

FY2025 Q3 Investor Presentation Material

Monstarlab, Inc (Securities Code : 5255)

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Monstarlab ::

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2025 Q3: Profit Growth Driven by Core Business; Focus on Next-Year Growth in Q4

Unit: million yen

	FY2025 Q3 YTD Results	FY2025 Forecast	Progress
Revenue	5,830	8,517	68.5%
Operating Profit (Loss)	613	360	170.5%
Profit (loss) before income tax	234	274	85.7%
Profit (loss) attributable to owners of parent	300	206	145.9%

- Revenue and gross profit rose QoQ; gross margin improved. Growth strategy shift continues to show results, with key client sales and cost discipline boosting core profit.
- Yen depreciation in Q3 generated ~JPY 150M FX gain (cumulative FX loss reduced from JPY 360M to 210M), turning net income positive. FX impact remains a key focus for the full year.
- Reversal of stock-based compensation reduced COGS by JPY 127M and SG&A by JPY 122M, adding JPY 250M to operating profit.

Topic 1

Global Launch of PoC Development Platform ‘MonstarX’

- Developed “MonstarX,” a proprietary multi-AI agent platform enabling PoC development through conversational interaction.
- Launched globally as a SaaS platform designed to build advanced prototype-level proofs of concept via natural language dialogue with multi-AI agents—without requiring specialized coding or prompt engineering skills.

Topic 2

Earnings Forecast Maintained

- As of Q3 FY 2025, actual results, particularly operating profit, have made significant progress against the earnings forecast.
- However, due to substantial profit fluctuations from non-core factors—such as reversal of stock option expenses and mark-to-market FX/foreign securities gains—it is difficult to reasonably estimate finalized year-end figures. Accordingly, we are taking a cautious approach and maintaining the current earnings forecast at this time.

FY2025 Q3 Results



Three Consecutive Quarters of Operating Profit from Core Business

In Q3, strong sales from key clients steadily increased core business profits.

At the same time, operating profit was further boosted by reversals of stock-based compensation (reducing COGS and SG&A) and foreign exchange gains from yen depreciation.

Unit: million yen

	FY2024				FY2025				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	QoQ Change	YoY Change
Revenue	3,179	2,542	2,221	2,060	1,899	1,879	2,051	+9.2%	-7.6%
Revenue (excluding EMEA)*	1,964	1,872	1,966	2,012	1,899	1,879	2,051	+9.2%	+4.3%
Cost of sales	2,507	2,666	1,955	1,448	1,164	1,191	1,043 ^{*2}	-12.4%	-46.6%
Gross profit (Percentage)	671 (21.1%)	-124 (—)	265 (11.9%)	612 (29.7%)	735 (38.7%)	688 (36.6%)	1,007 (49.1%)	+46.5%	+279.5%
Selling, general, and administrative expenses	1,577	1,837	1,307	2,497	666	683	551 ^{*2}	-19.4%	-57.8%
Other income	18	8	1,167	0	25	30	39	+26.0%	-96.7%
Other expenses	4	4,145	901	617	1	2	8	+203.0%	-99.1%
Operating profit (loss)	-891	-6,099	-776	-2,502	93 (4.9%)	32 (1.7%)	487 (23.8%)	+1392.3%	—
Structural reform expenses	—	779	330	1,669	—	—	-250 ^{*2}	—	—
Impairment losses	—	4,140	—	920	—	—	—	—	—
Operating Profit/(Loss) excluding restructuring costs and impairments	-891 (—)	-1,179 (—)	-445 (—)	87 (4.2%)	93 (4.9%)	32 (1.7%)	236 (11.5%)	+625.5%	—
Profit (loss) before income tax	-268	-5,505	-2,031	-2,040	-171	-186	593 (28.9%)	—	—
Profit (loss) attributable to owners of parent	-340	-5,553	-1,841	-2,213	-137	-115	553 (27.0%)	—	—

■ ■ ^{*1}To ensure comparability with the current period following the large-scale restructuring in 2024, including the withdrawal from EMEA-based operations, revenue figures are presented excluding the EMEA region.

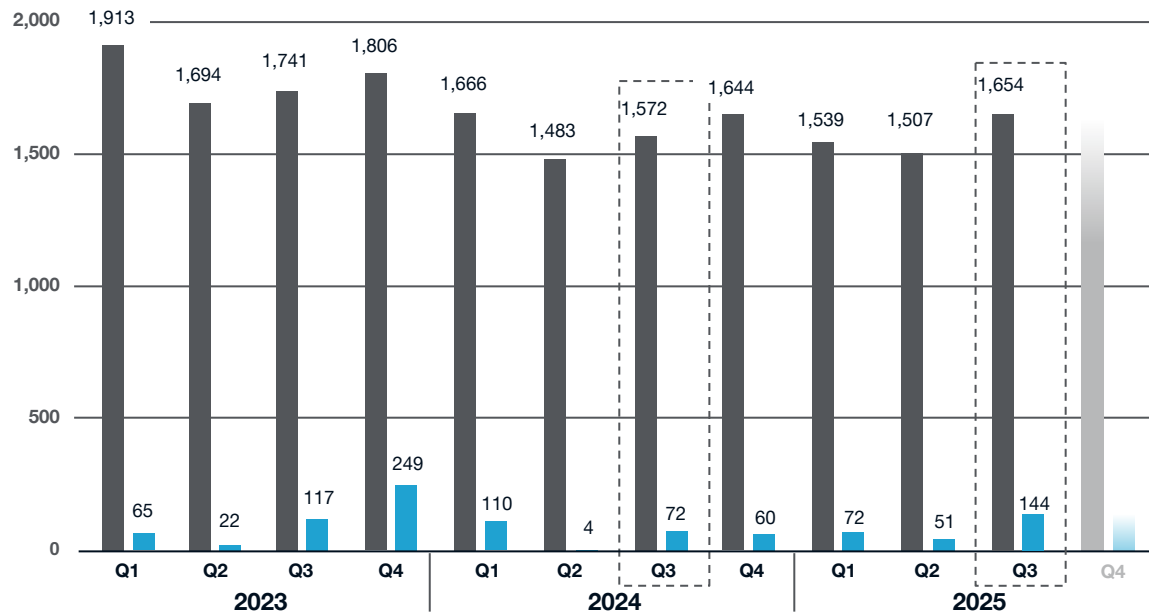
^{*2}As reversals of expenses related to stock-based compensation for stock options were recorded, "Cost of Revenue" and "Selling, General and Administrative Expenses" were affected. The total amount is included under "One-off Factors Related to Structural Reforms," with reversals of ¥127 million in Cost of Revenue and ¥122 million in SG&A.

APAC: Revenue and operating profit significantly exceeded the same period last year, with operating profit reaching its highest level since Q4 FY2023.

