AI for fun and the future

NEURAL

Financial Results Briefing Material
9th term, Q1 ended March 31, 2026

Neural Group Inc.
May 13, 2026

- **FY2026 Q1 results**
- (Appendix) Corporate overview

Copyright © Neural Group Inc. All Rights Reserved.

FY2026 Q1 earnings highlights

Results overview

- On February 12, 2026, we announced M&A transactions to acquire 100% of the shares of POMATO PRO and CACTUS, both engaged in the event and entertainment business. On May 12, 2026, we also announced the acquisition of all shares of MAGICAL COMPANY, which plans and develops gaming software. The fusion of AI technology and entertainment through the successive M&A that began in 2026 is progressing steadily, and deal origination and execution are proceeding on plan.

- In the initial FY2026 budget, taking into account the timing of order intake and acceptance inspections, we assumed a start of 733 million yen in revenue, rising toward the fourth quarter. First-quarter revenue came in slightly below the initial forecast, mainly because the advance of AI reduced the product appeal of Generative web. On the other hand, earnings from Q2 onward are on track to ramp up as expected, and with M&A progressing steadily, the full-year budget remains unchanged. (See p.5 for the revenue ramp-up outlook.)

- The impact of MAGICAL COMPANY joining the Group on consolidated results is expected to be limited, given the consolidation period and the scale of its business.
  (Should a revision become necessary, we will disclose it promptly.)

Summary of results

(JPY Millions)	FY2025 Q1 Actual	FY2026 Q1 Actual	Increase/ Decrease	(Reference) Initial Q1 assumption
Revenue	825	676	-148	733
Operating profit	-9	-239	-229	
EBITDA	26	-202	-228	
EBITDA excl. M&A costs	26	-152	-178	

Copyright © Neural Group Inc. All Rights Reserved.

M&A status – On May 12, 2026, we announced the acquisition of all shares of MAGICAL COMPANY, which plans and develops gaming software

Executed November 1, 2021
Advertising media
FOCUS CHANNEL

Executed February 21, 2022
LED displays and marketing
www.e-netten.ne.jp
NETTEN

Announced February 12, 2026
Events and entertainment
POMATO PRO.
Urban development and events
CACTUS
TOTAL PRODUCE Co.,

Announced May 12, 2026
Gaming and entertainment
Magical COMPANY
魔法株式会社
MAGICAL COMPANY LTD.

⋮

Copyright © Neural Group Inc. All Rights Reserved.

Acquired all shares of MAGICAL COMPANY, which plans and develops gaming software, entering the gaming solutions and amusement domains

魔法株式会社
MAGICAL COMPANY LTD.

M&A overview

- Guided by a passionate culture that pursues "more fun, more excitement," MAGICAL COMPANY has delivered content that resonates with people for 40 years, centered on games, apps and amusement machines
- The company excels at implementations that tightly synchronize hardware and software, and by combining its accumulated staging expertise with generative AI and edge AI analysis, it is rapidly advancing development automation and the creation of next-generation experiences
- Through original ideas and a spirit of challenge, it has established a distinctive position in the amusement market

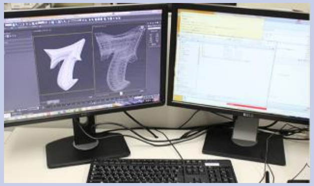
Corporate overview

- Established: 1985
- Location: Chuo-ku, Kobe, Hyogo

Major clients: GungHo Online Entertainment, Inc. / SNK CORPORATION / DCG Entertainment Inc. / SANKYO CO., LTD. / Comseed Corporation / Sammy Networks Co., Ltd. / SHIROGUMI INC. / NEWGIN CO., LTD. / DAITO GIKEN, INC. / FUJISHOJI CO., LTD. / D'LIGHT Inc. / TOYOMARU INDUSTRY CO., LTD.

An extensive track record and technical capability in gaming development

Planning and concept development
Planning and designing the video and staging that form the core of a game



3DCG / 2D animation production
End-to-end capability from character design to modeling and motion production

