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 14, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Gala Inc.
Listing: Tokyo Stock Exchange
Securities code: 4777
URL: https://www.gala.biz/
Representative: Hyunsu Kim, Representative Director and Group CEO
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Telephone: +81-3-6822-6669
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, 2025 (from January 1, 2025 to September 30, 2025)

(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, 2025	1,981	—	△189	—	△201	—	△238	—
September 30, 2024	1,791	—	△205	—	△172	—	△281	—

Note: Comprehensive income For the nine months ended September 30, 2025: △¥363 million [—%]
For the nine months ended September 30, 2024: △¥186 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	△8.51	—
September 30, 2024	△10.61	—

(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, 2025	3,971	1,466	18.1	25.66
December 31, 2024	4,366	1,802	22.2	34.55

Reference: Equity
As of September 30, 2025: ¥719 million
As of December 31, 2024: ¥968 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, 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. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

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. Summary of Operating Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" of the Additional Information.

*** Notes**

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

Newly included: — companies (Company name)
Excluded: — companies (Company name)

(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: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to the Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)" of the Additional Information, on page 9.

(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, 2025	28,024,900 shares
As of December 31, 2024	28,024,900 shares

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

As of September 30, 2025	— shares
As of December 31, 2024	— shares

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

Nine months ended September 30, 2025	28,024,900 shares
Nine months ended September 30, 2024	26,575,593 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.

○Additional Information

1. Summary of Operating Results

(1) Summary of Operating Results for the Current Quarter

During the nine-month period ended September 30, 2025, Gala Inc. (the "Company") and its consolidated subsidiaries (collectively, the "Group") recorded net sales of ¥1,981,763 thousand, representing a 10.6% increase year on year. This increase was mainly attributable to higher sales from RD101's VFX business compared with the same period of the previous fiscal year.

Cost of sales was ¥813,417 thousand, increasing year on year due primarily to higher outsourcing and other expenses related to RD101's VFX business.

Selling, general and administrative expenses were ¥1,357,848 thousand, rising year on year mainly due to an increase in advertising expenses and research and development expenses.

As a result, the Group recorded an operating loss of ¥189,502 thousand (compared to operating loss of ¥205,392 thousand in the same period of the previous year), an ordinary loss of ¥201,114 thousand (compared to ordinary loss of ¥172,370 thousand), and a loss attributable to owners of parent of ¥238,576 thousand (compared to loss attributable to owners of parent of ¥281,935).

The operating results by reportable segment are summarized as follows:

(i) Japan

In the Japan segment, the consolidated subsidiary Gala Lab Corp. began providing services for the smartphone game app **"Rappelz Mobile,"** which it developed, in the United States and Canada in October 2021. However, services were suspended in November 2022. Currently, **"Rappelz Mobile"** is being revamped into the NFT/blockchain game (*1) **"Rappelz Universe"** by integrating blockchain technology. Preparations are underway for its global release. NFT/blockchain games involve the tokenization of in-game items through blockchain technology (*2), making them NFTs (*3). Users can convert in-game items into cryptocurrencies and trade them on exchanges. This enhances the game's appeal and facilitates monetization of the Game business. While preparations for releasing **"Rappelz Universe"** are ongoing, legal and tax considerations related to the cryptocurrency used within the game in South Korea are taking time. As such, the service launch date remains undetermined.

In addition, the consolidated subsidiary Treeful Inc. operates a Treehouse resort business in Nago City, Okinawa Prefecture. This business offers a standalone treehouse or a combination of a treehouse and a ground-based structure known as an aero house as accommodation for guests. Treeful Inc. obtained permission under the Hotel Business Act in July 2021 and opened a treehouse resort in August 2021 as the first treehouse resort in Japan to offer accommodations for a fee. Since then, construction of new treehouses and aero houses has been progressing, with two aero houses completed in August 2024 and one additional treehouse completed in December 2024. Currently, the business resort provides services with three sets consisting of treehouses and aero houses, along with an additional standalone treehouse.

