Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 13, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Gala Inc.
Listing: Tokyo Stock Exchange
Securities code: 4777
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	2,077	4.9	372	—	284	—	125	—
September 30, 2025	1,981	—	△189	—	△201	—	△238	—

Note: Comprehensive income For the nine months ended September 30, 2026: ¥353 million [—%]
For the nine months ended September 30, 2025: △¥363 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	4.48	—
September 30, 2025	△8.51	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	3,656	1,498	20.1	26.24
December 31, 2025	3,639	1,019	12.2	15.89

Reference: Equity
As of September 30, 2026: ¥735 million
As of December 31, 2025: ¥445 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2026	—	0.00	—		
Fiscal year ending December 31, 2026 (Forecast)				0.00	0.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (From January 1, 2026 to December 31, 2026)

Consolidated earnings forecast for the current fiscal year is not stated due to the difficulty of calculating a reasonable earnings forecast. For details, please refer to "1. Overview of Operating Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 8 of the Attached Materials.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: — companies (Company name)
Excluded: 2 companies (Company name) Treeful Inc., TREEFUL (CAMBODIA) Co., Ltd.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	28,024,900 shares
As of December 31, 2025	28,024,900 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	— shares
As of December 31, 2025	— shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2026	28,024,900 shares
Nine months ended September 30, 2025	28,024,900 shares

* 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

(Disclaimer on forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. These statements are not intended to guarantee the achievement of such forecasts. Actual results may differ significantly due to various factors.

(How to obtain supplementary information on financial results)

Supplementary materials for financial results will be posted on the Company's website after the announcement of financial results.

○Table of Contents of Attached Materials

1. Overview of Operating Results …… 5
(1) Overview of Operating Results for the Current Quarter …… 5
(2) Overview of Financial Position for the Current Quarter …… 7
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information …… 8
(4) Significant Events Related to the Going Concern Assumption…… 8
2. Quarterly Consolidated Financial Statements and Principal Notes …… 9
(1) Quarterly Consolidated Balance Sheets …… 9
(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income …… 11
Quarterly Consolidated Statement of Income…… 11
Quarterly Consolidated Statement of Comprehensive Income…… 12
(3) Notes to the Quarterly Consolidated Financial Statements …… 13
(Changes in Scope of Consolidation or Scope of Application of the Equity Method) …… 13
(Segment Information) …… 13
(Notes in Case of Significant Changes in Shareholders' Equity) …… 14
(Notes on Going Concern Assumption) …… 15
(Notes on the Quarterly Consolidated Statement of Cash Flows) …… 15

1. Overview of Operating Results

(1) Overview of Operating Results for the Current Quarter

During the nine-month period ended September 30, 2026, Gala Inc. (the "Company") and its consolidated subsidiaries (collectively, the "Group") recorded consolidated net sales of 2,077,967 thousand yen (up 4.9% year on year). This increase was mainly attributable to significant growth in sales from the HTML5 game business and Smartphone app business in the Korea segment compared with the same period of the previous fiscal year. On the other hand, sales from the VFX business and other businesses decreased due to the loss of orders in the VFX business and the exclusion of Treeful Inc. and another company from the scope of consolidation.

Cost of sales was 571,013 thousand yen, decreasing by 29.8% year on year. This decrease was mainly attributable to lower outsourcing and labor costs resulting from reduced operations following the loss of orders in the VFX business. On the other hand, royalty expenses related to HTML5 games increased.

Selling, general and administrative expenses were 1,134,842 thousand yen, decreasing by 16.4% year on year. This decrease was mainly attributable to the absence of temporary outsourcing expenses incurred in the same period of the previous year, the exclusion of Treeful Inc. and another company from the scope of consolidation, lower depreciation expenses related to assets for which impairment losses were recognized in the previous fiscal year, and a decrease in taxes and dues. On the other hand, advertising expenses and research and development expenses related to game development at the consolidated subsidiary Gala Lab Corp. increased.

