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May 9, 2025

## Consolidated Financial Results for the Three Months Ended March 31, 2025 (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 three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2025	473	△6.3	△130	—	△132	—	△88	—
March 31, 2024	505	—	△130	—	△80	—	△106	—

Note: Comprehensive income For the three months ended March 31, 2025: △¥180 million [—%]  
 For the three months ended March 31, 2024: △¥72 million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	△3.14	—
March 31, 2024	△4.22	—

#### (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
March 31, 2025	3,989	1,621	21.2	30.20
December 31, 2024	4,366	1,802	22.2	34.55

Reference: Equity  
 As of March 31, 2025: ¥846 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
Fiscal year ended December 31, 2024	— Yen	0.00 Yen	— Yen	0.00 Yen	0.00 Yen
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	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 Current Quarter 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.

(4) Number of issued shares (common shares)

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

As of March 31, 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 March 31, 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)

Three months ended March 31, 2025	28,024,900 shares
Three months ended March 31, 2024	25,204,788 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 contained in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions deemed reasonable. Therefore, the statements do not constitute commitments, and actual results may differ significantly due to various factors.

(How to obtain supplementary information on quarterly financial results)

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

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## 1. Summary of Operating Results

### (1) Summary of Current Quarter Operating Results

During the three-month period ended March 31, 2025, the Group recorded consolidated net sales of ¥473,219 thousand, representing a 6.3% decrease compared to the same period of the previous fiscal year. This was mainly due to a decline in sales of the HTML5 game “Flyff Universe” compared to the same period last year.

Cost of sales amounted to ¥200,776 thousand, marking a 10.1% decrease year on year. This was primarily due to a reduction in channeling fees related to HTML5 games compared to the previous first quarter.

Selling, general and administrative expenses totaled ¥402,805 thousand, a 2.2% decrease year on year. This decline was mainly attributable to a decrease in executive compensations and other expenses compared to the same period of the previous year.

As a result, the Group posted an operating loss of ¥130,362 thousand (compared to an operating loss of ¥130,052 thousand in the same period of the previous year), an ordinary loss of ¥132,647 thousand (compared to ¥80,110 thousand), and a net loss attributable to owners of parent of ¥88,051 thousand (compared to ¥106,327 thousand).

The operating result by reportable segment is 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 depreciation of properties acquired in the previous fiscal year.

As a result, net sales in the Japan segment (including intersegment transactions) totaled ¥39,040 thousand, an increase of ¥22,094 thousand (up 130.4%) year on year, while the segment recorded a loss of ¥97,027 thousand (compared to a loss of ¥100,762 thousand in the same period of the previous fiscal year).

#### (ii) Korea

In the Korea segment, net sales from the HTML5 game “Flyff Universe,” which was launched in May 2022, totaled ¥164,138 thousand, a decline of ¥87,277 thousand (down 34.7%) year on year due to a decrease in the number of users. In an effort to expand its service areas, Gala Lab Corp. entered into a publishing agreement with RUIWO TECHNOLOGY, a game publishing company in China, in December 2024 for the distribution of “Flyff Universe” in the Chinese market. Preparations for the 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.

Additionally, Gala Lab Corp. is currently developing an HTML5 version of the mobile game "**AniPang**," which was developed by Wemade Play Co., Ltd. and became a major hit in Korea. The Group is focused on leveraging the IPs of other companies' games along with its HTML5 game development expertise to further expand its HTML5 game portfolio. The Group is currently advancing the development of a game framework, with completion expected in the second quarter of the current fiscal year.

In the Smartphone app business, net sales reached ¥81,226 thousand, up ¥14,628 thousand (22.0%) year on year. Gala Lab Corp. continues to offer the smartphone game app "**Flyff Legacy**," while the consolidated subsidiary Gala Mix Inc. offers the pedometer app "**winwalk**" and the smartphone apps "**winQuiz**" and "**Poll Cash**," all of which are being distributed globally in multiple languages.

Gala Lab Corp. is also engaged in the Meta Campus business, a metaverse (\*6) campus platform project called "UVERSE," in collaboration with LG Uplus Corp., a major Korean telecommunications company, and Megazone Corporation, Korea's largest digital IT company. Net sales of the business totaled ¥2,460 thousand, a decline of ¥11,224 thousand (down 82.0%) 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, conducted by consolidated subsidiary ROAD101 Co., Ltd., recorded net sales of ¥70,963 thousand, a year-on-year increase of ¥52,485 thousand (up 284.0%). 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 films, commercials, and other content using VFX technologies. ROAD101 is currently involved in producing both films and numerous Korean drama projects.

On the expense side, selling, general and administrative expenses increased due to higher advertising expenses associated with expanded marketing activities.

