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May 13, 2026

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Ai ROBOTICS INC.
Listing: Tokyo Stock Exchange
Securities code: 247A
URL: <https://ai-robotics.co.jp/>
Representative: Makoto Tatsukawa, Representative Director and President
Inquiries: Yuta Sakamoto, Director and General Manager of Administrative Headquarters
Telephone: +81-3-6809-0142
Scheduled date of annual general meeting of shareholders: June 23, 2026
Scheduled date to commence dividend payments: –
Scheduled date to file annual securities report: June 22, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-------|------------------|------|-----------------|------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended | | | | | | | | |
| March 31, 2026 | 29,359 | 106.7 | 3,802 | 53.3 | 3,780 | 56.0 | 2,654 | 55.9 |
| March 31, 2025 | 14,206 | 101.2 | 2,480 | 97.3 | 2,422 | 96.3 | 1,703 | 106.4 |

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| | Yen | Yen | % | % | % |
| Fiscal year ended | | | | | |
| March 31, 2026 | 43.43 | 40.66 | 56.7 | 29.8 | 13.0 |
| March 31, 2025 | 32.47 | 28.14 | 76.8 | 42.1 | 17.5 |

(Notes) 1. On June 14, 2024, the Company conducted a 2,000-for-1 stock split. On October 1, 2025, the Company also conducted a 5-for-1 stock split. “Basic earnings per share” and “Diluted earnings per share” are calculated by granting that the stock split was executed at the beginning of the previous fiscal year.

2. The Company was listed on the Tokyo Stock Exchange Growth Market on September 27, 2024. Diluted earnings per share for the fiscal year ended March 31, 2025 is calculated based on the average share price from the date of initial listing to the last day of the fiscal year ended March 31, 2025 as the average share price during the period.

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2026 | 18,431 | 6,049 | 32.8 | 93.21 |
| As of March 31, 2025 | 6,966 | 3,309 | 47.5 | 56.68 |

Reference: Equity

As of March 31, 2026: ¥6,049 million

As of March 31, 2025: ¥3,309 million

(Note) On October 1, 2025, the Company conducted a 5-for-1 stock split. “Net assets per share” is calculated by granting that the stock split was carried out at the beginning of the previous fiscal year.

(3) Non-consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended | | | | |
| March 31, 2026 | (5,880) | (492) | 6,417 | 3,987 |
| March 31, 2025 | 1,314 | (156) | (143) | 3,932 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio | Ratio of dividends to net assets |
|--|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|--------------|----------------------------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2025 | – | 0.00 | – | 0.00 | 0.00 | – | – | – |
| Fiscal year ended March 31, 2026 | – | 0.00 | – | 0.00 | 0.00 | – | – | – |
| Fiscal year ending March 31, 2027 (Forecast) | – | 0.00 | – | 0.00 | 0.00 | | – | |

3. Consolidated financial results forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Adjusted EBITDA | | Adjusted profit | |
|-----------|-----------------|-------|------------------|-------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Full year | 56,000 | 90.7 | 7,500 | 97.2 | 9,500 | 146.7 | 5,900 | 122.2 |
| | to 60,000 | 104.4 | to 10,000 | 163.0 | to 12,000 | 211.7 | to 7,400 | 178.7 |

(Note) On April 1, 2026, the Company acquired all shares of BJC Co., Ltd. and made it a wholly owned subsidiary. Accordingly, for the current fiscal year, the Company has decided to disclose earnings forecast figures for adjusted metrics that adjust for the impact of one-time expenses related to the M&A and the impact of amortization of goodwill and other items.