APAC

■ Revenue ■ Operating profit/loss excluding restructuring costs

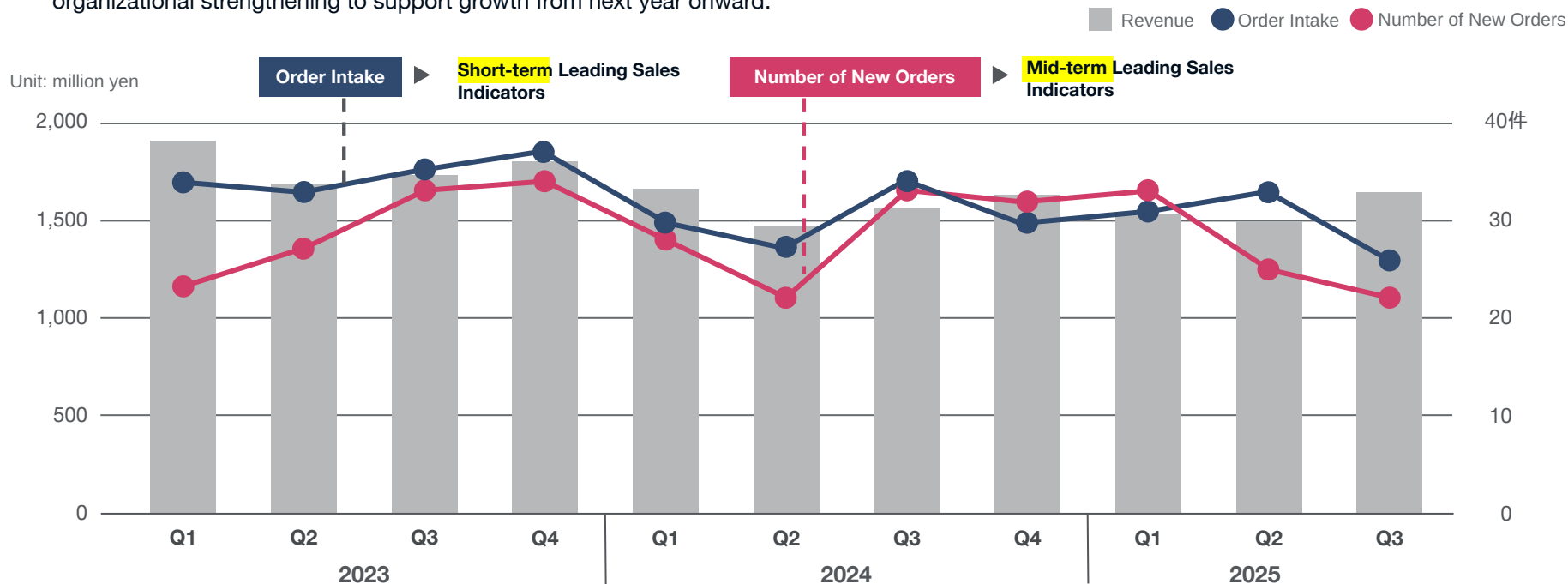
Unit: million yen



- Revenue grew significantly, driven by upselling to existing clients and new contracts for advanced, high-level AI projects. High unit value and strong utilization led to a 100% YoY increase in operating profit.
- In Q4, focus will be on strengthening the foundation for stable and sustainable growth from the next fiscal year onward, through pipeline building and proactive proposal activities.

APAC: Sales Growth Amid Controlled Order Intake and New Projects

- In Q3 FY2025, focus was placed on delivering AI projects, which are key to future growth.
- Considering the operational burden from rapid revenue growth and increasingly complex projects, the second half will prioritize organizational strengthening to support growth from next year onward.

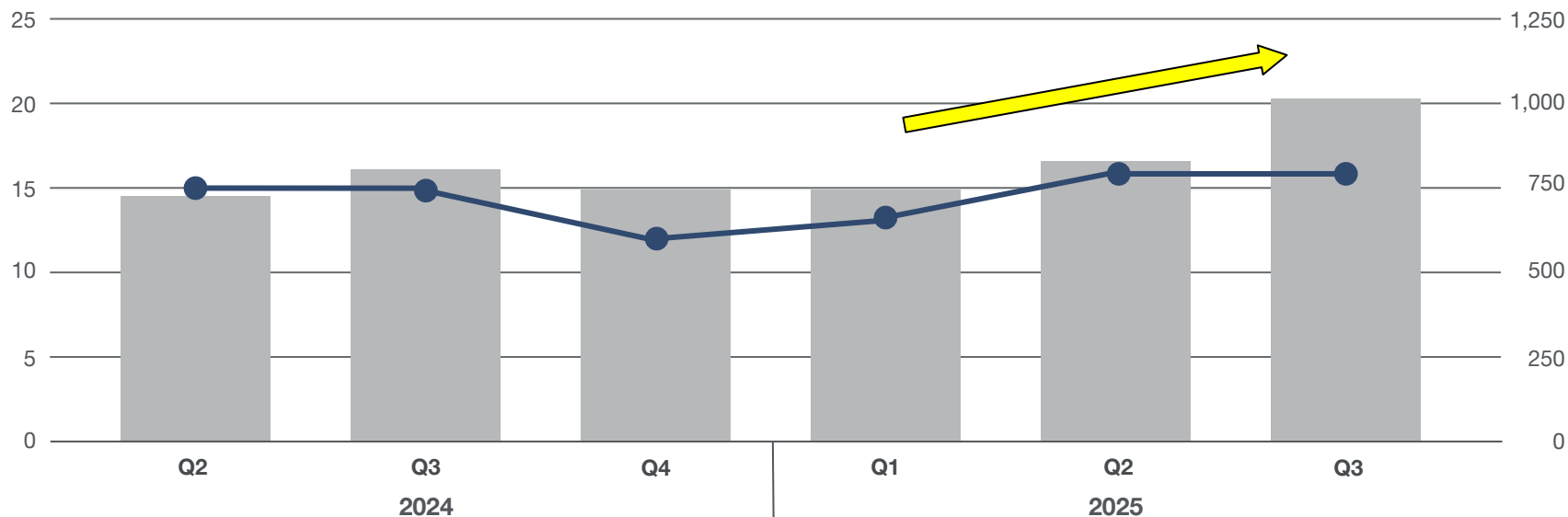


From Q2 2025, KPIs Revised to Prioritize Growth in Major Clients and Revenue per Client. In Q3, Sales from Major Clients Increased Successfully.

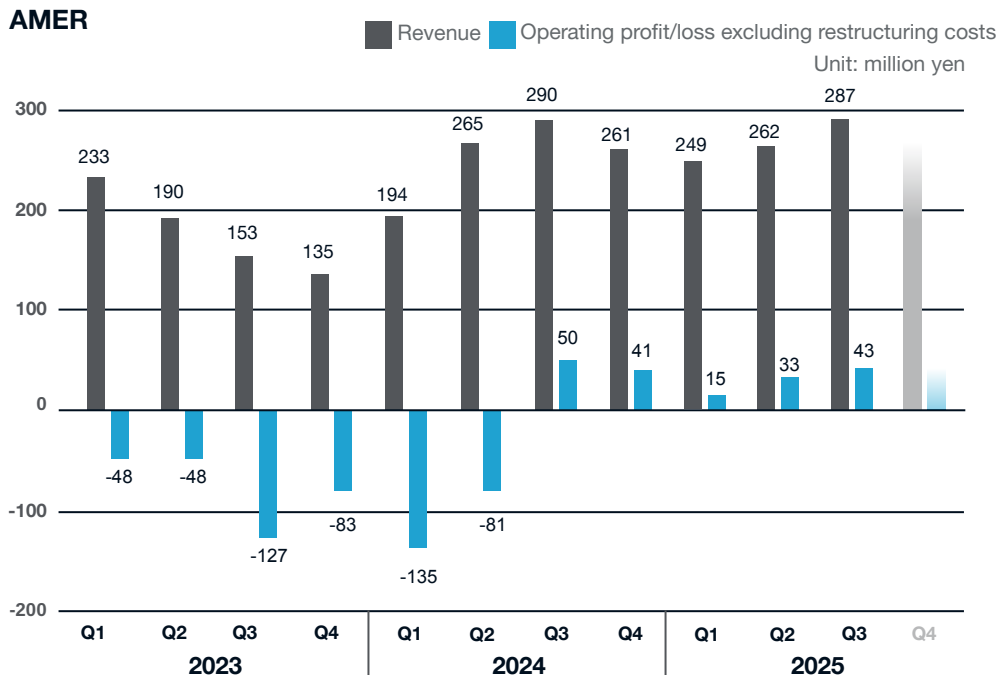
- Revenue from key clients increased through relationship-building with key stakeholders and decision-makers, from business heads to company executives.
- We will continue strengthening these relationships to further grow the number of key clients and revenue.