The concept of the treehouse resort is a "Sustainable Resort," aiming to create a sustainable society by avoiding fossil fuels, using electricity instead, and generating more solar power than consumed. The Group aims to expand the treehouse business beyond Japan to overseas markets, leveraging forest business opportunities to curb deforestation globally. As the first step in overseas expansion of the Treehouse resort business, Treeful Inc. established TREEFUL (CAMBODIA) Co., Ltd. in Cambodia in November 2023. TREEFUL (CAMBODIA) Co., Ltd. is positioned as a sustainable luxury resort hotel, aiming to generate stable revenue through treehouses while fostering coexistence between forests and human society.

On the expense side, selling, general and administrative expenses increased mainly due to the recording of depreciation expenses associated with properties acquired in the previous fiscal year.

As a result, net sales in the Japan segment totaled ¥143,943 thousand (including intersegment transactions), an increase of ¥80,428 thousand (126.6%) year on year, while the segment loss amounted to ¥413,746 thousand (compared to a segment loss of ¥424,347 thousand in the same period of the previous year).

(ii) Korea

In the Korea segment, net sales from the HTML5 game **"Flyff Universe,"** which began service in May 2022, decreased to ¥866,118 thousand, a decrease of ¥71,373 thousand (7.6%) year on year due to a decline in the number of users. With the aim of expanding its service area for **"Flyff Universe,"** Gala Lab Corp. entered into a publishing agreement for the China region with RUIWO TECHNOLOGY, a China-based game publishing company, in December 2024. Preparations for release in the region are currently underway. HTML5 games offer high accessibility, as they require no downloads and can be played on a variety of devices, including PCs and smartphones. In July 2023, Gala Lab Corp. entered into a strategic partnership agreement on the Publishing and Game businesses with BPMG Co., Ltd. and Wemade Connect Co., Ltd. concerning the NFT/blockchain game **"Flyff Universe,"** which integrates blockchain-based Play-to-Earn (P2E) (*4) elements into the HTML5 game **"Flyff Universe."** Preparations for the release are ongoing; however, as with **"Rappelz Universe",** the launch date is currently undetermined due to legal and tax considerations.

Gala Lab Corp. is also developing an HTML5 version of the mobile game **"AniPang,"** utilizing its IP, which was developed by Wemade Play Co., Ltd. and became a major hit in Korea. The Group will continue to focus on developing HTML5 games that leverage other companies' game IPs together with the Group's HTML5 game development capabilities.

In the Smartphone app business, net sales increased to ¥248,390 thousand, an increase of ¥15,244 thousand (up 6.5%) year on year. Gala Lab Corp. continues to provide the smartphone game app **"Flyff Legacy,"** while consolidated subsidiary Gala

Mix Inc. provides the pedometer app **"winwalk"** and the smartphone apps **"winQuiz,"** and **"Poll Cash,"** promoting 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 ¥409,651, an increase of ¥86,600 thousand (up 26.8%) year on year. The Group is advancing licensing and channeling (*5) initiatives. In October 2024, Gala Lab Corp. entered into a licensing agreement with BEST KIRIN GLOBAL, a game company in China, for the licensing of "Flyff Online" in Taiwan, Hong Kong, and Macao regions. It is currently preparing for the release of the game in those regions.

On the other hand, the Meta Campus business, a metaverse (*6) campus platform project called "UVERSE" jointly undertaken by Gala Lab Corp., LG Uplus Corp. (a major Korean telecommunications company), and Megazone Corporation (Korea's largest digital IT company), recorded net sales of ¥26,428 thousand, a decline of ¥149,663 thousand (down 85.0%) year on year. The Meta Campus business involves developing and building virtual campuses using a metaverse platform, providing educational institutions such as universities with community spaces for students and venues for events such as university admission briefings. Gala Lab Corp. is responsible for developing the metaverse platform, LG Uplus Corp. handles school recruitment and marketing, and Megazone Corporation provides cloud computing and other infrastructure. The service is currently offered to several prominent universities.

The VFX business, operated by consolidated subsidiary ROAD101 Co., Ltd., recorded net sales of ¥225,860 thousand.

