



Financial Results for Q1 FY 2026

May 2026

NETSTARS Co., Ltd. (5590)



Key Points on Q1 Results for FY 2026 (Ending Dec. 31)

Net sales grew +26.6% YoY, despite falling short of the plan

GPV remained at a high level in Q1 but fell slightly short of the plan due to inflation, etc. Payment-related sales continued to be driven by terminal sales.

Profit at each level below gross profit exceeded the plan

Cost structures, including cost of sales, improved. Performance remained solid, some POS upgrade costs were deferred to Q2, and cost efficiency improved

Operating profit was 116mn JPY, ordinary profit was 161mn JPY, returning to profitability (YoY: +118mn JPY, +109mn JPY respectively, and vs. forecast: +82mn JPY, +84mn JPY respectively)

Profit levels remained solid, supported by interest income

GPV was 549.7bn JPY, remaining at a high level for Q1 (+17.6% YoY)

New member store acquisition progressed as planned. However, inflationary pressures caused a slight shortfall versus the plan, and trends will continue to be monitored closely.



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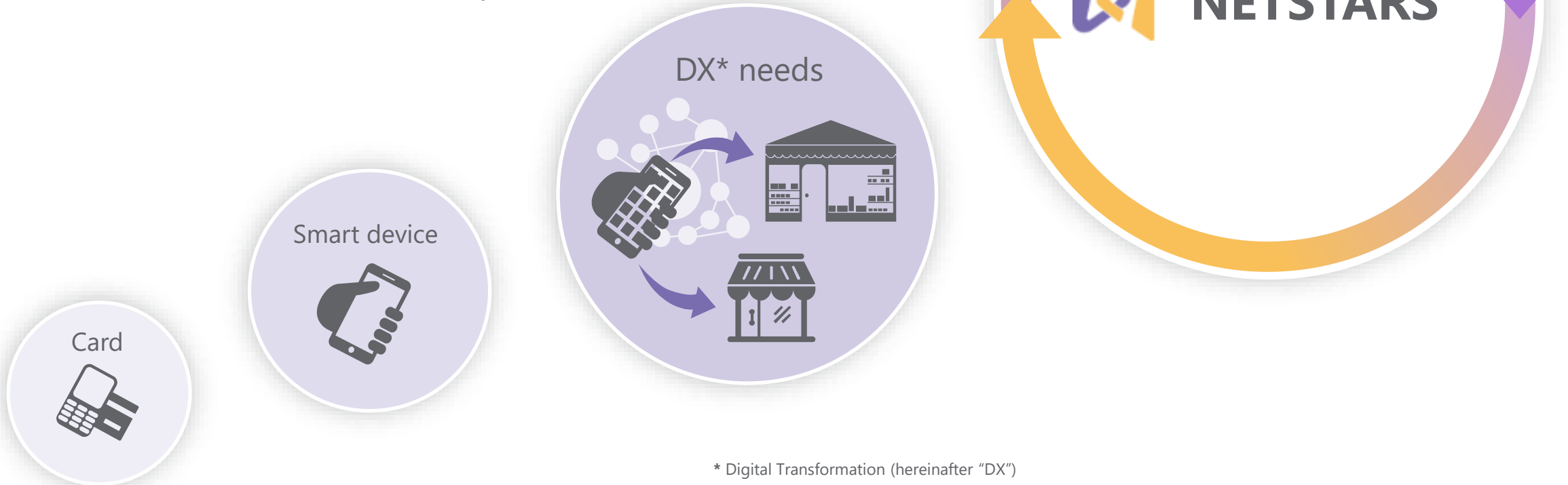
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Business Overview

Let the payments go smoother

Our vision is to transform the flow of money toward more convenience, efficiency, safety, and peace of mind.

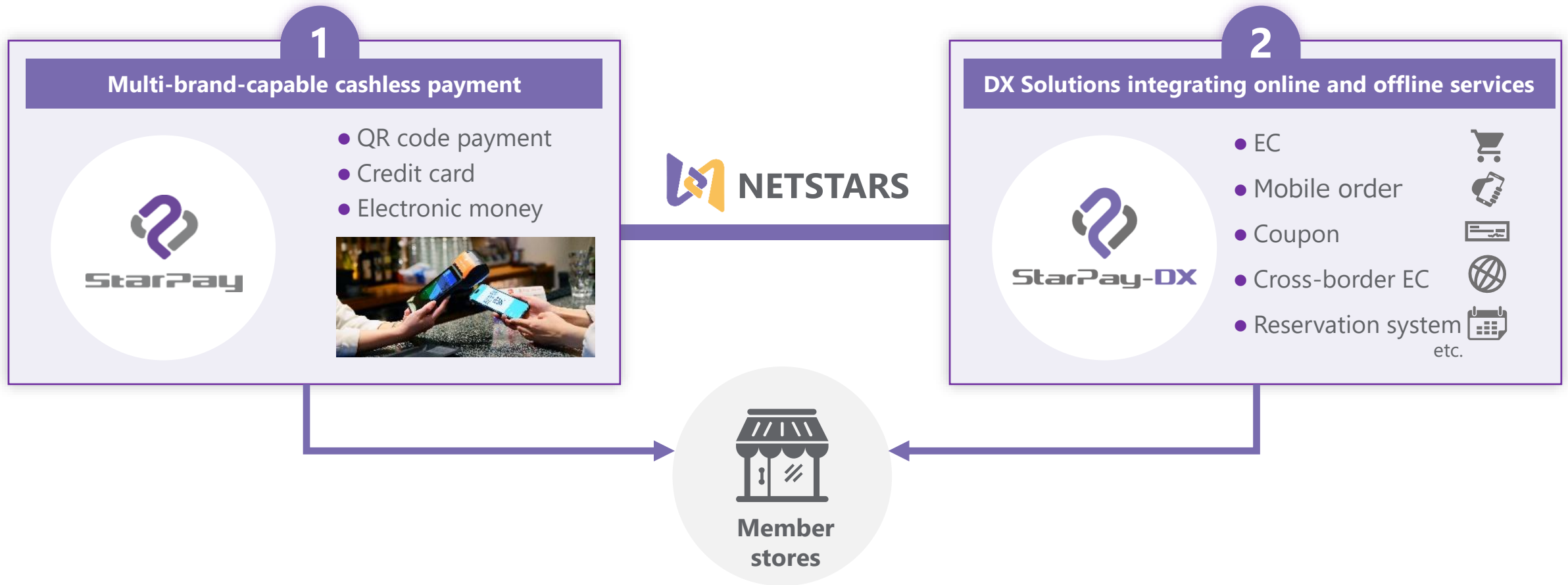
By creating this effortless, natural flow of money, we will help circulate it to all corners of the world, and help civilization evolve further.



* Digital Transformation (hereinafter "DX")

Business Overview: Main Services Provided by NETSTARS

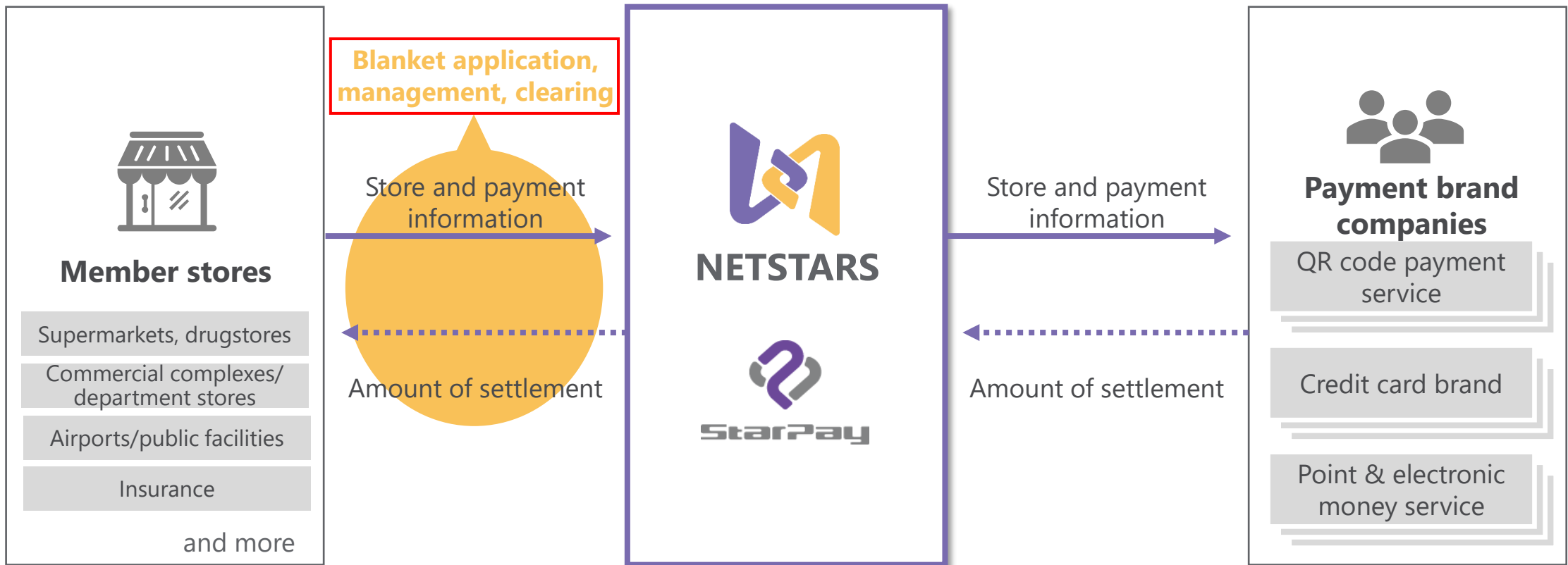
NETSTARS offers multi-brand cashless payment solutions, focusing on QR code payments, to member stores, providing comprehensive support and labor-saving benefits as a gateway operator providing DX Solutions



Business Overview: Cashless Payment Gateway Service

We are a pioneer in cashless payments, having launched the first* QR code payment gateway in Japan, and now provides ONE-STOP services that support various means of payment.

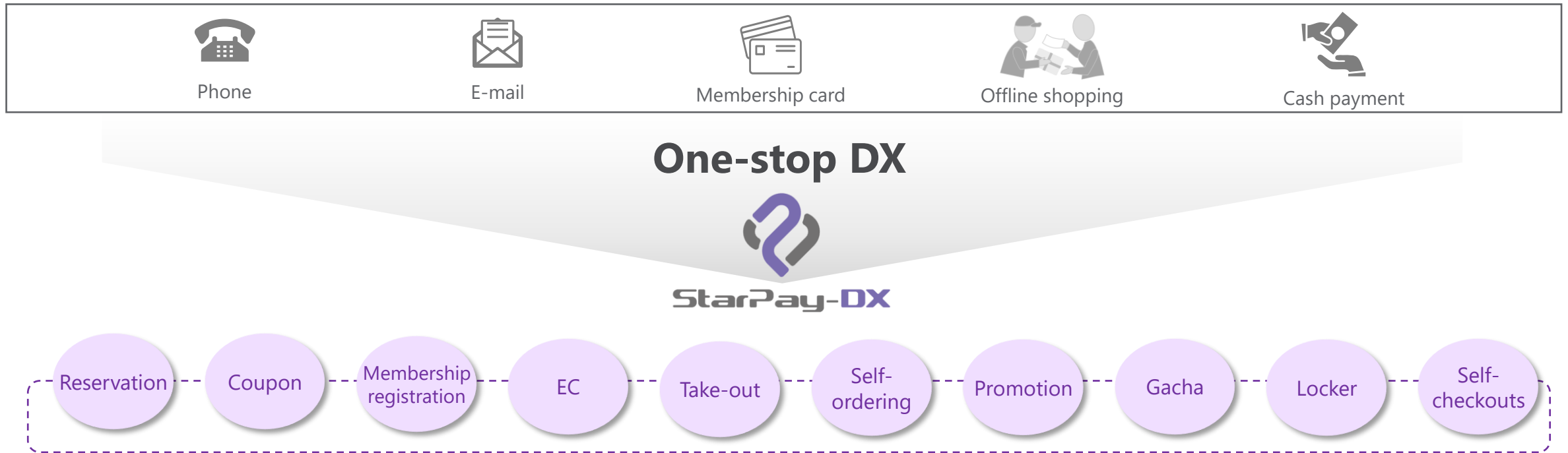
* internal research



Business Overview: StarPay-DX— Achieving One-Stop DX

With StarPay-DX, member stores can achieve one-stop DX.

It supports cashless payments and various services via both native apps*1 and mini apps*2



Flexible formats: (native app, terminal at a kiosk, mini app) to suit member stores

*1 Native app: An old-style member store app to be installed outside a payment app

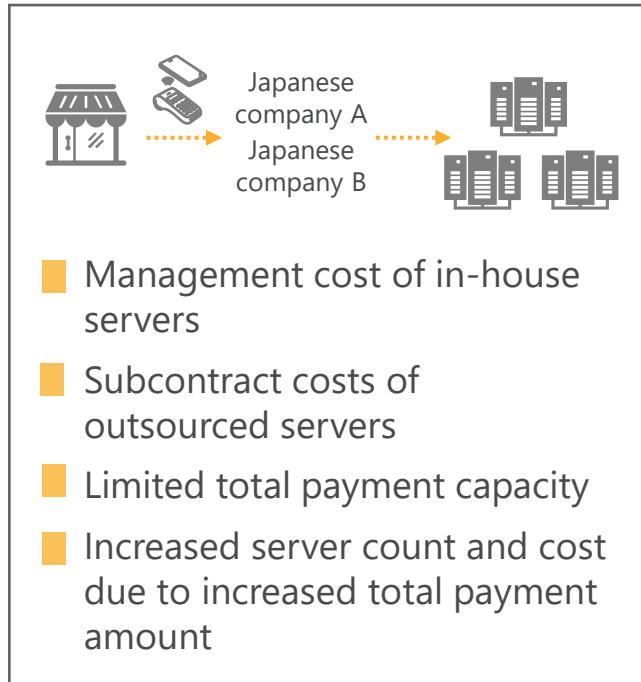
*2 Mini app: An app that enables various functions to be provided within a super app

