Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2026 (Based on Japanese GAAP)

August 13, 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 file Semi-annual Securities Report: August 13, 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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 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	%
Six months ended June 30, 2026	2,467	14.3	154	161.6	243	61.0	203	59.5
Six months ended June 30, 2025	2,158	25.6	59	–	151	–	127	–

Note: Comprehensive income For the six months ended June 30, 2026 ¥223 million [162.9%]
For the six months ended June 30, 2025 ¥85 million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2026	12.06	11.90
Six months ended June 30, 2025	7.65	7.51

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	39,775	7,918	19.9
As of December 31, 2025	38,354	7,633	19.9

Reference: Equity As of June 30, 2026 ¥7,918 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	–	0.00			
Year ending December 31, 2026 (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, 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 six months ended June 30, 2026: Yes

(2) Application of special accounting methods for preparing semi-annual 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 June 30, 2026	16,950,800 shares	As of December 31, 2025	16,828,800 shares

Number of treasury shares at the end of the period

As of June 30, 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)

Six months ended June 30, 2026	16,888,014 shares	Six months ended June 30, 2025	16,696,743 shares

* 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 14, 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.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	36,209,760	37,425,482
Accounts receivable - trade	297,225	229,597
Contract assets	6,732	11,000
Merchandise	177,029	62,819
Work in process	7,544	19,514
Supplies	–	17,416
Advance payments to suppliers	27,394	13,120
Prepaid expenses	73,903	74,714
Other	442,813	865,915
Total current assets	37,242,402	38,719,581
Non-current assets		
Property, plant and equipment		
Buildings, net	8,818	7,770
Tools, furniture and fixtures, net	17,472	19,428
Other, net	0	0
Total property, plant and equipment	26,291	27,198
Intangible assets		
Software	494,459	427,012
Software in progress	22,860	13,959
Total intangible assets	517,319	440,971
Investments and other assets		
Investment securities	282,952	274,122
Leasehold and guarantee deposits	129,310	140,659
Shares of subsidiaries and associates	4,975	15,619
Long-term prepaid expenses	0	7,538
Deferred tax assets	150,939	149,958
Total investments and other assets	568,178	587,898
Total non-current assets	1,111,788	1,056,068
Total assets	38,354,191	39,775,650

(Thousands of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	135,696	94,340
Accounts payable - other	178,495	126,417
Accrued expenses	114,357	95,979
Income taxes payable	93,990	88,785
Accrued consumption taxes	67,226	63,321
Contract liabilities	125	12,299
Deposits received	30,131,229	31,351,344
Provision for bonuses	–	12,716
Provision for loss on orders received	–	12,394
Total current liabilities	30,721,120	31,857,600
Total liabilities	30,721,120	31,857,600
Net assets		
Shareholders' equity		
Share capital	4,489,270	4,519,770
Capital surplus	7,724,800	7,755,300
Retained earnings	(4,685,977)	(4,482,297)
Treasury shares	(77)	(77)
Total shareholders' equity	7,528,015	7,792,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	966	1,788
Foreign currency translation adjustment	104,088	123,564
Total accumulated other comprehensive income	105,055	125,353
Total net assets	7,633,070	7,918,049
Total liabilities and net assets	38,354,191	39,775,650

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, 2025	Six months ended June 30, 2026
Net sales	2,158,621	2,467,439
Cost of sales	475,442	581,369
Gross profit	1,683,178	1,886,069
Selling, general and administrative expenses	1,624,048	1,731,384
Operating profit	59,130	154,685
Non-operating income		
Interest income	72,428	95,492
Subsidy income	13,432	–
Gain on sale of investment securities	9,748	4,927
Foreign exchange gains	3,337	–
Other	1,339	398
Total non-operating income	100,286	100,819
Non-operating expenses		
Foreign exchange losses	–	6,534
Share of loss of entities accounted for using equity method	4,298	5,361
Other	3,827	108
Total non-operating expenses	8,126	12,004
Ordinary profit	151,290	243,499
Extraordinary losses		
Loss on retirement of non-current assets	9	–
Total extraordinary losses	9	–
Profit before income taxes	151,281	243,499
Income taxes	23,580	39,819
Profit	127,701	203,680
Profit attributable to owners of parent	127,701	203,680

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	127,701	203,680
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,115)	822
Foreign currency translation adjustment	(30,374)	19,475
Total other comprehensive income	(42,490)	20,298
Comprehensive income	85,211	223,978
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	85,211	223,978

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	151,281	243,499
Depreciation	120,635	110,135
Amortization of goodwill	2,400	–
Increase (decrease) in provision for loss on orders received	–	12,394
Interest and dividend income	(72,428)	(95,492)
Subsidy income	(13,432)	–
Share of loss (profit) of entities accounted for using equity method	4,298	5,361
Decrease (increase) in trade receivables	27,463	75,676
Decrease (increase) in inventories	47,688	84,822
Decrease (increase) in advance payments to suppliers	(29,284)	14,273
Increase (decrease) in trade payables	(47,547)	(41,383)
Increase (decrease) in accounts payable - other	38,887	(52,110)
Increase (decrease) in accrued expenses	(19,793)	(20,293)
Increase (decrease) in income taxes payable - factor based tax	2,268	16,986
Increase (decrease) in accrued consumption taxes	(3,785)	(3,904)
Increase (decrease) in deposits received	2,457,814	1,220,029
Other, net	(81,398)	(400,157)
Subtotal	2,585,067	1,169,838
Interest and dividends received	30,658	73,247
Subsidies received	13,432	–
Income taxes paid	(6,216)	(61,427)
Income taxes refund	1,079	–
Net cash provided by (used in) operating activities	2,624,020	1,181,658
Cash flows from investing activities		
Proceeds from sale of investment securities	19,128	14,977
Purchase of shares of subsidiaries and associates	–	(16,006)
Purchase of property, plant and equipment	(6,147)	(6,103)
Purchase of intangible assets	(56,591)	(28,352)
Payments of leasehold and guarantee deposits	(15,037)	(11,362)
Proceeds from refund of leasehold and guarantee deposits	132	–
Net cash provided by (used in) investing activities	(58,516)	(46,846)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	61,000
Net cash provided by (used in) financing activities	–	61,000
Effect of exchange rate change on cash and cash equivalents	(31,400)	19,910
Net increase (decrease) in cash and cash equivalents	2,534,104	1,215,722
Cash and cash equivalents at beginning of period	33,875,351	36,209,760
Cash and cash equivalents at end of period	36,409,456	37,425,482