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July 15, 2025

Consolidated Financial Results for the Nine Months Ended May 31, 2025 (Under Japanese GAAP)

Company name: Goodpatch Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7351
 URL: <https://goodpatch.com/>
 Representative: Naofumi Tsuchiya, Chief Executive Officer
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 Scheduled date to file quarterly securities report: July 15, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended May 31, 2025 (from September 1, 2024 to May 31, 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	%
Nine months ended May 31, 2025	3,835	27.8	509	—	534	—	364	—
May 31, 2024	3,000	4.5	35	(86.6)	41	(84.0)	11	(94.0)

Note: Comprehensive income For the nine months ended May 31, 2025: ¥ 367 million[(—) %]
 For the nine months ended May 31, 2024: ¥ 13 million[(92.8) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2025	41.38	41.17
May 31, 2024	1.22	1.21

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2025	5,119	4,112	79.6
August 31, 2024	4,676	3,872	82.3

Reference: Equity
 As of May 31, 2025: ¥ 4,074 million
 As of August 31, 2024: ¥ 3,850 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending August 31, 2025	—	0.00	—		
Fiscal year ending August 31, 2025 (Forecast)				9.00	9.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes
Refer to the announcement of “Revision of Dividend Forecast for the Fiscal Year Ending August 31, 2025 (First Dividend)” released on July 15. Japanese version only.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(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	4,946	25.4	419	—	422	803.6	273	—	30.50

Note: Revisions to the financial results forecast most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: People and Design Inc.

Excluded: —

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of May 31, 2025	9,221,420 shares
As of August 31, 2024	9,218,180 shares

- (ii) Number of treasury shares at the end of the period

As of May 31, 2025	512,755 shares
As of August 31, 2024	174,205 shares

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

Nine months ended May 31, 2025	8,803,695 shares
Nine months ended May 31, 2024	9,100,021 shares

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. They are not intended as a promise of achievement by the company. Actual performance may differ significantly due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of August 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	3,275,145	2,630,856
Accounts receivable - trade and contract assets	427,708	542,713
Work in process	2,884	19,338
Prepaid expenses	79,830	73,793
Income taxes refund receivable	48,772	-
Other	4,953	11,629
Total current assets	3,839,295	3,278,331
Non-current assets		
Property, plant and equipment		
Buildings	75,179	75,179
Accumulated depreciation	(37,019)	(40,830)
Buildings, net	38,160	34,348
Tools, furniture and fixtures	81,552	60,987
Accumulated depreciation	(71,834)	(52,699)
Tools, furniture and fixtures, net	9,717	8,287
Leased assets	-	9,680
Accumulated depreciation	-	(806)
Leased assets, net	-	8,873
Total Property, plant and equipment	47,877	51,509
Intangible assets		
Trademark right	1,493	1,309
Goodwill	412,538	365,578
Customer-related intangible assets	53,444	47,277
Total Intangible assets	467,475	414,165
Investments and other assets		
Investment securities	202,017	1,302,018
Leasehold and guarantee deposits	22,827	22,417
Deferred tax assets	74,017	28,208
Other	22,492	22,694
Total Investments and other assets	321,355	1,375,338
Total non-current assets	836,708	1,841,013
Total assets	4,676,003	5,119,344

(Thousands of yen)

	As of August 31, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	63,192	114,830
Current portion of long-term borrowings	162,412	142,472
Accounts payable - other	85,434	108,042
Accrued expenses	40,766	38,644
Income taxes payable	15,388	150,091
Accrued consumption taxes	34,684	100,981
Contract liabilities	76,054	74,305
Lease liabilities	-	1,346
Provision for bonuses	1,885	53,500
Deposits received	49,524	45,988
Other	3,989	4,608
Total current liabilities	533,332	834,810
Non-current liabilities		
Long-term borrowings	238,849	135,323
Lease liabilities	-	8,542
Asset retirement obligations	11,592	11,604
Deferred tax liabilities	19,848	16,515
Total non-current liabilities	270,290	171,985
Total non-current liabilities	803,622	1,006,795
Net assets		
Shareholders' equity		
Share capital	1,772,244	1,772,506
Legal capital surplus	1,767,244	1,767,506
Retained earnings	414,192	778,501
Treasury shares	(100,100)	(250,114)
Total shareholders' equity	3,853,580	4,068,398
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(60)	6,131
Foreign currency translation adjustment	(3,069)	(97)
Total accumulated other comprehensive income	(3,130)	6,033
Share acquisition rights	21,930	21,327
Non-controlling interests	-	16,789
Total net assets	3,872,380	4,112,549
Total liabilities and net assets	4,676,003	5,119,344

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	Nine Months Ended May 31, 2024	Nine Months Ended May 31, 2025
Net sales	3,000,196	3,835,052
Cost of sales	1,367,306	1,621,875
Gross profit	1,632,889	2,213,177
Selling, general and administrative expenses	1,597,503	1,703,735
Operating profit	35,386	509,442
Non-operating income		
Interest income	225	1,665
Dividend income	-	10,033
Share of profit of entities accounted for using equity method	12,669	17,652
Foreign exchange gains	241	174
Other	2,142	2,898
Total non-operating income	15,279	32,425
Non-operating expenses		
Interest expenses	981	1,849
Share issuance costs	103	30
Share acquisition rights issuance costs	552	552
Loss on investments in investment partnerships	6,160	3,450
Commission expenses	-	1,317
Other	937	319
Total non-operating expenses	8,736	7,518
Ordinary profit	41,930	534,349
Extraordinary income		
Gain on liquidation of subsidiaries and associates	-	971
Gain on reversal of share acquisition rights	866	6,837
Total extraordinary income	866	7,808
Profit before income taxes	42,796	542,157
Income taxes - current	10,416	145,351
Income taxes - deferred	21,258	38,358
Total income taxes	31,674	183,710
Profit	11,122	358,447
Loss attributable to non-controlling interests	-	(5,861)
Profit attributable to owners of parent	11,122	364,308

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

	Nine Months Ended May 31, 2024	Nine Months Ended May 31, 2025
Profit	11,122	358,447
Other comprehensive income		
Valuation difference on available-for-sale securities	2,315	6,191
Foreign currency translation adjustment	(113)	2,971
Total other comprehensive income	2,201	9,163
Comprehensive income	13,324	367,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,324	373,472
Comprehensive income attributable to non-controlling interests	-	(5,861)