Our Strengths: (1) Technology and Development Capabilities

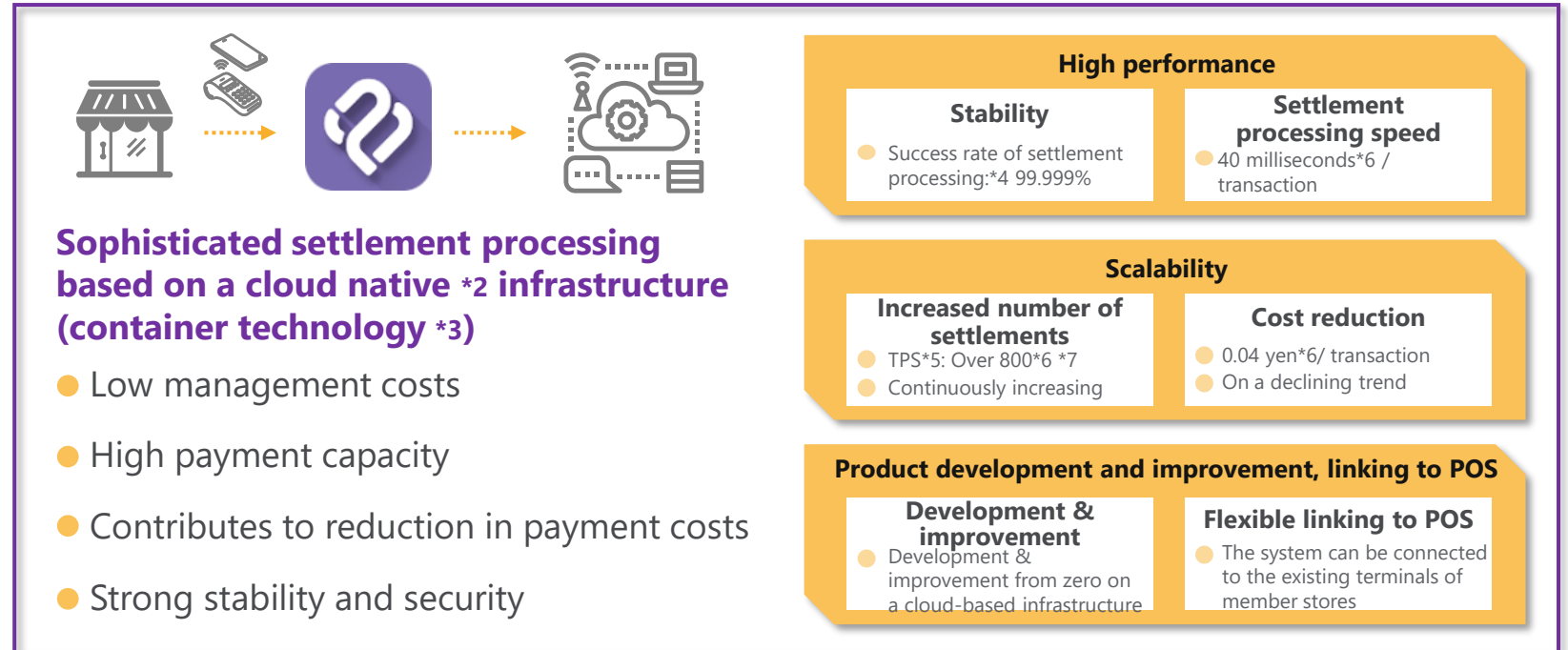
We achieve high cloud systems stability (adoption of a cloud native infrastructure + container technology) using the world's most advanced technologies

We deliver innovation and added value to member stores backed by strong technological capabilities

Conventional PSP *1



NETSTARS



*1 Analysis based on our own understanding

*2 The term "cloud-native" refers to an approach or concept of designing, building, and operating applications and services in a cloud environment. A cloud-native application is an application intended to be used most effectively on a cloud platform.

*3 Container technology is a technology that builds an execution environment on a host OS by creating a virtual partition isolated from other processes in order to have applications run within the partition. Placing applications (functions) and an execution environment in the same container allows the applications to run smoothly and faster and helps increase development speed and flexibility.

*4 Excluding third-party settlement errors
Data is for the 12 months from January 2025 to December 2025

*5 TPS=Transaction Per Second

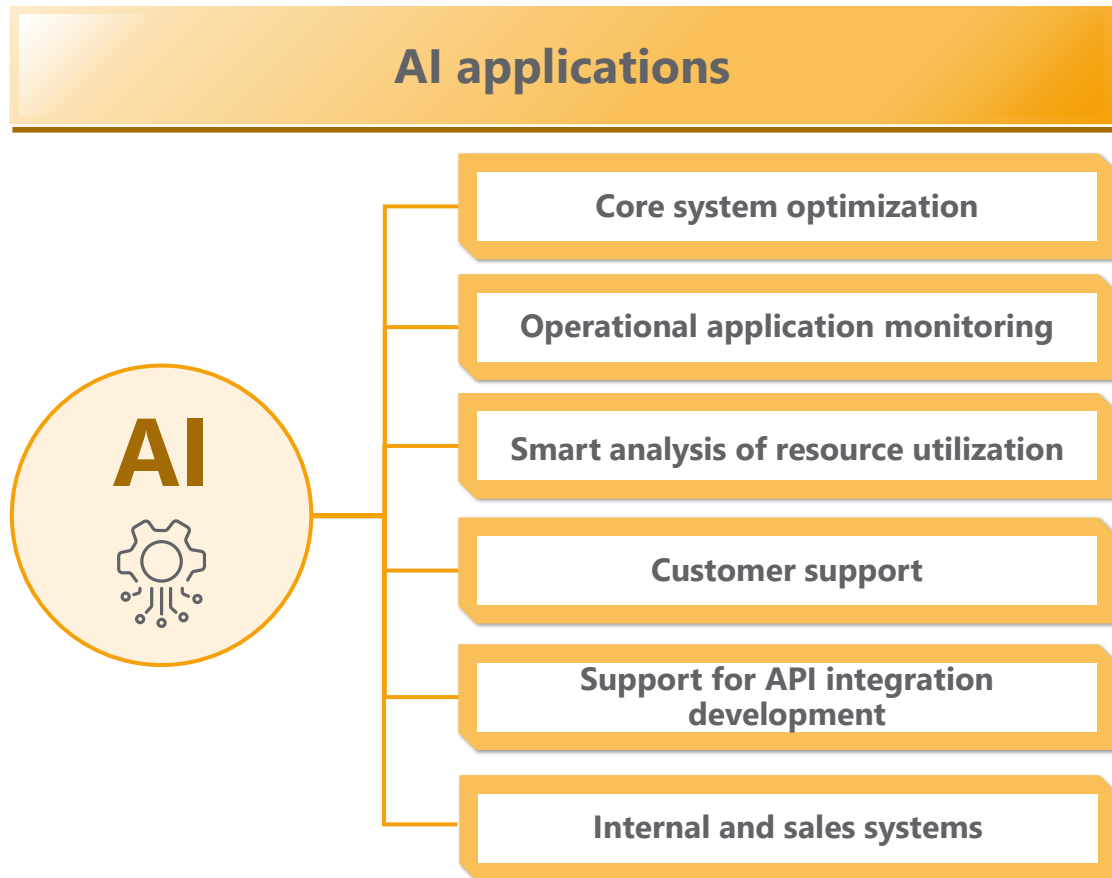
*6 Both data are as of December 2025.

*7 1,200 for in-person and online payments

Our Strengths: (1) Pursuing Greater Efficiency by Utilizing AI

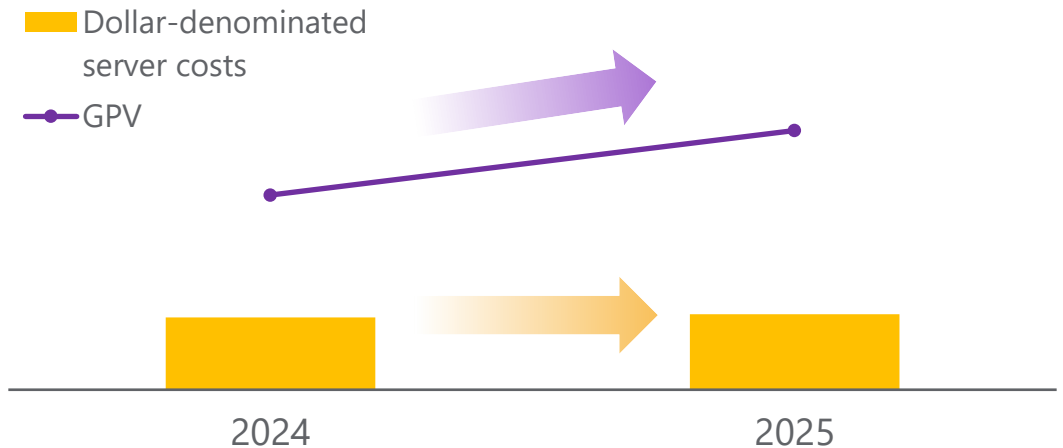
We are further expanding AI utilization, significantly improving cost efficiency. In Q1, we transitioned internal support systems, including the sales division, to AI.

AI has been deployed across server monitoring, development, and customer support, delivering significant results. AI contributes to lower costs and improved services.



AI-driven server optimization

GPV and dollar-denominated server costs



GPV rose 33% YoY while server costs remained nearly flat.

Our Strengths: (2) Extensive Member Store Network and Brand Coverage

We have Japan's highest number of QR payment brands and a robust network of member stores in a wide range of business categories. Member stores are increasing, particularly in the retail industry, and multiple rollouts are planned, including new sectors. We plan to add "10 or more" payment brands in the current fiscal year.

Member stores (partial)

Supermarkets, home improvement stores



Drugstores



Commercial complexes, department stores, sports shops



Airports



Restaurants, foodservice



Hotels, amusement facilities



GS



Insurance



More...

Payment brands (partial)

QR code payment

Credit card

Electronic money

40 companies or more 6 companies 7 companies or more



More...

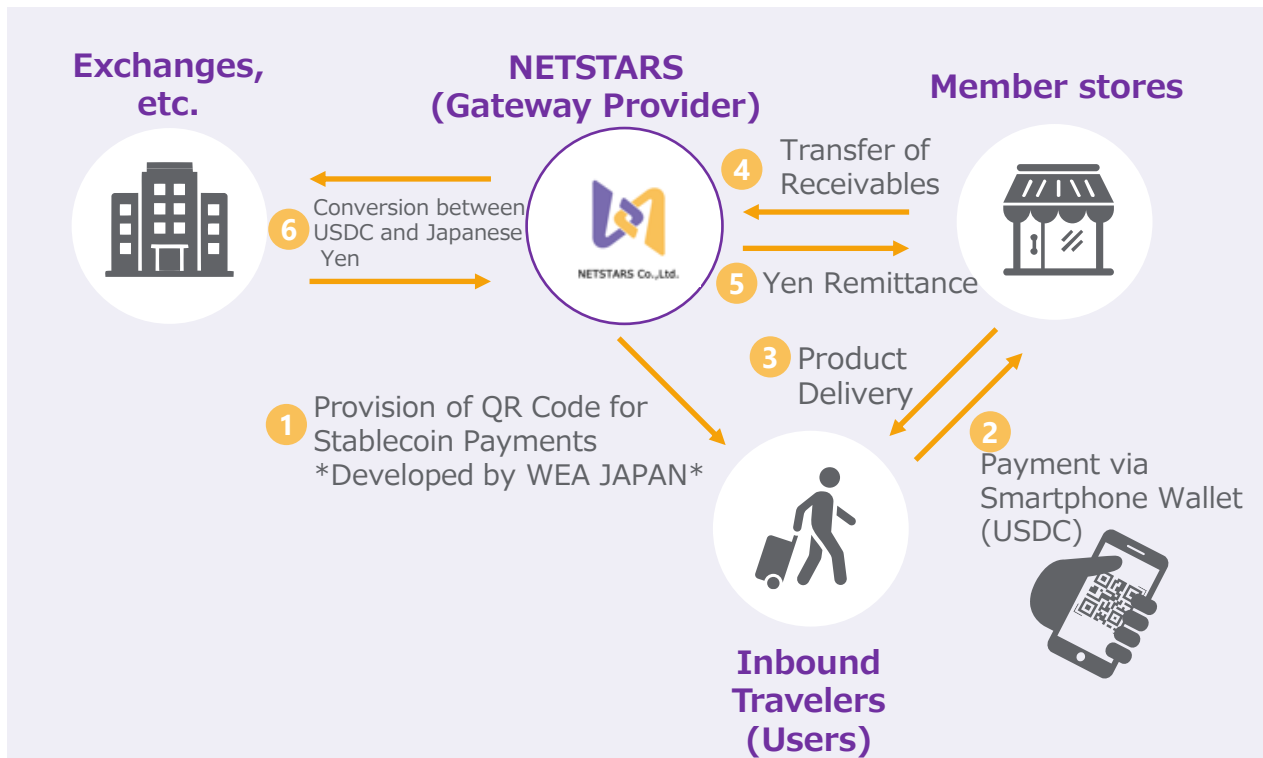
Number of accounts introduced
Approx. 700k

QR brands coverage:
One of the largest in Japan

Our Strengths: (2) Japan's First* implementation of USDC Payments at Retail Locations - Addition of Payment Method

StarPay consistently maintains one of the largest brand lineups and aims to add and implement a wide range of new payment methods. The ability to use stablecoin payments, a new payment method with the potential for technological innovation, in an "affordable," "accessible," and "easy" manner aligns with our philosophy of "Let the payments go smoother," and we will continue to focus on this area and add more brands.

*Note: The availability of other services is based on our in-house survey.



(\$)**USDC**



- Member stores generally do not need to purchase additional equipment*1
- Users (consumers) do not need to register with exchanges, etc.*2
- Other stablecoins will also be considered for addition in the future

Users and member stores will be able to handle payments in stablecoins without causing any inconvenience to users or member stores!

*1 Limited to member stores with QR code payment scanning capabilities. Also, some devices are not compatible even if they can read QR codes. Membership with StarPay is mandatory.

*2 Free apps/wallets like MetaMask need to be downloaded.

Our Strengths: (2) "StarPay-X," A Gateway Concept Connecting Web3, Including Stablecoins

StarPay-X is a multi-gateway concept connecting Web2 and Web3. By leveraging the payment infrastructure we have built in real-world commercial environments, StarPay-X does not aim merely to move Web3 beyond internal systems but also to establish it as a financial system that is deeply rooted in society through its use in real stores and services. Going forward, NETSTARS will integrate with multi-coin, multi-chain, and multi-wallet environments and evolve into a gateway platform that is more accessible to a wider range of users and merchants.

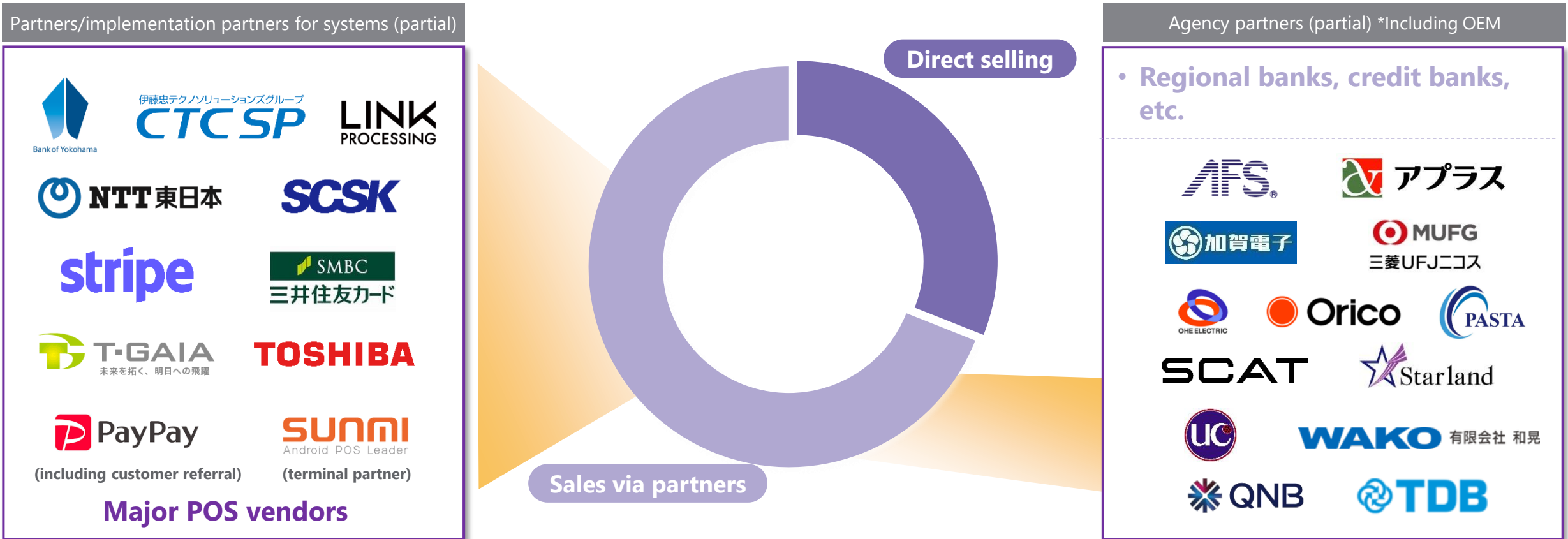


Partners

Aptos	Bitget Wallet
Canton FOUNDATION	CIRCLE
SOLANA FOUNDATION	STARTALE
WEA	

Our Strengths: (3) Our Broad Partner Base

We are expanding nationwide via partners, including payment brand companies and regional financial institutions. Efficient expansion of member stores throughout Japan without needing local offices. We also have a partnership with Stripe, a global leader in payment processing.



