value			
	Level 1	Level 1	Level 1	Level 1
Assets:				
Financial assets measured at fair value through profit or loss				
Equity shares	—	—	2,936,284	2,936,284
Total	—	—	2,936,284	2,936,284



	Fair value			
	Level 1	Level 1	Level 1	Level 1
Liabilities:				
Financial liabilities measured with fair value through profit or loss				
Contingent consideration*	—	—	252,498	252,498
Total	—	—	252,498	252,498

For the Nine months ended September 30, 2025

(Unit: Thousand yen)

	Fair value			
	Level 1	Level 1	Level 1	Level 1
Assets:				
Financial assets measured at fair value through profit or loss				
Equity shares	—	—	2,796,363	2,796,363
Total	—	—	2,796,363	2,796,363
Liabilities:				
Financial liabilities measured with fair value through profit or loss				
Contingent consideration*	—	—	248,245	248,245
Total	—	—	248,245	248,245

\* The Group may enter into an agreement to pay additional consideration for acquisition to other shareholders on the condition that the acquired subsidiary has achieved a certain level of financial results (e.g., revenue, EBITDA, retained earnings) for each fiscal year. The fair values of such contingent consideration are determined by using a discounted cash flow model or the like, based on the amounts of future payments under the agreement, and are classified as Level 3. Contingent consideration is included in “trade and other receivables” or “other non-current liabilities” in the consolidated statement of financial position.

(1) Reconciliation of Level 3 fair values

(Unit: Thousand yen)

	Equity shares	Contingent consideration
Balance as of January 1, 2024	2,619,451	419,055
Purchase	—	—
Sale	—	—
Comprehensive income		
Profit (loss)	19,241	-217,424
Other comprehensive income	—	—
Other	—	—
Balance as of September 30, 2024	2,638,693	201,630
Balance as of January 1, 2024	19,241	-217,424

(Unit: Thousand yen)

	Equity shares	Contingent consideration
Balance as of January 1, 2025	2,936,284	252,498
Purchase	—	—
Sale	—	—
Comprehensive income		
Profit (loss)	-139,920	-4,253
Other comprehensive income	—	—
Other	—	—
Balance as of September 30, 2025	2,796,363	248,245
Gains or losses recognized in profit or loss in relation to financial instruments held on September 30, 2025	-139,920	-4,253

## (1) Sensitivity analysis of changes in significant unobservable inputs

Among fair values of assets classified as Level 3 that are measured with fair value, the fair values of securities investments evaluated based on their discounted future cash flows decrease (increase) as the discount rate rises (falls).

We do not expect any significant change in the fair values of financial instruments classified as Level 3 if their unobservable inputs are replaced with alternative assumptions that may be considered reasonable.

## 1) Financial Instruments Measured with Amortized Cost

The book values and fair values of financial instruments measured with amortized cost are as shown below. Note that the tables below do not include financial instruments for which the book value approximates the fair value.

(Unit: Thousand yen)

	As of December 31, 2024	
	Book value	Book value
Assets:		
Financial assets measured with amortized cost		
Other financial assets	176,284	174,587
Liabilities:		
Bonds and borrowings	9,180,556	9,147,081

(Unit: Thousand yen)

	As of September 30, 2025	
	Book value	Book value
Assets:		
Financial assets measured with amortized cost		
Other financial assets	179,333	177,679
Liabilities:		

	As of September 30, 2025	
	Book value	Book value
Bonds and borrowings	5,881,909	5,849,938

6. Revenue

Disaggregation of revenue

This information is omitted since similar information is disclosed in “7. Operating Segments.”

7. Operating segments

(1) Outline of reportable segments

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by the Board of Directors to make decisions about the allocation of management resources and evaluate business results. The Group has two reportable segments: digital consultancy business and other business. The digital consultancy business provides a full range of services, from consulting to system development and operation, to promote digital transformation (DX), which aims to transform business models using IT.

