

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2025 (Based on Japanese GAAP)

August 14, 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 file Semi-annual Securities Report: August 14, 2025  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 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	%
Six months ended June 30, 2025	2,158	25.6	59	–	151	–	127	–
Six months ended June 30, 2024	1,718	(4.5)	(258)	–	(203)	–	(215)	–

Note: Comprehensive income For the six months ended June 30, 2025 ¥85 million [–%]  
 For the six months ended June 30, 2024 ¥(176) million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	7.65	7.51
Six months ended June 30, 2024	(12.93)	–

Note: Diluted earnings per share for the six months ended June 30, 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 June 30, 2025	38,265	7,192	18.8
As of December 31, 2024	35,739	7,106	19.9

Reference: Equity As of June 30, 2025 ¥7,192 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	–	0.00			
Year ending December 31, 2025 (Forecast)			–	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 six months ended June 30, 2025: No
- (2) Application of special accounting methods for preparing semi-annual 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 June 30, 2025	16,696,800 shares	As of December 31, 2024	16,696,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2025	57 shares	As of December 31, 2024	57 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025	16,696,743 shares	Six months ended June 30, 2024	16,676,800 shares
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\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

\* 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 August 15, 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.

# Semi-annual consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	33,875,351	36,409,456
Accounts receivable - trade	333,570	229,606
Contract assets	12,845	74,985
Beneficial interests in trust	1,568	—
Merchandise	15,831	4,959
Work in process	9,689	2,830
Supplies	49,692	19,734
Advance payments to suppliers	761	30,046
Prepaid expenses	54,223	57,048
Other	253,250	380,512
Total current assets	34,606,786	37,209,181
Non-current assets		
Property, plant and equipment	24,591	24,473
Intangible assets		
Software	577,113	553,555
Software in progress	69,801	34,757
Goodwill	2,545	—
Total intangible assets	649,460	588,313
Investments and other assets	458,899	443,356
Total non-current assets	1,132,951	1,056,143
Total assets	35,739,737	38,265,324
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	147,918	100,368
Accounts payable - other	124,026	162,824
Accrued expenses	124,198	100,894
Income taxes payable	49,508	69,140
Accrued consumption taxes	52,092	48,306
Contract liabilities	19,743	5,500
Deposits received	28,115,350	30,572,855
Provision for bonuses	—	13,323
Total current liabilities	28,632,837	31,073,213
Total liabilities	28,632,837	31,073,213
<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)	(5,050,376)
Treasury shares	(77)	(77)
Total shareholders' equity	6,969,915	7,097,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,054	22,938
Foreign currency translation adjustment	101,930	71,555
Total accumulated other comprehensive income	136,985	94,494
Total net assets	7,106,900	7,192,111
Total liabilities and net assets	35,739,737	38,265,324

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

## Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	1,718,359	2,158,621
Cost of sales	402,861	475,442
Gross profit	1,315,498	1,683,178
Selling, general and administrative expenses	1,574,263	1,624,048
Operating profit (loss)	(258,765)	59,130
Non-operating income		
Interest income	605	72,428
Subsidy income	66,332	13,432
Gain on sale of investment securities	—	9,748
Foreign exchange gains	—	3,337
Other	550	1,339
Total non-operating income	67,488	100,286
Non-operating expenses		
Foreign exchange losses	12,136	—
Share of loss of entities accounted for using equity method	—	4,298
Other	240	3,827
Total non-operating expenses	12,376	8,126
Ordinary profit (loss)	(203,654)	151,290
Extraordinary losses		
Loss on retirement of non-current assets	9,259	9
Total extraordinary losses	9,259	9
Profit (loss) before income taxes	(212,914)	151,281
Income taxes	2,679	23,580
Profit (loss)	(215,593)	127,701
Profit (loss) attributable to owners of parent	(215,593)	127,701

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

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit (loss)	(215,593)	127,701
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(12,115)
Foreign currency translation adjustment	38,720	(30,374)
Total other comprehensive income	38,720	(42,490)
Comprehensive income	(176,873)	85,211
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(176,873)	85,211

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(212,914)	151,281
Depreciation	104,325	120,635
Amortization of goodwill	4,949	2,400
Interest and dividend income	(605)	(72,428)
Subsidy income	(66,332)	(13,432)
Share of loss (profit) of entities accounted for using equity method	—	4,298
Decrease (increase) in trade receivables	324,096	27,463
Decrease (increase) in inventories	(11,223)	47,688
Decrease (increase) in advance payments to suppliers	(51,135)	(29,284)
Increase (decrease) in trade payables	(13,948)	(47,547)
Increase (decrease) in accounts payable - other	(51,453)	38,887
Increase (decrease) in accrued expenses	(33,024)	(19,793)
Increase (decrease) in income taxes payable - factor based tax	1,149	2,268
Increase (decrease) in accrued consumption taxes	(78,985)	(3,785)
Increase (decrease) in deposits received	3,732,418	2,457,814
Other, net	(67,335)	(81,398)
Subtotal	3,579,981	2,585,067
Interest and dividends received	605	30,658
Subsidies received	66,332	13,432
Income taxes paid	(4,307)	(6,216)
Income taxes refund	67	1,079
Net cash provided by (used in) operating activities	3,642,679	2,624,020
Cash flows from investing activities		
Purchase of investment securities	(49,736)	—
Proceeds from sale of investment securities	—	19,128
Purchase of property, plant and equipment	(1,939)	(6,147)
Purchase of intangible assets	(81,087)	(56,591)
Payments of leasehold and guarantee deposits	(2,761)	(15,037)
Proceeds from refund of leasehold and guarantee deposits	—	132
Net cash provided by (used in) investing activities	(135,524)	(58,516)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	—	—
Effect of exchange rate change on cash and cash equivalents	39,034	(31,400)
Net increase (decrease) in cash and cash equivalents	3,546,190	2,534,104
Cash and cash equivalents at beginning of period	26,522,224	33,875,351
Cash and cash equivalents at end of period	30,068,415	36,409,456