As a result, the Korea segment recorded net sales (including intersegment transactions) of ¥455,785 thousand, a decrease of ¥43,847 thousand (down 8.8%) year-on-year, and a segment loss of ¥33,451 thousand (compared to a loss of ¥15,296 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 Current Quarter Financial Positions

As of the end of the current first quarter, the Group's net assets totaled ¥1,621,739 thousand, a decrease of ¥180,829 thousand from the end of the previous fiscal year.

Major changes in assets included a decrease of ¥155,388 thousand in cash and deposits, ¥23,469 thousand in accounts receivable— trade, ¥22,913 thousand in cryptocurrencies, and ¥103,375 thousand in other current assets. The decrease in cryptocurrencies was due to revaluation based on market value as of the end of the current first quarter. The decrease in other current assets was mainly due to the collection of consumption taxes refund receivable.

On the liabilities side, advances received increased by ¥24,867 thousand, while provision for penalty, unearned revenue, and

short-term loans payable decreased by ¥64,950 thousand, ¥60,750 thousand, and ¥25,701 thousand, respectively. The decrease in provision for penalty was due to reclassification to accounts payable—other. The decrease in unearned revenue resulted from the recognition of revenue, and the decrease in short-term loans payable was due to repayments.

On the net assets side, retained earnings decreased by ¥88,051 thousand, and non-controlling interests decreased by ¥59,001 thousand. The decrease in retained earnings was due to the recording of a loss attributable to owners of parent. 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 December 31, 2024, and the three-month period ended March 31, 2025, and there exist events or conditions that raise significant doubts about the assumption of a going concern.

The primary reasons for recording operating losses and losses attributable to owners of parent were as follows: (i) the Company recorded an operating loss deriving from management costs as an operating holding company; (ii) ROAD101 Co., Ltd., which was included in the scope of consolidation from October 2023, recorded an operating loss for its VFX business as the business had not yet established a stable profit-generating structure; and, (iii) Treeful Inc. recorded an operating loss as it was in the process of expanding its lodging facilities through the construction of treehouses and aero houses. In the fiscal year ended December 31, 2024, in addition to the above, the Group recorded ¥252,719 thousand in expenses related to the restatement of financial statements following the submission of correction reports on November 12, 2024, as well as ¥397,491 thousand in impairment losses on goodwill.

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

ROAD101 Co., Ltd. will focus on the VFX business and expand its operations to include VFX production not only for films but also for content on streaming services such as Netflix and Disney+. Treeful Inc. is proceeding with the construction of treehouses with the goal of providing services with 10 treehouses. There are no concerns regarding cash flows as cash and deposits balance as of the end of the current first quarter amounted to ¥651,671 thousand. Therefore, the Group has secured sufficient funds to continue business operations and determined that there was no material uncertainty 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 first quarter As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	807,059	651,671
Accounts receivable – trade	242,770	219,300
Inventories	4,267	3,784
Accounts receivable – other	32,499	24,813
Prepaid expenses	44,180	25,646
Short-term loans receivable	175,000	175,000
Cryptocurrencies	47,778	24,864
Other	187,188	83,813
Allowance for doubtful accounts	△1,098	△1,023
Total current assets	1,539,645	1,207,871
Non-current assets		
Property, plant and equipment		
Buildings, net	1,260,639	1,273,108
Land	732,316	732,316
Other, net	146,002	132,710
Total property, plant and equipment	2,138,958	2,138,135
Intangible assets		
Other	42,201	35,995
Total intangible assets	42,201	35,995
Investments and other assets		
Investment securities	243	292
Lease and guarantee deposits	25,506	14,729
Long-term prepaid expenses	217,872	204,936
Deferred tax assets	401,686	387,155
Other	85	96
Total investments and other assets	645,394	607,210
Total non-current assets	2,826,554	2,781,341
Total assets	4,366,200	3,989,213
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	3,378	3,156
Short-term loans payable	1,229,266	1,203,565
Current portion of long-term loans payable	19,205	22,578
Accounts payable – other	198,282	176,823
Accrued expenses	54,430	49,303
Advances received	178,511	203,378
Unearned revenue	99,000	38,250
Income taxes payable	17,822	9,048
Provision for reward	36,011	37,017
Provision for bonuses	266	532
Provision for contract losses	23,386	—
Provision for penalty	64,950	—
Other	70,404	56,816
Total current liabilities	1,994,916	1,800,469
Non-current liabilities		
Long-term loans payable	99,480	90,790
Long-term unearned revenue	212,907	215,904
Deferred tax liabilities	4,820	4,377
Net defined benefit liability	249,940	246,678
Other	1,567	9,253
Total non-current liabilities	568,715	567,004
Total liabilities	2,563,631	2,367,473

(Thousands of yen)

	Previous fiscal year As of December 31, 2024	Current first quarter As of March 31, 2025
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,491,482	4,491,482
Capital surplus	2,868,426	2,868,426
Retained earnings	△6,044,132	△6,132,184
Total shareholders' equity	1,315,776	1,227,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	167	202
Foreign currency translation adjustment	△347,757	△381,567
Total accumulated other comprehensive income	△347,589	△381,365
Share acquisition rights	8	8
Non-controlling interests	834,373	775,371
Total net assets	1,802,568	1,621,739
Total liabilities and net assets	4,366,200	3,989,213