Unit: million yen

● Large Accounts (¥100M+ / Last 12 Months) ■ Revenue from Large Accounts(¥100M+ / Last 12 Months)



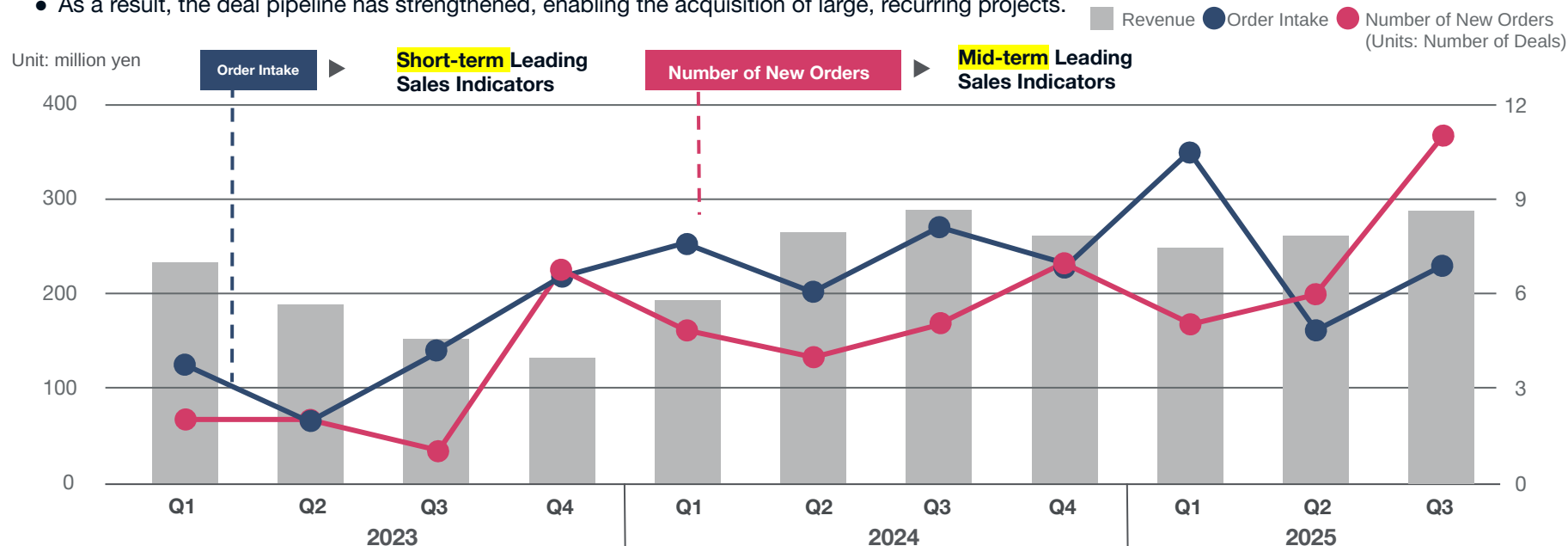
AMER : Supported by a stable client base, revenue and profit remained solid. Maintaining 15% operating margin through Delivery Center efficiency



- Supported by a strong pipeline centered on major existing clients in the payment domain, the business environment remained stable. Effective utilization of delivery centers in locations such as Colombia and Bangladesh enabled us to maintain a healthy operating profit margin throughout the third quarter.
- Going forward, we will continue to leverage our partnerships with payment solution providers such as Adyen and Stripe, while accelerating marketing activities to further strengthen our pipeline for future growth.

AMER: Steady delivery of major Q1 wins and strong new client acquisition; new order volume at a record high

- Focused marketing and sales efforts on collaborations with major payment solution providers, as well as on process automation and product development.
- As a result, the deal pipeline has strengthened, enabling the acquisition of large, recurring projects.



In addition to large-scale development projects, solid order growth driven by AI agent development and payment solution initiatives

- In APAC, we secured multiple projects leveraging overseas delivery teams as well as our proprietary generative AI solutions.
- In AMER, we won several payment-solution projects.

Industry	Project Summary
Information & Communications	Multi-AI agent development for sales activity support
Wholesale	Development of a generative AI-powered knowledge search chatbot
Manufacturing	App development using the Philippines team to codify and standardize senior sales expertise
Manufacturing	Comprehensive DX support, including tool development to codify expert engineer know-how and the creation of a generative AI-based internal knowledge navigator
Healthcare & Others	Research and strategy development to support full-scale payment-solution implementation

Capital Growth Driven by Core Profitability; Continued Investment in AI and Talent for Future Expansion

Unit: million yen

	2025 Q2	2025 Q3	Change	Percentage Change
Current assets	5,431	5,592	+160	+3.0%
Cash and cash equivalents	4,131	4,070	-61	-1.5%
Non-current assets	4,292	4,367	+75	+1.8%
Total assets	9,723	9,959	+236	+2.4%
Current liabilities	2,011	2,019	+8	+0.4%
Non-current liabilities	6,477	6,444	-33	-0.5%
Equity	1,234	1,496	+261	+21.2%
Total liabilities and equity	9,723	9,959	+236	+2.4%

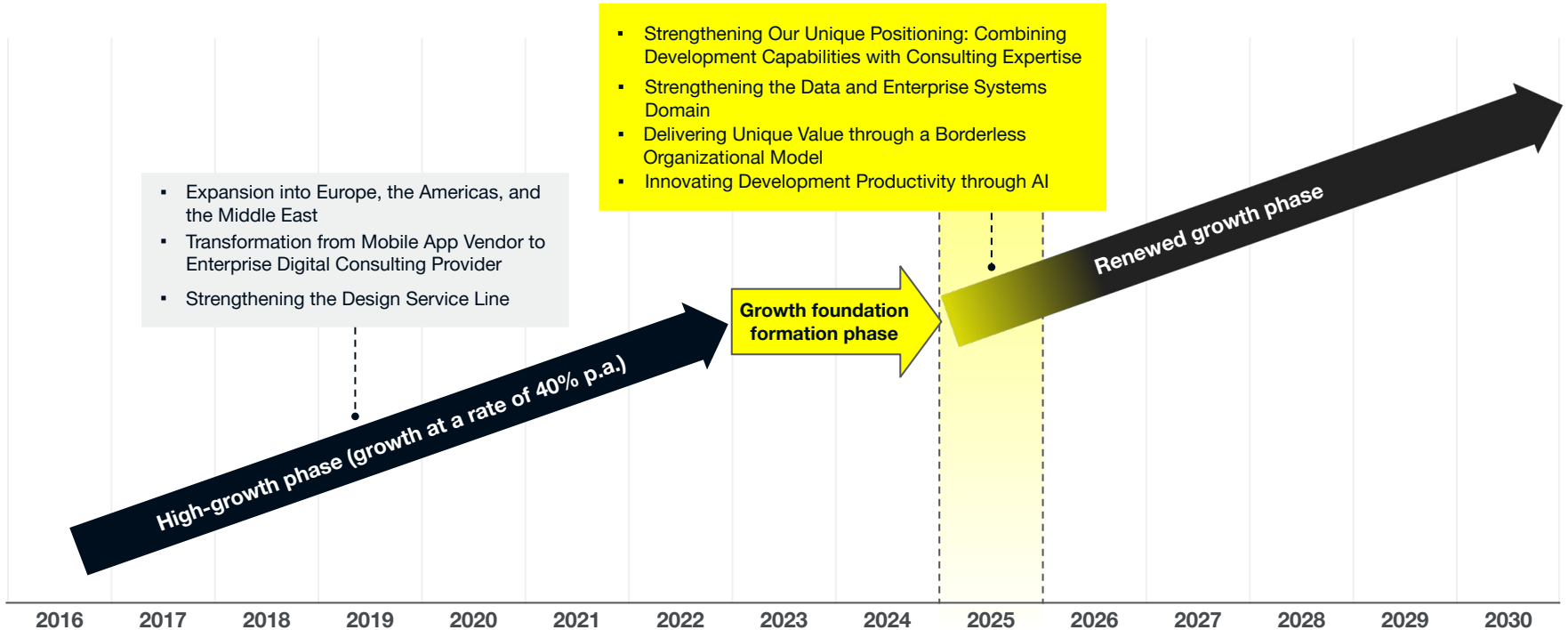
Key Financial Drivers and Variability Factors Recognized

	Key Variability Factors	Mitigation Measures
Gains/Losses on Financial Assets	If the profitability of foreign-currency-denominated investee companies fluctuates significantly, or if changes in the competitive landscape alter the expected future outcomes, we may be required to recognize valuation gains or losses.	Conduct timely monitoring of investee companies and maintain appropriate communication. Monetize assets over the medium term through the sale of securities where appropriate.
Foreign-Currency Asset Translation	We hold a significant amount of foreign-currency-denominated assets, and their yen-equivalent value fluctuates depending on the exchange rate at the fiscal period-end. Yen appreciation may result in foreign exchange losses , while yen depreciation may generate substantial exchange gains.	We mitigate exchange-rate volatility by balancing multiple currency-sensitive activities, such as offshore development requests and the collection of management service fees.
Stock Option Expiration	If a large number of stock options expire, the reversal of stock-based compensation may increase full-year profit.	Ongoing monitoring of option exercises and expirations.

