

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended December 31, 2025 (Based on Japanese GAAP)

February 12, 2026

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 of ordinary general meeting of shareholders: March 27, 2026  
 Scheduled date to file Securities Report: March 25, 2026  
 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 year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results

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	%
Year ended December 31, 2025	4,788	22.7	293	–	443	–	485	–
Year ended December 31, 2024	3,902	4.9	(84)	–	(22)	–	(37)	–

Note: Comprehensive income Year ended December 31, 2025 ¥453 million [1,435.7%]  
 Year ended December 31, 2024 ¥29 million [–%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2025	28.99	28.39	6.6	1.2	6.1
Year ended December 31, 2024	(2.25)	–	(0.5)	(0.1)	(2.2)

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended December 31, 2025 ¥(7) million  
 Year ended December 31, 2024 ¥(2) million

Note: Diluted earnings per share for the year ended December 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	38,354	7,633	19.9	453.57
As of December 31, 2024	35,739	7,106	19.9	425.65

Reference: Equity As of December 31, 2025 ¥7,633 million  
 As of December 31, 2024 ¥7,106 million

(3) 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
Year ended December 31, 2025	2,377	(111)	66	36,209
Year ended December 31, 2024	7,510	(200)	9	33,875

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ended December 31, 2025	–	0.00	–	0.00	0.00	–	–	–
Year ending December 31, 2026 (Forecast)	–	0.00	–	0.00	0.00		–	

## 3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,760	20.3	500	70.8	707	59.7	493	1.7	29.31

## 4. Notes

- (1) Significant changes in the scope of consolidation during the year ended December 31, 2025: No
- (2) 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

### (3) Number of issued shares (common shares)

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

As of December 31, 2025	16,828,800 shares	As of December 31, 2024	16,696,800 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

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

Average number of shares during the period

Year ended December 31, 2025	16,733,082 shares	Year ended December 31, 2024	16,685,249 shares
------------------------------	-------------------	------------------------------	-------------------

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	%
Year ended December 31, 2025	4,783	22.6	237	–	391	–	457	–
Year ended December 31, 2024	3,901	4.9	(88)	–	(28)	–	(41)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2025	27.36	26.79
Year ended December 31, 2024	(2.47)	–

Note: Diluted earnings per share for the year ended December 31, 2024 is not noted even though potential shares exist because the Company has recorded loss per share.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended December 31, 2025	38,444	7,704	20.0	457.82
Year ended December 31, 2024	35,846	7,214	20.1	432.11

Reference: Equity      As of December 31, 2025      ¥7,704 million  
                                  As of December 31, 2024      ¥7,214 million

\* Financial results reports are exempt from audit 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 February 13, 2026. 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.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	33,875,351	36,209,760
Accounts receivable - trade	333,570	297,225
Contract assets	12,845	6,732
Beneficial interests in trust	1,568	-
Merchandise	15,831	177,029
Work in process	9,689	7,544
Supplies	49,692	-
Advance payments to suppliers	761	27,394
Prepaid expenses	54,223	73,903
Other	253,250	442,813
Total current assets	34,606,786	37,242,402
Non-current assets		
Property, plant and equipment		
Buildings, net	7,425	8,818
Tools, furniture and fixtures, net	17,165	17,472
Other, net	0	0
Total property, plant and equipment	24,591	26,291
Intangible assets		
Software	577,113	494,459
Software in progress	69,801	22,860
Goodwill	2,545	-
Total intangible assets	649,460	517,319
Investments and other assets		
Investment securities	325,995	282,952
Leasehold and guarantee deposits	118,751	129,310
Shares of subsidiaries and associates	12,913	4,975
Long-term prepaid expenses	7	0
Deferred tax assets	1,231	150,939
Total investments and other assets	458,899	568,178
Total non-current assets	1,132,951	1,111,788
Total assets	35,739,737	38,354,191

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	147,918	135,696
Accounts payable - other	124,026	178,495
Accrued expenses	124,198	114,357
Income taxes payable	49,508	93,990
Accrued consumption taxes	52,092	67,226
Contract liabilities	19,743	125
Deposits received	28,115,350	30,131,229
<b>Total current liabilities</b>	<b>28,632,837</b>	<b>30,721,120</b>
<b>Total liabilities</b>	<b>28,632,837</b>	<b>30,721,120</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,456,270	4,489,270
Capital surplus	7,691,800	7,724,800
Retained earnings	(5,178,077)	(4,685,977)
Treasury shares	(77)	(77)
<b>Total shareholders' equity</b>	<b>6,969,915</b>	<b>7,528,015</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	35,054	966
Foreign currency translation adjustment	101,930	104,088
<b>Total accumulated other comprehensive income</b>	<b>136,985</b>	<b>105,055</b>
<b>Total net assets</b>	<b>7,106,900</b>	<b>7,633,070</b>
<b>Total liabilities and net assets</b>	<b>35,739,737</b>	<b>38,354,191</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	3,902,046	4,788,117
Cost of sales	923,745	1,122,256
Gross profit	2,978,301	3,665,860
Selling, general and administrative expenses	3,062,607	3,372,777
Operating profit (loss)	(84,305)	293,083
Non-operating income		
Interest income	7,356	142,277
Gain on sale of investment securities	5,365	9,748
Subsidy income	68,686	13,543
Reversal of allowance for doubtful accounts	4,836	–
Other	1,890	2,258
Total non-operating income	88,134	167,827
Non-operating expenses		
Foreign exchange losses	15,418	5,704
Share of loss of entities accounted for using equity method	2,342	7,938
Bad debt expenses	7,940	–
Other	270	4,151
Total non-operating expenses	25,970	17,794
Ordinary profit (loss)	(22,141)	443,116
Extraordinary losses		
Loss on retirement of non-current assets	9,259	9
Loss on business location closings	–	40,944
Total extraordinary losses	9,259	40,954
Profit (loss) before income taxes	(31,401)	402,162
Income taxes - current	6,216	61,427
Income taxes - deferred	–	(144,281)
Total income taxes	6,216	(82,853)
Profit (loss)	(37,617)	485,016
Profit (loss) attributable to owners of parent	(37,617)	485,016

