July 15, 2026

# Consolidated Financial Results for the Nine Months Ended May 31, 2026 (Under Japanese GAAP)

Company name: TRANSACTION CO., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 7818
URL: https://www.trans-action.co.jp.e.zy.hp.transer.com/
Representative: Satoshi Ishikawa, Chairman and Representative Director
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

## 1. Consolidated financial results for the nine months ended May 31, 2026 (from September 1, 2025 to May 31, 2026)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| May 31, 2026 | 23,144 | 11.4 | 4,901 | 14.5 | 5,035 | 10.9 | 3,377 | 11.1 |
| May 31, 2025 | 20,773 | 9.9 | 4,281 | 7.5 | 4,540 | 9.0 | 3,041 | 10.5 |

Note: Comprehensive income For the nine months ended May 31, 2026: ¥3,574 million [26.1%]
For the nine months ended May 31, 2025: ¥2,835 million [1.7%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Nine months ended | Yen | Yen |
| May 31, 2026 | 59.74 | – |
| May 31, 2025 | 52.73 | – |

Note: The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. Accordingly, basic earnings per share have been calculated assuming that this stock split had been in effect at the beginning of the previous consolidated fiscal year.

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| May 31, 2026 | 26,505 | 21,915 | 82.7 |
| August 31, 2025 | 23,798 | 19,663 | 82.6 |

Reference: Equity
As of May 31, 2026: ¥21,915 million
As of August 31, 2025: ¥19,663 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, 2025 | – | 0.00 | – | 57.00 | 57.00 |
| Fiscal year ending August 31, 2026 | – | 0.00 | – | | |
| Fiscal year ending August 31, 2026 (Forecast) | | | | 31.00 | 31.00 |

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. For the fiscal years ended August 2025, the amounts of actual dividends before the stock split are presented. For the fiscal year ending August 2026 (forecast), the amounts are presented on a post-stock-split basis.

## 3. Consolidated earnings forecasts for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending August 31, 2026 | 30,000 | 9.3 | 6,300 | 10.4 | 6,450 | 7.3 | 4,288 | 5.1 | 75.86 |

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies (Thousand Inc. and one other company)
Excluded: None

(2) Application of special accounting treatments for 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: None

(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, 2026 | 57,550,800 shares |
| As of August 31, 2025 | 57,550,800 shares |

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

| | |
|---|---|
| As of May 31, 2026 | 801,512 shares |
| As of August 31, 2025 | 1,072,112 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Nine months ended May 31, 2026 | 56,539,915 shares |
| Nine months ended May 31, 2025 | 57,678,688 shares |

Note: The Company conducted a 2-for-1 stock split of common shares on September 1, 2025. Accordingly, the number of issued shares (common shares) has been presented as if this stock split had been in effect at the beginning of the previous consolidated fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

1. Forward-looking statements, including earnings forecasts, contained in this material are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes regarding the use of such forecasts, please refer to "(3) Explanation of consolidated earnings forecasts and other forward-looking statements" in "1. Qualitative Information on Quarterly Financial Results" on page 6 of the Quarterly Financial Results (attached materials).
2. Supplementary materials for financial results are disclosed on TDnet on the same day and posted on the Company's website.

**[Attached Material]**

## Index

# 1. Qualitative Information on Quarterly Financial Results

## (1) Explanation of operating results

During the first nine months ended May 31, 2026, the Japanese economy continued its gradual recovery, supported by improvements in employment and income conditions and increased inbound demand. However, the situation became more severe due to the tightening of the situation in the Middle East, triggered by U.S. attacks on Iran, including the blockade of the Strait of Hormuz, leading to a weaker yen, sharp rises in crude oil prices and supply shortages, increases in fuel, transportation, and electricity costs, and disruptions in naphtha supply causing higher prices and shortages of petrochemical products. Furthermore, heightened geopolitical risks, continued price increases, and the impact of fluctuations in financial and capital markets have sustained uncertainty regarding the future outlook.

In this environment, the TRANSACTION Group (the “Group”) began promoting four key strategies in the current fiscal year, which marks the first year of the Fifth Medium-term Management Plan (a five-year plan from the fiscal year ending August 31, 2026, to the fiscal year ending August 31, 2030), announced on October 15, 2025: “expansion of e-commerce business / entertainment (IP) business,” “strengthening of Eco-products / climate change countermeasures and disaster-prevention products / travel-related finished goods / pet wear and related finished goods,” “acquisition of trend demand in sales promotion,” and “strengthening of our own plants,” and worked on introducing new products, developing client companies, and strengthening relationships by capturing changes in the social environment and consumption trends in a timely and appropriate manner to achieve the plan for the first year. In response to the impact of the situation in the Middle East, the Company implemented measures such as forward exchange contracts at a certain ratio, securing raw materials, and increasing inventories including semi-finished goods, and business performance during the third quarter remained generally strong as a result.