A photograph of two women in a professional setting. The woman in the foreground, wearing a light green short-sleeved shirt, is holding a blue and white marker and writing on a whiteboard. She is looking up and to the left. The woman in the background, wearing glasses and a dark top, is looking at the whiteboard. The whiteboard has some faint, handwritten text in blue ink, including "Lead 1", "Task", and "Lead 2". The background is a plain, light-colored wall.

FY2025 Q3 Highlights and Growth Strategy

Foundations Built in 2024 Are Beginning to Deliver Results in 2025, Marking a Return to a Growth Trajectory



Three Pillars for Growth

1 Enhancement of the data and enterprise system domains

- Enhancing the Value of Our Core SoE Domain by Strengthening Data Capabilities (e.g., Location Data, Price Sensitivity, and Purchase Behavior Data)
- Strengthening enterprise system development through generative AI; continued enhancement of our legacy modernization solution, CodeRebuild AI.
- Appointed a new head of data and enterprise systems and established a dedicated team

Main Focus of This Section

2 Delivering unique value through borderless management

- Leveraging large-scale development centers in regions with abundant engineering talent, combined with extensive digital consulting experience in Japan and the US, to deliver added value.
- Delivering unique value through borderless design and development operations

3 Productivity Innovation through AI and Provision of AI Solutions

- By integrating AI across all stages of the system development process, we dramatically enhance productivity, shorten development timelines, and strengthen cost competitiveness.
- Providing advanced, AI-integrated solutions through our developed systems.
- Providing AI-powered solutions that transform client operations through the use of AI agents and related technologies.
- Launched MonstarX: Multi-AI Agents for PoC Development

Main Focus of This Section

Organizational capabilities are being strengthened in preparation for full-scale growth in the data and enterprise area.

1

Launched a dedicated organization for the Data and Enterprise domain

- In April 2025, we established “**Enterprise DX**,” a specialized unit of approximately 35 members focused on delivering Data and Enterprise solutions.
- The team provides differentiated solutions leveraging ML’s strengths, particularly in **legacy system modernization**—such as Code Rebuild AI, agile development, and advanced UI design.

2

Appointed a new head with deep expertise in the Data and Enterprise domain



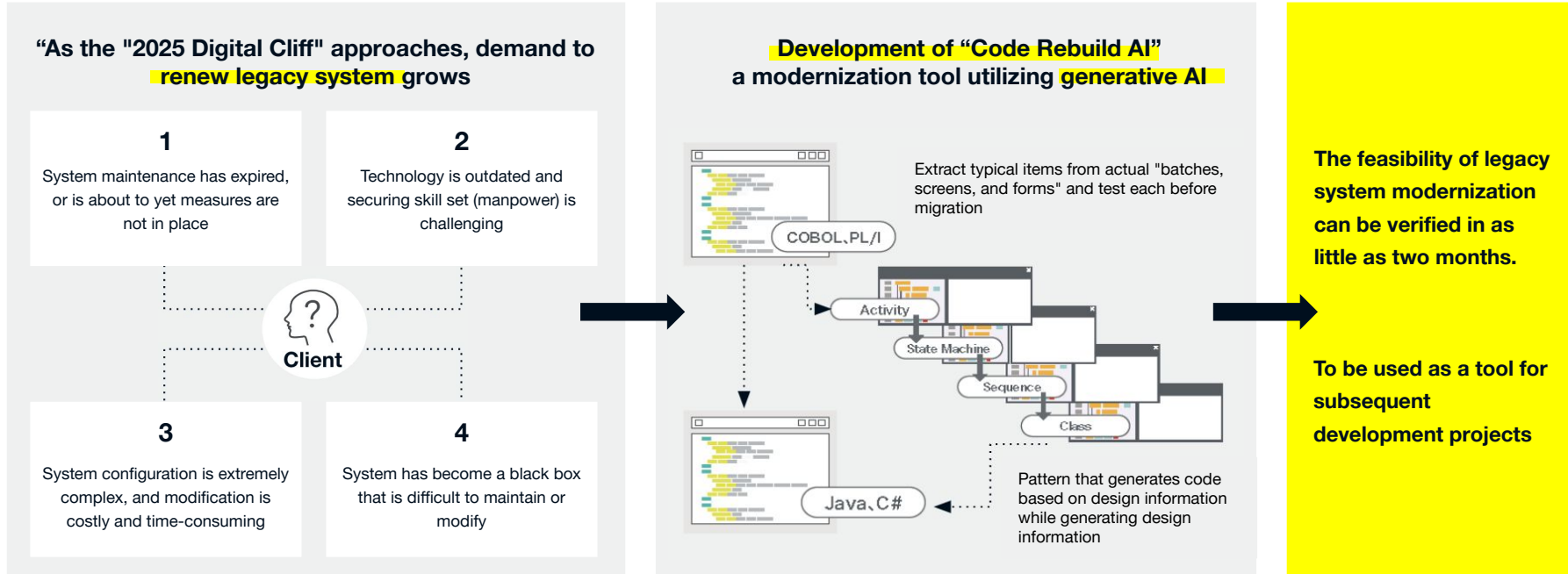
Eiichi Matsushima

Executive Managing Officer /
Head of APAC Enterprise

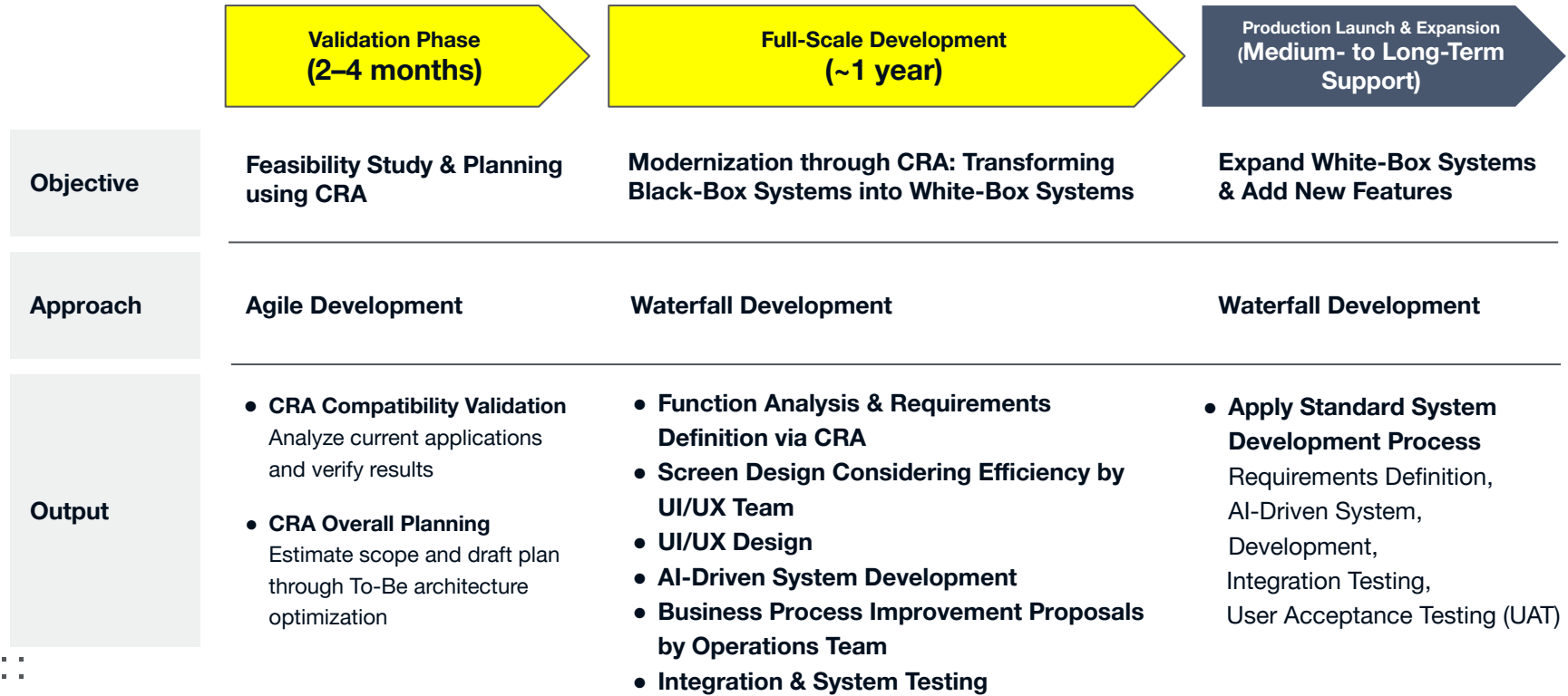
Profile

A seasoned leader with extensive expertise in the Data and Enterprise domain. Previously served as a division leader in manufacturing and automotive industries at a global consulting firm, providing consulting services in new business strategy, business and IT transformation, and organizational reform for clients both in Japan and overseas. Possesses deep technical knowledge and hands-on experience in ERP (especially SAP) implementation and operations, having worked as a programmer. Over 25 years of experience as an industry consultant, specializing in large-scale business process reengineering (BPR) projects within the SoR (System of Record) domain.