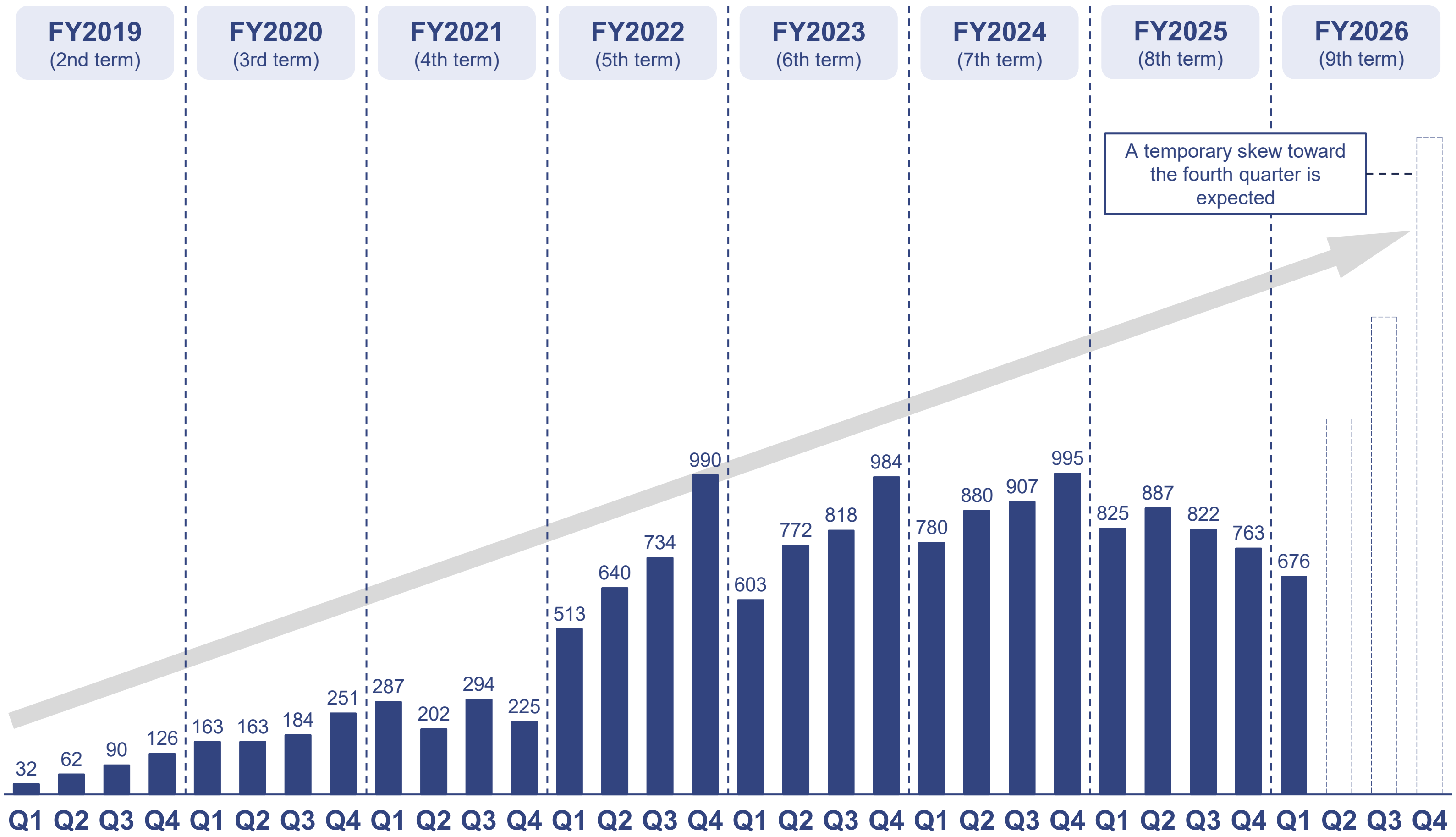
Advanced creative production
Designing and implementing rich staging that combines video and sound

Implementation tightly synchronized with hardware
From design to implementation of embedded systems in amusement machines

Copyright © Neural Group Inc. All Rights Reserved.

FY2026 earnings outlook (consolidated results including Neural Marketing, POMATO PRO, CACTUS and MAGICAL COMPANY)

(JPY Millions)



Copyright © Neural Group Inc. All Rights Reserved.

Balance sheet as of March 31, 2026

- POMATO PRO, whose acquisition was announced on February 12, 2026, joined the Group on March 1, 2026, and consolidation was completed without issue
- The Group continues to maintain ample funds on standby for M&A and capacity for further investment

(JPY Millions)	FY2025 31 Dec	FY2026 31 Mar
Current Asset	**2,870**	**3,014**
Fixed Assets	**1,326**	**1,427**
of which, Goodwill	981	988
Total Assets	**4,196**	**4,442**
Total Liabilities	**2,320**	**2,755**
Net Assets	**1,876**	**1,687**
Cash and deposits	2,217	2,115
Interest-bearing debt	1,909	2,142

Copyright © Neural Group Inc. All Rights Reserved.

