

## Translation

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# Summary of Consolidated Financial Results for the Three Months Ended March 31, 2025 (Based on Japanese GAAP)

May 15, 2025

Company name: NETSTARS Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 5590 URL <https://www.netstars.co.jp/>  
 Representative: Representative Director and CEO Tsuyoshi Ri  
 Inquiries: Director and CFO Gen Adachi TEL 03(6661)9884  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

## 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 | 1,051           | 27.2 | (2)              | – | 52              | – | 45                                      | – |
| Three months ended March 31, 2024 | 826             | –    | (158)            | – | (163)           | – | (165)                                   | – |

Note: Comprehensive income For the three months ended March 31, 2025 ¥9 million [–%]  
 For the three months ended March 31, 2024 ¥(146) million [–%]

|                                   | Earnings per share | Diluted earnings per share |
|-----------------------------------|--------------------|----------------------------|
|                                   | Yen                | Yen                        |
| Three months ended March 31, 2025 | 2.70               | 2.65                       |
| Three months ended March 31, 2024 | (9.90)             | –                          |

Notes: 1. The Company did not prepare quarterly consolidated financial statements for the three months ended March 31, 2023. Therefore, the year-on-year changes for the three months ended March 31, 2024 are not shown.

2. Diluted earnings per share for the three months ended March 31, 2024 is not noted even though potential shares exist because the Company has recorded loss per share.

### (2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
|                         | Millions of yen | Millions of yen | %            |
| As of March 31, 2025    | 35,183          | 7,116           | 20.2         |
| As of December 31, 2024 | 35,739          | 7,106           | 19.9         |

Reference: Equity As of March 31, 2025 ¥7,116 million  
 As of December 31, 2024 ¥7,106 million

## 2. Cash dividends

|  | Annual dividends per share |                 |                 |                 |       |
|--|----------------------------|-----------------|-----------------|-----------------|-------|
|  | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
|  | Yen                        | Yen             | Yen             | Yen             | Yen   |
| Year ended December 31, 2024             | –                          | 0.00            | –               | 0.00            | 0.00  |
| Year ending December 31, 2025            | –                          |                 |                 |                 |       |
| 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 year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

|           | Net sales       |      | Operating profit |   | Ordinary profit |   | Profit attributable to owners of parent |   | Earnings per share |
|-----------|-----------------|------|------------------|---|-----------------|---|---|---|--------------------|
| Full year | Millions of yen | %    | Millions of yen  | % | Millions of yen | % | Millions of yen                         | % | Yen                |
|           | 4,850           | 24.3 | 233              | — | 251             | — | 198                                     | — | 11.91              |

Note: Revisions to the forecast of consolidated financial results most recently announced: None

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended March 31, 2025: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

|                      |                   |                         |                   |
|----------------------|-------------------|-------------------------|-------------------|
| As of March 31, 2025 | 16,696,800 shares | As of December 31, 2024 | 16,696,800 shares |
|----------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

|                      |           |                         |           |
|----------------------|-----------|-------------------------|-----------|
| As of March 31, 2025 | 57 shares | As of December 31, 2024 | 57 shares |
|----------------------|-----------|-------------------------|-----------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                   |                   |                                   |                   |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Three months ended March 31, 2025 | 16,696,743 shares | Three months ended March 31, 2024 | 16,676,800 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

(Means of access to contents of supplementary material on financial results and financial results briefing)

The Company plans to hold a financial results briefing for analysts and institutional investors on May 16, 2025. The recording and contents of the briefing will be available, together with the financial results briefing material used on the day, on the Company's website promptly after the briefing.