Other business includes product businesses such as RPA (robot-based business automation) tools, and music distribution business.

(2) Information on Profit by Reportable Segment

For the Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

(Thousands of yen)

	Digital Consulting Department	Other Department	Total	Reconciling items	Per consolidated financial statements
Revenue					
Revenue from external customers	7,629,184	295,373	7,924,557	18,072	7,942,630
Intersegment revenue	5,205	—	5,205	(5,205)	—
Total	7,634,390	295,373	7,929,763	12,866	7,942,630
Operating profit (loss)	(3,514,939)	39,873	(3,475,065)	(4,291,927)	(7,766,992)
Finance income					103,112
Finance costs					(109,212)
Share of profit (loss) of investments accounted for using equity method					(31,852)
Profit (loss) before tax					(7,804,946)

For the Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

(Thousands of yen)

	Digital Consulting Department	Other Department	Total	Reconciling items	Per consolidated financial statements
Revenue					
Revenue from external customers	5,500,684	319,104	5,819,788	11,030	5,830,819
Intersegment revenue	11,248	—	11,248	(11,248)	—
Total	5,511,932	319,104	5,831,037	(218)	5,830,819
Operating profit (loss)	388,538	12,737	401,275	212,464	613,740
Finance income					2,425
Finance costs					(322,983)
Share of profit (loss) of					(58,484)

investments accounted for using  
equity method

Profit (loss) before tax

234,697

(Note) The adjustment includes a reversal of share-based compensation expenses of 197,825 thousand yen due to the expiration of stock options, etc.

### (3) Information by Region

The breakdown of revenue from external customers by region is as follows:

(Unit: Thousand yen)

		Nine months ended September 30, 2024	Nine months ended September 30, 2025
Digital consultancy business	APAC	6,897,822	4,701,464
	AMER	749,434	799,220
Other business	APAC	295,373	330,134
Total		7,942,630	5,830,819

**Note 1** Figures for APAC and AMER are external revenues of the offices in each region.

**Note 2** As described in "(5) Notes to the Condensed Consolidated Financial Statements, 2. Basis of Preparation of Condensed Consolidated Financial Statements, (3) Changes in Presentation," the Group previously classified its geographical regions of operation into three categories: "APAC," "EMEA," and "AMER". However, from the Nine months ended September 30, 2025, the Group has changed its presentation method to include revenue previously classified as "EMEA" within "APAC". Accordingly, segment information for the same period of the previous year has been restated based on the revised classification method.

## 8. Earnings per Share

### (1) Basis for Calculating Basic Earnings per Share

Basic earnings per share and the basis for calculation are as follows:

(Unit: Thousand yen)

	Nine months ended September 30, 2024
Profit (loss) attributable to ordinary shareholders of parent	
Profit attributable to owners of parent	-7,735,278
Profit not attributable to ordinary shareholders of parent	—
Profit used for calculating earnings per share	-7,735,278
Average number of shares outstanding during the period	34,326,950 share
Basic earnings (loss) per share	
Basic earnings (loss) per share	-225.34 yen

(Unit: Thousand yen)

	Nine months ended September 30, 2025
Profit (loss) attributable to ordinary shareholders of parent	
Profit attributable to owners of parent	300,484
Profit not attributable to ordinary shareholders of parent	—
Profit used for calculating earnings per share	300,484
Average number of shares outstanding during the period	54,005,990 share
Basic earnings (loss) per share	
Basic earnings (loss) per share	5.56 yen

No transaction affecting the earnings per share took place between the end of the consolidated fiscal year under review and the date on which the consolidated financial statements were approved.