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit (loss)	(37,617)	485,016
Other comprehensive income		
Valuation difference on available-for-sale securities	35,054	(34,088)
Foreign currency translation adjustment	32,067	2,158
Total other comprehensive income	67,122	(31,930)
Comprehensive income	29,504	453,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,504	453,085

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,451,270	7,686,800	(5,140,460)	–	6,997,609
Changes during period					
Exercise of share acquisition rights	5,000	5,000			10,000
Profit (loss) attributable to owners of parent			(37,617)		(37,617)
Other					
Purchase of treasury shares				(77)	(77)
Net changes in items other than shareholders' equity					
Total changes during period	5,000	5,000	(37,617)	(77)	(27,694)
Balance at end of period	4,456,270	7,691,800	(5,178,077)	(77)	6,969,915

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	69,862	69,862	7,067,472
Changes during period				
Exercise of share acquisition rights				10,000
Profit (loss) attributable to owners of parent				(37,617)
Other				–
Purchase of treasury shares				(77)
Net changes in items other than shareholders' equity	35,054	32,067	67,122	67,122
Total changes during period	35,054	32,067	67,122	39,427
Balance at end of period	35,054	101,930	136,985	7,106,900

Fiscal year ended December 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,456,270	7,691,800	(5,178,077)	(77)	6,969,915
Changes during period					
Exercise of share acquisition rights	33,000	33,000			66,000
Profit (loss) attributable to owners of parent			485,016		485,016
Other			7,084		7,084
Net changes in items other than shareholders' equity					
Total changes during period	33,000	33,000	492,100	-	558,100
Balance at end of period	4,489,270	7,724,800	(4,685,977)	(77)	7,528,015

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	35,054	101,930	136,985	7,106,900
Changes during period				
Exercise of share acquisition rights				66,000
Profit (loss) attributable to owners of parent				485,016
Other				7,084
Net changes in items other than shareholders' equity	(34,088)	2,158	(31,930)	(31,930)
Total changes during period	(34,088)	2,158	(31,930)	526,170
Balance at end of period	966	104,088	105,055	7,633,070

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(31,401)	402,162
Depreciation	215,820	242,955
Amortization of goodwill	9,884	2,444
Interest income	(7,356)	(142,277)
Subsidy income	(68,686)	(13,543)
Share of loss (profit) of entities accounted for using equity method	–	7,938
Decrease (increase) in trade receivables	187,526	22,954
Decrease (increase) in inventories	(56,436)	(109,359)
Decrease (increase) in advance payments to suppliers	1,378	(26,632)
Increase (decrease) in trade payables	42,563	(12,209)
Increase (decrease) in accounts payable - other	(48,505)	54,487
Increase (decrease) in accrued expenses	(9,815)	(10,377)
Increase (decrease) in accrued taxes-OpeCF	(348)	(10,728)
Increase (decrease) in accrued consumption taxes	(46,766)	15,134
Increase (decrease) in deposits received	7,381,914	2,015,981
Other, net	(131,490)	(164,414)
Subtotal	7,438,281	2,274,515
Interest received	7,356	92,978
Subsidies received	68,686	13,543
Income taxes paid	(4,307)	(4,984)
Refund income like corporation tax	67	1,079
Net cash provided by (used in) operating activities	7,510,084	2,377,131
Cash flows from investing activities		
Purchase of investment securities	(49,736)	–
Proceeds from sale of investment securities	15,361	19,128
Purchase of shares of subsidiaries and associates	(15,256)	–
Purchase of property, plant and equipment	(4,046)	(14,009)
Purchase of intangible assets	(144,171)	(101,772)
Payments of leasehold and guarantee deposits	(2,712)	(15,037)
Proceeds from refund of leasehold and guarantee deposits	–	142
Net cash provided by (used in) investing activities	(200,561)	(111,547)
Cash flows from financing activities		
Proceeds from issuance of stocks	10,000	66,000
Purchase of treasury shares	(77)	–
Net cash provided by (used in) financing activities	9,922	66,000
Effect of exchange rate change on cash and cash equivalents	33,680	2,824
Net increase (decrease) in cash and cash equivalents	7,353,126	2,334,408
Cash and cash equivalents at beginning of period	26,522,224	33,875,351
Cash and cash equivalents at end of period	33,875,351	36,209,760