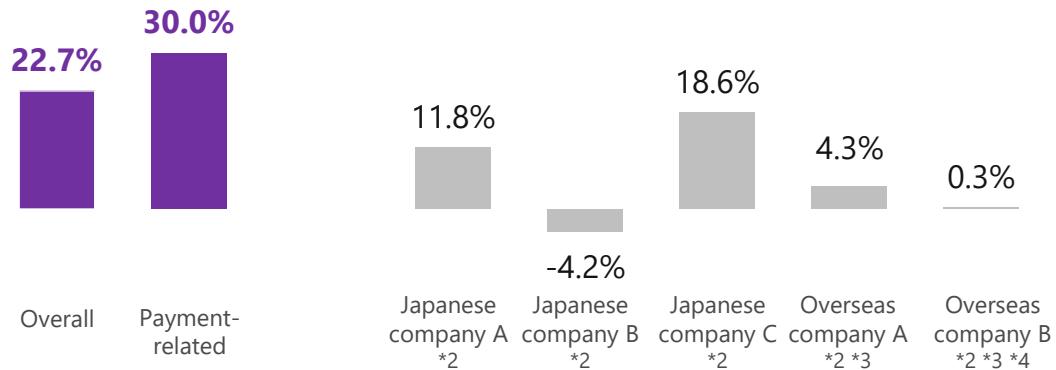
*The ratio of payment transactions coming from member stores acquired by direct sales or sales via partners in the Group's total payment transactions (FY 2021 to FY 2025)



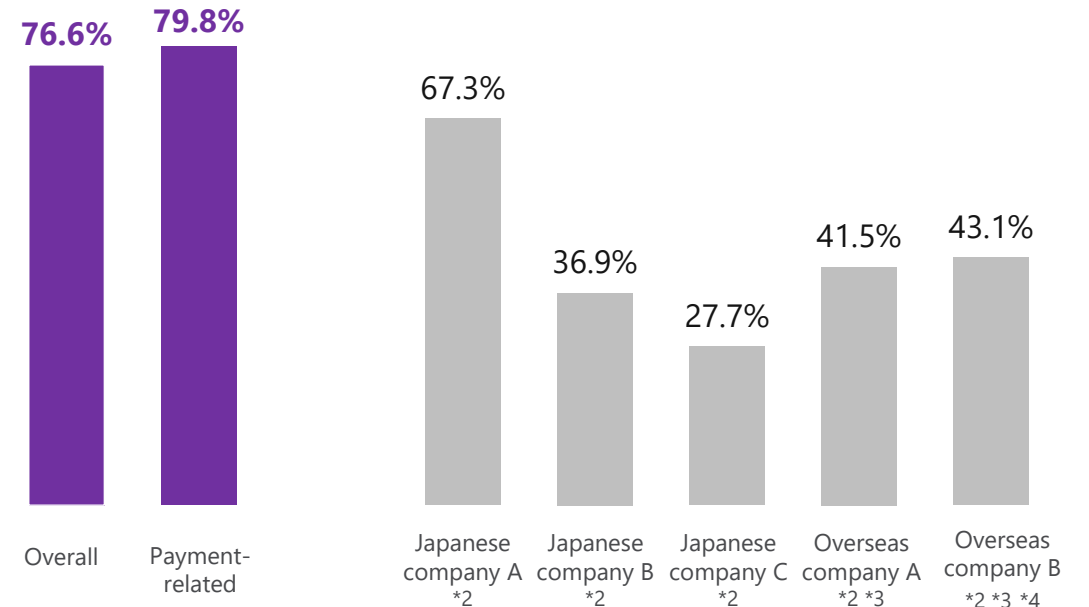
Our Strengths: (4) Outperforming Major PSPs in Growth Rates and Profit Margin

Maintaining a higher growth rate and an industry-leading profit margin compared to major PSPs With the achievement of profitability, we will now enter a phase of expanding profitability.

Sales growth rate (YoY rate in the latest business year) *1



Gross profit margin (in the latest business year) *1



*1 Comparison with major PSPs (Payment Service Providers: Settlement agents) according to our own analysis.
 *2 Drafted by the Company based on financial results data disclosed by each company for the latest business year
 *3 Calculated based on local currencies
 *4 Calculation method changed due to segment revision from FY2025.



2

Financial Highlights (Consolidated Performance)



Key Points on Q1 Results for FY 2026 (Ending Dec. 31) (Recap)

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Profit levels remained solid, supported by interest income

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Major Components of the Income Statement and KPIs

Consolidated Statement of Profit and Loss

(million yen)	FYE12/25 Q1	FYE12/26 Q1	YoY		vs. forecast	
Net sales	1,051	1,331	+280	(+26.6%)	-57	(-4.1%)
Payment-related	951	1,192	+241	(+25.4%)	-68	(-5.4%)
DX / mini apps	61	82	+20	(+33.5%)	+7	(+10.0%)
Other	38	56	+18	(+46.8%)	+3	(+7.3%)
Cost of sales	242	363	+121	(+49.9%)	-65	(-15.2%)
Gross profit	808	967	+158	(+19.6%)	+8	(+0.8%)
SG&A expenses	811	851	+39	(+4.9%)	-74	(-8.0%)
Personnel expenses	443	435	-7	(-1.8%)	-14	(-3.3%)
Depreciation	61	53	-8	(-13.5%)	-11	(-17.6%)
Operating profit/loss	-2	116	+118	(- %)	+82	(+243.0%)
Ordinary profit/loss	52	161	+109	(+207.8%)	+84	(+108.2%)
Net profit/loss	45	137	+92	(+204.6%)	+82	(+150.5%)
<KPI>						
Volume of payment transactions (100 million yen)	4,674	5,497	+822	(+17.6%)	-176	(-3.1%)
Gross profit margin	76.9%	72.7%	—	—	—	—

Net sales

Payment-related services increased steadily by +25.4% YoY. However, results fell short of the plan as GPV slightly underperformed expectations.

Operating profit & Net profit

Deferred large-scale POS upgrade costs to Q2 and improved cost controls significantly improved operating profit/loss.

Volume of payment transactions (GPV)

Steadily increased due to new member store acquisitions. However, results fell slightly short of expectations due to inbound tourism and inflation.

Gross profit margin

As in the previous quarter, large payment terminal orders resulted in a YoY decline.

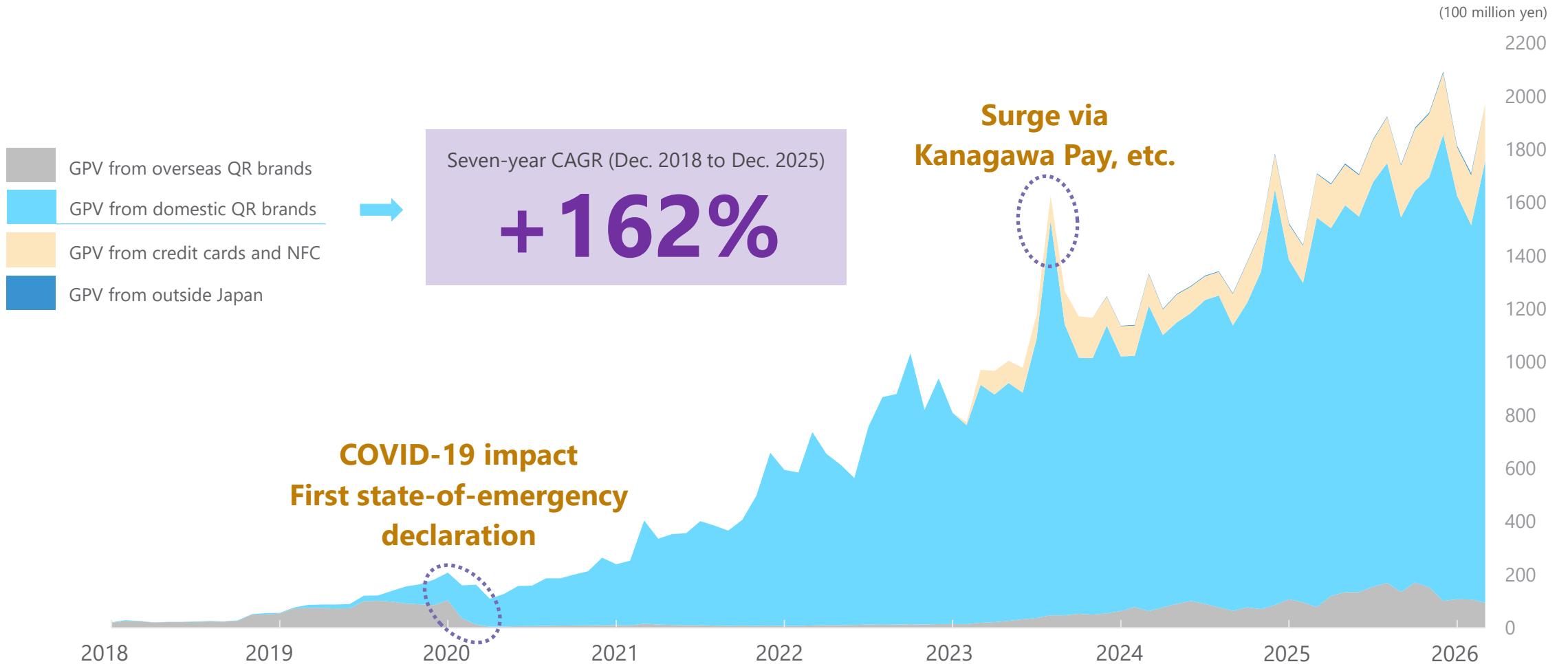
Quarterly Statistics of Net Sales and GPV





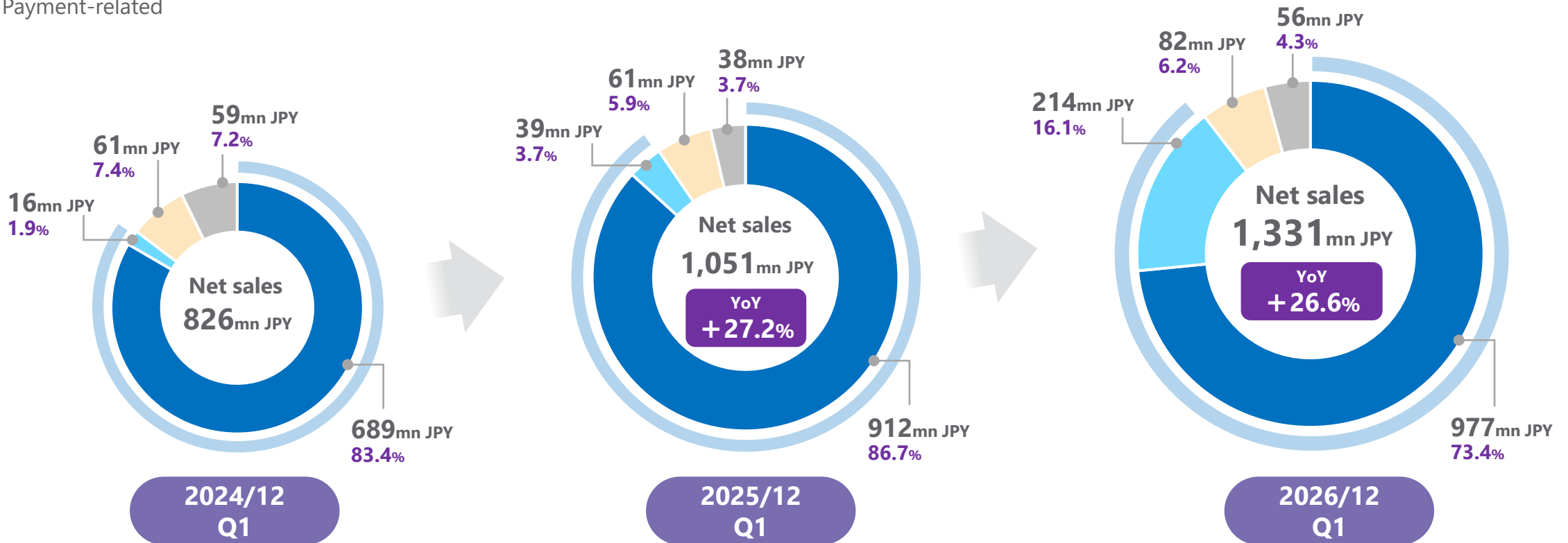
Breakdown of Company GPV

All GPV categories remain on an upward trend, setting a new record high for Q1. Despite inflation-driven weakness in retail chains and gas stations, domestic demand remained solid. We will continue to closely monitor future developments.



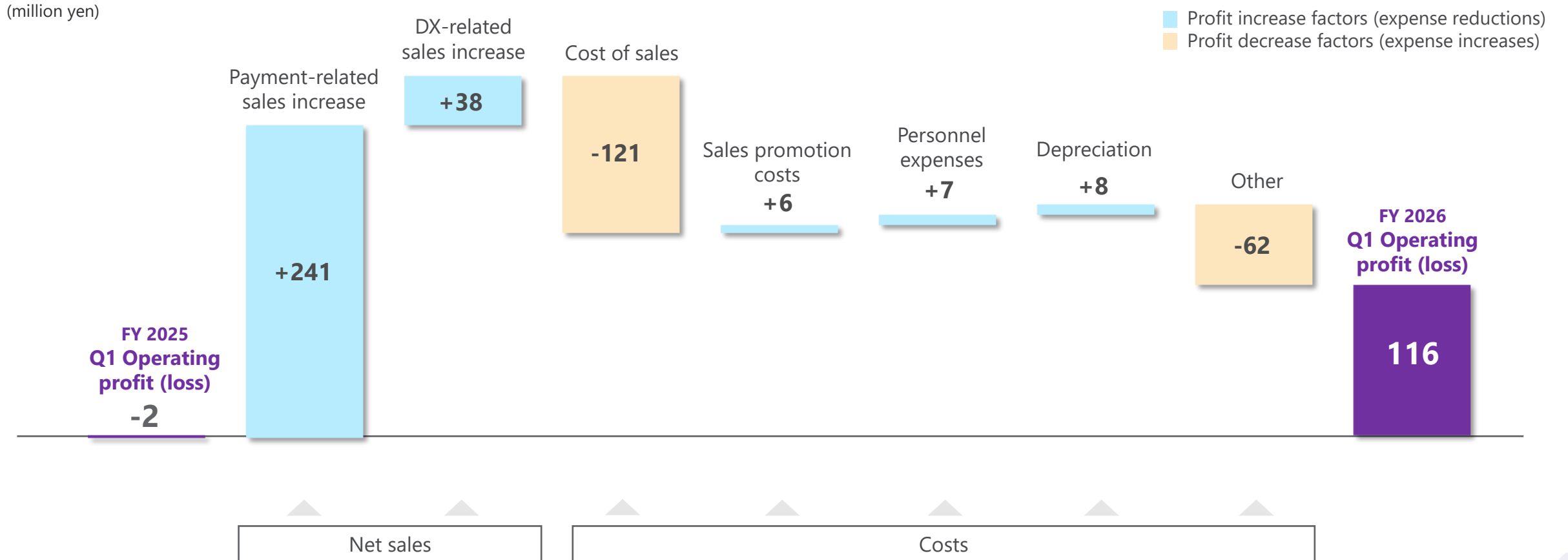
Net Sales Breakdown by Service

Payment-related services continued to grow and now account for over 73% of total net sales. Terminal sales continued to progress, with large orders from targeted key industries following on from Q4 FY2025, forming a basis for expansion into a broader range of products going forward. DX and other sales remained solid, broadly in line with previous years.