- Operating profit: Provisional figure assuming amortization of goodwill, etc. associated with M&A of 1,500 million yen
- Adjusted EBITDA = operating profit + depreciation + amortization of goodwill, etc. associated with M&A + expenses related to M&A
- Adjusted profit = profit attributable to owners of parent + amortization of goodwill, etc. associated with M&A + expenses related to M&A
- Expenses related to M&A = financial advisory fees + due diligence expenses

* Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) 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, 2026 | 64,900,000 shares |
| As of March 31, 2025 | 58,390,000 shares |

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

| | |
|----------------------|------------|
| As of March 31, 2026 | 124 shares |
| As of March 31, 2025 | 50 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2026 | 61,126,957 shares |
| Fiscal year ended March 31, 2025 | 52,452,734 shares |

(Note) On June 14, 2024, the Company conducted a 2,000-for-1 stock split. On October 1, 2025, the Company also conducted a 5-for-1 stock split. The “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period” and “Average number of shares outstanding during the period” are calculated by granting that the stock split was carried out at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The performance forecasts and other forecasting statements contained in this document are based on information currently available to the Company and on certain assumptions that the Company believes to be reasonable, and are not intended to guarantee that they will be achieved. Furthermore, the actual results may differ significantly for any number of reasons. Regarding cautions for use of the conditions underlying earnings forecasts and projections, see “1. Overview of operating results, etc. (4) Future outlook” on page 3 of the attached materials.

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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy remained on a moderate recovery path, supported by the formation of a government led by the country's first female prime minister, government-led economic measures, and the revitalization of investment in Japan. With regard to employment conditions in Japan, while the income environment improved due to wage increases despite an ongoing structural labor shortage, the outlook remained uncertain due to concerns about tariff increases by the U.S. government and heightened geopolitical risks associated with increasing tensions in the Middle East.

In the skin care products market to which the Company belongs, in addition to solid demand in Japan, the strong boost from inbound demand at drugstores, variety stores, and other retailers drove the market.

Under these circumstances, for its core brand, Yunth, the Company appointed a world-renowned artist as an ambassador and worked to establish the brand image. For Brighte, its beauty appliance brand, the Company expanded its product lineup and color variations and strengthened sales through consumer electronics retailers. In June 2025, the Company launched Straine, a new hair care brand, which soon after launch won six titles in Rakuten rankings, ranked highly in various magazine rankings, and has been selling steadily at approximately 17,500 drugstores, variety stores, and other retailers nationwide.

As a result of these developments, net sales for the fiscal year under review were 29,359,038 thousand yen (up 106.7% year on year), operating profit was 3,802,311 thousand yen (up 53.3% year on year), ordinary profit was 3,780,076 thousand yen (up 56.0% year on year), and profit was 2,654,824 thousand yen (up 55.9% year on year).

(2) Overview of financial position for the fiscal year under review

(Assets)

Total assets at the end of the fiscal year under review were 18,431,039 thousand yen, an increase of 11,464,556 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 6,129,281 thousand yen in accounts receivable - trade, 3,750,406 thousand yen in inventories, 493,685 thousand yen in advance payments to suppliers, 458,875 thousand yen in prepaid expenses, and 281,357 thousand yen in property, plant and equipment.

(Liabilities)

Total liabilities at the end of the fiscal year under review were 12,381,509 thousand yen, an increase of 8,725,004 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 6,333,978 thousand yen in interest-bearing liabilities, 1,674,783 thousand yen in accounts payable - other, 677,754 thousand yen in accounts payable - trade, and 237,228 thousand yen in income taxes payable, despite a decrease of 234,094 thousand yen in accrued consumption taxes.

(Net assets)

Total net assets at the end of the fiscal year under review were 6,049,530 thousand yen, an increase of 2,739,552 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 42,480 thousand yen each in share capital and legal capital surplus because of the issuance of shares upon the exercise of share acquisition rights, and an increase of 2,654,824 thousand yen in retained earnings due to the recording of net profit.

