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Financial Results for the Second Quarter (Interim Period) of Fiscal Year February 2026 [Japanese GAAP] (Non-consolidated)

October 10, 2025

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Securities Code 7603 URL <https://gyet.co.jp>
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Scheduled date for filing interim report: 2025 10/10 Scheduled date for dividend payment: -

Preparation of supplementary materials for financial results : Yes

Financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Financial Results for the Second Quarter (Interim Period) of Fiscal Year February 2026 (March 1, 2025 - August 31, 2025)

(1) Operating Results (Cumulative) (Percentage figures indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Interim Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim Period of FY February 2026	6,182	(5.8)	(617)	-	(624)	-	(592)	-
Interim Period of FY February 2025	6,561	(19.4)	(505)	-	(477)	-	(581)	-
	Net Income per Share		Diluted Net Income per Share					
	Yen	Sen	Yen	Sen				
Interim Period of FY February 2026	(31.38)		-					
First Half of FY February 2025	(37.63)		-					

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
Interim Period of FY February 2026	9,615	4,126	42.9
FY February 2025	7,303	1,234	16.9

(Reference) Shareholders' Equity: Interim Period of FY February 2026: 4,124 million yen FY February 2025: 1,234 million yen

2. Dividend Status

	Annual Dividends									
	End of 1st Quarter		End of 2nd Quarter		End of 3rd Quarter		Year-end		Total	
	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen	Yen	Sen
FY February 2025		-		0.00		-		0.00		0.00
Fiscal Year February 2026		-		0.00						
Fiscal Year February 2026(Forecast)						-		0.00		0.00

(Note) Revision of dividend forecast from most recently announced forecast: None

3.2026 Business Forecast for Fiscal Year 2025 March 1, 2026 February 28)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millio	%	Millio	%	Millio	%	Millio	%	Yen
Full Year	n yen 13,500	2.9	n yen (240)	-	n yen (242)	-	n yen (310)	-	(16.42)

(Note) Revision of business forecast from most recently announced forecast: None

* Notes

(1) Adoption of special accounting treatments for quarterly financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

① Changes in accounting policies due to revisions of accounting standards: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: Yes

④ Retrospective restatements: None

(3) Number of shares issued (common stock)

① Total number of shares issued at the end of the period (including treasury stock)	Second Quarter of Fiscal Year February 2026	25,297,638 shares	Fiscal Year February 2025	15,597,638 shares
② Number of treasury shares at the end of period	Interim Period of FY February 2026	136,355 shares	FY February 2025	136,355 shares
③ Average number of shares during the period (interim)	Interim Period of FY February 2026	18,883,758 shares	Second quarter of FY February 2025	15,461,389 shares

* The Second Quarter (Interim) Financial Results are not subject to review by certified public accountants or audit firms

* Notes regarding appropriate use of business performance forecasts and other special remarks

The forward-looking statements concerning business performance and other matters contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable at the time of publication. Actual results may differ significantly due to various factors.

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1. Qualitative Information on Interim Financial Results

(1) Explanation of Operating Results

During the interim period (2025 March 1 to 2025 August 31), the Japanese economy maintained a moderate recovery trend supported by improvements in employment and income conditions and the effects of various policies. However, uncertainties remained due to factors such as the impact of U.S. trade policies and the effect of inflation-driven price increases on personal consumption.

In this business environment, the casual wear industry to which the Company belongs has been required to provide products that balance price and quality with functionality and comfort to meet consumers' cost-consciousness, while addressing rising raw material and logistics costs, as well as prolonged high temperatures due to climate change.

Under our corporate philosophy of 'Contributing to local communities through useful products and corporate activities,' the Company has focused on improving product proposals and inventory management efficiency to accurately meet diversifying customer needs. Specifically, we strengthened our product lineup of high-demand items such as the 'SA・RA・RI' series of functional items and T-shirts and shorts to address the continuing heat wave during the summer season. Furthermore, we continued developing and nurturing key items of our private brand 'NAVY' such as 'Tough Lac T' and 'Active Shorts,' while steadily implementing the launch of a new ladies' brand in collaboration with our business partner GF Holdings Co., Ltd., working toward sales expansion and development of new customer segments for full-scale deployment in the second half.