M&A progress and track record

M&A advisors

313 advisors

(as of May 12, 2026)

Profiles received

509 cases

(as of May 12, 2026)

Profiles selected*1

19 cases

(as of May 12, 2026)

Group companies*2

5 companies

(as of May 12, 2026)

Financial partners

25 institutions

(as of May 12, 2026)

*1 Number of company profiles taken forward: cases for which we have begun initial consideration as a potential investment target
*2 Includes MAGICAL COMPANY (share transfer executed on June 1, 2026), for which the agreement was concluded on May 12, 2026

Copyright © Neural Group Inc. All Rights Reserved.

- FY2026 Q1 results
- **(Appendix) Corporate overview**

Copyright © Neural Group Inc. All Rights Reserved.

Our vision

AI for fun and the future

NEURAL

The name Neural Group embodies our aspiration to use AI and other advanced technologies to deliver services unconstrained by conventional boundaries across a wide range of fields. We operate in areas such as entertainment, events, games, education, media and content, and work to realize a future society that excites the heart.

Copyright © Neural Group Inc. All Rights Reserved.

A management team with extensive M&A and AI development experience

President and CEO
Roi Shigematsu

- Partner at McKinsey & Company after Bain Capital
- Member of the Advisory Board of the School of Engineering, Graduate School of Engineering, the University of Tokyo; member of the Japan Association of Corporate Executives
- M.Eng., Graduate School of Engineering, the University of Tokyo

Advisor
Yutaka Matsuo

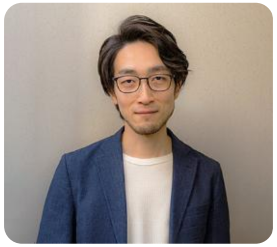
- Professor, Research Center for Advanced Science and Technology, Graduate School of Engineering, the University of Tokyo
- Chairman of the Japan Deep Learning Association; expert member of the Council for the Realization of a New Form of Capitalism; Chair of the AI Strategy Council
- Outside Director, SoftBank Group Corp.

Director, Senior Executive Officer
Masaaki Yamamoto

- Led technology development and new business development at Sony for 15 years
- Supported the business expansion of Focus Channel and Netten after they joined the Group
- Department of Mechanical and Aerospace Engineering, Graduate School, Tokyo Institute of Technology

Executive Officer, CFO
Takuya Matsuda

- Led numerous human resource development strategies and organizational reform projects at the management consulting firm Layers Consulting
- LL.B., Osaka University



Senior Executive Officer, CTO, Ph.D. in Science
Takahiro Mikami

- Led AI research in advanced fields such as the ResNet image recognition model and the LSTM natural language model in the R&D department of Nomura Research Institute
- M.Sc., Graduate School of Science, the University of Tokyo

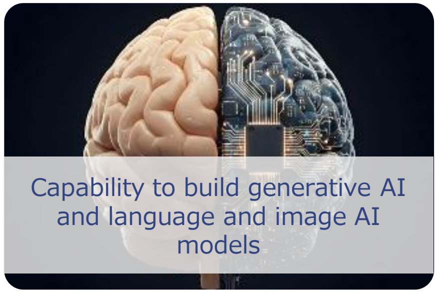
Executive Officer, Head of Technology Development Division
Daichi Suzuki

- Engaged in infrastructure and backend development for large-scale systems at Nomura Research Institute and Persol Career, while also driving his own service development and launches
- M.Eng., Graduate School of Fundamental Science and Engineering, Waseda University

Copyright © Neural Group Inc. All Rights Reserved.

Our AI capabilities driving the enjoyment and entertainment business

Our technological advantages


Capability to build generative AI and language and image AI models


Software and hardware development capabilities and integration with electronic payments


A track record of social implementation across a wide range of business domains

Value delivered by our technology

Autonomous content creation

Social infrastructure integration

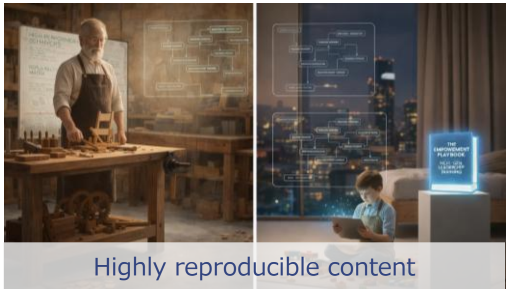

Payment integration


Physical space integration

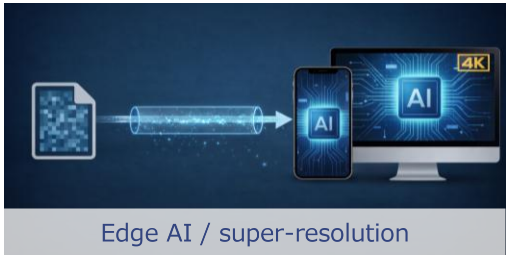

Infrastructure integration

Turning physical space into data

Visualizing and reproducing tacit knowledge


Highly reproducible content

Minimizing transmission and reception costs



Edge AI / super-resolution

Copyright © Neural Group Inc. All Rights Reserved.