Drivers of Changes in Operating Profit/Loss

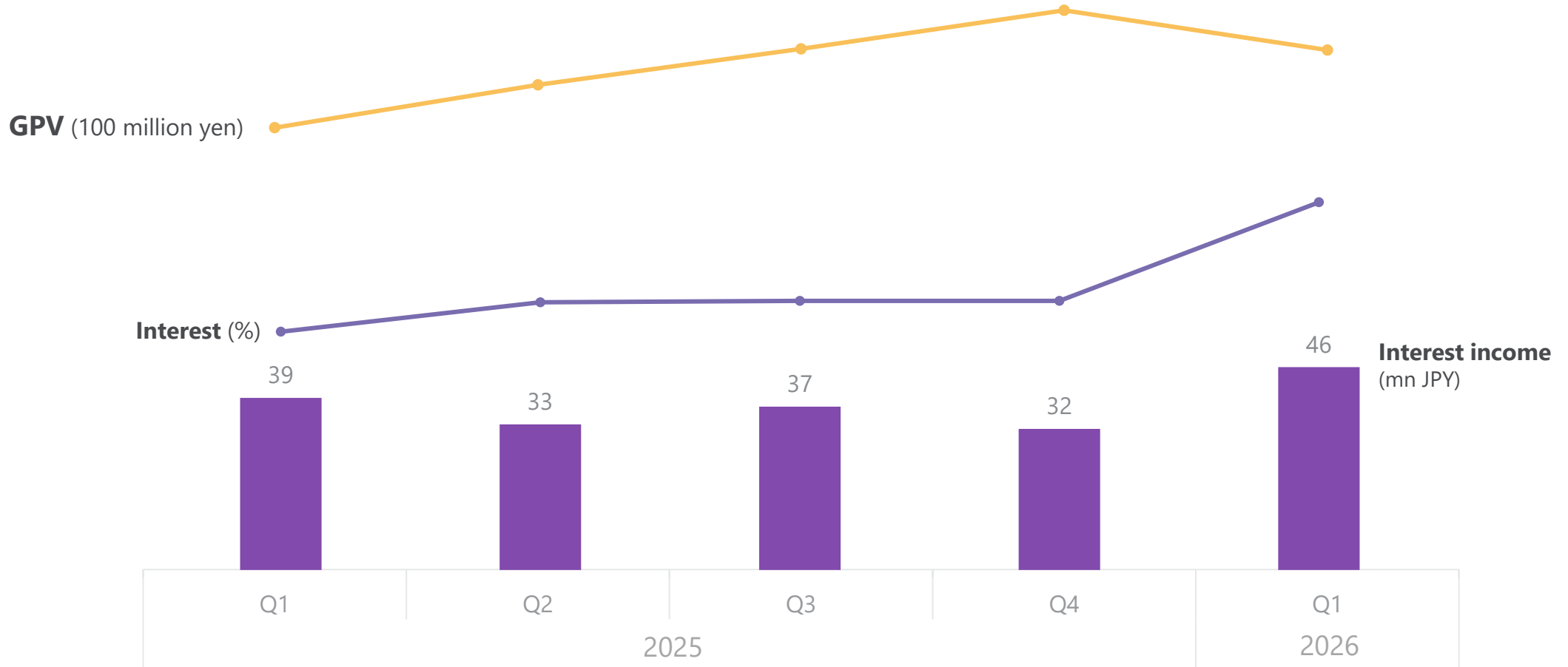
Payment-related sales (including terminal sales) rose sharply YoY, due to new project acquisitions, and higher GPV at existing member stores, etc. This offset losses YoY and became the primary driver behind the return to profitability. DX sales increased in line with the plan. Cost of sales increased but remained below the plan. Profitability was further enhanced by an increased focus on acquiring fee revenue and by higher-margin settlement-related revenue growth and improvements in SG&A, such as server costs.





Trend in Interest Income

**Interest income, recorded under non-operating income, increased in line with GPV growth.
Interest income also tends to increase in line with BOJ policy rate increases.**



Full-year Earnings Forecast for FY 2026 (Ending Dec. 31) (Recap)

GPV and sales are expected to increase by as much as 20%, while operating profit is expected to increase by 210mn JPY to 500mn JPY. We also expect interest income to increase due to higher GPV and interest rate hikes, and we forecast ordinary profit to increase by 260mn JPY to 710mn JPY.

(million yen)

	FYE12/25 (Results)	FYE12/26 (Forecasts)	Change	Rate of increase
Net sales	4,788	5,760	+971	+20.3%
Payment-related	4,310	5,150	+839	+19.5%
DX & mini apps	317	410	+92	+29.3%
Other	160	200	+39	+24.7%
Cost of sales	1,122	1,590	+468	+41.7%
Gross profit	3,665	4,169	+503	+13.7%
SG&A expenses	3,372	3,668	+296	+8.8%
Personnel expenses	1,806	1,933	+126	+7.0%
Depreciation	244	268	+23	+9.8%
Sales promotion costs	213	254	+41	+19.4%
Other	1,108	1,212	+104	+9.4%
Operating profit/loss	293	500	+207	+70.8%
Interest income	142	216	+74	+52.1%
Ordinary profit/loss	443	707	+264	+59.7%
Income taxes	-82	214	+296	—
Net profit/loss	485	493	+8	+1.7%
GPV (100 million yen)	21,228	25,474	4,246	+20.0%

Net sales & GPV

Multiple new large-scale pipelines are expected. These are scheduled to gradually begin contributing to sales and GPV. An increase of about 20% is expected.

Gross profit

Compared to last year, costs are expected to increase due to new cashless service sectors and projects, but we plan to maintain a gross profit margin exceeding 70%.

SG&A expenses and income taxes, etc.

The situation is such that sales are projected to increase by 8.8% compared to 2025, and cost efficiency is showing signs of improvement. The tax burden temporarily declined due to deferred tax assets and is expected to normalize from next period.

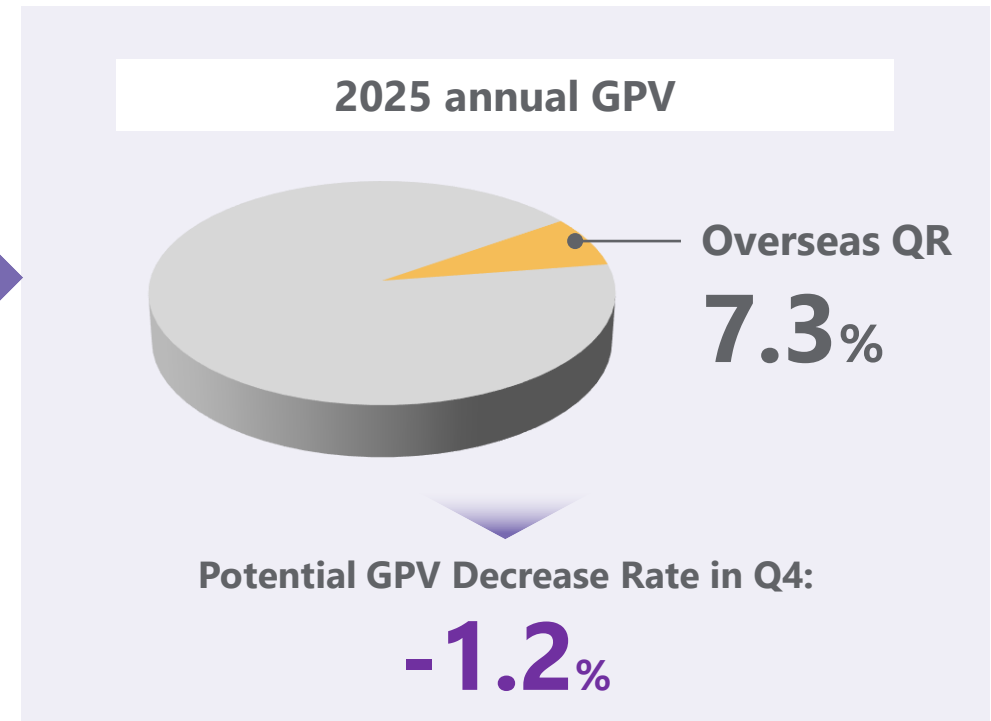
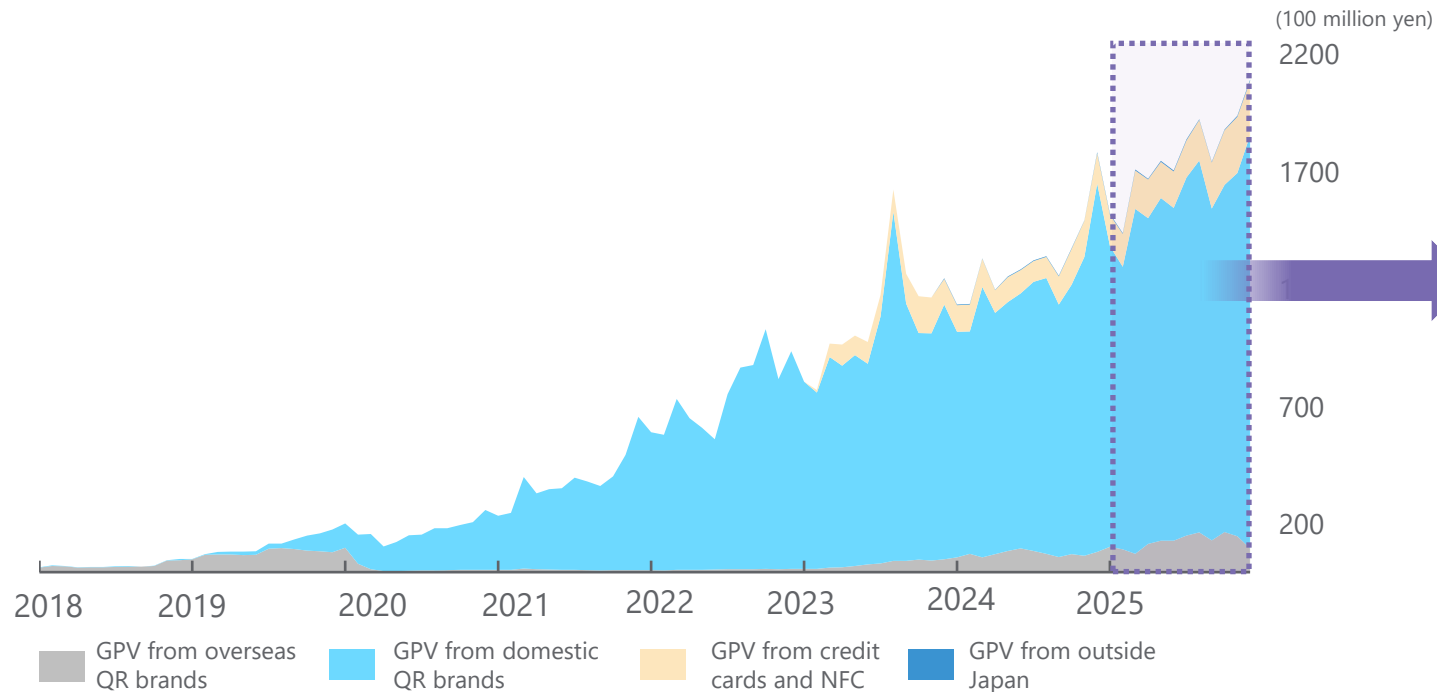
Full-year Earnings Forecast for FY 2026 (Ending Dec. 31) (Recap)

Net sales are scheduled to increase compared to 2025, with a focus on payment-related sales. In Q1 2026, we plan to incur somewhat higher-than-usual sales promotion costs (including POS upgrade costs) associated with acquiring clients expected to contribute to GPV in the short to medium term. Regarding DX, the main costs will be terminal purchase costs and development expenses associated with self-checkout sales systems, but we plan to flexibly implement measures to increase revenue from payment fees.

		Consolidated									
		FYE12/25 (Results)				FYE12/26 (Forecasts)					
(million yen)		Q1	Q2	Q3	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year
Net sales		1,051	1,107	1,208	1,420	4,788	1,388	1,304	1,466	1,600	5,760
	Payment-related	951	991	1,062	1,305	4,310	1,260	1,146	1,306	1,436	5,150
	DX & mini apps	61	77	105	71	317	74	106	111	117	410
	Other	38	37	40	43	160	52	51	49	46	200
Cost of sales		242	232	239	407	1,122	428	321	387	452	1,590
Gross profit		808	874	969	1,013	3,665	959	982	1,079	1,148	4,169
SG&A expenses		811	812	847	901	3,372	925	875	872	995	3,668
Operating profit/loss		-2	62	121	112	293	33	106	207	152	500
Ordinary profit/loss		52	98	155	136	443	77	160	264	204	707
Profit attributable to owners of parent		45	82	92	265	485	54	111	184	142	493
GPV (100 million yen)		4,674	5,128	5,508	5,916	21,228	5,674	6,117	6,592	7,091	25,474

Impact of the Decline in Inbound Tourism from China on Company GPV (Recap)

Overseas QR, representing the inbound tourism ratio, accounts for only 7.3% of overall Company GPV, meaning the impact of the decline in inbound tourism from China on the Company is limited.



- The negative impact from reduced flights between Japan and China between Q3 and Q4 amounted to about 1.2% of overall GPV.
- Although Chinese-origin payment services saw a decline of about 20%, domestic payment brands remained strong, resulting in an overall quarter-on-quarter increase in GPV.