Additionally, we achieved improved inventory efficiency, smooth introduction of new products, and maintained and enhanced sales floor freshness by optimizing the number of product codes according to each store's sales situation and promoting planned reduction of carried-over inventory.

Furthermore, we announced our entry into the finance and investment sector as part of our business portfolio diversification for sustainable growth. As a strategic initiative in growth areas, we will begin investing in Bitcoin using funds raised through the completion of the 9th series of stock acquisition rights exercise. Following approval at the extraordinary shareholders' meeting in September, we will create new revenue opportunities through entry into the crypto asset market and further strengthen our financial foundation.

As a result, existing store sales increased by 3.3% year-on-year, existing store customer traffic increased by 10.1% year-on-year, and existing store sales per customer decreased by 6.1% year-on-year.

The number of stores at the end of the interim period was 229 (a decrease of 41 stores year-on-year), reflecting the opening of 1 store and closure of 22 stores.

Regarding profitability, gross profit decreased by 13.4% year-on-year due to the decrease in sales.

Regarding expenses, total selling, general and administrative expenses decreased by 8.6% year-on-year due to reductions in advertising expenses, rent, and personnel costs. As a result, net sales for the interim period were 6,182 million yen (a decrease of 5.8% year-on-year)

Operating loss was 617 million yen (compared to 505 million yen in the previous year), ordinary loss was 624 million yen (compared to 477 million yen in the previous year), and interim net loss was 592 million yen (compared to 581 million yen in the previous year).

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the interim period increased by 2,312 million yen from the end of the previous fiscal year to 9,615 million yen.

Current assets increased by 2,608 million yen from the end of the previous fiscal year to 7,720 million yen. This was mainly due to an increase in cash and deposits of 1,830 million yen and a decrease in merchandise of 514 million yen.

Fixed assets decreased by 296 million yen from the end of the previous fiscal year to 1,895 million yen. This was mainly due to a decrease in security deposits and guarantees of 136 million yen.

(Liabilities)

Total liabilities at the end of the interim period decreased by 580 million yen from the end of the previous fiscal year to 5,488 million yen.

Current liabilities decreased by 455 million yen from the end of the previous fiscal year to 2,615 million yen. This was mainly due to a decrease in electronically recorded obligations of 612 million yen and an increase in accounts payable of 93 million yen.

Fixed liabilities decreased by 124 million yen from the end of the previous fiscal year to 2,873 million yen.

(Net Assets)

Total net assets at the end of the interim period increased by 2,892 million yen from the end of the previous fiscal year to 4,126 million yen.

This was mainly due to increases of 1,741 million yen each in capital stock and legal capital surplus. The equity ratio to total assets was 42.9%, representing an increase of 26.0 percentage points from the end of the previous fiscal year.

(3) Explanation of Forward-Looking Information Including Performance Forecast

There are no changes to the full-year performance forecast announced in the 'Notice Concerning Revision of Performance Forecast' dated October 9, 2025.

2. Interim Financial Statements and Major Notes

(1) Interim Balance Sheet

	(Unit: million yen)	
	Previous Fiscal Year	Current Interim Period
	(February 28, 2025)	(August 31, 2025)
Assets		
Current Assets		
Cash and deposits	1,961	3,792
Accounts receivable	289	546
Merchandise	2,669	2,155
Prepaid expenses	127	108
Crypto assets	-	279
Other	62	836
Total current assets	5,111	7,720
Fixed assets		
Property, plant and equipment		
Buildings (net)	10	8
Building facilities (net)	188	143
Structures (net)	0	0
Vehicles (net)	0	-
Tools, furniture and fixtures (net)	32	26
Lease assets (net)	1	0
Land	67	67
Total property, plant and equipment	301	246
Intangible assets	106	2
Investments and other assets		
Long-term prepaid expenses	17	14
Lease and guarantee deposits	1,769	1,633
Other	9	8
Allowance for doubtful accounts	(10)	(9)
Total investments and other assets	1,785	1,646
Total non-current assets	2,192	1,895
Total assets	7,303	9,615

