

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 Three Months Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 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 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 three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(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, 2026	1,331	26.6	116	–	161	207.8	137	204.6
Three months ended March 31, 2025	1,051	27.2	(2)	–	52	–	45	–

Note: Comprehensive income For the three months ended March 31, 2026 ¥149 million [–%]

For the three months ended March 31, 2025 ¥9 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2026	8.14		8.02	
Three months ended March 31, 2025	2.70		2.65	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	40,427	7,813	19.3
As of December 31, 2025	38,354	7,633	19.9

Reference: Equity As of March 31, 2026 ¥7,813 million

As of December 31, 2025 ¥7,633 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, 2025	–	0.00	–	0.00	0.00
Year ending December 31, 2026	–				
Year ending December 31, 2026 (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, 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

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, 2026: Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: Yes
- 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, 2026	16,890,800 shares	As of December 31, 2025	16,828,800 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2026	57 shares	As of December 31, 2025	57 shares
----------------------	-----------	-------------------------	-----------

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

Three months ended March 31, 2026	16,858,587 shares	Three months ended March 31, 2025	16,696,743 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 15, 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	36,209,760	38,219,680
Accounts receivable - trade	297,225	225,197
Contract assets	6,732	1,258
Merchandise	177,029	56,121
Work in process	7,544	17,444
Supplies	–	22,344
Advance payments to suppliers	27,394	5,652
Prepaid expenses	73,903	84,712
Other	442,813	723,095
Total current assets	37,242,402	39,355,507
Non-current assets		
Property, plant and equipment		
Buildings, net	8,818	8,294
Tools, furniture and fixtures, net	17,472	18,449
Other, net	0	0
Total property, plant and equipment	26,291	26,744
Intangible assets		
Software	494,459	443,088
Software in progress	22,860	33,615
Total intangible assets	517,319	476,703
Investments and other assets		
Investment securities	282,952	276,212
Leasehold and guarantee deposits	129,310	140,330
Shares of subsidiaries and associates	4,975	2,612
Long-term prepaid expenses	0	22
Deferred tax assets	150,939	149,569
Total investments and other assets	568,178	568,747
Total non-current assets	1,111,788	1,072,195
Total assets	38,354,191	40,427,702

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	135,696	105,342
Accounts payable - other	178,495	121,243
Accrued expenses	114,357	96,658
Income taxes payable	93,990	49,709
Accrued consumption taxes	67,226	82,662
Contract liabilities	125	31,080
Deposits received	30,131,229	32,121,281
Provision for bonuses	–	6,254
Total current liabilities	30,721,120	32,614,232
Total liabilities	30,721,120	32,614,232
Net assets		
Shareholders' equity		
Share capital	4,489,270	4,504,770
Capital surplus	7,724,800	7,740,300
Retained earnings	(4,685,977)	(4,548,819)
Treasury shares	(77)	(77)
Total shareholders' equity	7,528,015	7,696,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	966	3,660
Foreign currency translation adjustment	104,088	113,636
Total accumulated other comprehensive income	105,055	117,296
Total net assets	7,633,070	7,813,470
Total liabilities and net assets	38,354,191	40,427,702

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	1,051,585	1,331,686
Cost of sales	242,627	363,770
Gross profit	808,957	967,916
Selling, general and administrative expenses	811,857	851,853
Operating profit (loss)	(2,899)	116,062
Non-operating income		
Interest income	39,218	46,687
Gain on sale of investment securities	9,748	4,284
Subsidy income	6,282	–
Foreign exchange gains	1,982	–
Other	287	143
Total non-operating income	57,518	51,115
Non-operating expenses		
Foreign exchange losses	–	3,080
Share of loss of entities accounted for using equity method	2,015	2,362
Other	71	58
Total non-operating expenses	2,087	5,501
Ordinary profit	52,531	161,676
Extraordinary losses		
Loss on retirement of non-current assets	9	–
Total extraordinary losses	9	–
Profit before income taxes	52,521	161,676
Income taxes	7,497	24,518
Profit	45,024	137,157
Profit attributable to owners of parent	45,024	137,157

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	45,024	137,157
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,971)	2,694
Foreign currency translation adjustment	(19,471)	9,547
Total other comprehensive income	(35,443)	12,241
Comprehensive income	9,581	149,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,581	149,399