■ E-commerce business

For one of the four growth strategies in the Fifth Medium-term Management Plan, we aim to evolve the e-commerce business towards building an e-commerce platform that handles not only our own products but also other companies’ products by opening up our e-commerce sites for other companies.* During the fiscal year ending August 31, 2026, the Group positioned the expansion of the e-commerce business as a key strategy and focused on the opening of its main B2B site “MARKLESS STYLE,” which began in March, as well as preparations for its full-scale operation from the next fiscal year onward. We also worked on planning and development preparations towards launching five new specialty sites by the end of the current fiscal year. Regarding sales for the current nine-month consolidated financial period, sales through “MARKLESS Connect” continued to perform strongly and increased year on year. This was due to strengthened efforts to expand sales of the Group’s products on client companies’ e-commerce sites, including enhanced marketing support, as well as a focus on shifting transactions to “MARKLESS STYLE.” However, in the third quarter, although demand was captured, the pace of growth slowed compared to the same period of the previous year due to a temporary shift toward a more cautious stance on sales promotions caused by the deteriorating situation in the Middle East, resulting in a higher proportion of lower-priced products. For “HANSOKU-STYLE,” the main D2C** site; “Original Goods Press,” a site specializing in goods for sale and OEM products catering to the entertainment and “Oshikatsu” (various activities to support favorite idols, actors, anime characters, etc.) market; and “ORIGINAL GOODS.com,” which produces goods for sale and commemorative items for companies and shops, we enriched content such as special feature pages and columns, expanded search keywords, and worked on acquiring new members through web advertising. As a result, sales at “Original Goods Press” and “ORIGINAL GOODS.com” continued to increase year on year, contributing to improvements in both the sales composition ratio and profit margin of the e-commerce business.

As a result, the shift in sales from “targeting wholesalers” by sales channel to “e-commerce” contributed to an increase in e-commerce sales of 1,076 million yen, or 19.0% year on year. Although the sales composition ratio temporarily declined in the third quarter due to strong growth in sales targeting end-user companies, it increased by 1.9 percentage points year on year on a cumulative basis to 29.2%.

* For the wholesale/distributor e-commerce site “MARKLESS STYLE,” we plan, develop, and manufacture products suitable for printing and processing by our company, print photos and illustrations in vivid colors down to the details at our own domestic plants, and provide them to client companies. The opening up of the e-commerce website to other companies allows other manufacturers to list products, which expands the categories and price ranges of listed products. This not only improves convenience for client companies as sales destinations but also creates a mechanism that contributes to sales improvement for other manufacturers listing and for “MARKLESS STYLE.” It represents a growth strategy to enhance our competitiveness in the market by strengthening our own products, collaborating with other manufacturers, and thereby meeting the needs of our client companies.

** An abbreviation for “Direct to Consumer,” a business model in which a manufacturer plans and manufactures its own commodities and sells them directly to end customers without intermediaries such as wholesalers and stores.

■ Eco-products

For the original brand “MARKLESS STYLE,” as part of the responsibility for planning, manufacturing, and selling products, we strengthened the development of products using sustainable materials that enhance added value, such as materials certified by the FAIRTRADE Mark and the Eco Mark, organic cotton, biomass plastics, and recycled/upcycled materials, and worked on expanding environmentally friendly product categories. In addition, we promoted the provision of environmentally friendly, value-added products by supplying reusable, non-disposable items. Mainstay products such as eco bags, bottles, and tumblers continued to perform well, as did pouches/drawstring bags. Among climate change countermeasure products, for which we have strengthened product development and increased our product lineup in recent years, warm-related goods such as USB eco hand warmers and blankets performed well in the second quarter. In the third quarter, highly functional all-weather umbrellas, handy fans, and neck rings showed significant growth compared to the previous year. In addition, we worked to increase product inventory and secure raw materials in preparation for increased demand during the summer season. These Eco-products and climate change countermeasure products use materials suitable for printing and processing, which enables the full-color printing of photos and illustrations with sharp detail, allowing us to differentiate ourselves from competitors through both product quality and high print quality. Moreover, the “Handit Simple Thermo Bottle” won the Good Design Award 2025, and also won the Bronze Award in the Sales (Products excluding Coffee) category at the Fairtrade Japan Award 2025. As a result, sales of “MARKLESS STYLE” continued to increase year on year.