(Unit: million yen)

	Previous fiscal year (February 28, 2025)	Current interim period (August 31, 2025)
Liabilities		
Current Liabilities		
Notes and Accounts Payable - Trade	194	287
Electronically Recorded Obligations - Operating	2,227	1,615
Accounts Payable - Other	36	47
Income Taxes Payable	117	85
Accrued Expenses	336	368
Provision for Bonuses	21	22
Provision for Store Closure Losses	17	41
Asset Retirement Obligations	28	44
Other	91	102
Total Current Liabilities	3,071	2,615
Non-Current Liabilities		
Long-term Loans Payable	900	900
Provision for Retirement Benefits	1,486	1,453
Provision for Sublease Losses	7	3
Long-term Guarantee Deposits Received	97	79
Asset Retirement Obligations	480	417
Deferred Tax Liabilities	10	9
Other	13	9
Total non-current liabilities	2,997	2,873
Total liabilities	6,069	5,488
Net assets		
Shareholders' equity		
Capital stock	100	1,841
Capital surplus	4,898	6,639
Retained earnings	(3,683)	(4,276)
Treasury shares	(80)	(80)
Total shareholders' equity	1,234	4,124
Share acquisition rights	-	1
Total net assets	1,234	4,126
Total liabilities and net assets	7,303	9,615

(2) Interim Statement of Income

	(Millions of yen)	
	Previous interim period (From March 1, 2024 to 2024 August 31)	Current interim period (From March 1, 2025 to 2025 August 31)
Net sales	6,561	6,182
Cost of sales	3,339	3,392
Gross profit	3,222	2,790
Selling, General and Administrative Expenses	3,727	3,408
Operating Loss(△)	(505)	(617)
Non-Operating Income		
Interest Income	0	0
Rental Income	94	79
Others	15	14
Total Non-Operating Income	110	95
Non-Operating Expenses		
Interest Expenses	0	7
Real Estate Rental Expenses	78	69
Cryptocurrency Valuation Loss	-	20
Others	3	4
Total Non-Operating Expenses	82	101
Ordinary Loss(△)	(477)	(624)
Extraordinary Income		
Gain on Sales of Fixed Assets	1	314
Total Extraordinary Income	1	314
Extraordinary Losses		
Loss on Retirement of Fixed Assets	0	1
Loss on Store Closures	-	157
Impairment Loss	39	37
Provision for Store Closure Losses	14	30
Loss on Lease Cancellation	5	2
Total Extraordinary Losses	59	229
Loss Before Income Taxes(△)	(534)	(539)
Income Taxes - Current	59	53
Income Taxes - Deferred	(12)	(1)
Total Income Taxes	46	52
Net Loss(△)	(581)	(592)

(3) Interim Statement of Cash Flows

(Unit: Million Yen)

	Previous Interim Period (From March 1, 2024 To 2024 August 31)	Current Interim Period (From March 1, 2025 To August 31, 2025)
Cash Flows from Operating Activities		
Loss Before Income Taxes(△)	(534)	(539)
Depreciation and Amortization	56	42
Impairment Loss	39	37
Loss on Lease Cancellation	5	2
Gain (loss) on valuation of crypto assets (△ indicates gain)	-	20
Increase (decrease) in provision for retirement benefits (△ indicates decrease)	(50)	(32)
Increase (decrease) in provision for bonuses (△ indicates decrease)	5	1
Increase (decrease) in allowance for doubtful accounts (△ indicates decrease)	(2)	(0)
Interest and dividend income received	(0)	(0)
Increase (decrease) in provision for sublease losses (△ indicates decrease)	(4)	(4)
Increase (decrease) in provision for store closure losses (△ indicates decrease)	14	23
Interest expenses	0	7
Refund of guarantee deposits by offsetting with rent expenses	5	3
Increase (decrease) in trade receivables (△ indicates increase)	(163)	(257)
Increase (decrease) in inventories (△ indicates increase)	467	514
Increase (decrease) in trade payables (△ indicates decrease)	(690)	(464)
Gain (loss) on sales of fixed assets (△ indicates gain)	(1)	(314)
Loss on retirement of fixed assets	0	1
Store closure losses	-	157
Increase (decrease) in accrued consumption taxes (△ indicates decrease)	(75)	3
Other	(7)	(681)
Subtotal	(935)	(1,478)
Interest and dividends received	0	0
Interest paid	(0)	(7)
Income taxes paid	(124)	(117)
Net cash provided by (used in) operating activities	(1,061)	(1,603)
Cash flows from investing activities		
Purchase of property, plant and equipment	(38)	(5)
Proceeds from sales of property, plant and equipment	65	-