(3) Status of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year under review amounted to 3,987,201 thousand yen, an increase of 55,051 thousand yen from the end of the previous fiscal year. The condition for each cash flow during the fiscal year under review and its factors are as follows:

(Cash flows from operating activities)

Funds used in operating activities amounted to 5,880,669 thousand yen (compared with funds provided by operating activities of 1,314,356 thousand yen in the previous fiscal year). This was mainly due to cash outflows from an increase in trade receivables of 6,129,281 thousand yen, an increase in inventories of 3,750,406 thousand yen, and income taxes paid of 912,385 thousand yen, despite cash inflows from profit before income taxes of 3,780,076 thousand yen, an increase in accounts payable - other of 1,671,511 thousand yen, and an increase in trade payables of 677,754 thousand yen.

(Cash flows from investing activities)

Funds used in investing activities amounted to 492,339 thousand yen (compared with funds used in investing activities of 156,696 thousand yen in the previous fiscal year). This was mainly due to payments of 348,039 thousand yen for the purchase of property, plant and equipment and payments of leasehold and guarantee deposits of 148,560 thousand yen.

(Cash flows from financing activities)

Funds provided by financing activities amounted to 6,417,972 thousand yen (compared with funds used in financing activities of 143,016 thousand yen in the previous fiscal year). This was mainly due to a net increase in short-term borrowings of 3,500,000 thousand yen and proceeds from long-term borrowings of 3,900,000 thousand yen, despite repayments of long-term borrowings of 644,497 thousand yen and redemption of bonds of 421,525 thousand yen.

(4) Future outlook

On April 1, 2026, the Company acquired all shares of BJC Co., Ltd. and made it a wholly owned subsidiary. BJC Co., Ltd. offers beauty products to professional channels such as hair salons and esthetic salons, and has established a position as a category leader, particularly in eyelash serum and foundation.

As a group, the Company will maximize business synergies from M&A. Through initiatives such as creating attractive products and brands worthy of being selected by customers, expanding sales channels, and creating competitive advantages using SELL, its internally developed software, the Company aims to achieve results for the fiscal year ending March 31, 2027 that are approximately double those for the fiscal year ended March 31, 2026.

Accordingly, for the fiscal year ending March 31, 2027 (on a consolidated basis), the Company expects net sales of 56,000 to 60,000 million yen (up 90.7 to 104.4% year on year), operating profit of 7,500 to 10,000 million yen (up 97.2 to 163.0% year on year), adjusted EBITDA of 9,500 to 12,000 million yen (up 146.7 to 211.7% year on year), and adjusted profit of 5,900 to 7,400 million yen (up 122.2 to 178.7% year on year).

Note that the above earnings forecasts have been prepared based on information available as of the date of this publication, and actual results may differ from the forecast figures due to various factors that may arise going forward.

2. Basic thoughts regarding selection of accounting standards

The Company prepares its financial statements based on Japanese accounting standards, taking into account the burden and other factors associated with establishing a system to prepare financial statements in accordance with International Financial Reporting Standards.

3. Financial statements and major notes

(1) Balance sheet

(Unit: Thousands of yen)