Applying AI and entertainment technologies more broadly through M&A

Forming a group of blue-chip companies leveraging AI technology through M&A

AI technologies we hold

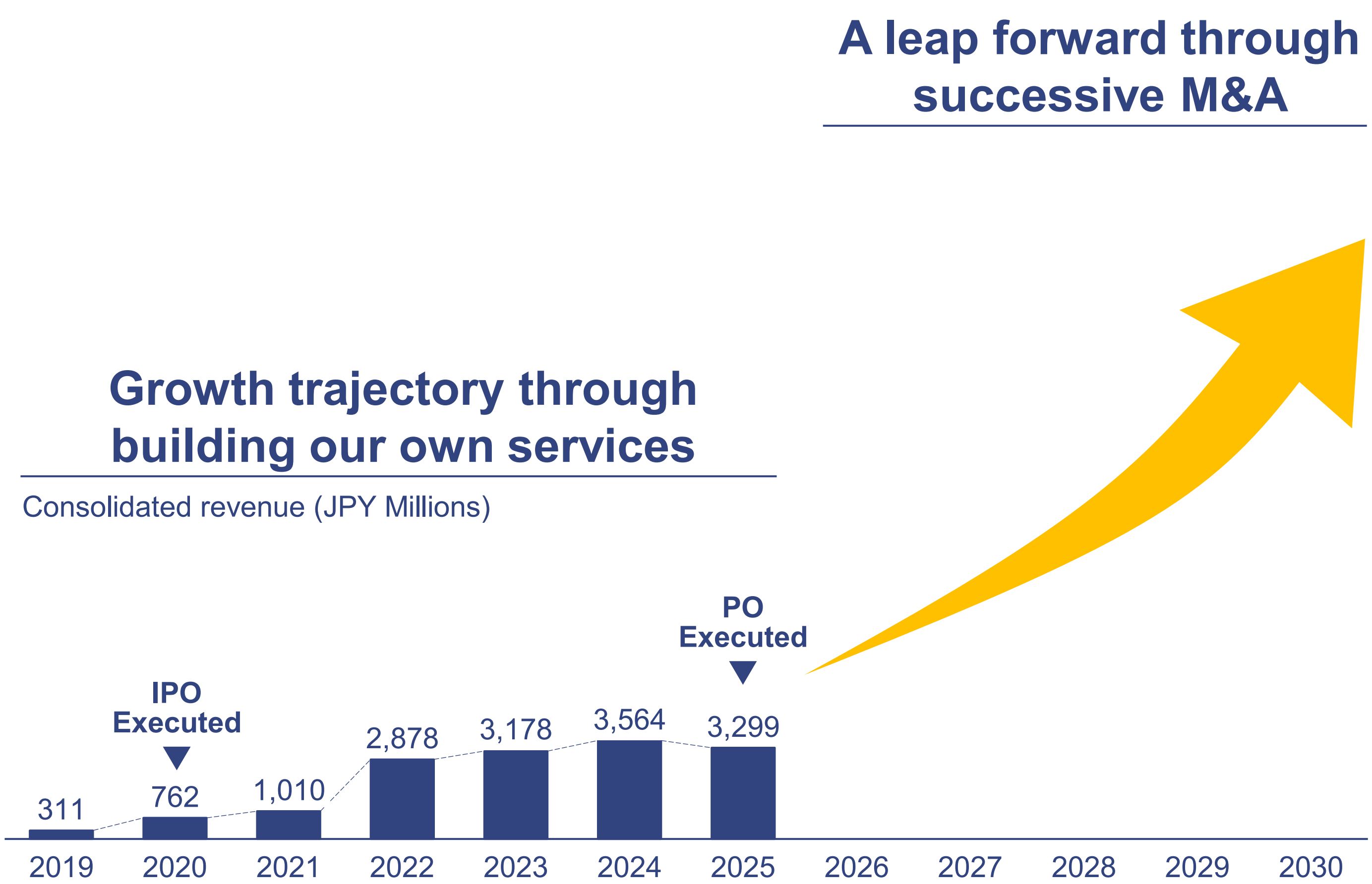
Proactive application

AI × Fun

- Entertainment
- Events
- Games
- Education
- Media
- Content
- Marketing
- Video distribution

Copyright © Neural Group Inc. All Rights Reserved.