Purchase of cryptocurrency	-	(300)
Purchase of intangible assets	(32)	(3)
Proceeds from sales of intangible assets	-	420
Payments for lease and guarantee deposits	(15)	(7)
Proceeds from collection of lease and guarantee deposits	108	101
Payments for short-term loans	-	(200)
Other	(41)	(48)
Net cash provided by (used in) investing activities	47	(42)
Cash flows from financing activities		
Proceeds from short-term borrowings	200	-
Proceeds from issuance of shares	-	3,476
Proceeds from issuance of stock acquisition rights	-	8
Purchase of treasury shares	(0)	-
Repayments of lease obligations	(5)	(8)
Net cash provided by (used in) financing activities	194	3,477
Net increase (decrease) in cash and cash equivalents (Δ)	(819)	1,830
Cash and cash equivalents at beginning of period	1,540	1,961
Cash and cash equivalents at end of interim period	721	3,792

(4) Notes to Interim Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

(Issuance of New Shares through Exercise of Stock Acquisition Rights)

The Company received payments for third-party allotment from EVO FUND through the exercise of the 9th Stock Acquisition Rights (March 3 to June 18, 2025) and the 11th Stock Acquisition Rights (August 22 to August 27, 2025). The 11th Stock Acquisition Rights are currently being exercised. As a result, during the interim period, both capital stock and legal capital surplus increased by 1,741 million yen each, and at the end of the interim period, capital stock was 1,841 million yen and legal capital surplus was 1,741 million yen.

(Changes in Accounting Policies)

(Application of 'Accounting Standard for Income Taxes' and related standards)

The Company has applied the 'Accounting Standard for Income Taxes' (ASBJ Statement No. 27, October 28, 2022, hereinafter '2022 Revised Accounting Standard') and related standards from the beginning of the interim period.

Regarding the revision related to the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to paragraph 65-2(2) of the 'Implementation Guidance on Accounting Standard for Tax Effect Accounting' (ASBJ Guidance No. 28, October 28, 2022, hereinafter '2022 Revised Implementation Guidance'). This change in accounting policy has no impact on the interim financial statements.

(Changes in Accounting Estimates)

(Changes in Estimates Related to Write-downs of Inventory Due to Decline in Profitability)

The Company had been using a method to write down the book value of inventory to net realizable value due to decline in profitability, as well as systematically writing down the book value of slow-moving inventory that exceeded certain holding periods outside the normal operating cycle.

With the new management structure and operating policy, in order to expedite the conversion of merchandise into cash, we have changed the classification of merchandise in inventory valuation to focus more on seasonality and set new valuation rates. From this interim period, we are implementing inventory write-downs to more appropriately reflect the profitability status of inventory in our financial position and operating results.

As a result of this change, compared to the previous method, cost of sales for the interim period increased by 87 million yen, and operating loss, ordinary loss, and loss before income taxes each increased by the same amount.

(Additional Information)

(Impact of Changes in Income Tax Rates)

Following the enactment of the 'Act for Partial Revision of the Income Tax Act' (Act No. 13 of 2025) on March 31, 2026, a 'Special Defense Corporate Tax' will be imposed for fiscal years beginning on or after April 1, 2026. Consequently, the statutory effective tax rate used for calculating deferred tax assets and liabilities for temporary differences expected to be reversed in fiscal years beginning on March 1, 2027 has been changed from 30.62% to 31.52%.