The ethical brand “MOTTERU” was also selected as a target product for the “Let’s choose! 3R Campaign 2025” sponsored by the Ministry of the Environment in the current fiscal year, leading to its increased recognition as an ethical brand.

As a result, sales of Eco-products increased by 688 million yen, or 7.9% year on year.

■ Lifestyle products

Recently, with significant changes in individual lifestyles, the “Oshikatsu” (various activities to support favorite idols, actors, anime characters, etc.) market has achieved rapid expansion. By quickly capturing this trend, in addition to industries such as game and animation where demand continues to be high and further expansion is seen, we gained an understanding of trends in merchandise using IP and sales promotions, and strengthened planning proposals and sales activities. As a result, we were able to secure not only an increase in the number of projects but also several large-scale projects. In industries such as game and animation, demand for items in product sales through e-commerce and at event venues for in-person events continues to grow, and in music, 2.5D, and sporting events as well, demand for merchandise continues to increase. We strengthened sales by differentiating ourselves from competitors with the high quality of products and printing that the Group is strong in. In sales promotions, in addition to capturing customer demand and accumulating small- and medium-sized projects, we also secured several large-scale campaign projects during the third quarter. In travel-related finished goods, sales increased year on year, driven by the continued strong performance of collaborative products featuring popular characters. In the area of pet wear and related finished goods, in addition to pet wear, dog gear, and other items for the fall and winter, we began sales of our first-ever dog treat product, “Kanjukuoh Banana Bolo,” and worked on new product development and expansion of sales channels. In designs related to Lifestyle products, we won the Gold Award in the international package design awards “Pentawards 2025.”

As part of strengthening the entertainment (IP) business, one of the growth strategies in the Fifth Medium-term Management Plan, in September 2025, we entered into a capital tie-up with K2 Pictures Inc. (“K2P”), represented by Muneyuki Kii who has planned and produced films under TOEI COMPANY, LTD., and made an investment accompanied by business alliance in the film production fund operated by K2P. This film production fund has participations from renowned film directors, not only from Japan but also from the world’s film industry, as well as Japan’s top animation studios. During the third quarter, we participated in projects involving the production of merchandise and novelty items related to films produced by the company. In addition, as part of our efforts to expand product categories in the entertainment (IP) field, Thousand Inc. and its subsidiary AliceGlint Co., Ltd. became our consolidated subsidiaries. They are engaged primarily in the OEM manufacture and base model creation of figures, a business we had not previously handled in-house, as announced in the “Notice Concerning Acquisition of Shares of Thousand Inc. to Make It a Consolidated Subsidiary, and Transfer of Specified Subsidiary” dated March 16, 2026.

Note that some of the large-scale projects acquired during the third quarter had lower gross profit margins, which put downward pressure on the consolidated gross profit margin compared to the first and second quarters.

As a result, sales of Lifestyle products increased by 1,703 million yen, or 16.2% year on year.

■ Wellness products

Sales increased by 12 million yen, or 1.0% year on year, due to sales of pouches/drawstring bags, mirrors, masks, and other sanitary products.

On the production side, the Company worked to secure multiple production bases so that it can flexibly switch between production sites in response to fluctuations in the exchange rate and raw material prices, and optimize distribution channels in order to ensure a stable supply and strengthen price competitiveness amid a persistently challenging external environment. We also strengthened production management systems at overseas bases and factory inspections of overseas suppliers, worked on reducing procurement and management costs and improving product quality, and promoted CSR procurement. Moreover, in anticipation of increased demand for summer season products, we increased product inventory and strengthened procurement of raw materials needed for the peak summer season, while working to secure necessary raw materials at appropriate prices. During the third quarter, to minimize the impact of the tightening situation in the Middle East and ensure stable supply, we secured raw materials for demand through the end of August and increased inventories, including semi-finished goods.

At our own domestic factories, we worked to improve operational efficiency and productivity by securing and optimally placing personnel and introducing and stabilizing the use of the process management system. We also systematically introduced state-of-the-art printing machinery to improve productivity and respond to needs for entertainment and “Oshikatsu” demand.

As a result, for the current nine-month consolidated financial period, net sales increased to 23,144 million yen (up by 2,371 million yen, or 11.4% year on year), and operating profit increased to 4,901 million yen (up by 619 million yen, or 14.5% year on year) due to the securing of gross profit resulting from the growth in sales. Ordinary profit increased to 5,035 million yen (up by 494 million yen, or 10.9% year on year), and profit attributable to owners of parent increased to 3,377 million yen (up by 336 million yen, or 11.1% year on year).