VFX stands for "visual effects" and refers to technologies used to create visual effects in films, TV dramas, and other media that cannot be achieved in real life. The VFX business involves producing movies, commercials, and other content using VFX technology. As of the end of September 2025, the Company recorded an impairment loss on certain non-current assets held by ROAD101 Co., Ltd., following the execution of a restructuring that included workforce reductions.

On the expense side, selling, general and administrative expenses increased mainly due to higher advertising expenses associated with expanded marketing activities and an increase in research and development expenses.

As a result, net sales in the Korea segment (including intersegment transactions) were ¥1,917,378 thousand, an increase of ¥150,193 thousand (8.5%) year on year, and the segment profit was ¥228,830 thousand (compared to ¥260,869 thousand in the same period of the previous fiscal year).

(*1) NFT/blockchain games refer to games in which in-game items are converted into NFTs using blockchain technology (*2), fundamental technology for cryptocurrencies. These are also referred to as GameFi (a coined term combining "Game" and "Decentralized Finance").

(*2) Blockchain is a method of recording transaction information and other data by synchronizing it across multiple computers that form a decentralized network, utilizing cryptographic technology. Transaction data is grouped into units called blocks, which are verified by computers and linked together like a chain to create an accurate and immutable record.

(*3) NFT (Non-Fungible Token) refers to digital data with a "tamper-proof certificate of authenticity and ownership." Similar to cryptocurrencies, NFTs are issued and traded on a blockchain as digital data.

(*4) Play-to-Earn (P2E) is a system in which revenue or points earned in blockchain games can be converted into cryptocurrency and traded on exchanges. This system, where players can earn income while playing games, is referred to as "Play-to-Earn" (P2E).

(*5) Channeling refers to a service that allows online games and similar content to be playable on other companies' game portal sites.

(*6) Metaverse is a coined term combining "meta" (meaning beyond) and "universe." It refers to a 3D virtual space on the internet where large numbers of participants can engage and freely interact. Users enter the virtual space via avatars, which act as their digital personas, allowing them to explore the world and communicate with other users. Additionally, the metaverse enables users to create their own games, share them with other users, and monetize them. It also facilitates the trading of in-game items as NFTs (*3) between users using cryptocurrency.

(2) Summary of Financial Position for the Current Quarter

The Group's net assets at the end of the current third quarter decreased by ¥336,458 thousand from the end of the previous fiscal year to ¥1,466,110 thousand.

The main changes were as follows:

In assets, cash and deposits decreased by ¥118,260 thousand, accounts receivable - trade increased by ¥97,239 thousand, and prepaid expenses decreased by ¥28,746 thousand. The decrease in prepaid expenses was due to transfers to cost of sales.

In liabilities, short-term loans payable increased by ¥52,097 thousand, while provision for penalty decreased by ¥64,950 thousand, unearned revenue decreased by ¥95,299 thousand, and accounts payable - other decreased by ¥74,645 thousand. The increase in short-term loans payable was due to borrowings made for the Treehouse resort business. The decrease in accounts payable - other was due to the payment of a penalty for breach of the stock listing agreement. The decrease in the provision for penalty resulted from the surcharge payments, while the decrease in unearned revenue was mainly due to revenue recognition.

In net assets, retained earnings decreased by ¥238,576 thousand and non-controlling interests decreased by ¥87,285 thousand. The decrease in retained earnings was due to the recording of a loss attributable to owners of parent, while the decrease in non-controlling interests was mainly due to the recording of a loss attributable to non-controlling interests.

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

The Group finds it extremely difficult to forecast the financial results due to several factors. In the Smartphone app business, there is a possibility of delays in app development and download delivery, and predicting revenue from app charges after the start of downloads is extremely challenging. Similarly, in the Online game business, forecasting the financial impact of upgrading existing titles is highly complex. In the HTML5 game business, it is challenging to predict whether development will proceed as planned or to estimate billing revenue accurately. Additionally, in the Group's new businesses, including the Cloud-related business, Treehouse resort business, Meta Campus business, and VFX business, profit and loss are highly susceptible to changes in the business environment and other external factors, making it extremely difficult to provide accurate financial forecasts. As a result, the Group has decided to withhold the publication of its financial results forecasts.