Topics (Since January 2026)

Topic 1

Volume of Payment Transactions Reached a Record High of 549.7bn JPY for a Q1

See page 27

Topic 2

Japan's First* AI and Prepayment Solution to Eliminate Unpaid Foreign Patient Medical Bills

See page 28

Topic 3

Provision of a Digital Stamp Rally System to Yokohama City Shopping Districts

See page 29

Topic 4

Expansion of Product Lineup for SMEs

See page 30

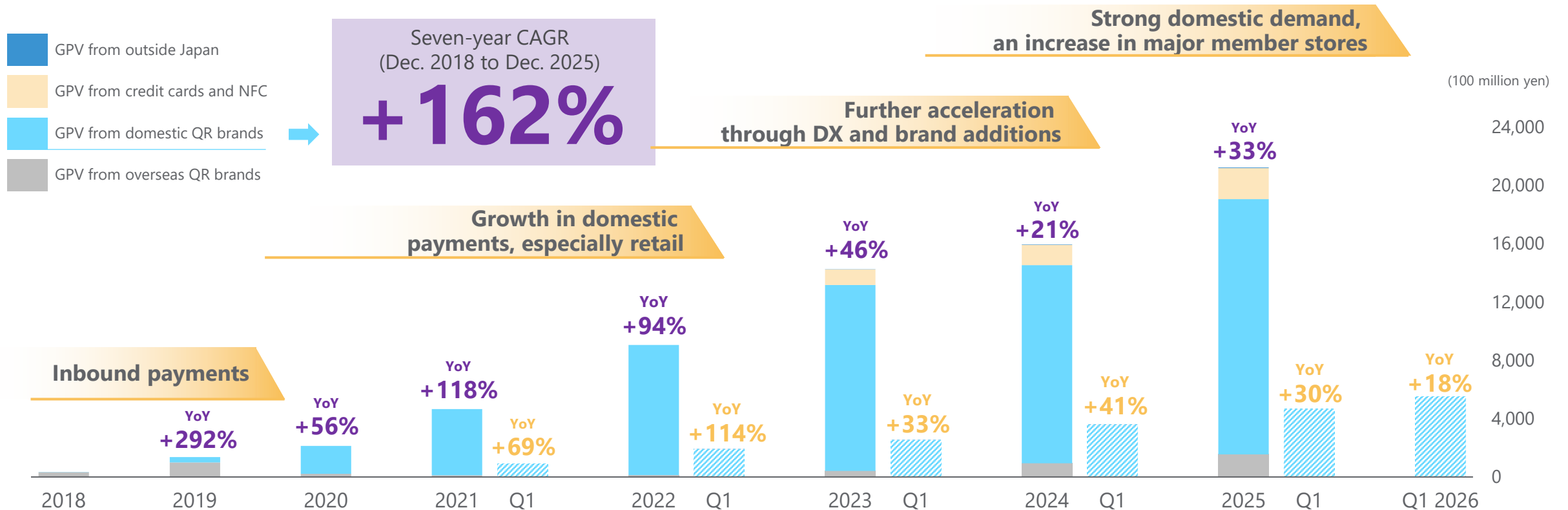
*As a SaaS-based system that integrates AI multilingual automated response and authorization payments to prevent unpaid medical expenses within Japan (in-house survey)

Topic 1: Volume of Payment Transactions Reached a Record High of 549.7bn JPY for a Q1

Volume of payment transactions grew steadily by +18% YoY, setting a new record high in Q1. However, the results fell short of the plan.

Uncertainties such as future macroeconomic instability make it difficult to predict, so we will continue to monitor the situation.

Volume of payment transactions over time



Topic 2: Japan's First* AI and Prepayment Solution to Eliminate Unpaid Foreign Patient Medical Bills

Agreed and began the joint development Japan's first integrated solution providing end-to-end support for foreign patients from reception through payment.

It aims to significantly reduce the burden on healthcare staff while addressing the growing problem of unpaid medical bills.

*Note: As a SaaS-based system that integrates AI multilingual automated response and authorization payments to prevent unpaid medical expenses within Japan (in-house survey)

- NETSTARS has agreed and began the joint development the integrated solution in collaboration with Daisybell Japan Co., Ltd.*2 and the International Medical Coordinator Companies Association Japan (JIMCA).
- According to an MHLW survey, unpaid medical bills from foreign patients at the hospitals that responded to the survey totaled approximately 1.3bn JPY, with average unpaid expenses per inpatient case among foreign visitors exceeding 3mn JPY, placing growing pressure on hospital operations.
- The solution aims to reduce the burden on healthcare staff through multilingual AI agent phone and reception support, while lowering unpaid bill risk through medical deposit payments.
- Pilot implementation is scheduled from May 2026 onward.



*2 Name changed from VoxAI Japan Inc.

Topic 3: Provision of a Digital Stamp Rally System to Yokohama City Shopping Districts

Provided the system for the digital stamp rally project organized by the Yokohama Shopping Street Total Federation.

- The "Yokohama Acchi! Kocchi! Shopping Street Walk" digital stamp rally, held from February to March, allowed shoppers at Yokohama shopping districts to scan QR codes with their smartphones to collect stamps and enter prize drawings.
- We also provided the system for the digital stamp rally held simultaneously by Yokohama City's Midori Ward Shopping District.
- We contributed to local economic revitalization by providing various DX solutions, including digital gift certificates and regional loyalty points.



Topic 4: Expansion of Product Lineup for SMEs

Expanding our service lineup to allow member stores to select the features they need based on their specific needs from their introduction stage through their growth phase. We aim to enhance the convenience and support the business growth of our member stores while expanding our revenue base.

Improved convenience for member stores



- Add 10 or more payments
- Early settlement
- Sophistication of the purchasing experience

Strengthening of our revenue base



- Promote continued use through improved engagement
- Expand revenue opportunities



3

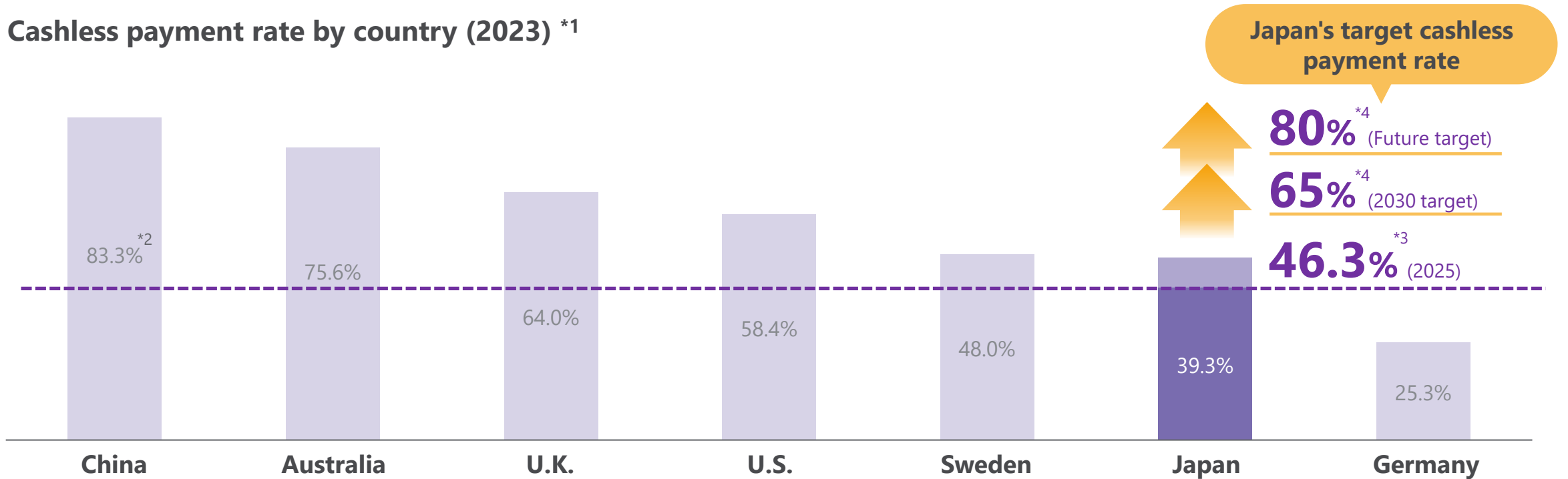
Market Environment and Our Position

Market with High Growth Potential

Japan's cashless payment rate is lower than in other countries. The Ministry of Economy, Trade and Industry has set a target for the cashless payment rate, so there is high growth potential.

Furthermore, Japan's cashless payment rate in 2025 stands at 46.3% based on the conventional calculation metric, and under the new calculation method, the domestic indicator stands at 58.0%.

Cashless payment rate by country (2023) *1



*1 The figures for cashless payment ratios by country are based on data from the World Bank's 'Households Final Consumption Expenditure 2023 (April 15, 2025)' and the annual payment amounts using non-cash methods from the BIS 'Payment Statistics' for 2023 (June 1, 2025), as calculated by the Cashless Promotion Council in its report 'Calculation of Cashless Payment Ratios in Major Countries Worldwide for 2023' (September 4, 2025)

*2 The figure for China is based on data released by Euromonitor International

*3 The news release "2025 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated" (March 31, 2026)

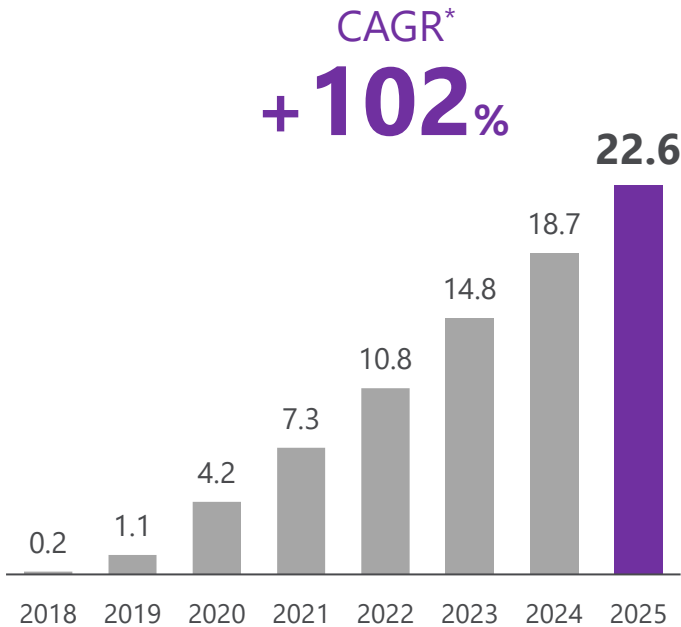
*4 "Discussion by Study Group on the Future Direction of Cashless Payment Summarized" domestic indicators based on the new calculation method by the Ministry of Economy, Trade and Industry (December 26, 2025)

Deployment of Services in the Fast-Growing Area of Cashless Payment

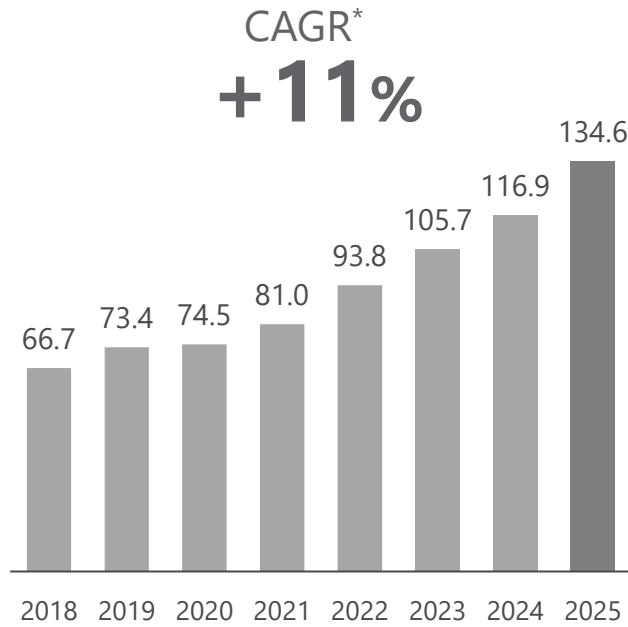
The market for QR code payments (NETSTARS' core service) has grown more rapidly than credit cards and the NFC market.

This payment system is the biggest contributor to development of the cashless market in Japan.

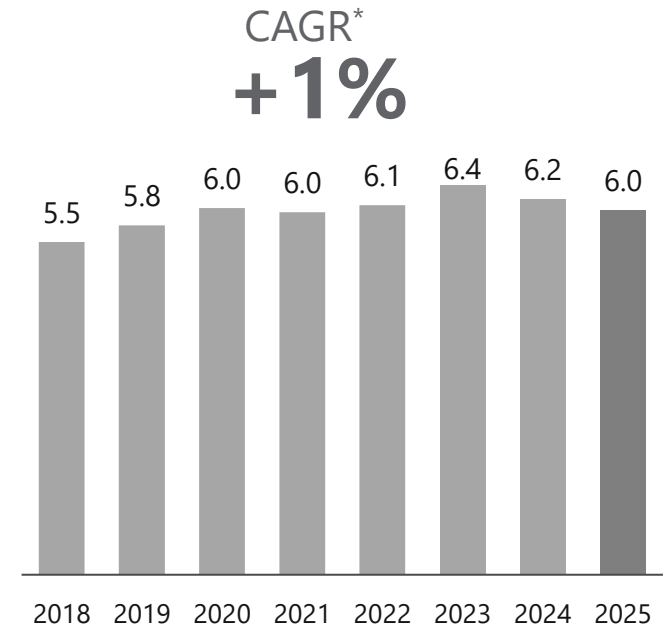
Amount of QR code payments^{*1}
(trillions of yen)



Amount of credit card payments^{*2}
(trillions of yen)



Amount of NFC^{*3} payments^{*4}
(trillions of yen)



*Note Period for CAGR calculation: 2018 to 2025

*1 Survey on Trends of Cashless Payment Use by the Cashless Promotion Council (March 30, 2026)

*2 Statistical Data Based on Results of Survey by the Japan Consumer Credit Association (March 31, 2026)

*3 Stands for Near Field Communication, which means short-range wireless communications. It is a communications standard that allows a device user to perform communications through a contactless IC chip simply by holding the device. This technology is characterized by a small communication area and is used in a smartphone with a mobile wallet and transportation IC cards such as Suica and PASMO.

*4 "Payment Trends (February 2026)," by the Bank of Japan (March 31, 2026)



4

Growth Strategy

Basic Strategy for Medium-Term Growth

We aim to accelerate the pace of growth through multiple growth drivers (growth in cashless payments/expansion of DX Solutions/overseas expansion).

$$\text{Revenue} = \text{GPV} \times \text{Take rate} + \text{DX products, POS, etc. (cross-selling)}$$

Multiple growth drivers

1. 
StarPay

**Multi-cashless
payment**

See page 36

2. 
StarPay-DX

DX Solutions

See page 37

3. 
StarPay-Global

Overseas expansion

See page 38

NETSTARS provides high added value for member stores as well as QR code payment brands and super app providers

1. Multi-Cashless Payment

We aim to achieve continuous growth through measures for acquiring multiple new GPVs.

Acquisition of more new member stores through sales partners (OEM, agency)

Strengthen cooperation with vendors

- Regional financial institutions
- Payment-related companies
- Cash registers and POS
- Vending machines etc.