The impact of this tax rate change on profit or loss for the interim period is minimal.

(Segment Information)

Interim period (From March 1, 2025 to August 31, 2025)

The Company operates in a single segment of retail clothing and related items, therefore segment information is omitted.

(Significant Subsequent Events)

(1) Exercise of Stock Acquisition Rights through Third-Party Allotment

The 11th Stock Acquisition Rights (with exercise price adjustment clause) issued by the Company on August 22, 2025, have been exercised.

The overview of shares issued through the exercise of stock acquisition rights from September 1, 2025 to September 30, 2025 is as follows:

① Number of stock acquisition rights exercised		4,500 units
② Type and number of shares issued	Common stock	450,000 shares
③ Increase in capital stock		78 million yen
④ Increase in legal capital surplus		78 million yen

As a result, the total number of issued shares increased by 450,000 shares, and both capital stock and legal capital surplus increased by 78 million yen each. As of 2025 September 30, the total number of issued shares is 25,747,638 shares, capital stock is 1,919 million yen, and legal capital surplus is 1,819 million yen.

(2) Bitcoin Acquisition

The Bitcoin purchased by the Company from September 1, 2025 to September 30, 2025 is as follows:

Date	Purchase Volume	Acquisition Price (per BTC)	Purchase Amount
September 22, 2025	23.1807BTC	17,255,734 yen	400,000,000 yen
September 24, 2025	23.9180BTC	16,723,806 yen	400,000,000 yen
September 25, 2025	23.8800BTC	16,750,418 yen	400,000,000 yen
September 26, 2025	18.1674BTC	16,513,094 yen	300,000,000 yen
September 29, 2025	5.9295BTC	16,864,828 yen	100,000,000 yen
September 30, 2025	5.8518BTC	17,088,759 yen	100,000,000 yen
September 2025 Total	100.9274BTC	16,843,790 yen	1,700,000,000 yen

Cumulative Bitcoin Purchase Details

Cumulative Purchase Volume	Average Acquisition Price(per BTC)	Total Purchase Amount
118.4349BTC	16,886,914 yen	2,000,000,000 yen

(Note) The total purchase amount includes 300 million yen purchased in August 2025.

3. Other

(Significant Events or Conditions Concerning Going Concern)

The Company has recorded operating losses for seven consecutive fiscal years through the previous fiscal year and continues to record an operating loss in the current interim period, which raises significant doubt about the Company's ability to continue as a going concern. However, as of September 30, 2025, 3,641 million yen has been

secured through the exercise of stock acquisition rights issued through third-party allotment, which is sufficient to fund business operations for the immediate future. As of September 30, 3,641 million yen has been secured through the exercise of stock acquisition rights issued through third-party allotment, which is sufficient to fund business operations for the immediate future. Therefore, we have determined that there is no significant uncertainty regarding the going concern assumption at this time.

Furthermore, we will continue to improve profitability and strengthen our financial position by improving our earnings structure, converting stagnant inventory into cash, and controlling excess inventory.

(Sales by Product Category)

Product Category	Period Previous Interim Period From March 1, 2024 To August 31, 2024	Current Interim Period From March 1, 2025 To August 31, 2025	Year-on-Year Comparison	Change
Men's Tops	1,998 million yen	1,891 million yen	94.6%	(107 million yen)
Men's Bottoms	1,471 million yen	1,401 million yen	95.3%	(69 million yen)
Ladies' Tops	1,131 million yen	1,061 million yen	93.8%	(69 million yen)
Ladies' Bottoms	760 million yen	687 million yen	90.4%	(72 million yen)
Kids	578 million yen	553 million yen	95.7%	(24 million yen)
Others	620 million yen	586 million yen	94.6%	(33 million yen)
Total	6,561 million yen	6,182 million yen	94.2%	(378 million yen)

(Note) 'Others' consists of innerwear, legwear, accessories, etc.