As a result, the Group recorded an operating profit of 372,111 thousand yen (operating loss of 189,502 thousand yen in the same period of the previous year), an ordinary profit of 284,561 thousand yen (ordinary loss of 201,114 thousand yen in the same period of the previous year), and a profit attributable to owners of parent of 125,561 thousand yen (loss attributable to owners of parent of 238,576 thousand yen in the same period of the previous year). In addition, foreign exchange losses of 76,183 thousand yen were recorded as non-operating expenses, mainly due to an increase in the yen-equivalent value of Korean won-denominated liabilities held by the Company's Korean branch resulting from the appreciation of the Korean won. Furthermore, following the exclusion of Treeful Inc. and TREEFUL (CAMBODIA) Co., Ltd. from the scope of consolidation in the semi-annual period, a gain on change in equity of 121,321 thousand yen arising from a capital increase was recorded as an extraordinary income, while the remaining difference of 125,696 thousand yen related to the exclusion from consolidation was recognized as an increase in retained earnings. In addition, an impairment loss of 23,581 thousand yen related to assets of the two companies was recorded as an extraordinary loss, and income taxes – deferred of 104,658 thousand yen were recorded, mainly due to the reversal of deferred tax assets associated with the utilization of tax loss carryforwards.

The operating results by reportable segment are summarized as follows:

(i) Japan

In the Japan segment, the Company, as the parent company, carries out administrative activities related to maintaining its stock exchange listing and other related operations.

Regarding the treehouse resort business previously operated by former consolidated subsidiary Treeful Inc. and its subsidiary TREEFUL (CAMBODIA) Co., Ltd. in Nago City, Okinawa Prefecture, and Cambodia, the Company resolved on April 30, 2026, not to exercise its rights to subscribe for new shares in the shareholder allotment capital increase conducted by Treeful Inc., in order to concentrate management resources on its core businesses: the HTML5 game business, Smartphone app business, and Online game business. Following the completion of payment for the capital increase on May 25, 2026, the Company's voting rights ratio decreased from 24.41% to 15.55%. As the Company consequently lost control over both companies, they were excluded from the scope of consolidation as of the end of April 2026, the deemed date of exclusion. Accordingly, a gain on change in equity of 121,321 thousand yen arising from the capital increase was recorded as an extraordinary income, while the remaining difference of 125,696 thousand yen related to the exclusion from consolidation was recognized as an increase in retained earnings.

In addition, at a meeting of the Board of Directors held on July 22, 2026, the Company resolved to establish a wholly owned subsidiary, Gala Next Co., Ltd., to promote new businesses, including e-commerce-related and alcoholic beverage sales businesses, in an agile and flexible manner. The subsidiary was established on September 10, 2026. However, as the subsidiary was deemed immaterial as of the end of the current third quarter, it was not included in the scope of consolidation.

On the expense side, selling, general and administrative expenses decreased due to lower depreciation expenses, as impairment losses on the business assets of the two companies had already been recognized in the previous fiscal year, as well as the exclusion of both companies from the scope of consolidation.

As a result, net sales in the Japan segment (including intercompany transactions) were 124,451 thousand yen, a decrease of 19,492 thousand yen (13.5%) year on year, and the segment recorded a loss of 146,053 thousand yen (compared with a segment loss of 413,746 thousand yen in the same period of the previous fiscal year), representing a reduction in the loss.

(ii) Korea

In the Korea segment, net sales from the HTML5 game “Flyff Universe,” which was launched in May 2022, increased to 1,219,548 thousand yen, an increase of 353,429 thousand yen (up 40.8% year on year). Since its global release in 2022, “Flyff Universe” has surpassed 5 million cumulative users, steadily expanding its user base across regions and languages and establishing a strong brand presence. The annual global event “Flyff Universe World Championship (FWC)” has become established not merely as a gaming competition, but as a global PvP (Player vs Player) tournament where users from around the world compete in real time and deepen their interactions. The 2026 championship, scheduled to be held this year, will offer a total prize pool of US$110,000. Teams advancing to the main tournament will be selected through qualifying rounds held under a season-based system throughout the year. This event represents an important opportunity for the title to further expand its potential as an esports platform.