### (2) Basis for Calculating Diluted Earnings per Share

Diluted earnings per share and the basis for calculation are as follows:

(Unit: Thousand yen)

	Nine months ended September 30, 2024
Profit (loss) attributable to ordinary shareholders (diluted)	

	Nine months ended September 30, 2024
Profit used for calculation of basic earnings per share	-7,735,278
Adjustments to profit	—
Profit used for calculating diluted earnings per share	-7,735,278
Average number of shares outstanding during the period	34,326,950 share
Dilutive effect	—
After adjustment for dilutive effect	34,326,950 share
Diluted earnings per share	
Diluted earnings per share	-225.34 yen

(Unit: Thousand yen)

	Nine months ended September 30, 2025
Profit (loss) attributable to ordinary shareholders (diluted)	
Profit used for calculation of basic earnings per share	300,484
Adjustments to profit	—
Profit used for calculating diluted earnings per share	300,484
Average number of shares outstanding during the period	54,005,990 share
Dilutive effect	11,997,627 share
After adjustment for dilutive effect	66,003,617 share
Diluted earnings per share	
Diluted earnings per share	4.55 yen

(Note 1) There were no transactions that affected quarterly earnings per share during the period from the end of the current quarterly consolidated accounting period to the date of approval of the condensed quarterly consolidated financial statements.

(Note 2) Potential shares that were excluded from the calculation of diluted earnings per share are share acquisition rights issued under the share acquisition rights allotment agreements up to the 80th series (Total number of potential shares: 2,097,750 shares).

## 9. Loss of Control

### a. Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

#### Bankruptcy of a Consolidated Subsidiary

##### (1) Overview of the Bankruptcy of a Consolidated Subsidiary

On September 19, 2024, our Board of Directors resolved to file for the initiation of bankruptcy proceedings for our consolidated subsidiary, Monstarlab Denmark ApS ("MLDK"). On September 27, 2024, the commencement of bankruptcy was approved for MLDK. Consequently, we have lost control over MLDK and its wholly-owned subsidiaries (our indirect subsidiaries), namely Monstarlab UK Limited ("MLUK"), Monstarlab Czech Republic. s.r.o ("MLCZ"), Monstarlab Germany GmbH ("MLDE"), Monstarlab Netherlands B.V. ("MLNL"), and Monstarlab Middle East DMCC ("MLUAE").

##### (2) Reason for the Petition

Our group, which operates under the mission to "change the world with diversity and technology," and is divided into the three regions of APAC, EMEA, and AMER, has been engaged in the digital consulting business across 12 countries globally. However, as reported in the "Notice on Rationalization and Dissolution of Consolidated Subsidiaries" published on May 31, 2024, due to significant delays in the start of major projects in the high-growth-anticipated regions of EMEA and AMER, operational rates have dropped, leading to losses. To achieve rapid profitability improvement, we decided to undertake significant cost structure revisions in EMEA and AMER, including workforce reductions focusing on non-operational staff, downsizing offices, and revising IT costs.

Within this context, as disclosed in the "Notice on One-time Costs and Impairment Losses Due to Rationalization Including Personnel Reduction, and Reduction in Directors' Remuneration" published on August 14, 2024, anticipated revenues in EMEA and AMER could no longer be realized. This resulted in the recording of impairment losses on goodwill held by our consolidated subsidiaries Monstarlab LLC and Genieology Design DMCC totaling JPY 1,018 million and JPY 1,743 million respectively, and an impairment loss of JPY 938 million on goodwill held by Monstarlab Information Technology LLC. Additionally, fixed asset impairment losses totaling JPY 441 million were recorded across several consolidated and indirect subsidiaries.

As a result, our group recognized a total impairment loss of JPY 4,140 million and as of the end of the second quarter of the fiscal year 2024, our consolidated net assets had a deficit of JPY 2,593 million. Under these circumstances, to focus on highly profitable and growth-oriented businesses and reduce management risks, leading to a balanced management approach between healthy profit generation and growth, we obtained a decision to initiate bankruptcy proceedings for MLDK, which is part of EMEA, during the third quarter.

The bankruptcy proceedings will be conducted by the court and the appointed bankruptcy trustee going forward.