(4) Significant Events or Conditions Affecting the Going Concern Assumption

The Group recorded operating losses and losses attributable to owners of parent for the fiscal years ended December 31, 2023 and 2024, as well as for the nine-month period ended September 30, 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 inclusion of ROAD101 Co., Ltd. in the scope of consolidation from October 2023, which led to the recognition of impairment losses following downsizing of its VFX business and associated workforce reductions; and the recording of operating losses at Treeful Inc., which is 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 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.

The Group is implementing the following measures to resolve or improve this situation promptly.

The Group is working to expand revenue generation centered on Gala Lab Corp. and reduce administrative costs. Treeful Inc. is proceeding with the construction of additional treehouses with the aim of providing services using a total of 10 units. Furthermore, cash and deposits as of the end of the current third quarter amounted to ¥688,798 thousand, and there are no concerns regarding cash flows. Accordingly, the Group has secured sufficient funds to continue its business operations and has determined that there are no material uncertainties regarding its ability to continue as a 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, 2024	Current third quarter As of September 30, 2025
Assets		
Current assets		
Cash and deposits	807,059	688,798
Accounts receivable – trade	242,770	340,009
Inventories	4,267	3,301
Accounts receivable – other	32,499	26,472
Prepaid expenses	44,180	15,433
Short-term loans receivable	175,000	205,000
Cryptocurrencies	47,778	48,340
Other	187,188	47,636
Allowance for doubtful accounts	△1,098	△1,108
Total current assets	1,539,645	1,373,884
Non-current assets		
Property, plant and equipment		
Buildings, net	1,260,639	1,226,984
Land	732,316	732,316
Other, net	146,002	93,178
Total property, plant and equipment	2,138,958	2,052,479
Intangible assets		
Other	42,201	5,445
Total intangible assets	42,201	5,445
Investments and other assets		
Investment securities	243	400
Lease and guarantee deposits	25,506	8,929
Long-term prepaid expenses	217,872	180,783
Deferred tax assets	401,686	349,838
Other	85	132
Total investments and other assets	645,394	540,083
Total non-current assets	2,826,554	2,598,008
Total assets	4,366,200	3,971,892

(Thousands of yen)

	Previous fiscal year As of December 31, 2024	Current third quarter As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	3,378	3,270
Short-term loans payable	1,229,266	1,281,363
Current portion of long-term loans payable	19,205	27,473
Accounts payable – other	198,282	123,637
Accrued expenses	54,430	35,835
Advances received	178,511	199,777
Unearned revenue	99,000	3,700
Income taxes payable	17,822	13,514
Provision for reward	36,011	40,986
Provision for bonuses	266	562
Provision for contract losses	23,386	—
Provision for penalty	64,950	—
Other	70,404	173,504
Total current liabilities	1,994,916	1,903,626
Non-current liabilities		
Long-term loans payable	99,480	76,736
Long-term unearned revenue	212,907	236,346
Deferred tax liabilities	4,820	125
Net defined benefit liability	249,940	268,807
Other	1,567	20,140
Total non-current liabilities	568,715	602,156
Total liabilities	2,563,631	2,505,782
Net assets		
Shareholders' equity		
Capital stock	4,491,482	4,491,482
Capital surplus	2,868,426	2,868,426
Retained earnings	△6,044,132	△6,282,709
Total shareholders' equity	1,315,776	1,077,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	167	272
Foreign currency translation adjustment	△347,757	△358,459
Total accumulated other comprehensive income	△347,589	△358,186
Share acquisition rights	8	8
Non-controlling interests	834,373	747,087
Total net assets	1,802,568	1,466,110
Total liabilities and net assets	4,366,200	3,971,892

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

(Quarterly Consolidated Statement of Income)

(Nine-month Period)

(Thousands of yen)