Introducing Code Rebuild AI (CRA) for Enterprise Modernization via Generative AI



Modernizing Enterprises in 1–2 Years through CRA and Monstarlab’s Strengths in AI-Driven Development, Agile Practices, and UI/UX Design



Legacy System Modernization Projects Using CRA Are Progressing Steadily

Client's Industry	Client's needs	Progress in Q3 2025
Non-ferrous Metals	Improve efficiency through AI-powered enhancements and spec changes on core systems	Analysis phase won
Building materials	80% of core systems are legacy and black-boxed; planning for system replacement	Analysis phase won
Chemical manufacturer	Considering full replacement of factory and HQ core systems by 2030	Analysis phase won
Entertainment	Replace black-boxed legacy mainframe system	Analysis phase won
Retail	Replace black-boxed legacy mainframe system	Proposed
Service	Replace black-boxed legacy system (order processing system)	Proposed
Auto manufacturer A Co.	Analyze and replace black-boxed systems related to SDV (software-defined vehicle)	Proposed
Auto manufacturer B Co.	Analyze and replace black-boxed systems related to SDV (software-defined vehicle)	Proposed

Three Core AI Areas at Monstarlab

AI-Driven Development



Integrating AI into the development process to **fundamentally enhance productivity**, translating improvements in quality and cost into competitive advantages.

Integration of AI into Products



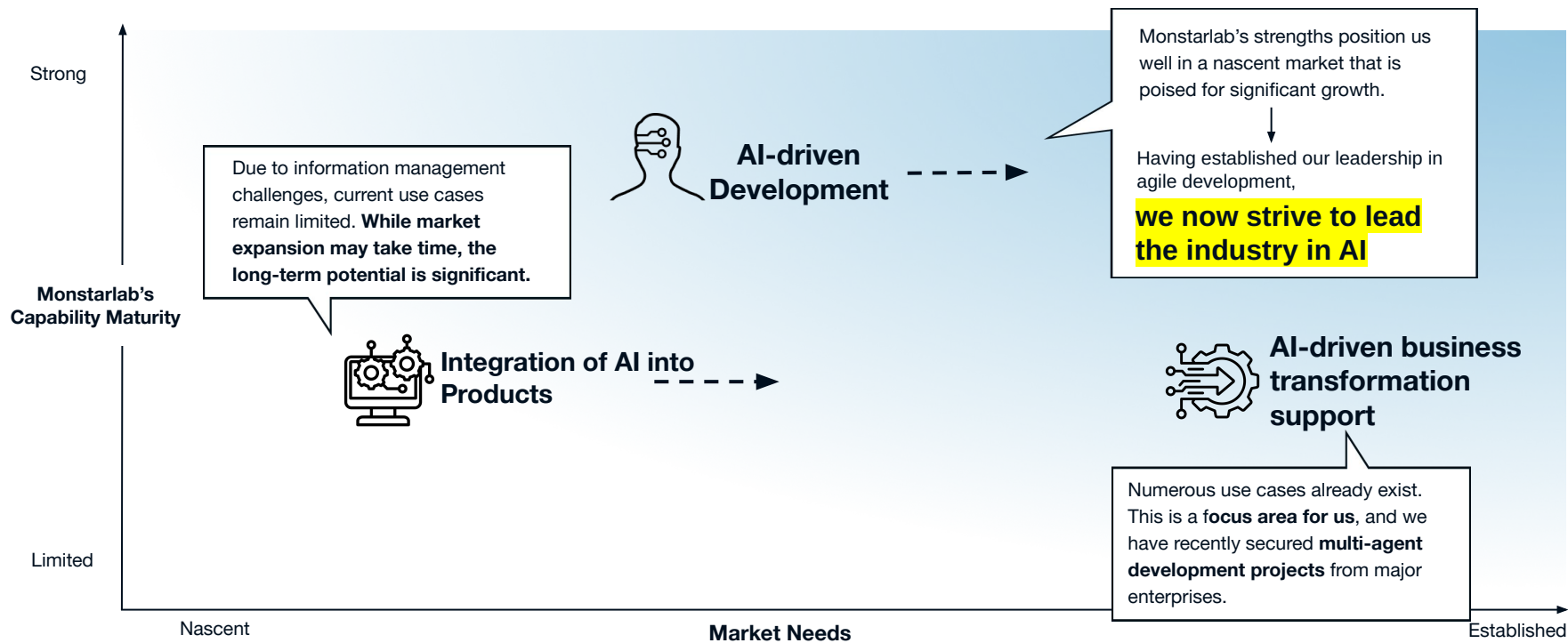
By implementing AI as a core function in our developed systems, we deliver **more advanced solutions compared to competitors**.

Driving Business Transformation with AI



We provide AI-driven solutions that transform client operations, **enhancing productivity and creating greater value**.

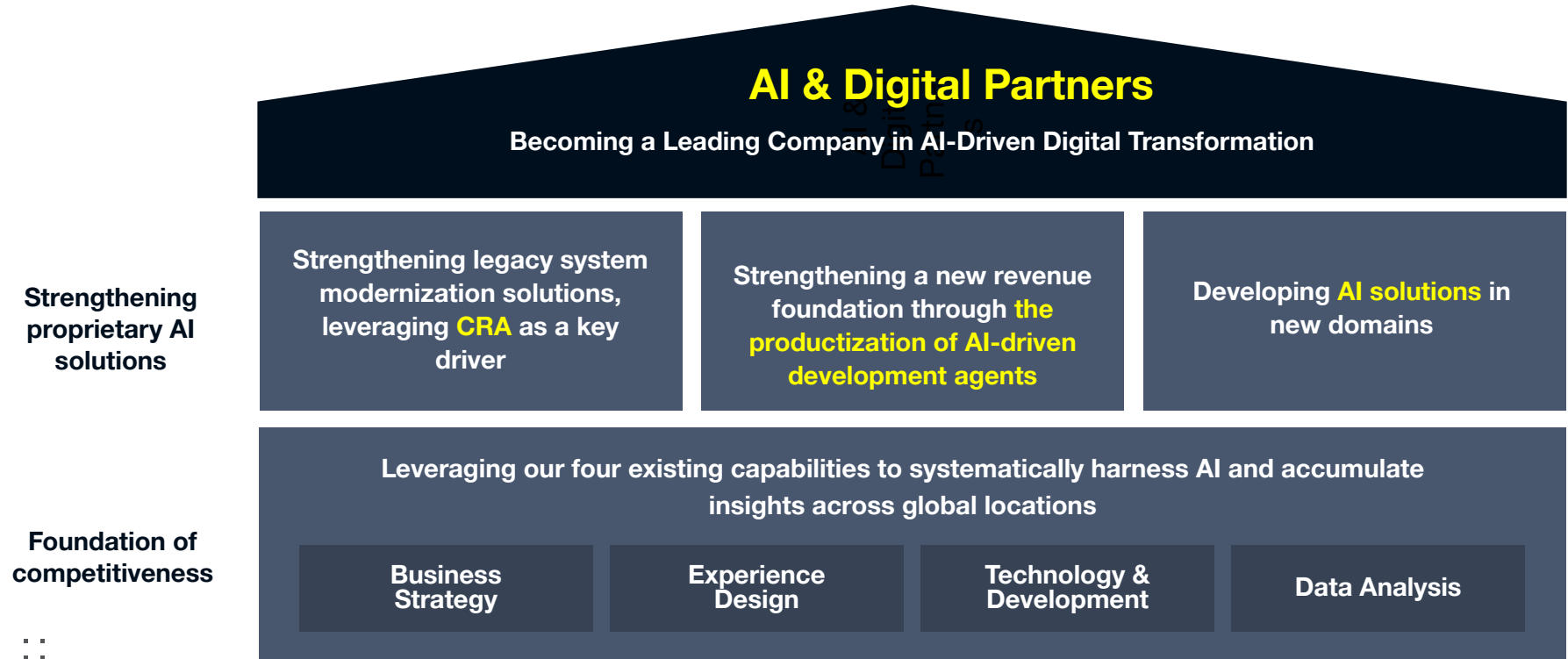
Aiming for Industry Leadership in AI-Driven Development, Advancing Multi-Agent Innovation