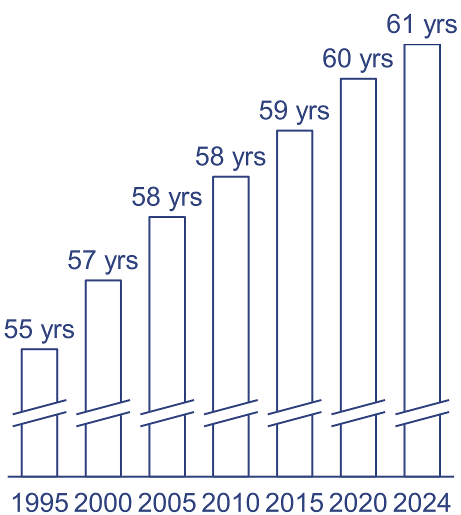
From FY2026 onward, we will shift to a rapid growth phase through M&A



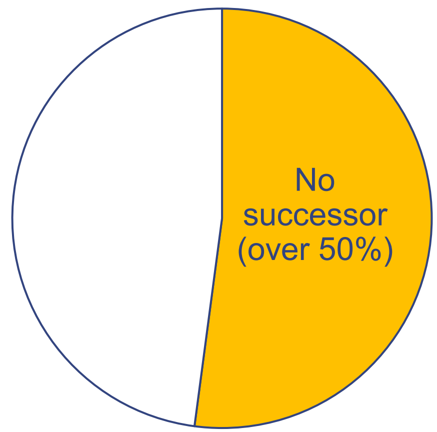
Copyright © Neural Group Inc. All Rights Reserved.

Aging owner-executives have made successor shortages and the closure of profitable businesses a social issue

Average age of company presidents



Rate of SMEs without a successor



Number of companies closing or suspending operations per year

Companies closing or suspending operations in 2024
69k companies

More than half "**35k** companies" closed or suspended operations while **profitable**

Potential demand for business succession-related M&A exceeds **13 trillion yen** and is expected to keep increasing through 2035

Source: Teikoku Databank, "Nationwide Survey on the Age of Company Presidents (2024)"
Source: Teikoku Databank, "Nationwide Survey on the Rate of Companies without a Successor (2024)"
Source: Teikoku Databank, "Nationwide Survey on Business Closures, Suspensions and Dissolutions (2024)"
Source: Yano Research Institute, "Potential Market Size for M&A among Domestic SMEs"

Copyright © Neural Group Inc. All Rights Reserved.

Criteria for joining the group of blue-chip companies we are building (profile of M&A targets)

Able to contribute to raising the enterprise value of the entire Group	• Target companies are highly sustainable, stably profitable businesses (rapid growth is not necessarily a requirement) • The acquisition price is premised on a fair value acceptable to both sets of shareholders (EV/EBITDA multiple of 5.0x or less, avoiding goodwill overpayment and impairment)
Able to enhance one another through synergies among Group companies	• Synergy 1: Applying our AI and entertainment technologies to the services provided • Synergy 2: Delivering value reciprocally to each other's customers • Synergy 3: Improving operational efficiency, including through AI (development, finance, procurement, etc.)
Possessing outstanding talent	• Business continuity is expected through the ongoing involvement of management and employees • Possessing outstanding talent in areas such as entertainment production and business planning • Able to respond flexibly to the adoption of new technologies and methods

Copyright © Neural Group Inc. All Rights Reserved.

M&A status

Executed November 1, 2021

Advertising media

FOCUS CHANNEL

Executed February 21, 2022

LED displays and marketing

www.e-netten.ne.jp

NETTEN

Announced February 12, 2026

Events and entertainment

POMATO PRO.

Urban development and events

CACTUS

TOTAL PRODUCE Co.,

Announced May 12, 2026

Gaming and entertainment

魔法株式会社

MAGICAL COMPANY LTD.

⋮

Copyright © Neural Group Inc. All Rights Reserved.

[M&A and PMI track record] Focus Channel Inc.

Corporate overview

FOCUS CHANNEL

Company name : Focus Channel Inc.

Date joined the Group : November 1, 2021

Form of succession : Business transfer from Wiz Inc.

Business : Condominium signage media

Residents with an average household income above 10 million yen

Enables clearly targeted advertising

A stable audience persona and reliable viewing

Business growth before and after the M&A

Before joining the Group

220 buildings installed, reaching 110,000 people

After joining the Group

450 buildings installed, reaching 230,000 people

[Various awards received alongside business growth]

No. 1 in the condominium signage advertising industry

Copyright © Neural Group Inc. All Rights Reserved.

M&A and PMI track record – Netten Inc.