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2025
Net sales	1,791,909	1,981,763
Cost of sales	653,317	813,417
Gross profit	1,138,592	1,168,346
Selling, general and administrative expenses	1,343,984	1,357,848
Operating loss	△205,392	△189,502
Non-operating income		
Interest income	29,813	16,574
Gain on sales of cryptocurrencies	9,255	—
Gain on valuation of cryptocurrencies	—	1,433
Foreign exchange gains	1,251	—
Secondment fee received	9,030	9,030
Other	5,226	14,037
Total non-operating income	54,577	41,075
Non-operating expenses		
Interest expenses	11,384	28,265
Commission expenses	—	9,527
Loss on valuation of cryptocurrencies	9,968	—
Foreign exchange losses	—	14,726
Other	202	168
Total non-operating expenses	21,555	52,687
Ordinary loss	△172,370	△201,114
Extraordinary income		
Gain on sales of non-current assets	6	2,786
Gain on reversal of share acquisition rights	24,198	—
Total extraordinary income	24,204	2,786
Extraordinary losses		
Loss on sales of non-current assets	445	7,061
Loss on retirement of non-current assets	5,476	—
Impairment loss	—	90,426
Total extraordinary losses	5,922	97,489
Loss before income taxes	△154,088	△295,817
Income taxes – current	5,177	11,324
Income taxes – deferred	9,819	39,858
Total income taxes	14,997	51,183
Loss	△169,085	△347,000
Profit attributable to non-controlling interests	112,849	△108,424
Loss attributable to owners of parent	△281,935	△238,576

(Quarterly Consolidated Statement of Comprehensive Income)

(Nine-month Period)

(Thousands of yen)

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2025
Loss	△169,085	△347,000
Other comprehensive income		
Valuation difference on available-for-sale securities	△44	105
Foreign currency translation adjustment	△17,365	△17,017
Total other comprehensive income	△17,409	△16,912
Comprehensive income	△186,495	△363,913
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△294,652	△249,172
Comprehensive income attributable to non-controlling interests	108,157	△114,740

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

The Company has implemented the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, revised October 28, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, revised October 28, 2022), and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, revised October 28, 2022) from the beginning of the current nine-month period ended September 30, 2025. The implementation of the standards and the guidance had no impact on the quarterly consolidated financial statements.

(Segment Information)

Ⅰ For the Nine-month Period Ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

1．Information on the amount of net sales and profit (loss) and disaggregated information on revenues

(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	―	323,051	323,051	―	323,051
Smartphone app business	―	233,145	233,145	―	233,145
HTML5 game business	―	937,492	937,492	―	937,492
Meta Campus business	―	176,092	176,092	―	176,092
VFX business	―	44,008	44,008	―	44,008
Other businesses	43,231	34,887	78,118	―	78,118
Revenue from contracts with customers	43,231	1,748,677	1,791,909	―	1,791,909
Net sales to external customers	43,231	1,748,677	1,791,909	―	1,791,909
Intersegment net sales and transfer	20,283	18,507	38,791	△38,791	―
Total	63,515	1,767,185	1,830,700	△38,791	1,791,909
Segment profit (loss)	△424,347	260,869	△163,478	△41,914	△205,392

(Note 1) The segment profit (loss) adjustment of △41,914 thousand yen consists of the elimination of intersegment transactions of △1,809 thousand yen and the amortization of goodwill of △40,104 thousand yen.

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

Ⅱ　For the Nine-month Period Ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

1．Information on the amount of net sales and profit (loss) and disaggregated information on revenues

(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.

(Note 2) Information on impairment losses of fixed assets or goodwill, etc. by reportable segment (significant impairment losses on fixed assets). In the Korea Segment, the Company recognized an impairment loss on certain non-current assets, amounting to ¥90,426 thousand for the nine-month period ended September 30, 2025.

(Note 2) Information on impairment losses of fixed assets or goodwill, etc. by reportable segment (significant impairment losses on fixed assets)

In the Korea Segment, the Company recognized an impairment loss on certain non-current assets, amounting to ¥90,426 thousand for the nine-month period ended September 30, 2025.

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

Not applicable.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The company has not prepared the quarterly consolidated statement of cash flows for the nine-month period ended September 30, 2025. The depreciation expenses (including amortization of intangible assets other than goodwill) and amortization of goodwill for the period are as follows:

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2025
Depreciation expenses	76,995 thousand yen	112,002 thousand yen
Amortization of goodwill	40,104	—