##### (3) Overview and Total Liabilities of the Subsidiaries Losing Control

###### ① MLDK

###### a. Overview:

1. Name	Monstarlab Denmark ApS		
2. Location	2150 Nordhavn Orientkaj 4, 1.		
3. Representative's Position and Name	CEO, Director Anders Elnegaard Birch		
4. Business	Digital Consulting		
5. Capital	81,000 DKK (Approx. 1.8 million yen)		
6. Date of Establishment	November 27, 2013		
7. Financial Performance and Condition for the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	1,905	4,648	6,919
Net Assets (million yen)	-560	-42	-48
Per Share Net Asset Value (yen)	—	—	—
Revenue (million yen)	945	846	981
Operating Profit (million yen)	-67	-141	-197
Net Profit (million yen)	-399	-75	74



Per Share Net Profit (yen)	—	—	—
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b. Total Liabilities (at the time of loss of control)

8,352 million yen

② MLUK

a. Overview:

1. Name	Monstarlab UK Limited		
2. Location	1st Floor 33 Grey Street, Newcastle Upon Tyne, Tyne and Wear, NE1 6EE		
3. Representative's Position and Name	CEO, Director Hiroki Inagawa		
4. Business	Digital Consulting Business		
5. Capital	1 GBP (Approx. 203 JPY)		
6. Date of Establishment	May 9, 2012		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	744	994	1,092
Net Assets (million yen)	-468	-761	-1,465
Per Share Net Asset Value (yen)	-	-	-
Revenue (million yen)	735	764	637
Operating Profit (million yen)	-285	-224	-543
Net Profit (million yen)	-283	-299	-561
Per Share Net Profit (yen)	-292	-299	-560

b. Total Liabilities (at the time of loss of control)

3,252 million yen

③ MLCZ

a. Overview:

1. Name	Monstarlab Czech Republic. s.r.o		
2. Location	Boudníkova 2514/7, Libeň, 180 00 Prague 8		
3. Representative's Position and Name	CEO, Director MARKÉTA OHNIŠTOVÁ		
4. Business	Digital Consulting Services		
5. Capital	200,000 CZK (approximately 1.3 million yen)		
6. Date of Establishment	April 17, 2018		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	272	596	746
Net Assets (million yen)	318	503	791
Per Share Net Assets (yen)	-	-	-
Sales (million yen)	153	233	377
Operating Income (million yen)	124	155	202
Ordinary Income (million yen)	229	142	250
Net Income Per Share (yen)	-	-	-

b. Total Liabilities (at the time of loss of control)

2,247 million yen

④ MLDE

a. Overview:

1. Name	Monstarlab Germany GmbH		
2. Location	c/o Mindspace, Friedrichstrasse 68, 10117 Berlin Germany		
3. Representative's Position and Name	CEO, Director Martin Kahl		
4. Business	Digital Consulting Business		
5. Capital	3 million EUR		
6. Date of Establishment	December 22, 2017		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	155	138	147
Net Assets (million yen)	261	274	436
Per Share Net Assets (yen)	-10,461	-10,965	-17,477
Sales (million yen)	131	285	316
Operating Income (million yen)	-69	3	-131
Ordinary Income (million yen)	-84	6	-128
Net Income Per Share (yen)	-3,366	265	-5,141

b. Total Liabilities (at the time of loss of control)

2,247 million yen

⑤ MLNL

a. Overview:

1. Name	Monstarlab Netherlands B.V.		
2. Location	Prinsengracht 769 A, 1017JZ Amsterdam		
3. Representative's Position and Name	CEO, Yildiz Cem		
4. Business	Digital Consulting Business		
5. Capital	1 EUR (approx. 172 JPY)		
6. Date of Establishment	September 8, 2018		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	157	334	325
Net Assets (million yen)	-211	-361	-516
Per Share Net Assets (yen)	—	—	—
Sales (million yen)	123	137	18
Operating Income (million yen)	-99	-130	-113
Ordinary Income (million yen)	-102	-130	-111
Net Income Per Share (yen)	—	—	—

b. Total Liabilities (at the time of loss of control)