Corporate overview

www.e-netten.ne.jp
NETTEN

Mr. Shigematsu, Neural Group CEO
Mr. Ueda, President of Netten

Company name : Netten Inc. [Date joined the Group] February 21, 2022

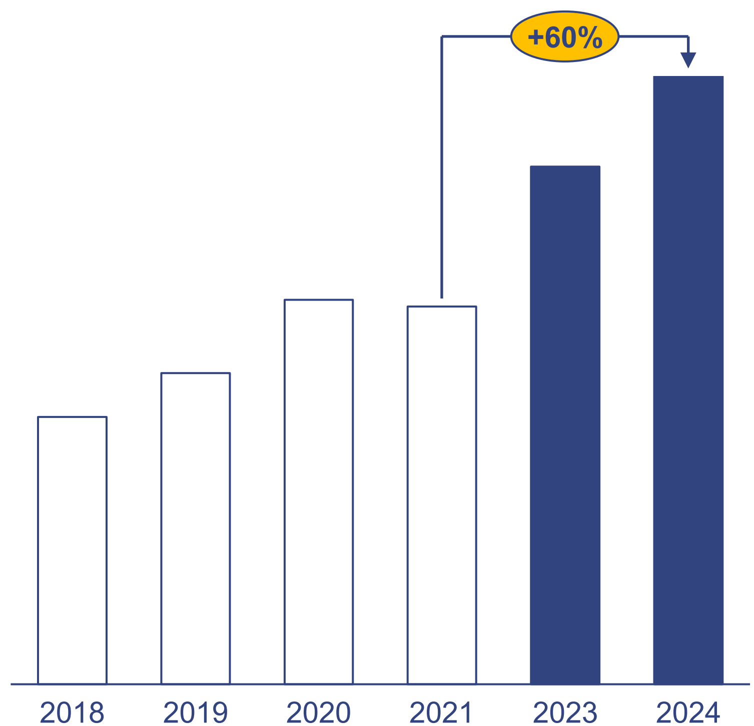
Form of succession : Acquisition of all shares from the founding president

Business : Sales promotion support, advertising production, LED display installation

Revenue growth before and after the M&A

Before joining the Group
Growth had been reaching saturation

After joining the Group
Aggressive growth investment



Copyright © Neural Group Inc. All Rights Reserved.

Acquired all shares of POMATO PRO, a leader in online and offline entertainment and events, entering the event and entertainment domain

POMATO PRO.

M&A overview

- Guided by the philosophy of "creating communication that enriches every human heart," POMATO PRO provides events and entertainment to a broad client base in the entertainment, gaming, sports and retail sectors
- The company excels at online events, which continue to grow, and hybrid online-offline services, and is rapidly advancing the digitalization of events and the use of generative AI technology
- Rather than remaining bound by conventional thinking, it has established a distinctive position in the market by delivering new forms of enjoyment

Corporate overview

- Established: 1983
- Location: Chiyoda-ku, Tokyo

Major clients: Asahi Shimbun Publications Inc. / Urawa Red Diamonds Co., Ltd. / AGENT Inc. / S-Pool Sales Support Inc. / ENEOS Holdings, Inc. / Epson Sales Japan Corporation / CAPCOM CO., LTD. / Education and Exploration Inc. / Kyodo News / Kyoritsu Advertising Inc. / Chara-Ken Inc. / Kintetsu Department Store Co., Ltd. / Kumon Institute of Education Co., Ltd. / Gurunavi, Inc. / CREO Co., Ltd. / Konami Digital Entertainment Co., Ltd. / Shiseido Company, Limited / East Japan Marketing & Communications, Inc. / JustSystems Corporation / Jupiter Shop Channel Co., Ltd. / SQUARE ENIX CO., LTD. / Sogo & Seibu Co., Ltd. / Sony Creative Products Inc. / Sony Interactive Entertainment Inc. / Sony Group Corporation / Sony Consumer Sales Inc. / Sony PCL Inc. / Daimaru Matsuzakaya Department Stores Co. Ltd. / Dan Advertising Inc. / Delphys Drive Inc. / Dentsu Inc. / Dentsu Tec Inc. / Tokyo Midtown Management Co., Ltd. / TOYOTA CONIQ Pro, Inc. / Nippon Professional Baseball Organization / The Japan Agricultural News / VAIO Corporation / Hakuhodo Inc. / Hakuhodo DY Sports Marketing Inc. / Hankyu Hanshin Department Stores, Inc. / BANDAI CO., LTD. / BANDAI SPIRITS CO., LTD. / Frontage Inc. / Sopexa Japon / Bosch Corporation / POPLAR Publishing Co., Ltd. / Matsuya Co., Ltd. / Marui Co., Ltd. / Sumitomo Mitsui Banking Corporation / Isetan Mitsukoshi Ltd. / Meiji Sangyo Co., Ltd. / LY Corporation / Yomiuri Agency Inc. / Yomiko Advertising Inc. / Yomiko Cross Com Inc. / LINE Friends Japan Inc.

