Supplementary Explanatory Material Concerning the "Cash-Settled Forward Transaction Relating to the Company's Own Shares"

Securities Code: 7844
Marvelous Inc.

July 31, 2026

Background and Purpose of Implementing the Transaction

Background

This resulted from an indication of intent to sell Marvelous Inc("the Company")'s shares, made by Image Frame Investment (HK) Limited (hereinafter "Image Frame Investment"), the Company's major shareholder and largest shareholder, based on a review of investment portfolio and capital allocation policy within its group.

Purpose

Having comprehensively considered the impact on the supply-demand balance of the Company's shares if such shares were released into the market over a short period of time, as well as the medium- to long-term stability of the shareholder composition, the Company determined that implementing a capital policy combining a separate acquisition of treasury shares by the Company with this Scheme would make it possible to enhance capital efficiency and medium- to long-term shareholder value to the extent the Company considers financially reasonable, while appropriately maintaining its financial balance and available liquidity and mitigating the impact on the supply-demand balance, and accommodating the sale needs of Image Frame Investment, and accordingly adopted and introduced the Scheme.

SBI SECURITIES will temporarily hold the Company's shares, on the condition that it enters into the Contract with the Company as a hedge during the period it holds such shares.
This will avoid the shares being released into the market for the time being.

This Transaction does not constitute a capital and business alliance with SBI SECURITIES.

Overview of the Transaction Ⅰ (From Contract Inception to Each Quarter-End During the Contract Term)

1. At Contract Inception

Image Frame Investment ⟷ ① ⟷ SBI証券 ⟷ ② ⟷ MARVELOUS!

① SBI SECURITIES acquires the Company’s shares from the Company’s major shareholder (Image Frame Investment)

② SBI SECURITIES enters into the forward contract with the Company as a hedge (forward price = 107% of the weighted average per-share acquisition price in ①)

2. At Each Fiscal-End During the Contract Term

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- SBI SECURITIES performs fair value measurement at the end of each Fiscal for the Company’s shares it holds
- Based on the difference between such fair value and the forward price, non-operating income or non-operating expenses are recorded in each Fiscal during the contract term

※For the cumulative period of the contract, if “forward price < fair value,” 80% of the difference is recorded as a valuation gain; if “forward price > fair value,” 100% of the difference is recorded as a valuation loss

Overview of the Transaction　II (Termination of the Contract = At Maturity or at Any Time Designated by the Company)

3. At Maturity or Upon Discretionary Early Termination

① SBI SECURITIES sells the Company's shares it holds (Note: see below regarding the sale destination)

② After the sale, the settlement amount under the forward contract is exchanged between the Company and SBI SECURITIES

(Note)　Regarding the Sale Destination

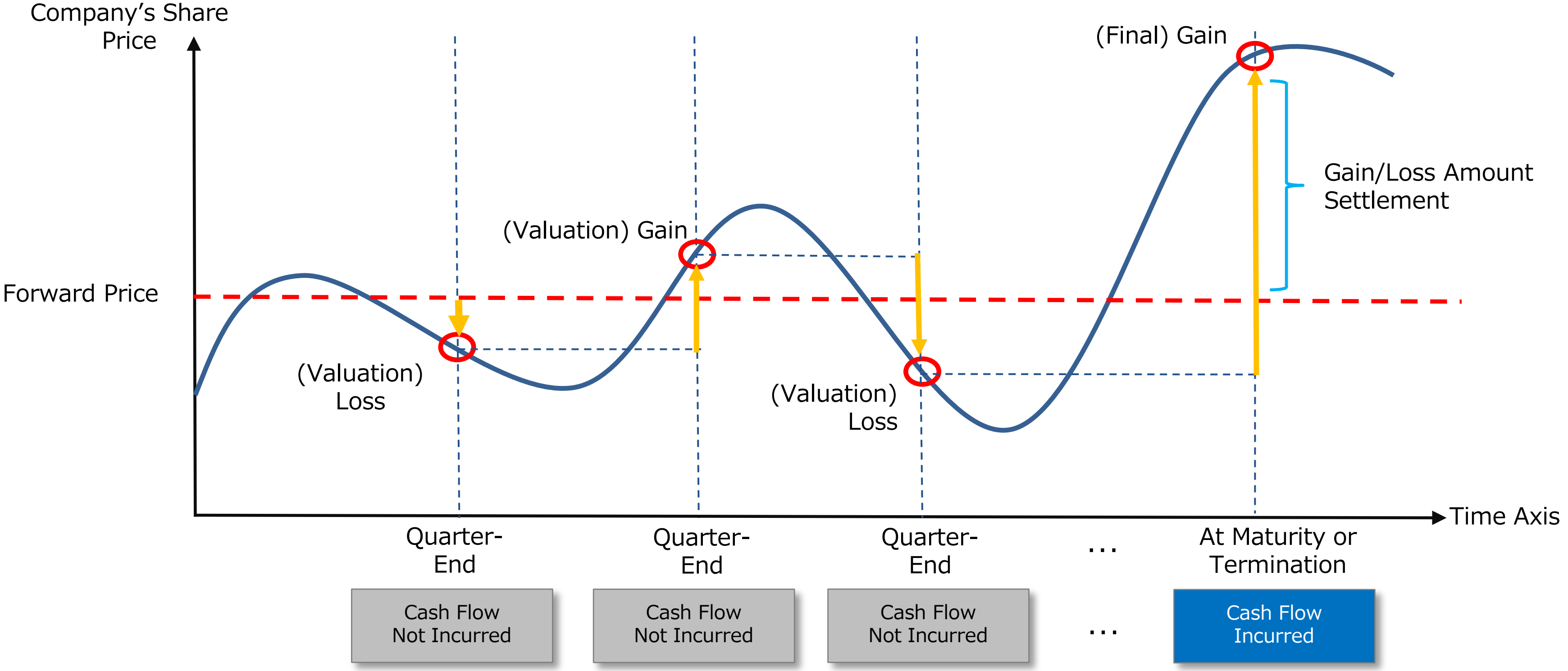
SBI SECURITIES recognizes that, at this stage, the following are possible destinations for the sale of the Company's shares it holds.

A : Tendering the shares in the Company's acquisition of treasury shares, if implemented

B : Sale on the market

C : Block trade to specified investors

Illustration of Fair Value Measurement and Its Linkage to Business Results under the Scheme



■ Under the Contract, the illustration of fair value measurement at each quarter-end is as follows.

▶If the share price rises and "forward price < fair value," 80% of the difference is recognized as non-operating income

▶If the share price falls and "forward price > fair value," 100% of the difference is recognized as non-operating expenses

※Each quarterly measurement within the same fiscal year is reassessed based on the cumulative period, and income or expenses are recorded accordingly.

■ No cash flow arises at the time of quarterly measurement; the settlement amount is settled only at maturity or upon termination.

▶If "forward price < share price at settlement," 80% is received from SBI SECURITIES.

▶If "forward price > share price at settlement," 100% is paid to SBI SECURITIES.

Notes

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