Further expansion of the sales partner network, our strength

Accelerate acquisition of new member stores

Acquire new GPVs

Cross-selling with DX products

New customers

Acquisition by DX products

Steer customers to payment services

Acquire new GPVs

Existing customers

Cross-selling with DX products

Within DX products

Acquire new GPVs

Provide user-friendly products

Increase the number of brands that can be connected

Meet all kinds of customer needs

Realize product delivery with short delivery times

Our strengths, such as POS connection

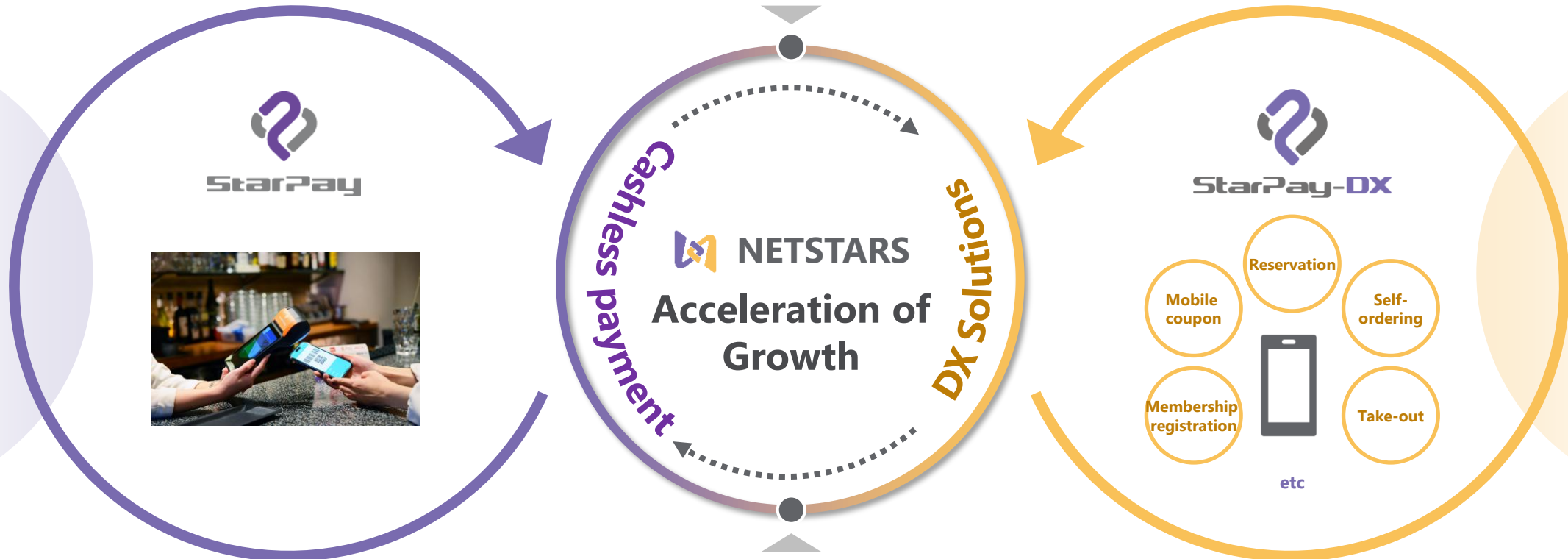
Promote flexible connection

Existing payment terminals and other companies' terminals

2. DX Solutions

For existing StarPay member stores, we will also provide StarPay-DX, including labor-saving DX products, in addition to cashless services in order to achieve an increase in cross-selling. Toward this goal, increase customizability (technological capability) and delivery speed.

Encourage StarPay member stores to adopt StarPay-DX



An increase in the number of DX Solutions and mini apps introduced & improvement of the engagement of member stores

3. Overseas Expansion

By advancing partnerships with overseas QR code payment brands, major overseas banks, etc., expanding the number of overseas payment brands handled and service areas, we are promoting and accelerating the global expansion of StarPay and StarPay-DX.

<Current overseas strategy>

Bring together super apps around the world as a QR code payment gateway.

+

Provide QR code payment gateway services for major overseas banks, etc. that are OEM partners.

Provide member stores with DX Solutions

<Prospects of our future overseas strategy>

Ensure that all QR code payment brands can be used around the world.

&

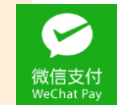
It will become possible to provide DX Solutions to member stores regardless of location.

Strong relations with overseas QR code payment brands

We are a QR code payment gateway that formed alliances with Alipay and WeChat Pay ahead of others.



NETSTARS



From June 2015

- Partnered with WeChat Pay as the first QR code payment gateway in Japan
- Expanded WeChat Pay within Japan as an agent

Expand partnership with overseas QR code payment brands

Number of overseas QR code payment brands: 40 or more

Key Initiatives for This Current Fiscal Year: Multi-Cashless Payment

In addition to the traditional settlement business domain, we will work on supplementing all kinds of payment needs in domains that provide added value.

Expanding into industries that support cashless services



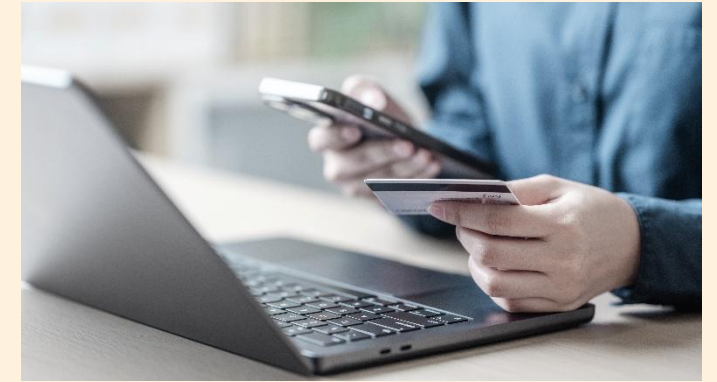
We are actively expanding not only to retailers that belong to a distribution (wholesale/logistics) group or network, but also into industries less familiar with cashless services, such as healthcare and insurance, real estate, and education. We also plan to develop specialized payment solutions for each sector.

Expanding payment brands



We are adding and expanding payment brands, regardless of domestic or international, Web 2.0 or 3.0. We aim to be the overwhelming leader in brand numbers

Upgrading non-face-to-face payments



We will not only continue to leverage our strength in in-person payment but also actively upgrade our non-face-to-face payments. Out-of-app billing for smartphone games are one such example.

Key Initiatives for This Current Fiscal Year: DX Solutions

Traditionally, we provided a single product for the food and beverage industry to other businesses and business categories, but now we are working to provide solutions that respond to customer needs.

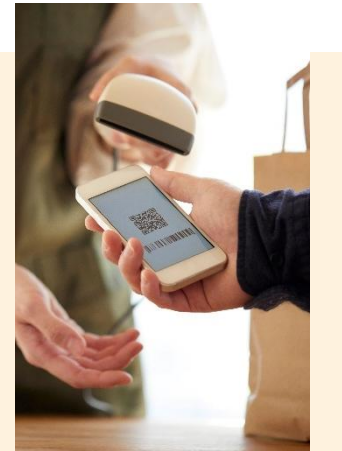
Self-checkouts

- Supports diverse business categories, including not only restaurants but also movie theaters, fitness gyms, and school cafeterias
- Contributes to labor saving and sales management efficiency optimization

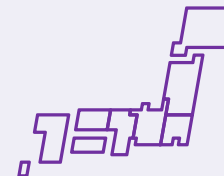


Local government wallets

- We offer system development and peripheral services for digital gift certificates and wallets, such as Kanagawa Pay and NahanchuPay, promoted as regional benefit initiatives.
- Revitalization of regional economies
- Support for local communities



Upselling of payment fees
Prevents churning of payment fees



Promotes regional cashless services

Key Initiatives for This Current Fiscal Year: Overseas Expansion

1

Expanding a made-in-Japan global payment system to multiple countries through JPQR

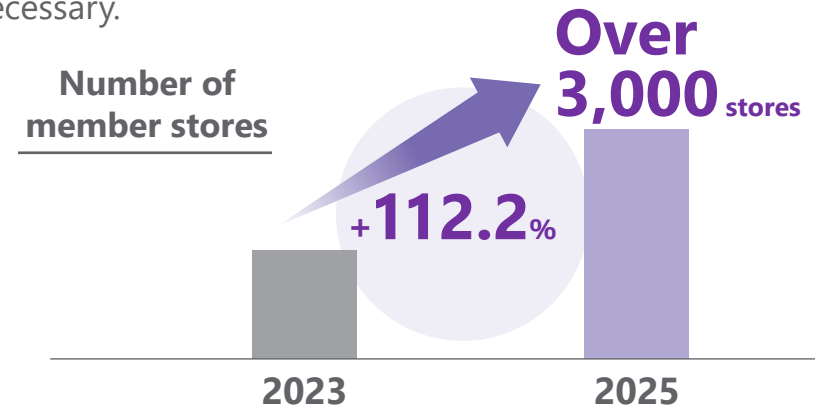
- We are promoting the realization of cross-border cashless payment **as the sole switcher for overseas use of the Japanese Unified QR Code (JPQR).**
- For the fiscal year ended December 31, 2025, we established a partnership with Indonesia and Cambodia to contribute to Japan's inbound market. Outbound initiatives are also in preparation.
- The **number of countries where QR payments can be used is expected to increase** going forward.



2

Accelerating the additional introduction of cashless services in Qatar

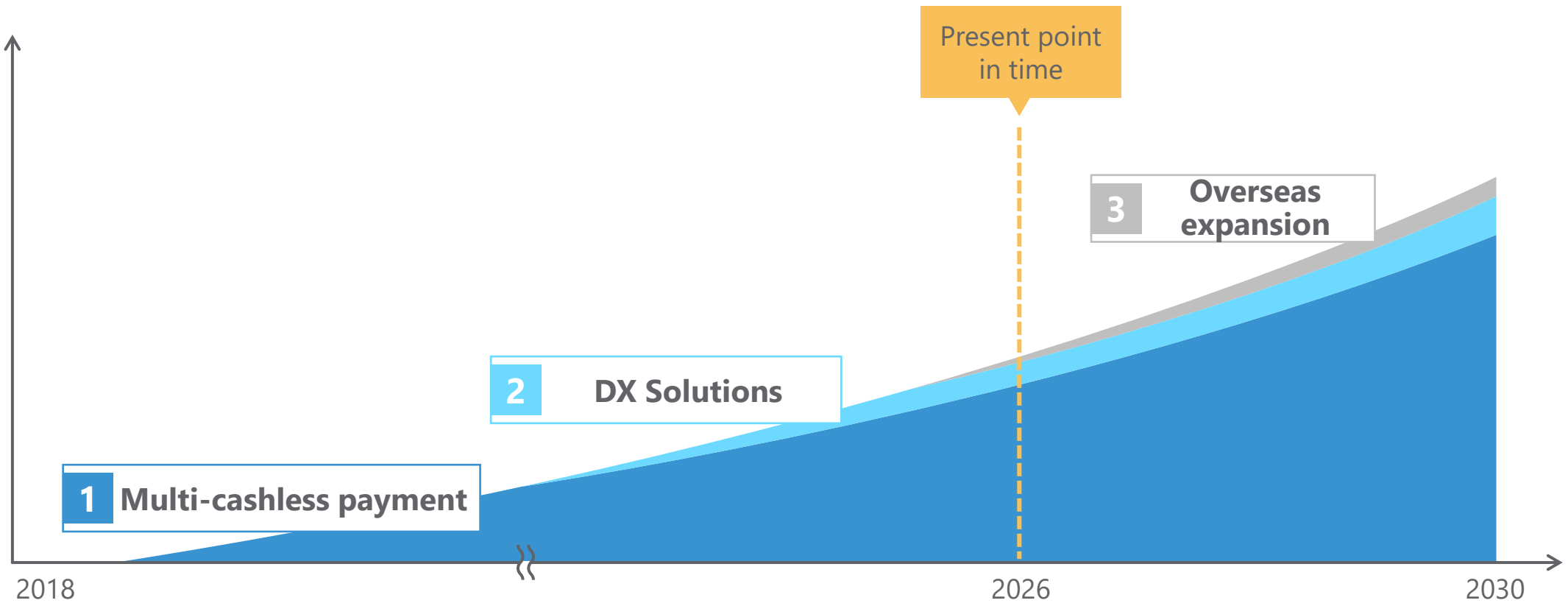
- Since launching the service in 2023, **the number of stores has increased by 112.2%.**
- We have already implemented India's Unified Payments Interface (UPI) and WeChat Pay.
- **We plan to further expand our network of new member stores and payment brands going forward.**
- We aim to provide flexible services that go beyond mere store payments and cover all points where cashless payments are necessary.





Medium-Term Growth Image

Further expand cashless payments centered on QR code payments, our business foundation, while stepping up DX Solutions-based cross-selling and global expansion



With the aim of achieving longer-term improvement of corporate value and realizing substantial redistribution of profits, we will continue to promote aggressive upfront investments for the time being.

Investment policy

[Basic policy]

To increase the total amount of payments and sales in fees through acquisition of new member stores and stable operation of our payment system, we will continue to make investments in growth opportunities, including the costs of recruiting talented development and sales personnel.

[Current plan]

We plan to make investments intended to enhance the functions of StarPay (payment system), the functions of examination and operation systems, and of systems related to DX Solutions.

Dividend policy

[Basic policy]

As for profit sharing, while securing the internal reserves necessary for future business development and strengthening the management structure, we always keep in mind the enhancement of stock value, compare business investments and dividends, and implement the optimal capital allocation at each point in time.

[Our current understanding]

In contrast to dividends, there are many effective business investments that contribute to stock value improvement. Therefore, the Company plans to maintain a zero dividend policy for FY 2026, when the Company expects to return to profitability.



5 Supplementary Information

Company Profile

Company Name

NETSTARS Co., Ltd.

Established

February 12, 2009

Representative

Tsuyoshi Ri

Business Overview

Cashless payment services, provision of DX solutions

Capital

4,504.77mn JPY (as of March 31, 2025)

Address

3F, 4F Sumitomo Fudosan Hatchobori Building, 3-3-5 Hatchobori, Chuo-ku, Tokyo, 104-0032

Overseas locations

Singapore, Vietnam, China

Number of Employees

224 (consolidated: as of March 31, 2025)

Listed Market

Tokyo Stock Exchange Growth Market (Ticker: 5590)

Management Team

Experienced professionals are assigned to various fields. Tsuyoshi Ri, CEO, established the Company after working as an engineer at several Japanese firms. Chuck Chen, CTO, has development experience at major Silicon Valley tech firms. Hisahiro Chofuku, COO, was formerly the CEO of LINE Pay; CFO, Gen Adachi, was formerly in charge of fundraising at foreign investment banks

Technology / Development



Chuck Chen
CTO



StarPay

StarPay-DX



Kun Wang
Director



Kyoka Yoshida
Director



Tsuyoshi Ri
CEO



Finance / Business administration



Gen Adachi
CFO



Sales / Operations / Overseas business



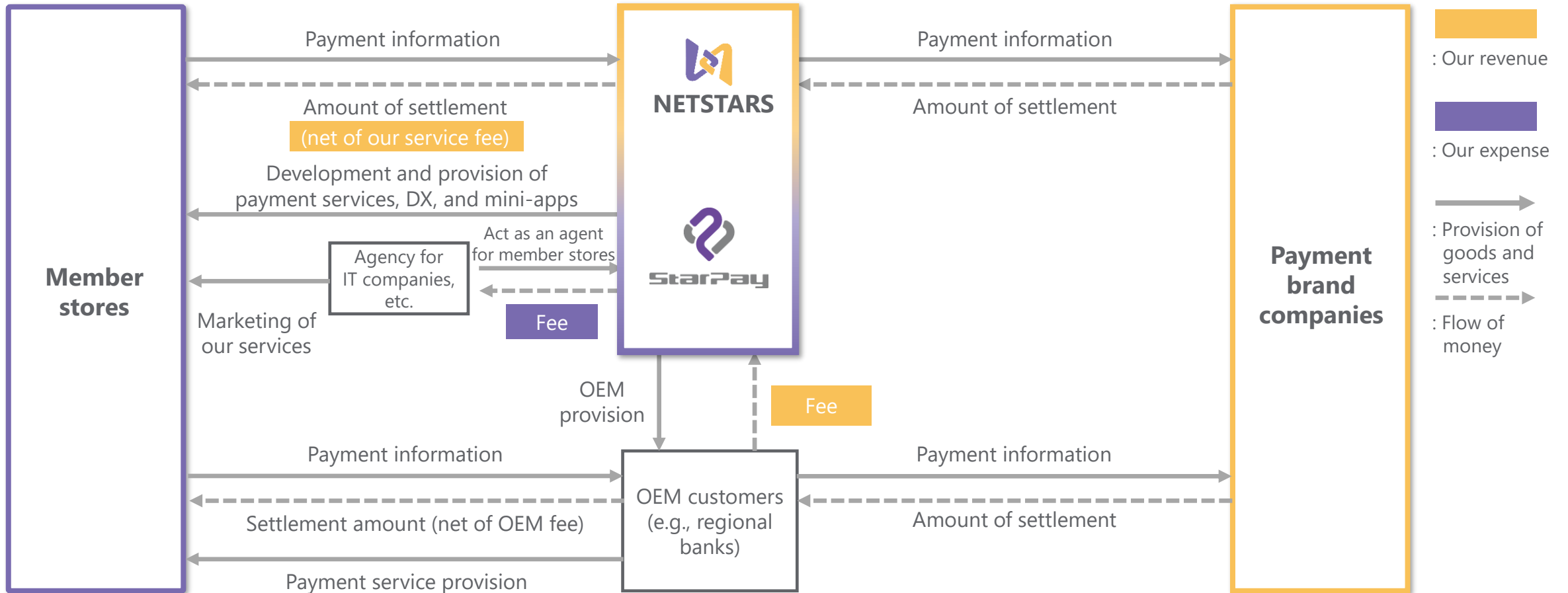
Hisahiro Chofuku
COO



*NoteLogos reflect past affiliations of our management team

Basic Business Model: One-Stop Payment Gateway Services

We comprehensively support member stores with cashless payment gateway services supporting multiple methods. We streamline contracts, examination, adjustment, and settlements with multiple payment brands via a one-stop service