| | Previous fiscal year (March 31, 2025) | Fiscal year under review (March 31, 2026) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,932,150 | 3,987,201 |
| Accounts receivable - trade | 1,205,126 | 7,334,408 |
| Merchandise | 967,270 | 4,115,999 |
| Supplies | 151,970 | 753,647 |
| Advance payments to suppliers | 161,125 | 654,811 |
| Prepaid expenses | 139,440 | 598,316 |
| Consumption taxes refund receivable | – | 140,135 |
| Other | 283 | 13,920 |
| Total current assets | 6,557,367 | 17,598,440 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 205,684 | 436,286 |
| Accumulated depreciation and impairment | (11,820) | (27,414) |
| Buildings, net | 193,864 | 408,871 |
| Tools, furniture and fixtures | 81,945 | 181,607 |
| Accumulated depreciation and impairment | (28,013) | (73,672) |
| Tools, furniture and fixtures, net | 53,932 | 107,934 |
| Vehicles | – | 11,999 |
| Accumulated depreciation and impairment | – | (2,726) |
| Vehicles, net | – | 9,272 |
| Leased assets | 3,336 | 3,336 |
| Accumulated depreciation and impairment | (667) | (1,334) |
| Leased assets, net | 2,668 | 2,001 |
| Lump sum depreciable assets | 4,747 | 8,490 |
| Total property, plant and equipment | 255,212 | 536,570 |
| Investments and other assets | | |
| Investments in capital | 10 | 10 |
| Long-term prepaid expenses | 2,254 | 1,363 |
| Leasehold and guarantee deposits | 98,024 | 237,536 |
| Deferred tax assets | 40,790 | 52,183 |
| Total investments and other assets | 141,079 | 291,092 |
| Total non-current assets | 396,292 | 827,662 |
| Deferred assets | | |
| Bond issuance costs | 12,822 | 4,936 |
| Total deferred assets | 12,822 | 4,936 |
| Total assets | 6,966,482 | 18,431,039 |

(Unit: Thousands of yen)

| | Previous fiscal year (March 31, 2025) | Fiscal year under review (March 31, 2026) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 260,731 | 938,486 |
| Short-term borrowings | – | 3,500,000 |
| Current portion of bonds payable | 421,525 | 280,000 |
| Current portion of long-term borrowings | 346,055 | 965,844 |
| Accounts payable - other | 830,988 | 2,505,772 |
| Income taxes payable | 592,913 | 830,142 |
| Accrued consumption taxes | 234,094 | – |
| Lease liabilities | 733 | 733 |
| Provision for shareholder benefit program | 7,312 | 9,956 |
| Other | 47,133 | 80,578 |
| Total current liabilities | 2,741,488 | 9,111,512 |
| Non-current liabilities | | |
| Bonds payable | 280,000 | – |
| Long-term borrowings | 632,815 | 3,268,529 |
| Lease liabilities | 2,201 | 1,467 |
| Total non-current liabilities | 915,016 | 3,269,996 |
| Total liabilities | 3,656,505 | 12,381,509 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 815,431 | 857,911 |
| Capital surplus | | |
| Legal capital surplus | 812,431 | 854,911 |
| Total capital surplus | 812,431 | 854,911 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | 1,681,820 | 4,336,645 |
| Total retained earnings | 1,681,820 | 4,336,645 |
| Treasury shares | (35) | (150) |
| Total shareholders' equity | 3,309,647 | 6,049,316 |
| Share acquisition rights | 330 | 213 |
| Total net assets | 3,309,977 | 6,049,530 |
| Total liabilities and net assets | 6,966,482 | 18,431,039 |

(2) Statement of income

(Unit: Thousands of yen)

| | Previous fiscal year (from April 1, 2024 to March 31, 2025) | Fiscal year under review (from April 1, 2025 to March 31, 2026) |
|--|---|---|
| Net sales | 14,206,033 | 29,359,038 |
| Cost of sales | 3,063,178 | 7,821,694 |
| Gross profit | 11,142,854 | 21,537,344 |
| Selling, general and administrative expenses | 8,662,566 | 17,735,032 |
| Operating profit | 2,480,288 | 3,802,311 |
| Non-operating income | | |
| Interest income | 2,216 | 7,796 |
| Foreign exchange gains | – | 29,065 |
| Miscellaneous income | 100 | – |
| Total non-operating income | 2,316 | 36,862 |
| Non-operating expenses | | |
| Interest expenses | 11,718 | 43,127 |
| Interest expenses on bonds | 5,451 | 5,572 |
| Amortization of bond issuance costs | 9,266 | 7,886 |
| Listing expenses | 26,082 | – |
| Foreign exchange losses | 6,055 | – |
| Other | 1,288 | 2,511 |
| Total non-operating expenses | 59,863 | 59,097 |
| Ordinary profit | 2,422,741 | 3,780,076 |
| Profit before income taxes | 2,422,741 | 3,780,076 |
| Income taxes - current | 701,760 | 1,136,644 |
| Income taxes - deferred | 17,660 | (11,392) |
| Total income taxes | 719,420 | 1,125,252 |
| Profit | 1,703,320 | 2,654,824 |