Examples of event and entertainment services delivered

e-BASEBALL National Junior and Senior High School Championship
(Konami)

SIE booth at TOKYO GAME SHOW
(SIE)

KICK OFF MEETING
(Shiseido)

PEANUTS CARNIVAL
(PEANUTS CARNIVAL Organizing Committee)

KUMON 60th anniversary ceremony
(Kumon Institute of Education)

NPB 12-club junior tournament
(Nippon Professional Baseball)

Copyright © Neural Group Inc. All Rights Reserved.

Acquired all shares of CACTUS, a leader in entertainment and events for corporate and government clients, delivering light art and enjoyment in urban spaces

M&A overview

- Guided by the philosophy of "moving hearts and creating moving experiences," CACTUS delivers effective promotions through creative events and design that start from emotion
- With strengths in projection mapping and light art, it has an extensive track record of providing entertainment services in urban spaces in partnership with local governments
- It currently has a strong network centered on the Kansai region, with high potential for nationwide expansion

Corporate overview

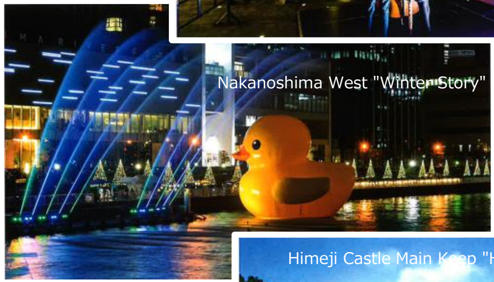
- Established: 1996
- Location: Osaka City, Osaka

Major clients: JTB Communication Design, Inc. / Hankyu Hanshin Building Management Co., Ltd. / JTB Corp. / Daiwa House Industry Co., Ltd. / DAI NIPPON PRINTING Co., Ltd. / Mindshare Inc. / Hankyu Corporation / JTB Global Marketing & Travel Inc. / UMEDA MEETS HEART Organizing Committee / Asahi Television Broadcasting Corporation / Osaka Umeda Area Management Association / Osaka Port Transport System Corporation / Dawn Business Consortium / Hankyu Hanshin Properties Corp. / Nankai Electric Railway Co., Ltd. / Nishi-Umeda Underground Walkway Management Council / Duskin Co., Ltd. / TAKENAKA CORPORATION / Grand Front Osaka TMO / Nankai International Travel Inc. / RISE Inc. / Kanden E-House Co., Ltd. / United Urban Investment Corporation / AD Dentsu Osaka Inc. / Hilton Plaza Tenants Association / Keshion Inc. / AAP Inc. / Tezukayama Gakuin University Budo Festival Organizing Committee / Indo-Pacific Strategic Think Tank / Meijo Gakuin High School, Aino University Educational Foundation / Kobe Motomachi Yume Clinic / Hanshin Electric Railway Co., Ltd. / Four-C Company Inc. / Dentsu Inc. / TAIYO YUSHI CORPORATION / JR West Japan Station City Co., Ltd. / Osaka City Waterworks Bureau / Yamamoto Noh Theater Foundation / Four Seasons Inc. / NHK Foundation / Hermes Japon Co., Ltd. / Nankai Ferry Co., Ltd. / West Japan Railway Company / Otsu City Taiga Drama "Hikaru Kimi e" Promotion Council / Yomiko Advertising Inc. / NTT Urban Value Support Corporation / AEON MALL Co., Ltd. / Kansai University / Mainichi Broadcasting System, Inc. / Osaka Institute of Technology / MIZUNO Corporation / GREENJAM / Haier Japan Holdings Co., Ltd. / Kintetsu Real Estate Co., Ltd. / Midosuji Machizukuri Network

Examples of event and entertainment services delivered


OSAKA Festival of Lights


Umeda Snowman Festival


Nakanoshima West "Winter Story"


Himeji Castle Main Keep "Heron in the Sky"

Copyright © Neural Group Inc. All Rights Reserved.

Acquired all shares of MAGICAL COMPANY, which plans and develops gaming software, entering the gaming solutions and amusement domains

魔法株式会社
MAGICAL COMPANY LTD.