# Quarterly consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

|   | As of December 31, 2024 | As of March 31, 2025 |
|---|-------------------------|----------------------|
| <b>Assets</b>   |                         |                      |
| Current assets  |                         |                      |
| Cash and deposits                                     | 33,875,351              | 33,262,490           |
| Accounts receivable - trade                           | 333,570                 | 218,663              |
| Contract assets                                       | 12,845                  | 42,833               |
| Beneficial interests in trust                         | 1,568                   | —                    |
| Merchandise   | 15,831                  | 10,687               |
| Work in process                                       | 9,689                   | 4,180                |
| Supplies  | 49,692                  | 32,679               |
| Advance payments to suppliers                         | 761                     | 1,001                |
| Prepaid expenses                                      | 54,223                  | 57,315               |
| Other   | 253,250                 | 467,842              |
| Total current assets                                  | 34,606,786              | 34,097,694           |
| Non-current assets                                    |                         |                      |
| Property, plant and equipment                         | 24,591                  | 22,254               |
| Intangible assets                                     |                         |                      |
| Software  | 577,113                 | 612,276              |
| Software in progress                                  | 69,801                  | 5,542                |
| Goodwill  | 2,545                   | —                    |
| Total intangible assets                               | 649,460                 | 617,818              |
| Investments and other assets                          | 458,899                 | 445,269              |
| Total non-current assets                              | 1,132,951               | 1,085,342            |
| Total assets  | 35,739,737              | 35,183,036           |
| <b>Liabilities</b>                                    |                         |                      |
| Current liabilities                                   |                         |                      |
| Accounts payable - trade                              | 147,918                 | 111,320              |
| Accounts payable - other                              | 124,026                 | 125,085              |
| Accrued expenses                                      | 124,198                 | 101,572              |
| Income taxes payable                                  | 49,508                  | 30,263               |
| Accrued consumption taxes                             | 52,092                  | 58,905               |
| Contract liabilities                                  | 19,743                  | 8,140                |
| Deposits received                                     | 28,115,350              | 27,624,418           |
| Provision for bonuses                                 | —                       | 6,848                |
| Total current liabilities                             | 28,632,837              | 28,066,554           |
| Total liabilities                                     | 28,632,837              | 28,066,554           |
| <b>Net assets</b>                                     |                         |                      |
| Shareholders' equity                                  |                         |                      |
| Share capital   | 4,456,270               | 4,456,270            |
| Capital surplus                                       | 7,691,800               | 7,691,800            |
| Retained earnings                                     | (5,178,077)             | (5,133,053)          |
| Treasury shares                                       | (77)                    | (77)                 |
| Total shareholders' equity                            | 6,969,915               | 7,014,939            |
| Accumulated other comprehensive income                |                         |                      |
| Valuation difference on available-for-sale securities | 35,054                  | 19,083               |
| Foreign currency translation adjustment               | 101,930                 | 82,458               |
| Total accumulated other comprehensive income          | 136,985                 | 101,541              |
| Total net assets                                      | 7,106,900               | 7,116,481            |
| Total liabilities and net assets                      | 35,739,737              | 35,183,036           |

# Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

## Consolidated statements of income (cumulative)

(Thousands of yen)

|   | Three months ended<br>March 31, 2024 | Three months ended<br>March 31, 2025 |
|---|--------------------------------------|--------------------------------------|
| Net sales   | 826,536                              | 1,051,585                            |
| Cost of sales   | 205,431                              | 242,627                              |
| Gross profit  | 621,105                              | 808,957                              |
| Selling, general and administrative expenses                | 779,606                              | 811,857                              |
| Operating loss  | (158,501)                            | (2,899)                              |
| Non-operating income  |                                      |                                      |
| Interest income   | 337                                  | 39,218                               |
| Gain on sale of investment securities                       | —                                    | 9,748                                |
| Subsidy income  | 617                                  | 6,282                                |
| Foreign exchange gains                                      | —                                    | 1,982                                |
| Other   | 280                                  | 287                                  |
| Total non-operating income                                  | 1,235                                | 57,518                               |
| Non-operating expenses                                      |                                      |                                      |
| Foreign exchange losses                                     | 6,229                                | —                                    |
| Share of loss of entities accounted for using equity method | —                                    | 2,015                                |
| Other   | 178                                  | 71                                   |
| Total non-operating expenses                                | 6,407                                | 2,087                                |
| Ordinary profit (loss)                                      | (163,673)                            | 52,531                               |
| Extraordinary losses  |                                      |                                      |
| Loss on retirement of non-current assets                    | —                                    | 9                                    |
| Total extraordinary losses                                  | —                                    | 9                                    |
| Profit (loss) before income taxes                           | (163,673)                            | 52,521                               |
| Income taxes  | 1,353                                | 7,497                                |
| Profit (loss)   | (165,027)                            | 45,024                               |
| Profit (loss) attributable to owners of parent              | (165,027)                            | 45,024                               |

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

|   | Three months ended<br>March 31, 2024 | Three months ended<br>March 31, 2025 |
|---|--------------------------------------|--------------------------------------|
| Profit (loss)   | (165,027)                            | 45,024                               |
| Other comprehensive income                            |                                      |                                      |
| Valuation difference on available-for-sale securities | —                                    | (15,971)                             |
| Foreign currency translation adjustment               | 18,847                               | (19,471)                             |
| Total other comprehensive income                      | 18,847                               | (35,443)                             |
| Comprehensive income                                  | (146,180)                            | 9,581                                |
| Comprehensive income attributable to                  |                                      |                                      |
| Comprehensive income attributable to owners of parent | (146,180)                            | 9,581                                |