(3) Statement of changes in equity

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: Thousands of yen)

| | Shareholders' equity | | | | | | | Share acquisition rights | Total net assets |
|---|----------------------|-----------------------|-----------------------|--|-------------------------|-----------------|----------------------------|--------------------------|------------------|
| | Share capital | Capital surplus | | Retained earnings | | Treasury shares | Total shareholders' equity | | |
| | | Legal capital surplus | Total capital surplus | Other retained earnings Retained earnings brought forward | Total retained earnings | | | | |
| Balance at beginning of period | 576,673 | 573,673 | 573,673 | (21,499) | (21,499) | – | 1,128,847 | 330 | 1,129,177 |
| Changes during period | | | | | | | | | |
| Profit | | | | 1,703,320 | 1,703,320 | | 1,703,320 | | 1,703,320 |
| Issuance of new shares | 186,208 | 186,208 | 186,208 | | | | 372,416 | | 372,416 |
| Issuance of new shares - exercise of share acquisition rights | 52,549 | 52,549 | 52,549 | | | | 105,099 | | 105,099 |
| Purchase of treasury shares | | | | | | (35) | (35) | | (35) |
| Net changes in items other than shareholders' equity | | | | | | | | – | – |
| Total changes during period | 238,757 | 238,757 | 238,757 | 1,703,320 | 1,703,320 | (35) | 2,180,799 | – | 2,180,799 |
| Balance at end of period | 815,431 | 812,431 | 812,431 | 1,681,820 | 1,681,820 | (35) | 3,309,647 | 330 | 3,309,977 |

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: Thousands of yen)

| | Shareholders' equity | | | | | | | Share acquisition rights | Total net assets |
|---|----------------------|-----------------------|-----------------------|--|-------------------------|-----------------|----------------------------|--------------------------|------------------|
| | Share capital | Capital surplus | | Retained earnings | | Treasury shares | Total shareholders' equity | | |
| | | Legal capital surplus | Total capital surplus | Other retained earnings Retained earnings brought forward | Total retained earnings | | | | |
| Balance at beginning of period | 815,431 | 812,431 | 812,431 | 1,681,820 | 1,681,820 | (35) | 3,309,647 | 330 | 3,309,977 |
| Changes during period | | | | | | | | | |
| Profit | | | | 2,654,824 | 2,654,824 | | 2,654,824 | | 2,654,824 |
| Issuance of new shares | | | | | | | | | – |
| Issuance of new shares - exercise of share acquisition rights | 42,480 | 42,480 | 42,480 | | | | 84,960 | (330) | 84,630 |
| Purchase of treasury shares | | | | | | (115) | (115) | | (115) |
| Net changes in items other than shareholders' equity | | | | | | | | 213 | 213 |
| Total changes during period | 42,480 | 42,480 | 42,480 | 2,654,824 | 2,654,824 | (115) | 2,739,669 | (116) | 2,739,552 |
| Balance at end of period | 857,911 | 854,911 | 854,911 | 4,336,645 | 4,336,645 | (150) | 6,049,316 | 213 | 6,049,530 |