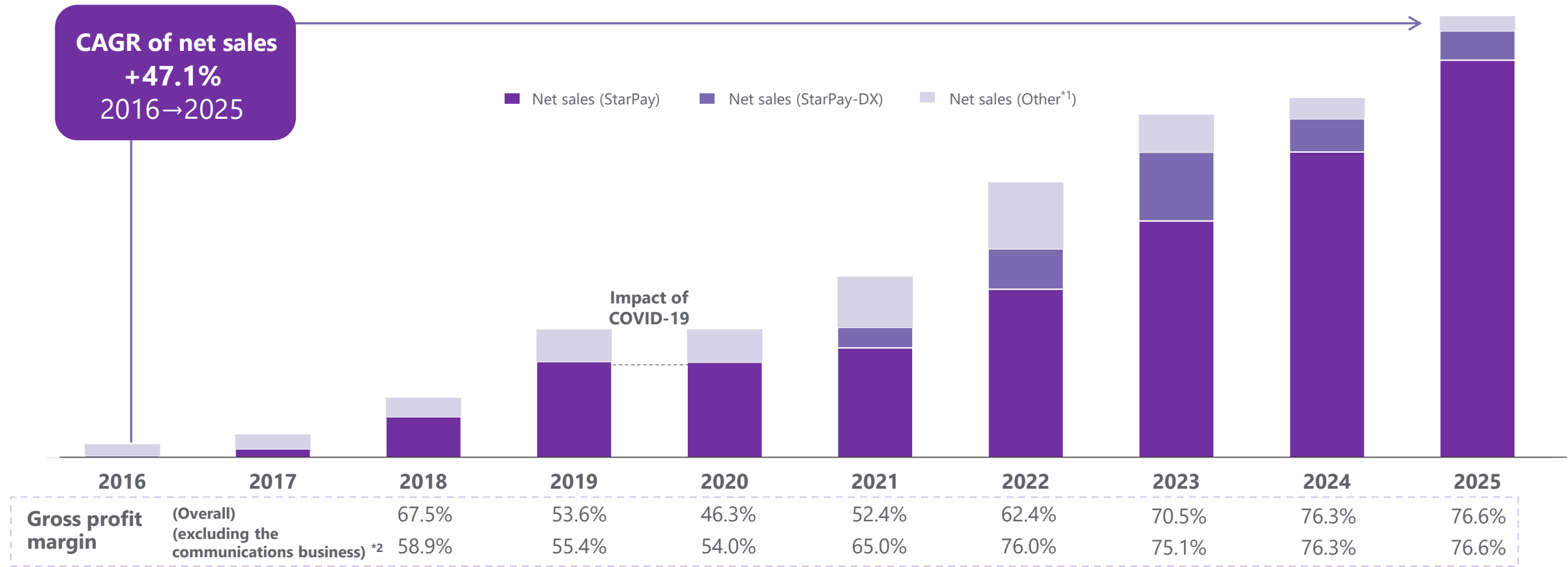




Strong Net Sales Growth

QR code payment fees driving strong sales growth

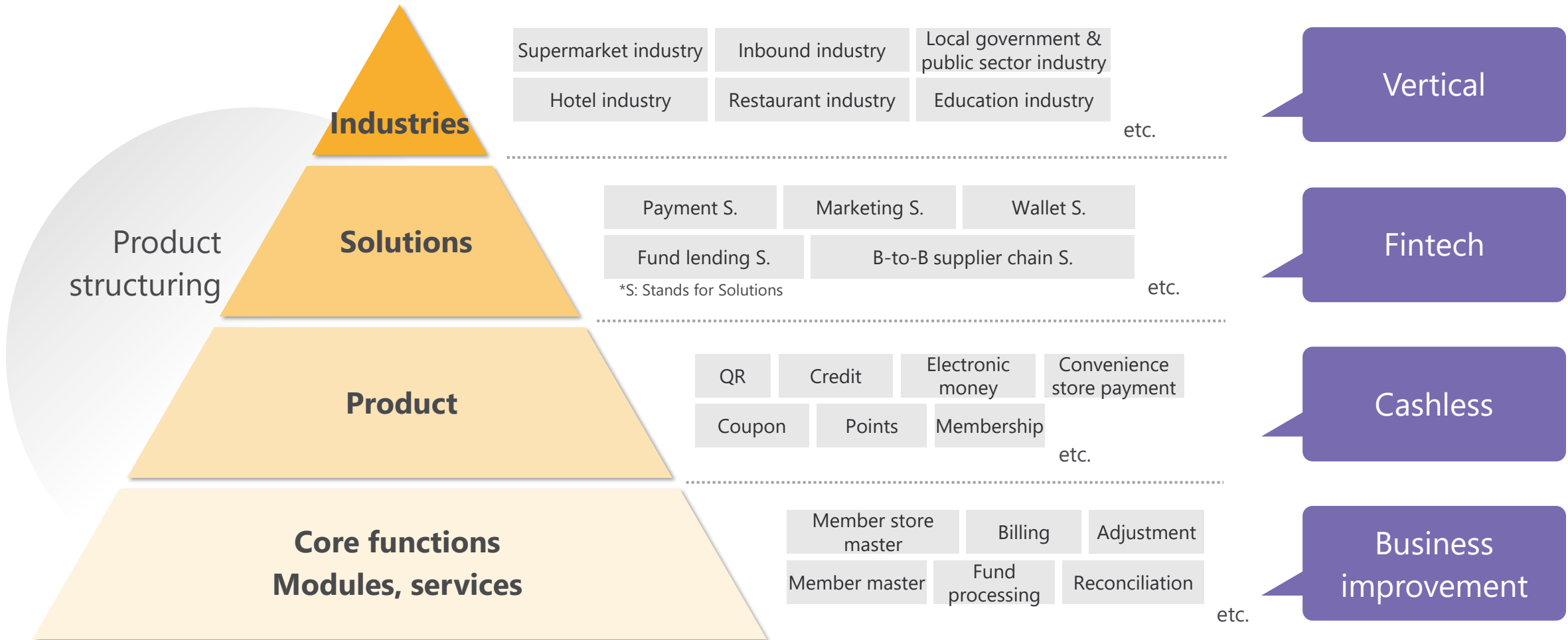
COVID-19 hit inbound payments in 2020 but domestic brand usage offset the drop, and net sales grew steadily thereafter.



*1 "Other" includes promotion services and the communications business.

* 2 Figures excluding the communications business, which ended at the end of April 2023

Product & Service Strategy





Factors Responsible for the Company's Technology Costs Reduction

The world's most advanced technologies help us achieve high cloud systems stability (adoption of a cloud native infrastructure + container technology).

Collaborative initiatives for products, technologies, testing, and operations balance performance, stability, and cost.

Optimization of architecture for cloud computing

- We are migrating processors from x86 to ARM architecture, thereby significantly reducing resource costs.

Optimization of batch processing

- We are extending processing times to restrict additional CPU and RAM resource consumption, and optimizing source efficiency.

Application monitoring with AI

- We utilize AI to monitor the status of system operations in real-time and accurately predict potential problems.

Smart analysis of resource use status

- We are using AI to analyze resource use data monthly and find room for improvement. Feedback from this is shared promptly with app owners.

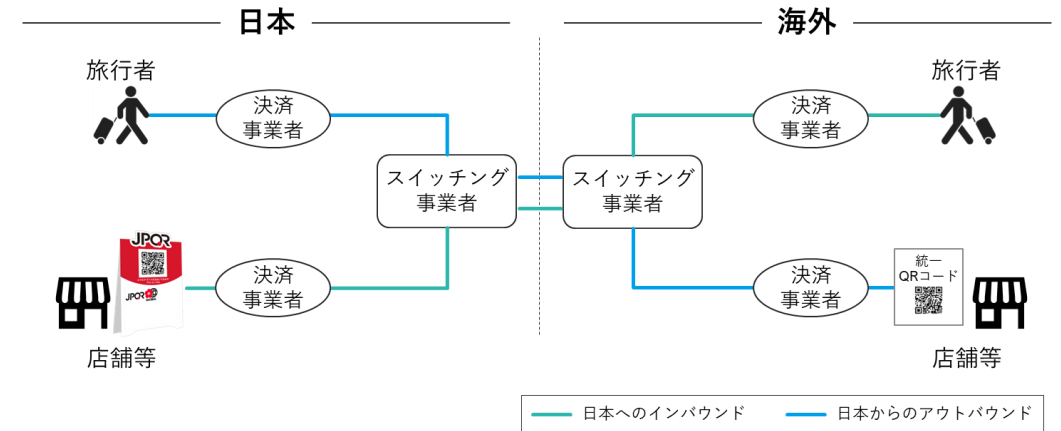
Going forward, we will work to further reduce costs via the following

- **Improving cloud computing environments**
- **Improving release processes**
- **Reducing network usage through transaction entry consolidation, etc.**

Payment example (1) : Launch of the provision of JPQR Global at the 2025 Osaka-Kansai Expo

Following Cambodia in July, Indonesia's unified QR code payment standard "QRIS" began supporting JPQR Global in August. It has been made available for use at the Indonesian Pavilion and other locations. Additional QR code payment services from Asian countries will be added in phases.

- "JPQR Global" is an initiative to achieve "mutual coordination between domestically unified standards (JPQR) and the unified standards of respective Asian nations" as indicated in policies such as the Japanese government's "Tourism Nation Promotion Basic Plan" (decided by the Cabinet on March 31, 2023).
- Through mutual coordination, foreign visitors are able to pay in Japan using their home country's QR code payment apps when making payments at stores in Japan.
- NETSTARS constructed a "JPQR switching system" and has been designated as a JPQR switching system operator.
- We are preparing for outbound payments as well as inbound payments.



Payment example (2): Connecting StarPay to Merpay/d Pay Shared QR Codes

Connecting NETSTAR's StarPay to Merpay/d Pay shared QR codes*. As the first step, payments via WeChat Pay are now possible. We are also considering adding support for QR code payments, in addition to WeChat Pay.

*Supports Merchant-Presented Mode (MPM)

- Merpay and Docomo have partnered in the smartphone payment domain to offer Merpay/d Pay shared QR codes, which allow both Merpay and d Pay smartphone payment services to be used with a single QR code.
- By utilizing the StarPay member store registration system, new applicants for the Merpay/d Pay shared QR code can now receive WeChat Pay approval instantly, allowing smooth activation for merchants wishing to accept WeChat Pay.



DX Case Study 1: DX Product Provision

Expanding into new business categories, such as karaoke payments and automated hotels

Karaoke Room Uta Hiroba

Challenges

- ✓ Customer looking to reduce staffing during labor shortage
- ✓ Customer looking to reduce cashier staffing during extended business hours

Effect of DX

- ✓ Customers self-pay via QR code at kiosks
- ✓ Company-wide rollout reduced checkout staffing needs



1955 Tokyo Bay by Hoshino Resorts

Challenges

- ✓ Resort experiences user traffic surges at peak times at the newly opened 1955 Tokyo Bay by Hoshino Resorts in the Maihama theme park area.
- ✓ The challenge here was to provide services that minimize wait times for tired guests

Effect of DX

- ✓ Guests able to make late-night food & drink purchases via unmanned checkout
- ✓ Utilizing self-checkouts at dinner and breakfast times reduce guests' wait-time stress



DX Case Study 2: Payment Wallets, Digital Gift Certificates, Etc.

Wallet & gift certificate-related services for corporations & municipalities

Tie up with House Pay® /SunplazaCardPAY

First stage of our tie up with House Pay® from JACCS CO., LTD. and StarPay from NETSTARS. Checkout is now possible with SunplazaCardPAY, the original payment service from Sun Plaza supermarkets.



Digital gift certificates/NahanchuPay for Local Governments

We participated in the Naha City premium gift certificate service, which was implemented in 2024 with outsourcing involving companies such as The Bank of Okinawa and SCSK ServiceWare. This was efficiently and effectively managed in a way that was citizen-focused and provided efficient support during inflation.



Points/Kanagawa Pay

Managed Kanagawa Pay app (the Kanagawa Prefecture initiative for cashless transactions and encouraging consumer spending) and member store systems (2021–2023). The app enabled citizens of the prefecture to collect and use points, etc. Developed a system to issue region-specific points via multiple payment platforms.



Digital gift certificates for local governments / Yokohama City Shopping District Wide Area Premium Gift Certificates

We were entrusted with providing the system and managing the secretariat operations for the Yokohama City Shopping District Wide Area Premium Gift Certificates project, organized by the Yokohama City Shopping Street Total Federation. We are working to revitalize regional economies and support sustainable local communities.



DX Case Study 3: What Is a Mini-app?

Mini-app: Enables multiple functions within a super app

Joshin Denki (LINE)



Gacha campaign

BYD (LINE)



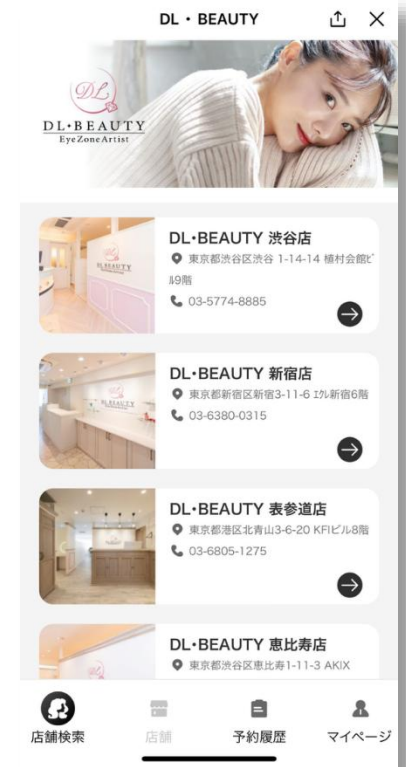
Survey campaign

Heart Up (LINE)



Membership management

Hyper Soft (LINE)



Hair salon reservation



Key Points on Full-Year Forecast for FY 2026

The policy is to steadily expand full-year profitability while targeting further improvement in results.

GPV and net sales are expected to increase by about 20%

- Domestic demand for cashless services remains strong, with GPV projected to increase by 20%.
- We plan to acquire multiple new large-scale customers.
- While multiple new customer acquisitions and strong sales growth are anticipated, the Company will simultaneously focus on securing new customers for 2027 and beyond in 2026, and plans to invest in POS upgrade costs (sales promotion costs).