844 million yen

⑥ MLUAE

a. Overview:

1. Name	Monstarlab Middle East DMCC		
2. Location	Jumeirah Lakes Towers, Dubai		
3. Representative's Position and Name	CEO, Director Mark Jones		
4. Business	Digital Consulting Business		
5. Capital	50,000 AED (approx. 2.2 million JPY)		
6. Date of Establishment	October 15, 2019		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	826	1,559	1,957
Net Assets (million yen)	-110	-730	-1,836
Per Share Net Assets (yen)	-2,206,519	-14,590,864	-36,720,996
Sales (million yen)	299	959	1,665
Operating Income (million yen)	-213	-590	-978
Ordinary Income (million yen)	-262	-609	-1,031
Net Income Per Share (yen)	-5,230,289	-12,176,866	-20,617,766

b. Total Liabilities (at the time of loss of control)

5,219 million yen

(4) Our Company's Losses

Our company has already fully written down the shares of MLDK, and their book value is now zero yen. Furthermore, we anticipate booking bad debt losses due to the write-off of receivables from subsidiaries and sub-subsidiaries over which we have lost control. While some provisions for bad debts have already been recorded, we continue to make efforts towards recovery. Note that these bad debt losses will be eliminated in the consolidated financial statements, hence they will not impact the consolidated profit and loss.

Transfer of Subsidiary Shares

(1) Overview of the Subsidiary Share Transfer

On September 19, 2024, at a board of directors meeting, our company resolved to transfer the shares of our consolidated subsidiary, Genieology Design DMCC (hereinafter referred to as "GO"). A share transfer agreement was signed on September 20, 2024, and the share transfer was executed on September 23, 2024.

1) Number of shares and percentage of voting rights owned by the company before and after the transfer

	Number of shares owned	Percentage of voting rights
Before the Transfer	80 shares	100%
After the Transfer	-%	-%

2) Transfer Price

The transfer price for the shares and interests in Genieology Design DMCC ("GO") and its subsidiary Genieology Design Yazılım Limited Şirketi ("TR") combined amounted to 223 million yen. To ensure fairness, the valuation was based on a third-party valuation by Univis Consulting, which amounted to 161 million yen. The valuation was determined through fair negotiation processes and is recognized as a fair value. The valuation was conducted using the income approach (DCF method).

## (2) Main Reasons for the Subsidiary Share Transfer

The group is committed to transforming the world through technology leveraging diversity, operating digital consulting businesses in 12 countries across APAC, EMEA, and AMER. As previously announced on May 31, 2024, in "Notice on Rationalization of Personnel Reduction and Policy Decision on Dissolution of Consolidated Subsidiaries," we have been working to drastically review the cost structure in EMEA and AMER to achieve early profitability. In the current climate, where prioritizing profitability is paramount, it is essential to reduce management risks. After negotiations with Mr. Calvin, the founder of GO who was centrally involved in design consulting in the Middle East, we decided to transfer all shares of GO held by our company to Mr. Calvin, in light of cost reduction and early realization of organizational restructuring within the group. As a result of this share transfer, GO and its subsidiary TR have been excluded from our consolidation scope.

## (3) Overview of Subsidiaries Losing Control

### ① GO

#### Overview

1. Name	Genieology Design DMCC		
2. Location	Jumeirah Lakes Towers, Dubai		
3. Representative's Position and Name	CEO, Director Calvin Rodney Sylvinus Hart		
4. Business	Design Consulting Business		
5. Capital	80,000 AED (approximately 3.5 million yen)		
6. Date of Establishment	October 16, 2018		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December
Total Assets (million yen)	-	495	459
Net Assets (million yen)	-	353	275
Per Share Net Assets (yen)	-	4,415,605	3,438,246
Sales (million yen)	-	539	557
Operating Income (million yen)	-	336	Δ101
Ordinary Income (million yen)	-	335	Δ102
Net Income Per Share (yen)	-	7,180,101	Δ1,278,538