(4) Statement of cash flows

(Unit: Thousands of yen)

| | Previous fiscal year (from April 1, 2024 to March 31, 2025) | Fiscal year under review (from April 1, 2025 to March 31, 2026) |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,422,741 | 3,780,076 |
| Depreciation | 37,989 | 70,710 |
| Interest income | (2,216) | (7,796) |
| Interest expenses | 11,718 | 43,127 |
| Interest expenses on bonds | 5,451 | 5,572 |
| Amortization of bond issuance costs | 9,266 | 7,886 |
| Listing expenses | 26,082 | – |
| Foreign exchange losses (gains) | – | (10,087) |
| Decrease (increase) in trade receivables | (504,077) | (6,129,281) |
| Decrease (increase) in inventories | (591,391) | (3,750,406) |
| Decrease (increase) in advance payments to suppliers | (85,168) | (493,685) |
| Decrease (increase) in prepaid expenses | (122,935) | (459,742) |
| Increase (decrease) in trade payables | 75,692 | 677,754 |
| Increase (decrease) in accounts payable - other | 261,466 | 1,671,511 |
| Increase (decrease) in accrued consumption taxes | 197,287 | (234,094) |
| Decrease (increase) in consumption taxes refund receivable | – | (140,135) |
| Increase (decrease) in income taxes payable | 15,087 | 12,991 |
| Increase (decrease) in provision for shareholder benefit program | 7,312 | 2,643 |
| Other | (11,957) | 27,194 |
| Subtotal | 1,752,349 | (4,925,761) |
| Interest received | 2,216 | 7,796 |
| Interest paid | (17,169) | (50,320) |
| Income taxes paid | (423,040) | (912,385) |
| Net cash provided by (used in) operating activities | 1,314,356 | (5,880,669) |
| Cash flows from investing activities | | |
| Proceeds from withdrawal of time deposits | 100,000 | – |
| Purchase of property, plant and equipment | (254,082) | (348,039) |
| Payments of leasehold and guarantee deposits | (8,034) | (148,560) |
| Proceeds from refund of leasehold and guarantee deposits | 5,419 | 4,260 |
| Net cash provided by (used in) investing activities | (156,696) | (492,339) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | – | 3,500,000 |
| Proceeds from long-term borrowings | 313,000 | 3,900,000 |
| Repayments of long-term borrowings | (419,012) | (644,497) |
| Redemption of bonds | (488,000) | (421,525) |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 105,099 | 84,630 |
| Proceeds from issuance of shares | 372,416 | – |
| Payments of listing expenses | (26,082) | – |
| Repayments of lease liabilities | (400) | (733) |
| Purchase of treasury shares | (35) | (115) |
| Proceeds from issuance of share acquisition rights | – | 213 |
| Net cash provided by (used in) financing activities | (143,016) | 6,417,972 |
| Effect of exchange rate change on cash and cash equivalents | – | 10,087 |
| Net increase (decrease) in cash and cash equivalents | 1,014,643 | 55,050 |
| Cash and cash equivalents at beginning of period | 2,917,507 | 3,932,150 |
| Cash and cash equivalents at end of period | 3,932,150 | 3,987,201 |

(5) Notes to financial statements

(Notes to going concern assumptions)

Not applicable.

(Notes on share of profit (loss) of entities accounted for using equity method)

Not applicable.

(Notes to segment information, etc.)

The Company has a single segment, the D2C brand business, and so a description has been omitted.

(Notes on per share information)

| | Previous fiscal year (from April 1, 2024 to March 31, 2025) | Fiscal year under review (from April 1, 2025 to March 31, 2026) |
|----------------------------|---|---|
| Net assets per share | 56.68 yen | 93.21 yen |
| Basic earnings per share | 32.47 yen | 43.43 yen |
| Diluted earnings per share | 28.14 yen | 40.55 yen |

(Notes) 1. The Company conducted a 2,000-for-1 stock split of its common shares effective June 14, 2024, pursuant to a resolution of the Board of Directors passed on May 15, 2024. In addition, pursuant to a resolution of the Board of Directors held on August 13, 2025, the Company conducted a 5-for-1 stock split of common shares effective October 1, 2025. Net assets per share, basic earnings per share, and diluted earnings per share are calculated assuming that these stock splits were conducted at the beginning of the previous fiscal year.