Furthermore, with the aim of expanding the service area for the HTML5 game “Flyff Universe,” the Group launched the service in Korea in April 2025. In addition, Gala Lab Corp. entered into a publishing agreement for the China region with RUIWO TECHNOLOGY, a game publishing specialist in China, in December 2024. Following the launch of an open beta test for the Chinese version, “飛飛：無限宇宙,” on June 26, 2026, the official service was launched in the region on July 3, 2026. Gala Lab Corp. is also developing the framework for an HTML5 version of a game utilizing the IP of “AniPang” owned by Wemade Play Co., Ltd. The Group continues to focus on developing HTML5 games that leverage other companies’ game IPs together with the Group’s HTML5 game development capabilities. As part of these efforts, the Group is jointly developing the HTML5 MMORPG “Ragnarok Universe” with Wemade Connect Co., Ltd. and Gravity Co., Ltd. The official community for the game was launched on July 10, 2026, and the first global technical test was conducted over five days, from July 15 to July 19, 2026. Users from more than 48 countries participated in the test, and registrations in the official global community on Discord increased by approximately 230% or more compared with the period before the test. Going forward, the Group will continue to improve the quality of the game by incorporating user feedback collected during the test, while preparing for its launch in global markets.

HTML5 games are highly accessible and can be played on various devices, including PCs and smartphones, without the need for downloads. In July 2023, Gala Lab Corp. entered into a strategic alliance with BPMG Co., Ltd. and Wemade Connect Co., Ltd. for publishing and game business activities related to the NFT/blockchain game “Flyff Universe,” which combines the features of the HTML5 game "Flyff Universe" with blockchain technology-based Play-to-Earn (P2E) (*5) features. Preparations for the release are in progress; however, the service launch date for the NFT/blockchain game “Flyff Universe” remains undecided due to the time required to consider legal and tax aspects in Korea concerning the crypto assets to be used in the game.

In the Smartphone app business, net sales increased to 385,042 thousand yen, an increase of 136,651 thousand yen (up 55.0% year on year). This increase was mainly attributable to higher in-app purchase revenue from applications operated by consolidated subsidiary Gala Mix Inc. The smartphone game application “Rappelz,” developed by Gala Lab Corp., was launched in the U.S. and Canada in October 2021 but was temporarily discontinued in November 2022. Currently, “Rappelz” is being revamped as the NFT/blockchain game (*2) “Rappelz Universe” by incorporating blockchain technology, and preparations are underway for release in global markets. In NFT/blockchain games, in-game items and other assets are “NFTized” (*4) using blockchain (*3), a crypto-asset infrastructure technology, enabling users to convert items obtained in-game into crypto assets that can be traded on exchanges. Through this, the Group aims to further enhance the game’s appeal and focus on monetizing the game business. However, the service launch date remains undecided due to the time required to consider legal and tax aspects in Korea concerning the crypto assets to be used in the game. In addition to the smartphone game application “Flyff Legacy,” Gala Lab Corp. launched a new Flyff mobile game, “飛飛：重逢 (Flyff Reunion),” in China in June 2025. Gala Mix Inc. also continues to provide the pedometer application “winwalk,” the smartphone application “winQuiz,” and the smartphone application “Poll Cash.” Going forward, the Group will continue to promote distribution through multilingual deployment by leveraging its global network.

In the Online game business, the Group continues to provide services for Gala Lab Corp.’s flagship titles “Flyff Online” and “Rappelz Online,” with net sales amounting to 398,342 thousand yen, a decrease of 11,309 thousand yen (down 2.8% year on year). Gala Lab Corp. is currently advancing licensing and channeling (*6) initiatives for “Flyff Online,” and launched the service in Taiwan, Hong Kong, and Macao in June 2025. In addition, the official service for “Rappelz Online” was launched in Taiwan, Hong Kong, and Macao on June 22, 2026.

Meanwhile, net sales from the metaverse (*1) campus platform business “UVERSE” (hereinafter referred to as the “Meta Campus business”), which Gala Lab Corp. is developing in collaboration with LG Uplus Corp., a major telecommunications company in Korea, and Megazone Corporation, one of Korea’s largest digital IT companies, decreased to 14,935 thousand yen, a decrease of 11,493 thousand yen (down 43.5% year on year). The Meta Campus business develops and builds virtual campuses using a metaverse platform and provides the platform to educational institutions, including universities, as a community space for students and a venue for events such as university admissions information sessions. In terms of the division of responsibilities, Gala Lab Corp. is responsible for developing the metaverse platform, LG Uplus Corp. for attracting schools and marketing, and Megazone Corporation for providing cloud and other infrastructure services. The service is currently being provided to several well-known universities.