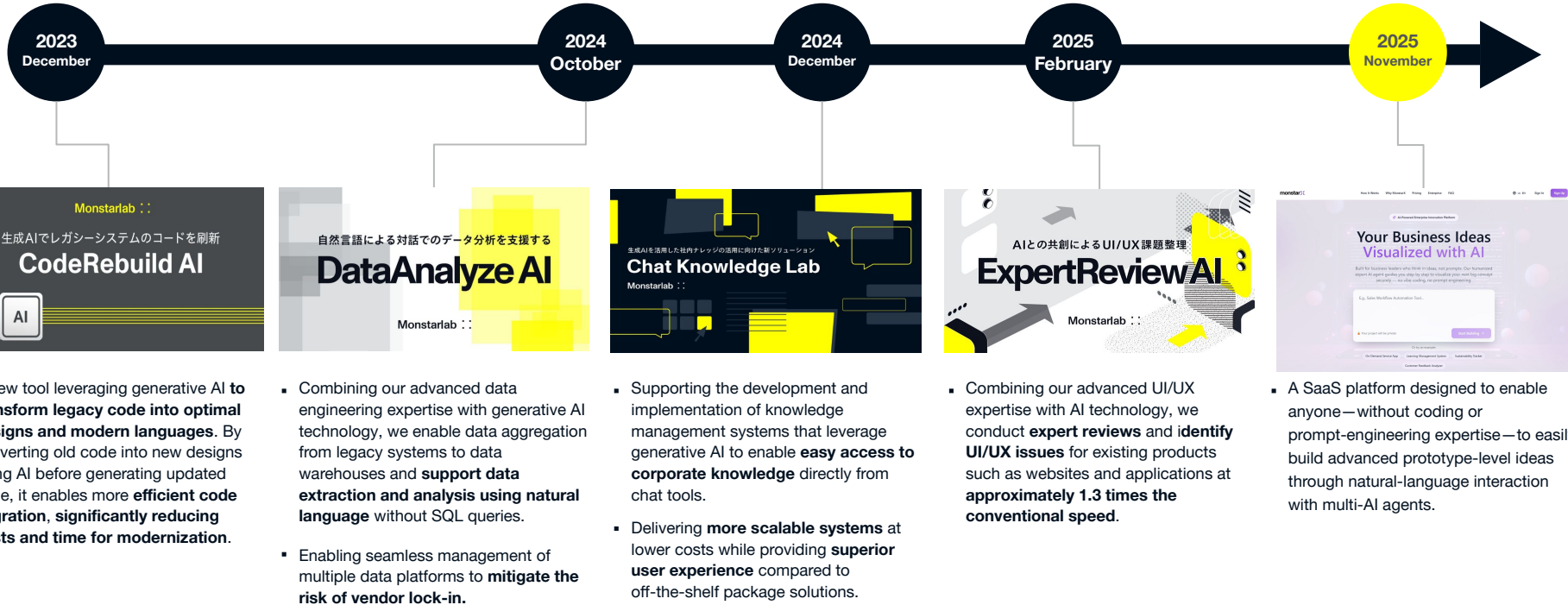
Establishing a Center of Excellence for AI Development under CEO Oversight



Leveraging Monstarlab's four capabilities and global insights with AI to generate distinct competitive strengths, driving the AI and digital industries



Continuing the Development of Proprietary AI Solutions Since CRA Launch in Dec 2023; MonstarX Launched on Nov 6, 2025



PoC Development Platform “MonstarX”: A proprietary multi-AI agent platform that allows anyone to build prototypes through natural conversation

Build high-quality prototypes just by talking — no engineering required (starting from \$20/month)

monstarX

1

Accelerated PoC dev

From requirements gathering to UI and code generation, agents handle each step. Even non-engineers can build prototypes in a short time.

2

Enterprise-Grade Security

Supports private cloud and local LLMs. Data is not used for external training.

3

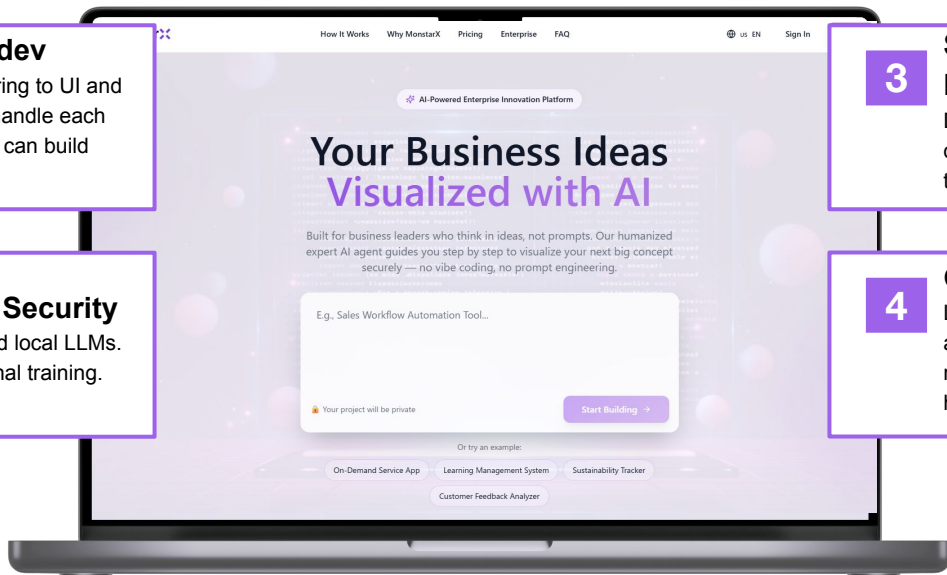
Seamless Transition to Full Development

Direct handoff to our in-house development team enables smooth transition from prototype to production