### ② TR

#### Overview

1. Name	Genieology Design Yazılım Limited Şirketi		
2. Location	TURKEY ISTANBUL SISLI ESENTEPE MAH. TALAT PASA CAD.		
3. Representative's Position and Name	CEO, Director Calvin Rodney Sylvanus Hart		
4. Business	Digital Consulting Services		
5. Capital	50,000 TL (Approx. 240,000 JPY)		
6. Date of Establishment	January 31, 2024		
7. Financial Performance and Financial Position in the Last Three Years			
Fiscal Year	FY 2021 December	FY 2022 December	FY 2023 December

Total Assets (million yen)	-	-	-
Net Assets (million yen)	-	-	-
Per Share Net Assets (yen)	-	-	-
Sales (million yen)	-	-	-
Operating Income (million yen)	-	-	-
Ordinary Income (million yen)	-	-	-
Net Income Per Share (yen)	-	-	-

(4) Overview of the Counterparty in the Subsidiary Share Transfer

1. Name	Calvin Rodney Sylvinus Hart
2. Address	Dubai, United Arab Emirates
3. Current Position and Role	Chief Executive Officer (CEO)

(5) Overview of the Accounting Treatment Implemented

1) Gain on Sale

JPY 295,517 thousand

2) Accounting Treatment

The difference between the consolidated book value of the GO shares and the transfer consideration has been recorded under "Other Income" in the summary consolidated statement of profit and loss.

b. Nine months ended September 30, 2024 (From January 1, 2025 to September 30, 2025)

Not applicable.

## 10. Subsequent Events

### Absorption-type Merger of Consolidated Subsidiary

As announced in the "Notice Regarding Absorption-type Merger of Wholly Owned Subsidiary (Simplified Merger and Short-form Merger)" dated February 7, 2025, and the "Notice Regarding (Change in Disclosure Matters) Postponement of Effective Date of Absorption-type Merger of Wholly Owned Subsidiary (Simplified Merger and Short-form Merger)" dated February 28, 2025, the absorption-type merger, in which the Company is the surviving company and Monstarlab Japan Inc., a wholly owned subsidiary of the Company, is the disappearing company, was completed on October 1, 2025, as scheduled.

### Overview of the Companies Involved in the Merger

	Surviving Company in Absorption-type Merger	Disappearing Company in Absorption-type Merger
(a) Name	Monstarlab Inc.	Monstarlab Japan Inc.
(b) Location	1-1-39 Hiroo, Shibuya-ku, Tokyo, Prime Square Tower 4F	1-1-39 Hiroo, Shibuya-ku, Tokyo, Prime Square Tower 4F
(c) Representative's Position/Name	President Hiroki Inagawa	Representative Director Hiroki Inagawa
(d) Business Description	Digital consulting, software development and sales, etc.	Digital consulting, software development and sales, etc.
(e) Capital	2,193.31 million yen (as of end of Dec. 2024)	100 million yen (as of end of Dec. 2024)
(f) Establishment Date	February 3, 2006	July 1, 2021
(g) Number of Issued Shares	39,176,950 shares (as of end of Dec. 2024)	10,000 shares (as of end of Dec. 2024)
(h) Fiscal Year-End	December 31	December 31
(i) Major Shareholders and Shareholding Ratio	JIC Venture Growth Fund 1 Investment Limited Partnership: 17.45% BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited) 6.87% Hiroki Inagawa: 5.63% Japan Post Investment Corporation: 3.98% GLOBAL SHARES EXECUTION SERVICES LIMITED CLIENT ASSET ACCOUNT MONSTARLAB(Nominee: Daiwa Securities Co. Ltd.) 3.95% (as of the end of December 2024)	Monstarlab Inc. 100%
Financial Position and Business Performance of the Most Recent Fiscal Year		
Fiscal Year Ending	December 2024	December 2024
Net Assets	-3,725,848 thousand yen	1,119,960 thousand yen
Total Assets	7,108,075 thousand yen	2,197,508 thousand yen
Net Assets per Share	-95.10 yen	111,996 yen
Revenue	883,794 thousand yen	5,347,254 thousand yen
Operating Profit (Loss)	-1,524,879 thousand yen	37,776 thousand yen
Ordinary Profit (Loss)	-9,633,762 thousand yen	-38,694 thousand yen
Net Income (Loss) Attributable to Owners of Parent	-7,122,681 thousand yen	-92,171 thousand yen
Net Income (Loss) per Share	-204.14 thousand yen	-9,217 yen