In addition, the VFX business conducted by consolidated subsidiary ROAD101 Co., Ltd. recorded no net sales during the nine-month period ended September 30, 2026 (compared with net sales of 225,860 thousand yen in the same period of the previous fiscal year), as the rapid emergence of generative AI video technologies has brought about structural changes in the video production market, making it extremely difficult to secure orders using conventional VFX methods. VFX, short for visual effects, refers to technologies used to create visual effects in films, TV dramas, and other visual works that cannot be achieved in real life. The VFX business involves producing movies, commercials, and other content using VFX technology.

Currently, ROAD101 Co., Ltd. has no employees, and its business activities have effectively come to a standstill due to extremely difficult conditions for continuing operations. Accordingly, the Group is considering the liquidation of the company.

On the expense side, advertising expenses increased due to intensified marketing activities, and research and development expenses increased in connection with game development. On the other hand, outsourcing and labor costs decreased due to the loss of orders in the VFX business.

As a result, net sales in the Korea segment (including intercompany transactions) were 2,033,071 thousand yen, an increase of 115,693 thousand yen (up 6.0% year on year), and the segment recorded a profit of 493,059 thousand yen (segment profit of 228,830 thousand yen in the same period of the previous fiscal year).

(*1) The metaverse is a coined term derived from “meta” (meaning “beyond”) and “universe.” It refers to a large-scale, multi-user, 3D virtual space constructed on the Internet where participants can freely act within the environment. Users enter the virtual space via avatars, their digital representations, to explore the world and communicate with other participants. Additionally, users can create their own games, monetize them by inviting others to play, or build a system for buying and selling in-game items as NFTs (*4) using crypto assets.

(*2) NFT games/blockchain games are games in which in-game items are “NFTized” using blockchain (*3), a crypto asset infrastructure technology. These games are also referred to as GameFi, a term that combines “Game” and “Decentralized Finance.”

(*3) Blockchain is a method of synchronizing and recording data, such as transaction information, across a distributed network of multiple computers by combining cryptographic technology. This mechanism collects transaction data over a certain period into blocks, which are then validated by the computers and linked together like a chain to create a correct and cumulative record.

(*4) NFT (Non-Fungible Token) refers to digital data accompanied by an unforgeable certificate of authenticity or proof of ownership. Like crypto assets, NFTs are issued and traded on blockchain networks as digital data.

(*5) Play-to-Earn (P2E) refers to a feature of blockchain games where income or points earned in the game can be converted into crypto assets and traded on exchanges. This ability to earn income while playing the game is what defines “Play-to-Earn” (P2E).

(*6) Channeling is a service that allows online games and other games to be played on other companies’ game portal sites.

(2) Overview of Financial Position for the Current Quarter

The Group’s total assets at the end of the current third quarter increased by 16,576 thousand yen from the end of the previous fiscal year to 3,656,021 thousand yen.

The main changes were as follows:

In assets, cash and deposits increased by 248,569 thousand yen and accounts receivable – trade increased by 123,109 thousand yen, while long-term prepaid expenses decreased by 181,706 thousand yen, deferred tax assets decreased by 77,294 thousand yen, land decreased by 41,665 thousand yen, and accounts receivable – other decreased by 33,518 thousand yen. The increase in cash and deposits was mainly due to the collection of accounts receivable, while the increase in accounts receivable – trade was mainly attributable to higher sales from the HTML5 game “Flyff Universe.” The decrease in deferred tax assets resulted from their reversal associated with the utilization of tax loss carryforwards, while the decrease in land was due to the exclusion of Treeful Inc. and TREEFUL (CAMBODIA) Co., Ltd. from the scope of consolidation.

Total liabilities decreased by 462,177 thousand yen from the end of the previous fiscal year to 2,157,460 thousand yen. The main changes were an increase of 45,728 thousand yen in net defined benefit liabilities and an increase of 26,571 thousand yen in unearned revenue, while long-term unearned revenue decreased by 195,946 thousand yen, short-term loans payable decreased by 164,552 thousand yen, accounts payable – trade decreased by 89,732 thousand yen, long-term loans payable (including the current portion) decreased by 83,223 thousand yen, advances received decreased by 53,202 thousand yen, and accounts payable – other decreased by 45,477 thousand yen. The decreases in short-term and long-term loans payable were mainly attributable to repayments of borrowings and changes in the scope of consolidation, while the decrease in accounts payable – trade was mainly due to the loss of orders in the VFX Business.

