November 14, 2025

CELSYS, Inc.
Kei Narushima, Representative & President
(Securities code: 3663, Tokyo Stock Exchange, Prime Market)
Contact: Ken Ito, Director
Telephone: +81-3-6258-2904

Notice Regarding Abolition of the Officer Retirement Benefit System and Presentation of a Reward to the Founders

CELSYS, Inc. (the "Company") hereby announces that, it has resolved, at the Board of Directors meeting held on November 14, 2025, the abolition of the officer retirement benefit system and presentation of a reward to the founders. This is based on the assumption that this matter will be approved at the 14th Annual General Meeting of Shareholders to be held in March 2026.

1. Reason for abolition of the officer retirement benefit system

The Company is promoting business innovation to achieve sustainable growth and increase corporate value while taking the perspectives of shareholders and investors into consideration, as part of strengthening our corporate governance system. As a result of review of its existing officer remuneration system, the Company has decided to abolish its officer retirement benefit system.

2. Date of abolition of officer retirement benefit system

Abolished as of the fiscal year ending December 31, 2025.

3. Final payment pursuant to abolition of officer retirement benefit system

Pursuant to the abolition of officer retirement benefit system, the Company will make a final payment of officer retirement benefits in accordance with each eligible officer's tenure. The Company will seek shareholder approval for a proposal that the payment amount should be within the range prescribed by the Company and the timing of payments should be on the retirement of each Director.

The Company has recorded a provision for retirement benefits for directors (and other officers) at the end of each fiscal year based on the criteria specified by the Company to cover officer retirement benefit payments in the future. As the reward described in 4. below is out of the scope of this provision, extraordinary losses will be recorded for the current fiscal year.

4. Occurrence of reward to the founders and its description

As part of efforts to promote business innovation, the Company aims to rejuvenate its management structure, in addition to the abolition of officer retirement benefit system, and for that reason, the founding officers will be retiring. Mr. Yosuke Kawakami and Mr. Shinya Nozaki, our founders, have contributed to the development of the Company as well as the creator economy market since the foundation of the Company in 1991. Starting with offering the world's first digital commercial animation production application with proprietary technologies which they pursued, they provided an application for comic creation and an application for illustration creation, followed by CLIP STUDIO PAINT, a paint application for creating illustrations, comics, Webtoons, and animations. To reward their distinguished achievements and contributions during their tenures, the Company has resolved to present a reward to the founders of 555 million yen in total for both. As Mr. Shinya Nozaki serves as Audit and Supervisory Committee Member & Director at present, the payment of the reward to the founders to him will be made at his retirement from the position of Audit and Supervisory Committee Member & Director. Mr. Yosuke Kawakami is to retire from the position of Director of the Company effective December 31, 2025.

5. Impact on business results

As for the impact on business results for the fiscal year ending December 31, 2025, a reward to the founders of 555 million yen will be recorded as extraordinary losses for the fourth quarter of the fiscal year ending December 31, 2025, as stated in the "Notice Regarding Revision to Full-Year Financial Results Forecasts for the Fiscal Year Ending December 31, 2025 and Recording of Extraordinary Losses" announced today.