We plan to expand the profitability of operating profit and ordinary profit

- Profits are expected to expand as reductions in server costs and personnel expenses, significantly aided by AI, progress, with the plan to keep the cost increase below approximately 10% as indicated in our ideal state.
- In a rising interest rate environment, abundant interest income is expected to contribute to ordinary profits.

We also plan to simultaneously advance the development of new sectors and products

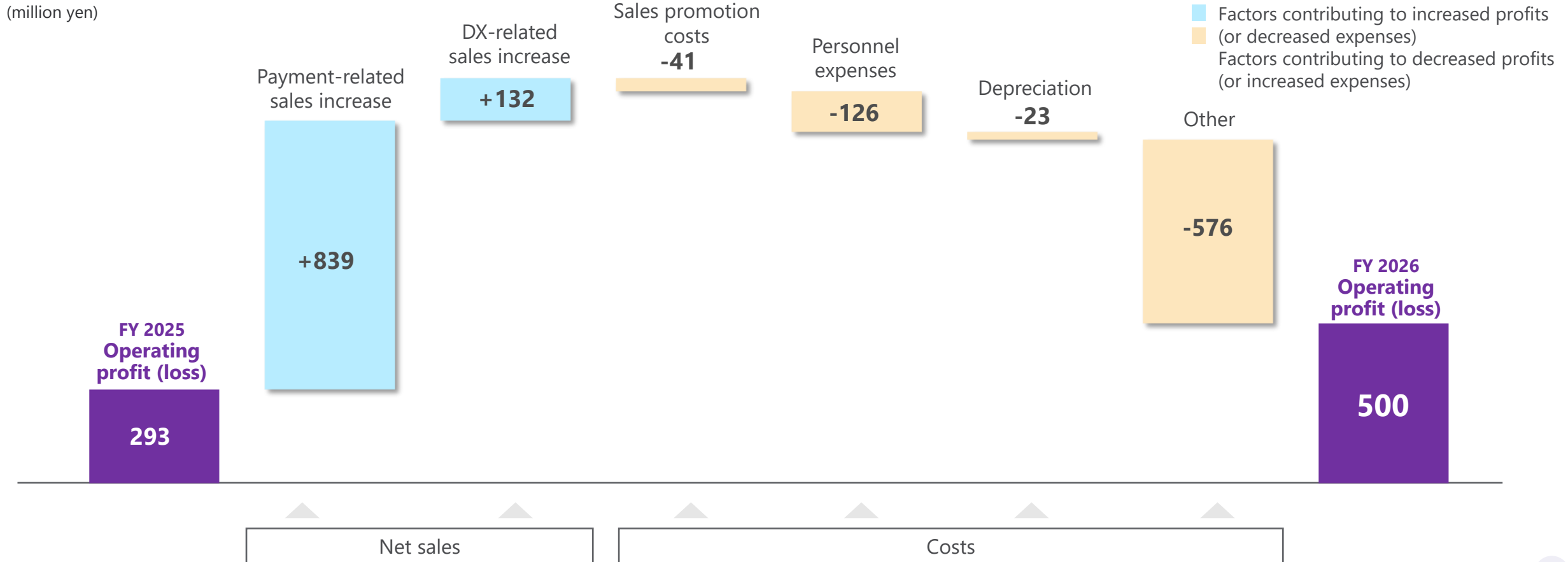
- The gross profit margin continues to exceed 70%, maintaining a high level within the industry, while we also actively pursue projects involving development costs in new payment sectors and products.

Income taxes related to net profit: Recognition of deferred tax assets following return to profitability

- The tax burden temporarily declined in FY2025 due to deferred tax assets but is expected to normalize to a level broadly in line with the statutory effective tax rate thereafter.

Factors Responsible for Operating Profit/Loss for FY 2026

Full-year profitability is expected to expand. Payment-related sales (including terminal sales) are expected to grow steadily, driven by the acquisition of major new projects, etc. Furthermore, DX projects, which were slow in FY 2025, will increase with a focus on small- to mid-size projects. There will be no significant changes in sales promotion costs, but an increase in POS upgrade costs is expected due to new project acquisitions in the short to medium term. Cost structures are showing signs of improvement, and the increase in SG&A expenses is expected to fall below the basic policy of 10%.

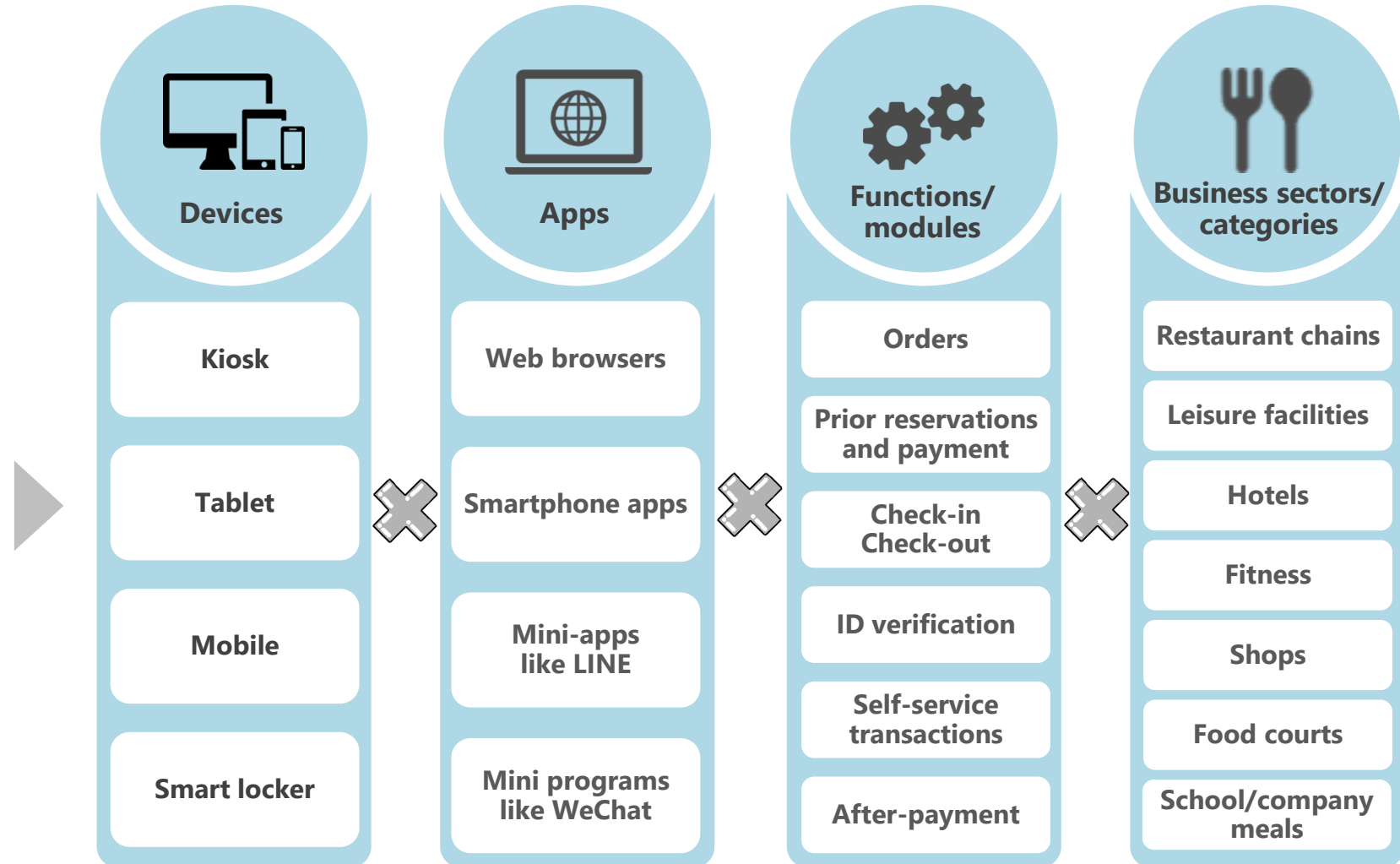


Priority Measures for DX Solutions

To accelerate the cross-selling of multi-payments and DX Solutions, we will accelerate the expansion of our total solution Checkout-Less Platform, which supports the introduction of self-payments and self-ordering. We will promote the provision of products that are compatible with various device formats for individual business categories.

What we want to achieve

- Self-checkout devices
- Self-service ticket machines
- Self-ordering
- Self-checkouts
- Mobile ordering
- Self check-in, Self check-out
- EC purchase & locker collection



Formulation of NETSTARS Ideal State for 2030

While aiming for our long-term goal to “Let the payments go smoother,” we have formulated our “Ideal State for 2030” as a vision for NETSTARS over the next five years, and we are sharing this medium-term vision with our stakeholders.

Our ideal state centers on the concept of further enriching the flow of money and enhancing our societal impact as a fintech company.

We will leverage our individual business category expertise, make greater use of innovative technologies (cloud computing and digital, Web 3.0, AI, etc.), and will accelerate tailored product development.

By providing products which are widely accepted by our partners and everyone at member stores, we will encourage the continued widespread use of highly reliable cashless services and efficiency through labor saving, helping revitalize society as a whole.

Through innovation, stability and cost efficiency, NETSTARS is committed to further growth with 2030 as our target.



Our Ideal State for 2030

Through organic growth centered on existing businesses, we aim for GPV over 6 tn JPY. Assuming payment-related sales of over 10 bn JPY, for sales at all companies of over 12 bn JPY

We will keep low and stable churn rates, grow cohort-type GPV, and increase sales at all companies, focusing on payment-related sales.

Target of maintaining gross profit margin of 70%+

We will maintain attractive gross profit margin compared with competitor companies.

Target of operating and ordinary profit margin of 25%+

To reach 25% operating profit margin, we will improve cost structure, increase sales, and enhance gross profit margin.

We plan for even greater growth and to acquire new partners judged sufficiently able to bring about the added value described above of net sales and profitability. We are also considering investment in new businesses (Web 3.0 and AI-related, etc.) and will boost the figures described above

Our sales at all companies of 12 bn JPY and profitability targets are centered around the current business entity. Our aim is to further increase sales and profits via aggressive business expansion.



Our Ideal State for 2030

We will leverage our store network to deliver integrated cashless, remittance, and DX services

We will accelerate new member store acquisition, while actively expanding the provision of even more products via upselling & cross-selling at existing member stores.

We use innovative technologies (cloud computing and digital, Web 3.0, AI, etc.) to deliver tailored DX, cashless, and remittance services to each business category

By further utilizing innovative new technologies, we will develop and provide tailored new products and increase the number of cashless-related options at member stores.

Regarding costs (server & development), we will utilize container technologies and generative AI, and promote further cost reductions

We will accelerate AI in development & maintenance environments, which are currently making significant progress, while aiming to enhance system stability and cut costs.

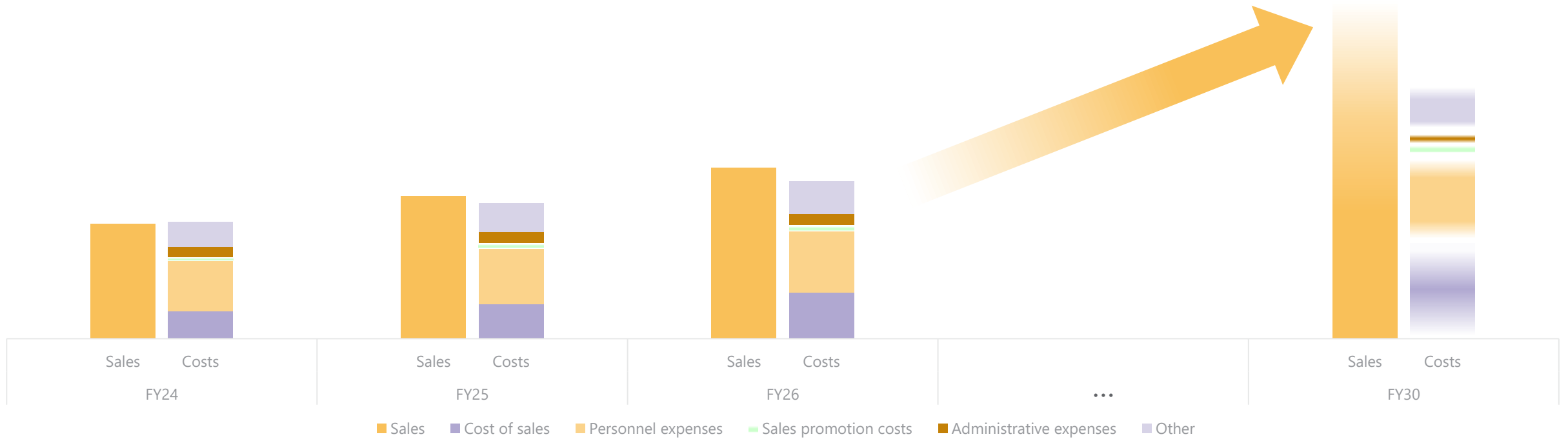
We will expand beyond Qatar, Cambodia & Mongolia into more regions and add more products, thus expanding our cashless, remittance, and DX services

We will expand and develop our Japanese business model overseas, and while helping build cashless infrastructure overseas, our policy is to reduce our dependence on macro indexes such as consumer trends in Japan.



Medium-Term Growth Image

The Company intends to achieve a higher operating profit margin by limiting SG&A expenses to an increase of around 10%, while maintaining solid net sales growth each year. No significant increase in administrative costs (e.g., server costs) is currently expected.



Summarized Consolidated Statement of Profit or Loss

(million yen)

	FY 2024	FY 2025	As of March 31, 2026
Net sales	3,902	4,788	1,331
Cost of sales	923	1,122	363
Gross profit	2,978	3,665	967
SG&A expenses	3,062	3,372	851
Operating profit/loss	-84	293	116
Non-operating income	88	167	51
Non-operating expenses	25	17	5
Ordinary profit/loss	-22	443	161
Extraordinary losses	9	40	0
Pre-tax net loss	-31	402	161
Income taxes – current	6	-82	-24
Net profit/loss attributable to shareholders of the parent company	-37	485	137

Summarized Consolidated Balance Sheet

Cash and deposits are steadily increasing, boosting cash on hand

(million yen)	FY 2024	FY 2025	As of March 31, 2026
Total assets	35,739	38,354	40,427
Cash and deposits	33,875	36,209	38,219
Accounts receivable - trade	333	297	226
Software	577	494	443
Investments and other assets	458	568	568
Other	494	784	969
Total liabilities and net assets	35,739	38,354	40,427
Total liabilities	28,632	30,721	32,614
Accounts payable - trade	147	135	105
Accounts payable – other	124	178	121
Accrued expenses	124	114	96
Deposits received	28,115	30,131	32,121
Other	121	161	169
Total assets	7,106	7,633	7,813
Retained earnings	-5,178	-4,685	-4,548
Other	12,147	12,213	12,244
Total accumulated other comprehensive income	136	105	117

Deposits received

When a consumer makes a QR code payment, the payment proceeds, which are remitted to us after the QR code payment provider collects its fees but before we deduct the fees and remit the payment proceeds to the member store are recorded as deposits received.



Disclaimer

- Forward-looking statements in this document regarding future performance are based on information currently available to the Company and include potential risks and uncertainties. Therefore, please note that actual results may differ significantly from the forecasts in this document due to various factors such as the economic environment surrounding our businesses.
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