Net assets increased by 478,754 thousand yen from the end of the previous fiscal year to 1,498,560 thousand yen. The main factors were the recording of a profit attributable to owners of parent of 125,561 thousand yen, an increase in retained earnings

of 125,696 thousand yen resulting from changes in the scope of consolidation, an increase in non-controlling interests of 188,819 thousand yen, and an increase in foreign currency translation adjustments of 38,685 thousand yen. In addition, as a result of a capital reduction and the offsetting of accumulated losses effective March 31, 2026, capital stock decreased by 4,391,482 thousand yen to 100,000 thousand yen.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Group faces significant challenges in forecasting its earnings due to various uncertainties. In the Smartphone app business, there is a possibility that app development and download distribution may not proceed as planned, and it is extremely difficult to predict revenue from in-app purchases after the launch of downloads. In the Online game business, it is highly challenging to forecast the impact of upgrades to existing titles on earnings. Similarly, in the HTML5 game business, there is a risk of development delays and significant difficulty in estimating revenue from in-game purchases. Moreover, for the Meta Campus business and VFX business, profits and losses are likely to fluctuate significantly due to changes in the surrounding business environment. Given these challenges, it is extremely difficult to provide an accurate earnings forecast. Therefore, the Group has decided to withhold the publication of earnings forecasts.

(4) Significant Events Related to the Going Concern Assumption

The Group recorded operating losses and losses attributable to owners of parent for the fiscal years ended December 31, 2024 and 2025, and thus certain events or conditions exist that may raise significant doubt about the Group's ability to continue as a going concern.

The main factors behind these losses include the recording of operating losses by the Company due to administrative costs incurred as a holding company; the recording of operating losses in the VFX business of consolidated subsidiary ROAD101 Co., Ltd. due to a slowdown in orders resulting from rapid changes in market conditions; and the recording of operating losses at Treeful Inc., which was still in the process of expanding its lodging facilities through the construction of treehouses and aero houses. In addition, in the fiscal year ended December 31, 2024, the Group recorded expenses of 252,719 thousand yen related to financial statement corrections following the submission of an amended securities report on November 12, 2024, as well as an impairment loss on goodwill of 397,491 thousand yen. Furthermore, in the fiscal year ended December 31, 2025, the Group recorded impairment losses on business assets held by Treeful Inc. and other companies.

To eliminate these conditions, the Group has implemented the following measures.

Regarding ROAD101 Co., Ltd., the Group had been considering fundamental business restructuring and the possibility of continuing its operations in light of drastic changes in the business environment. Currently, however, the Group is considering the liquidation of the company. In addition, Treeful Inc. and TREEFUL (CAMBODIA) Co., Ltd. were excluded from the scope of consolidation as of the end of April 2026, with the aim of improving Group management efficiency by divesting unprofitable businesses. As a result of these measures, the Group recorded an operating profit of 372,111 thousand yen and a profit attributable to owners of parent of 125,561 thousand yen for the nine-month period ended September 30, 2026. Furthermore, cash and deposits as of the end of the current third quarter amounted to 992,750 thousand yen, and there are no concerns regarding liquidity. Nevertheless, the Group recognizes that events or conditions that may raise significant doubt about its ability to continue as a going concern still exist, as it is necessary to assess the sustainability of the effects of changes in the scope of consolidation and other measures based on full-year operating performance. However, considering the implementation status of the measures described above, the Group has determined that there are no material uncertainties regarding the assumption of going concern.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year As of December 31, 2025	Current third quarter As of September 30, 2026
Assets		
Current assets		
Cash and deposits	744,181	992,750
Accounts receivable – trade	331,594	454,703
Inventories	4,379	—
Accounts receivable – other	76,476	42,958
Prepaid expenses	8,516	9,270
Crypto assets	35,059	30,561
Other	44,214	53,198
Allowance for doubtful accounts	△1,152	△1,255
Total current assets	1,243,270	1,582,186
Non-current assets		
Property, plant and equipment		
Buildings, net	876,490	844,988
Land	727,686	686,021
Other, net	11,486	8,567
Total property, plant and equipment	1,615,663	1,539,577
Intangible assets		
Other	591	114
Total intangible assets	591	114
Investments and other assets		
Investment securities	218,000	232,000
Lease and guarantee deposits	9,160	8,534
Long-term prepaid expenses	185,899	4,192
Deferred tax assets	366,708	289,414
Other	149	—
Total investments and other assets	779,918	534,141
Total non-current assets	2,396,173	2,073,834
Total assets	3,639,444	3,656,021