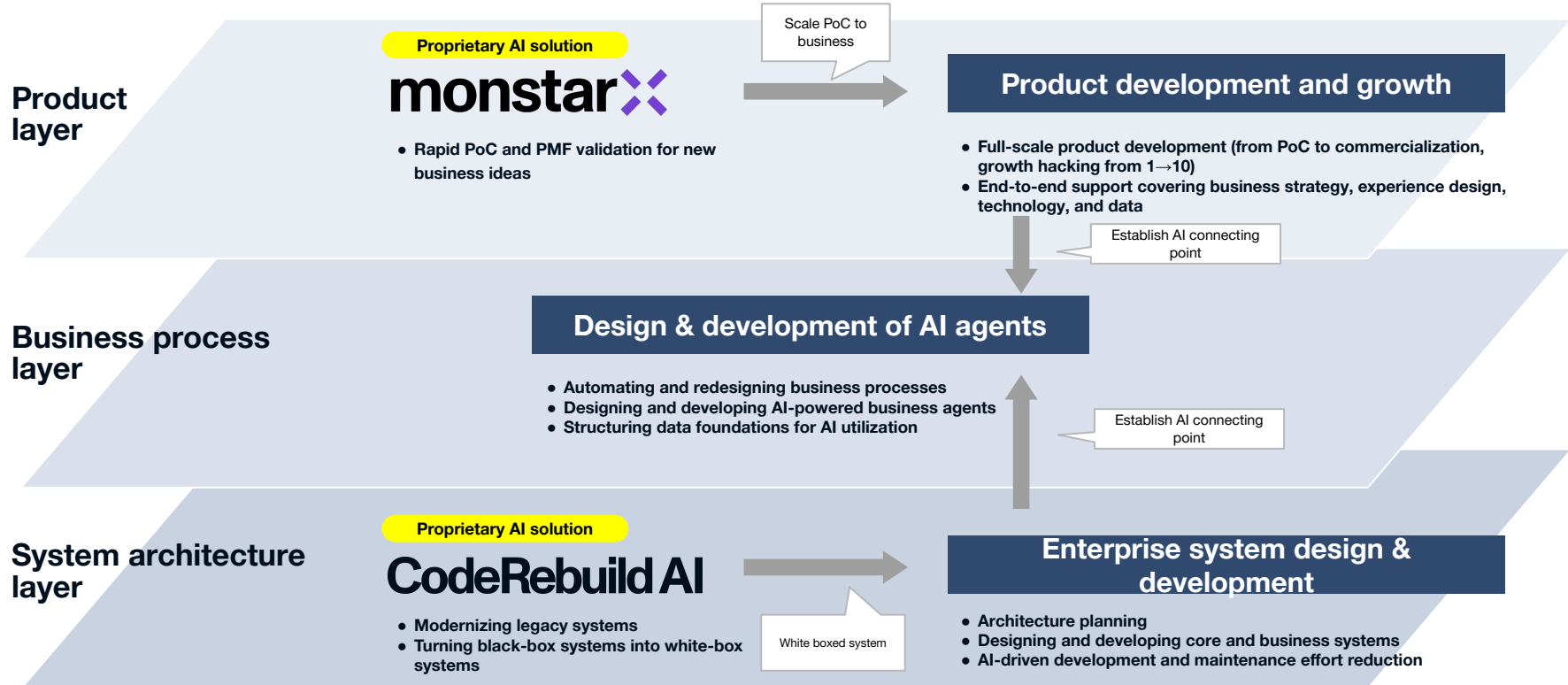
4

Global-Standard Quality

Leverages project experience accumulated across 12 countries and regions over the past 20 years to ensure high-quality delivery.



Supporting DX and AI transformation across the entire stack—from customer touchpoints to core systems—powered by proprietary AI solutions

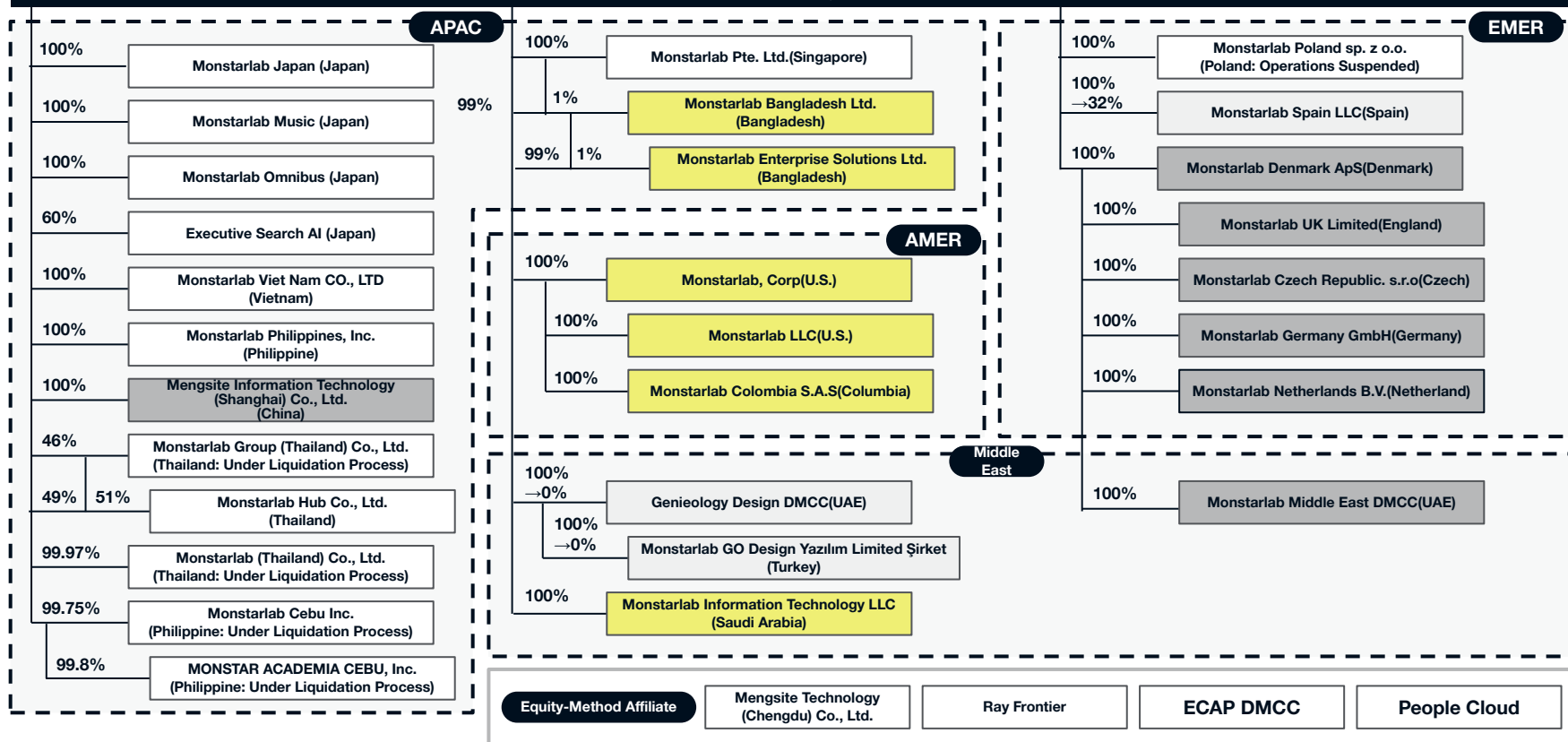


Appendix

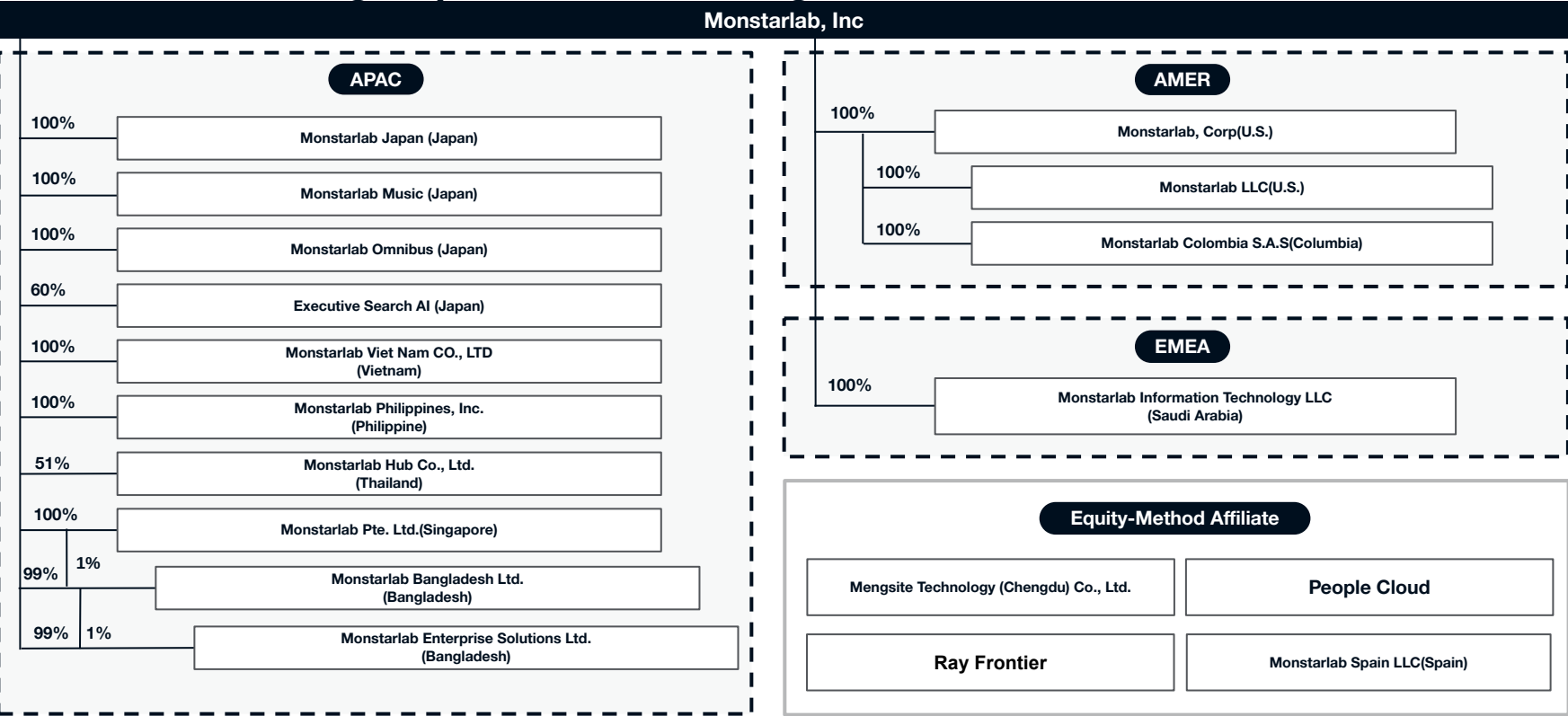
Pre-Restructuring Capital Structure Diagram