2. The Company was listed on the Tokyo Stock Exchange Growth Market on September 27, 2024. Diluted earnings per share for the previous fiscal year is calculated based on the average share price from the date of initial listing to the last day of the previous fiscal year as the average share price during the period.

3. The basis for calculating net assets per share is as shown below.

| | Previous fiscal year (March 31, 2025) | Fiscal year under review (March 31, 2026) |
|--|--|--|
| Total net assets (Thousands of yen) | 3,309,977 | 6,049,530 |
| Amount deducted from total net assets (Thousands of yen) | 330 | 213 |
| (Of which, share acquisition rights (Thousands of yen)) | (330) | (213) |
| Net assets per common share at end of period (Thousands of yen) | 3,309,647 | 6,049,316 |
| Number of common shares at end of period used to calculate net assets per share | 58,389,950 | 64,899,876 |

4. The basis for calculating basic earnings per share and diluted earnings per share is as shown below.

| | Previous fiscal year (from April 1, 2024 to March 31, 2025) | Fiscal year under review (from April 1, 2025 to March 31, 2026) |
|--|---|---|
| Basic earnings per share | | |
| Profit (Thousands of yen) | 1,703,320 | 2,654,824 |
| Amount not attributable to common shareholders (Thousands of yen) | – | – |
| Profit attributable to common shares (Thousands of yen) | 1,703,320 | 2,654,824 |
| Average number of common shares outstanding during the period (shares) | 52,452,734 | 61,126,957 |
| Diluted earnings per share | | |
| Adjustment of profit (Thousands of yen) | – | – |
| Increase in the number of common shares (shares) | 8,068,291 | 4,345,121 |
| (Of which, share acquisition rights (shares)) | (8,068,291) | (4,345,121) |
| Summary of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect | – | – |

(Notes to significant subsequent events)

(Business combination through acquisition)

The Company resolved at a meeting of its Board of Directors held on March 27, 2026 to acquire all shares of BJC Co., Ltd. and make it a subsidiary, entered into a share transfer agreement on March 30, 2026, and acquired all shares on April 1, 2026.

(1) Overview of the business combination

(i) Name of the acquired company and description of its business

Name of acquired company: BJC Co., Ltd.

Description of business: Wholesale sales of cosmetics

(ii) Main reasons for the business combination

In addition to organic growth of its existing business, the Company aims to further enhance corporate value through a series of M&A transactions.

The target company has established category-leading positions in eyelash serum and foundation through its mainstay brands, including soaddicted and SPICARE. It also achieves high profitability by selling high-priced products through distributors for professional channels, where barriers to entry are high.

Through this share acquisition, by mutually complementing the resources of both companies, including human resources, product development capabilities, and sales networks, the Company will be able to pursue multifaceted approaches, such as strengthening the sales capabilities of existing products through the expansion of sales channels and target markets, establishing strong brand equity, further utilizing customer data accumulated to date in marketing, and accumulating additional data. The Company determined that this would enable it to secure growth opportunities in the beauty-related market and contribute to further enhancing corporate value, and therefore decided to conduct this share acquisition.

(iii) Date of business combination

April 1, 2026

(iv) Legal form of business combination

Share acquisition

(v) Name of company after business combination

No change.

(vi) Percentage of voting rights acquired

100%

(vii) Basis for determining the acquiring company

The Company acquired the shares in exchange for cash consideration.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

| | | |
|-------------------------------|------|----------------------|
| Consideration for acquisition | Cash | ¥25,550,122 thousand |
| <hr/> | | |
| Acquisition cost | | 25,550,122 |

(3) Details and amount of major acquisition-related expenses

Advisory fees, etc. ¥245,436 thousand

(4) Amount of goodwill arising, reason for goodwill arising, amortization method, and amortization period

Not finalized at this time.

(5) Amounts of assets acquired and liabilities assumed as of the business combination date, and major components thereof

Not finalized at this time.