(Thousands of yen)

	Previous fiscal year As of December 31, 2025	Current third quarter As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	93,250	3,517
Short-term loans payable	1,358,150	1,193,598
Current portion of long-term loans payable	29,669	13,196
Accounts payable – other	193,010	147,532
Accrued expenses	34,691	32,989
Advances received	114,049	60,847
Unearned revenue	3,816	30,387
Income taxes payable	9,911	10,550
Provision for reward	47,195	64,789
Provision for bonuses	168	—
Other	129,503	209,594
Total current liabilities	2,013,416	1,767,003
Non-current liabilities		
Long-term loans payable	69,969	3,219
Long-term unearned revenue	258,083	62,137
Net defined benefit liability	259,420	305,148
Other	18,748	19,952
Total non-current liabilities	606,221	390,456
Total liabilities	2,619,638	2,157,460
Net assets		
Shareholders' equity		
Capital stock	4,491,482	100,000
Capital surplus	2,868,426	—
Retained earnings	△6,576,430	934,736
Total shareholders' equity	783,478	1,034,736
Accumulated other comprehensive income		
Foreign currency translation adjustment	△338,170	△299,485
Total accumulated other comprehensive income	△338,170	△299,485
Share acquisition rights	8	—
Non-controlling interests	574,489	763,309
Total net assets	1,019,806	1,498,560
Total liabilities and net assets	3,639,444	3,656,021

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Thousands of yen)

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2026
Net sales	1,981,763	2,077,967
Cost of sales	813,417	571,013
Gross profit	1,168,346	1,506,954
Selling, general and administrative expenses	1,357,848	1,134,842
Operating profit (loss)	△189,502	372,111
Non-operating income		
Interest income	16,574	11,823
Gain on sale of crypto assets	1,433	—
Foreign exchange gains	—	—
Secondment fee received	9,030	9,030
Other	14,037	7,575
Total non-operating income	41,075	28,429
Non-operating expenses		
Interest expenses	28,265	33,326
Commission expenses	9,527	—
Loss on valuation of crypto assets	—	6,342
Foreign exchange losses	14,726	76,183
Other	168	127
Total non-operating expenses	52,687	115,979
Ordinary profit (loss)	△201,114	284,561
Extraordinary income		
Gain on sale of non-current assets	2,786	—
Gain on change in equity	—	121,321
Total extraordinary income	2,786	121,321
Extraordinary losses		
Loss on sale of non-current assets	7,061	—
Loss on disposal of non-current assets	0	—
Impairment losses	90,426	23,581
Total extraordinary losses	97,489	23,581
Profit (loss) before income taxes	△295,817	382,302
Income taxes – current	11,324	9,324
Income taxes – deferred	39,858	104,658
Total income taxes	51,183	113,982
Profit (loss)	△347,000	268,319
Profit (loss) attributable to non-controlling interests	△108,424	142,757
Profit (loss) attributable to owners of parent	△238,576	125,561

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2026
Profit (loss)	△347,000	268,319
Other comprehensive income		
Valuation difference on available-for-sale securities	105	—
Foreign currency translation adjustment	△17,017	84,747
Total other comprehensive income	△16,912	84,747
Comprehensive income	△363,913	353,066
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△249,172	164,247
Comprehensive income attributable to non-controlling interests	△114,740	188,819

(3) Notes to the Quarterly Consolidated Financial Statements

(Changes in Scope of Consolidation or Scope of Application of the Equity Method)

(1) Significant Changes in the Scope of Consolidation

During the nine-month period ended September 30, 2026, the Company did not exercise its rights to subscribe for new shares in the shareholder allotment capital increase conducted by its former consolidated subsidiary, Treeful Inc. As a result, the Company's voting rights ratio decreased, resulting in the loss of control over Treeful Inc. Accordingly, Treeful Inc. and its subsidiary, TREEFUL (CAMBODIA) Co., Ltd., were excluded from the scope of consolidation.

(2) Significant Changes in the Scope of Application of the Equity Method

Not applicable.