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(Three-month period)

(Thousands of yen)

	Three-month period ended March 31, 2024 (From January 1, 2024 to March 31, 2024)	Three-month period ended March 31, 2025 (From January 1, 2025 to March 31, 2025)
Net sales	505,099	473,219
Cost of sales	223,408	200,776
Gross profit	281,691	272,443
Selling, general and administrative expenses	411,744	402,805
Operating loss	△130,052	△130,362
Non-operating income		
Interest income	8,424	5,596
Gain on valuation of cryptocurrencies	21,697	—
Foreign exchange gains	18,779	21,884
Secondment fee received	3,010	3,010
Other	2,108	1,637
Total non-operating income	54,020	32,128
Non-operating expenses		
Interest expenses	3,875	9,044
Commission expenses	—	4,440
Loss on valuation of cryptocurrencies	—	20,855
Other	202	74
Total non-operating expenses	4,077	34,414
Ordinary loss	△80,110	△132,647
Extraordinary losses		
Loss on sales of non-current assets	445	—
Loss on retirement of non-current assets	5,476	—
Total extraordinary losses	5,922	—
Loss before income taxes	△86,032	△132,647
Income taxes – current	1,380	4,281
Income taxes – deferred	1,667	△7,001
Total income taxes	3,048	△2,719
Loss	△89,081	△129,928
Profit (loss) attributable to non-controlling interests	17,246	△41,876
Loss attributable to owners of parent	△106,327	△88,051

(Quarterly Consolidated Statement of Comprehensive Income)  
(Three-month period)

(Thousands of yen)

	Three-month period ended March 31, 2024 (From January 1, 2024 to March 31, 2024)	Three-month period ended March 31, 2025 (From January 1, 2025 to March 31, 2025)
Loss	△ 89,081	△ 129,928
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 8	34
Foreign currency translation adjustment	16,229	△ 50,934
Total other comprehensive income	16,220	△ 50,900
Comprehensive income	△ 72,860	△ 180,829
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△ 93,954	△ 121,827
Comprehensive income attributable to non-controlling interests	21,093	△ 59,001

(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 first quarter. The implementation of the standards and the guidance had no impact on the quarterly consolidated financial statements.

(Notes on Segment Information)

I Three-month period ended March 31, 2024 (From January 1, 2024 to March 31, 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	—	116,688	116,688	—	116,688
Smartphone app business	—	66,598	66,598	—	66,598
HTML5 game business	—	251,415	251,415	—	251,415
Meta Campus business	—	13,685	13,685	—	13,685
VFX business	—	18,478	18,478	—	18,478
Other businesses	11,125	27,108	38,233	—	38,233
Revenue from contracts with customers	11,125	493,974	505,099	—	505,099
Net sales to external customers	11,125	493,974	505,099	—	505,099
Intersegment net sales and transfer	5,820	5,659	11,479	△11,479	—
Total	16,945	499,633	516,579	△11,479	505,099
Segment loss	△100,762	△15,296	△116,059	△13,993	△130,052

(Note 1) The segment loss adjustment of △13,993 thousand yen consists of the elimination of intersegment transactions of △625 thousand yen and the amortization of goodwill of △13,368 thousand yen.

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

2. Information on assets by reportable segment

Not applicable.

II Three-month period ended March 31, 2025 (From January 1, 2025 to March 31, 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	—	120,262	120,262	—	120,262
Smartphone app business	—	81,226	81,226	—	81,226
HTML5 game business	—	164,138	164,138	—	164,138
Meta Campus business	—	2,460	2,460	—	2,460
VFX business	—	70,963	70,963	—	70,963
Other businesses	18,557	15,610	34,167	—	34,167
Revenue from contracts with customers	18,557	454,662	473,219	—	473,219
Net sales to external customers	18,557	454,662	473,219	—	473,219
Intersegment net sales and transfer	20,482	1,123	21,606	△21,606	—
Total	39,040	455,785	494,826	△21,606	473,219
Segment loss	△97,027	△33,451	△130,478	116	△130,362

(Note 1) The segment loss adjustment of 116 thousand yen consists of the elimination of intersegment transactions of 116 thousand yen.

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

2. Information on assets by reportable segment

Not applicable.

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

Not applicable.

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the three-month period ended March 31, 2025. The depreciation expenses (including amortization of intangible assets other than goodwill) and amortization of goodwill for the period are as follows.

	Three-month period ended March 31, 2024 (From January 1, 2024 to March 31, 2024)	Three-month period ended March 31, 2025 (From January 1, 2025 to March 31, 2025)
Depreciation expenses	23,994 thousand yen	37,627 thousand yen
Amortization of goodwill	13,368	—