M&A overview

- Guided by a passionate culture that pursues "more fun, more excitement," MAGICAL COMPANY has delivered content that resonates with people for 40 years, centered on games, apps and amusement machines
- The company excels at implementations that tightly synchronize hardware and software, and by combining its accumulated staging expertise with generative AI and edge AI analysis, it is rapidly advancing development automation and the creation of next-generation experiences
- Through original ideas and a spirit of challenge, it has established a distinctive position in the amusement market

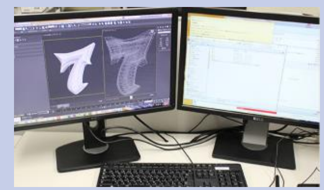
Corporate overview

- Established: 1985
- Location: Chuo-ku, Kobe, Hyogo

Major clients: GungHo Online Entertainment, Inc. / SNK CORPORATION / DCG Entertainment Inc. / SANKYO CO., LTD. / Comseed Corporation / Sammy Networks Co., Ltd. / SHIROGUMI INC. / NEWGIN CO., LTD. / DAITO GIKEN, INC. / FUJISHOJI CO., LTD. / D'LIGHT Inc. / TOYOMARU INDUSTRY CO., LTD.

An extensive track record and technical capability in gaming development

Planning and concept development
Planning and designing the video and staging that form the core of a game



3DCG / 2D animation production
End-to-end capability from character design to modeling and motion production

Advanced creative production
Designing and implementing rich staging that combines video and sound

Implementation tightly synchronized with hardware
From design to implementation of embedded systems in amusement machines

Copyright © Neural Group Inc. All Rights Reserved.

Our Group management policy

Basic policy on joining the Group

- We respect the culture and independence of companies joining the Group, and in principle maintain their company names and locations
- We provide talent and capital to support the adoption of new technologies and the creation of enjoyment
- We also support the generation of funds for medium-term growth through short-term profit expansion

Specific initiatives for creating synergies

Revenue expansion

- Mutual customer referrals and cross-selling among Group companies
- Integrated service proposals combining products across the Group
- Enhancing product appeal and unit prices through new technologies and improved functionality
- Sharing best practices in sales among Group companies

Management efficiency

- Joint Group purchasing and shared operation of IT systems
- Integrating back-office functions such as accounting, finance and budget management
- Handling outsourced creative and development work within the Group
- Optimizing the use of talent by covering each other's peak seasons

Stronger organizational capability

- Group-wide support for recruitment that is difficult for a single company
- Sharing and discussing Group strategy through a Group-wide meeting of company presidents
- Providing employees with diverse opportunities through Group-wide personnel transfers
- Greater sense of purpose and motivation as part of a listed company group

Copyright © Neural Group Inc. All Rights Reserved.

FY2026 consolidated full-year earnings forecast

(JPY Millions)	FY2025 Dec FYE Actual	FY2026 Dec FYE Forecast	Increase/ Decrease	Change %
Revenue	3,299	5,300	+2,001	+60%
EBITDA excl. M&A costs	141	400	+259	+183%
EBITDA%	*4.3%*	*7.5%*		

* The impact of MAGICAL COMPANY joining the Group on consolidated results is expected to be limited, given the consolidation period and the scale of its business (should a revision become necessary, we will disclose it promptly)

We focus on "EBITDA excl. M&A costs" as a management indicator

- As an indicator of normalized earning power for a company growing through successive M&A and the application of AI, we focus on earnings excluding one-off expenditures related to share acquisitions in M&A
- Specifically, it is calculated by adding M&A-related share acquisition costs (such as advisory fees associated with M&A) to EBITDA (operating profit + depreciation and amortization + amortization of goodwill), which indicates the ability to generate operating cash flow
  (see the formula on the right)
- M&A costs are incurred at acquisition but are one-off and are not recorded from the second year onward

Operating profit (EBIT)
Depreciation (D)
+ Goodwill amort. (A)

EBITDA
+ M&A-related expenses

EBITDA excl. M&A costs

Copyright © Neural Group Inc. All Rights Reserved.

Disclaimer

Handling of this material

This material contains forward-looking statements. These statements are based solely on information available at the time they were prepared. Furthermore, such statements do not guarantee future results and involve risks and uncertainties. Please note that actual results may differ materially from these forward-looking statements due to changes in the environment and other factors. Factors that could affect actual results include, but are not limited to, domestic and overseas economic conditions and trends in the industries related to the Company. The Company assumes no obligation to update or revise any forward-looking information contained in this material in light of new information, future events or otherwise. In addition, information in this material concerning parties other than the Company is quoted from publicly available sources, and the Company has not verified and does not guarantee the accuracy or appropriateness of such information.

Copyright © Neural Group Inc. All Rights Reserved.

NEURAL