(Segment Information)

I For the nine-month period ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

1. Information on Net Sales and Profit or Loss by Reportable Segment, and Disaggregation of Revenue

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Japan	Korea	Total		
Net sales					
Online game business	—	409,651	409,651	—	409,651
Smartphone app business	—	248,390	248,390	—	248,390
HTML5 game business	—	866,118	866,118	—	866,118
Meta Campus business	—	26,428	26,428	—	26,428
VFX business	—	225,860	225,860	—	225,860
Other businesses	74,153	131,159	205,312	—	205,312
Revenue from contracts with customers	74,153	1,907,610	1,981,763	—	1,981,763
Net sales to external customers	74,153	1,907,610	1,981,763	—	1,981,763
Intersegment net sales and transfer	69,790	9,768	79,558	△79,558	—
Total	143,943	1,917,378	2,061,322	△79,558	1,981,763
Segment profit (loss)	△413,746	228,830	△184,915	△4,587	△189,502

(Note 1) The segment profit (loss) adjustment of △4,587 thousand yen consists of the elimination of intersegment transactions of △4,587 thousand yen.

(Note 2) Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statement of income.

2. Information on Impairment Losses on Non-current Assets or Goodwill by Reportable Segment

(Significant Impairment Losses on Non-current Assets)

In the “Korea” segment, impairment losses on non-current assets were recorded. The amount of impairment losses recognized during the nine-month period ended September 30, 2025 was 90,426 thousand yen.

II For the nine-month period ended September 30, 2026 (From January 1, 2026 to September 30, 2026)

1. Information on Net Sales and Profit or Loss by Reportable Segment, and Disaggregation of Revenue

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Japan	Korea	Total		
Net sales					
Online game business	—	398,342	398,342	—	398,342
Smartphone app business	—	385,042	385,042	—	385,042
HTML5 game business	—	1,219,548	1,219,548	—	1,219,548
Meta Campus business	—	14,935	14,935	—	14,935
VFX business	—	—	—	—	—
Other businesses	47,643	12,455	60,099	—	60,099
Revenue from contracts with customers	47,643	2,030,324	2,077,967	—	2,077,967
Net sales to external customers	47,643	2,030,324	2,077,967	—	2,077,967
Intersegment net sales and transfer	76,807	2,746	79,554	△79,554	—
Total	124,451	2,033,071	2,157,522	△79,554	2,077,967
Segment profit (loss)	△146,053	493,059	347,005	25,106	372,111

(Note 1) The segment profit (loss) adjustment of 25,106 thousand yen consists of the elimination of intersegment transactions of 25,106 thousand yen.

(Note 2) Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on Impairment Losses on Non-current Assets or Goodwill by Reportable Segment

(Significant Impairment Losses on Non-current Assets)

In the “Japan” segment, impairment losses on non-current assets were recorded. The amount of impairment losses recognized during the nine-month period ended September 30, 2026 was 23,581 thousand yen.

(Notes in Case of Significant Changes in Shareholders’ Equity)

Based on a resolution of the Board of Directors held on February 9, 2026, the Company's capital reduction became effective on March 31, 2026. During the nine-month period ended September 30, 2026, capital stock decreased by 4,391,482 thousand yen and legal capital surplus decreased by 2,631,051 thousand yen, while other capital surplus increased by 7,022,533 thousand yen. In addition, the entire amount of other capital surplus was transferred to retained earnings brought forward to offset accumulated losses.

As a result, capital stock amounted to 100,000 thousand yen as of the end of the current third quarter.

Furthermore, during the nine-month period ended September 30, 2026, Treeful Inc. and TREEFUL (CAMBODIA) Co., Ltd., which were formerly consolidated subsidiaries of the Company, were excluded from the scope of consolidation. Accordingly, a gain on change in equity of 121,321 thousand yen arising from the capital increase was recorded as extraordinary income, while the remaining difference of 125,696 thousand yen related to the exclusion from consolidation was recognized as an increase in retained earnings.

(Notes on Going Concern Assumption)
Not applicable.

(Notes on the Quarterly Consolidated Statement of Cash Flows)
The quarterly consolidated statement of cash flows for the nine-month period ended September 30, 2026 has not been prepared. The depreciation expenses (including amortization of intangible assets other than goodwill) for the period was as follows:

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2026
Depreciation expenses	112,002 thousands of yen	50,772 thousands of yen