Workforce Reduction
MBO
Deconsolidation Due to Bankruptcy and Liquidation

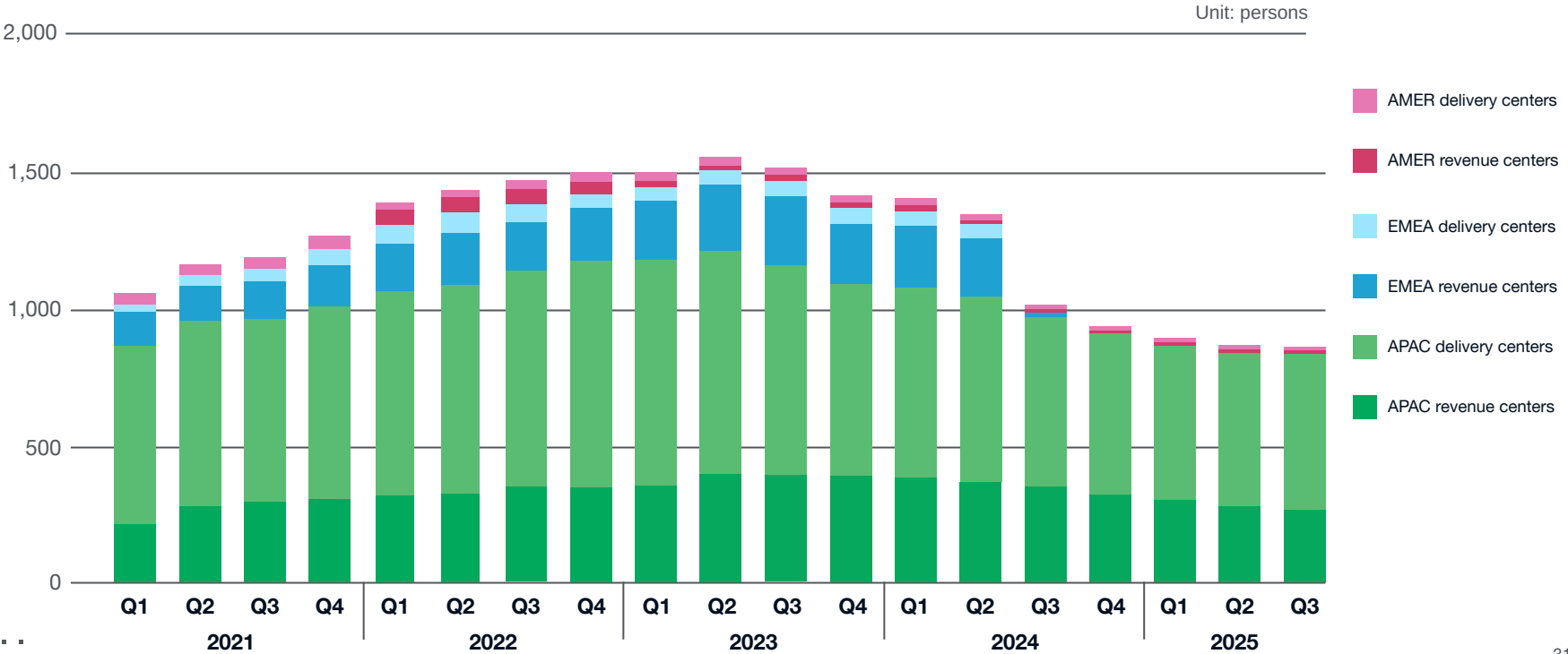
Monstarlab, Inc



Post-Restructuring Capital Structure Diagram



Following EMEA-centered restructuring, we focus on APAC and AMER, enhancing per-person productivity via AI-driven development to maintain profitability

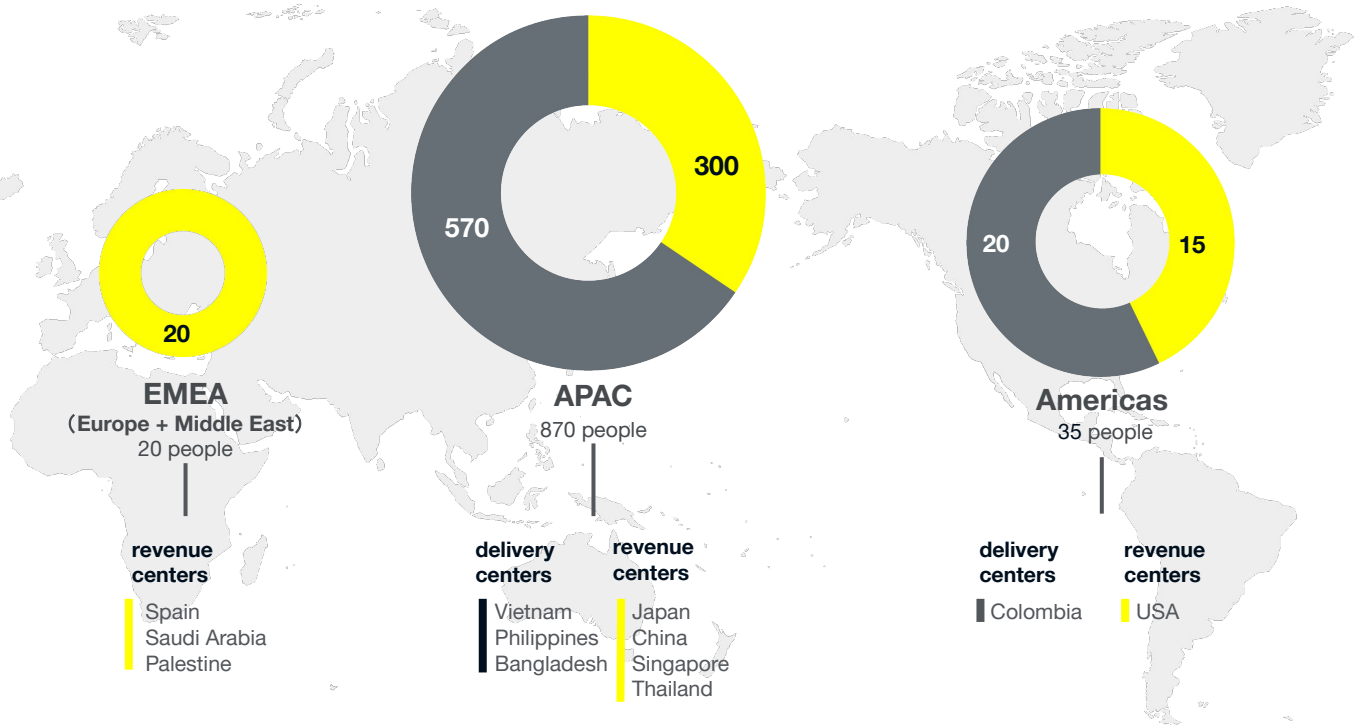


Global team of 920, with revenue centers in Japan, Western Europe, and North America, and delivery centers in Southeast Asia and South America

Areas of operation

12 countries **20** Regions

Employees about **920** People worldwide



Note: As of the end of March 2025. The number of locations includes subsidiaries. APAC refers to the Asia Pacific region.

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Furthermore, please be advised that this material contains financial information and statements based on past financial statements or accounts, as well as management figures not based on the financial accounts, and that such contained information, statements and figures have not been reviewed by an independent certified public accountant or audit cApart from cases in which requests are made pursuant to applicable laws or under the regulations of securities exchanges, the Company is under no obligation to any update or correct any information contained within this material pursuant to the occurrence of any future event.orporation.

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Monstarlab Holdings Inc. (Securities Code: 5255)

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Thank you for your attention.