11. Notes on the Going Concern Assumption

Not applicable.

## 12. Share Capital and Other Equity Items

### (Issuance of Preferred Shares through Third-Party Allotment, Reduction of Stated Capital and Capital Reserve, and Disposition of Surplus)

Based on resolutions passed at the Board of Directors meeting on January 15, 2025, and the annual general meeting of shareholders on March 27, 2025, the Company implemented a series of capital transactions effective March 28, 2025, to strengthen its financial base and resolve accumulated losses.

#### 1. Issuance of Preferred Shares through Third-Party Allotment (Capital Increase)

The Company raised 3,300,000 thousand yen by issuing 33,000,000 Class A preferred shares at 100 yen per share to The San-in Godo Bank, Ltd. through a third-party allotment. In accordance with the Companies Act, half of the increased capital, 1,650,000 thousand yen, was recorded as share capital and capital reserve, respectively.

#### 2. Reduction of Stated Capital and Capital Reserve (Capital Reduction)

To reclassify items within the capital section of the balance sheet without an external outflow of company assets, the Company reduced its stated capital and capital reserve as follows, transferring the full amounts to other capital surplus:

Amount of reduced stated capital: 4,134,622 thousand yen

Amount of reduced capital reserve: 12,207,612 thousand yen

#### 3. Disposition of Surplus (Appropriation to Cover Deficit)

Using the funds transferred to other capital surplus in the step above, and in accordance with Article 452 of the Companies Act, the Company transferred 16,122,541 thousand yen from other capital surplus to retained earnings to appropriate for past deficits.

### (Issuance of New Shares through Third-Party Allotment (Capital Increase))

Based on a resolution at the Board of Directors meeting on June 13, 2025, the Company issued new shares through a third-party allotment to secure working capital and funds for business investment. The details are as follows:

Payment Date: June 30, 2025

Class and Number of Shares Issued: 573,772 common shares of the Company

Issue Price: 122 yen per share

Total Funds Raised: 70,000 thousand yen

Allottees: Four individuals, including Hiroki Inagawa, the Company's Representative Director

As a result of this capital increase, the following amounts were recorded:

Increase in share capital: 35,000 thousand yen

Increase in capital reserve: 35,000 thousand yen

### (Fundraising through the Exercise of MS Warrant (the 81st Series of Stock Acquisition Rights))

During the Nine months ended September 30, 2025, the Company raised 2,843,084 thousand yen through the exercise of the 81st Series of Stock Acquisition Rights, which are stock acquisition rights with an exercise price adjustment clause. All of these stock acquisition rights were fully exercised as of June 23, 2025.

As a result of this capital increase, the following amounts were recorded:

Increase in share capital: 1,427,578 thousand yen

Increase in capital surplus: 1,415,506 thousand yen

### (Acquisition of Treasury Stock)

During the Nine months ended September 30, 2025, the Company acquired its own shares without consideration. This was in connection with an amendment to the share transfer agreement for the Company's former consolidated subsidiary, ECAP



DMCC, which was resolved on February 7, 2025.

Acquisition Date: March 28, 2025

Class of Shares Acquired: Common stock of the Company

Number of Shares Acquired: 243,300 shares

Acquisition Cost: Nil (acquired without consideration)