Note that in the third quarter under review, sales increased by 114.2% year on year due to the acquisition of large-scale projects in Lifestyle products. However, because some of these projects had lower gross profit margins, the gross profit margin increased by only 0.1 percentage points year on year and declined by 1.0 and 0.5 percentage points compared to the first and second quarters, respectively. In addition, one-time M&A-related expenses recorded in selling, general and administrative expenses caused the operating profit margin to decline by 0.5 percentage points year on year.

Actual sales by sales channel and product classification for the nine months ended May 31, 2026 were as follows.

<Actual sales by sales channel>

(Millions of yen)

| Sales channel | Net sales | | Change | |
|---|---|---|---|---|
| | Nine months ended May 31, 2025 | Nine months ended May 31, 2026 | Change (Amount) | Change (%) |
| Targeting end-user companies | 9,591 | 11,164 | 1,573 | 16.4 |
| Targeting wholesalers | 5,506 | 5,227 | (278) | (5.1) |
| E-commerce | 5,675 | 6,752 | 1,076 | 19.0 |
| Total | 20,773 | 23,144 | 2,371 | 11.4 |

<Actual sales by product classification>

(Millions of yen)

| Product classification | Net sales | | Change | |
|---|---|---|---|---|
| | Nine months ended May 31, 2025 | Nine months ended May 31, 2026 | Change (Amount) | Change (%) |
| Eco-products | 8,745 | 9,434 | 688 | 7.9 |
| Lifestyle products | 10,529 | 12,233 | 1,703 | 16.2 |
| Wellness products | 1,242 | 1,255 | 12 | 1.0 |
| Design and other | 255 | 222 | (33) | (12.9) |
| Total | 20,773 | 23,144 | 2,371 | 11.4 |

Note: Design and other refers to those not falling under miscellaneous goods, including commissioned graphic, products and WEB design operations, as well as printing operations.

## (2) Explanation of financial position

Status of assets, liabilities, and net assets

Current assets

Current assets at the end of the third quarter under review amounted to 17,264 million yen, an increase of 1,532 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in notes and accounts receivable - trade, and contract assets by 1,248 million yen, an increase in finished goods by 761 million yen, and an increase in securities by 400 million yen, partially offset by a decrease in cash and deposits by 1,190 million yen.

Non-current assets

Non-current assets at the end of the third quarter under review amounted to 9,240 million yen, an increase of 1,174 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in goodwill by 723 million yen.

Current liabilities

Current liabilities at the end of the third quarter under review amounted to 3,406 million yen, a decrease of 68 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in income taxes payable by 387 million yen, a decrease in provision for bonuses by 108 million yen, and an increase in accounts payable - trade by 468 million yen.

Non-current liabilities

Non-current liabilities at the end of the third quarter under review amounted to 1,183 million yen, an increase of 523 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in long-term borrowings by 411 million yen.

Net assets

Net assets at the end of the third quarter under review amounted to 21,915 million yen, an increase of 2,252 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings by 1,768 million yen, an increase resulting from the disposal of treasury shares by 261 million yen, and an increase in deferred gains or losses on hedges by 93 million yen.

### (3) Explanation of consolidated earnings forecasts and other forward-looking statements

During the nine months ended May 31, 2026, sales targeting end-user companies and through e-commerce increased by sales channel, while sales of Lifestyle products grew significantly and Eco-products continued to perform well by product classification. On the other hand, measures such as forward exchange contracts at a certain ratio, securing raw materials, and increasing inventories including semi-finished goods were implemented to minimize the impact of the worsening situation in the Middle East, and business performance during the third quarter remained generally strong. Although uncertainty regarding the situation in the Middle East continues, the impact on fourth-quarter results is currently expected to be limited, thanks to these measures as well as additional actions such as minimizing the pass-through of costs to sales prices.

At this time, the full-year financial results forecast for the fiscal year ending August 31, 2026, remains unchanged from the figures announced on April 14, 2026. Regarding the impact of Thousand Inc. and AliceGlint Co., Ltd., which are scheduled to be consolidated from the fourth quarter of the fiscal year ending August 31, 2026, we are currently reviewing items such as goodwill amortization in consultation with the audit firm, and the impact on full-year results is expected to be minor at present.

If it is determined that revisions to the full-year earnings forecast are necessary, we will announce them promptly.

The earnings forecasts are based on information available as of the date of disclosure of this report. Going forward, actual performance may vary from forecast figures depending on various factors.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

| | As of August 31, 2025 | As of May 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,558,981 | 5,368,005 |
| Notes and accounts receivable - trade, and contract assets | 3,333,702 | 4,582,356 |
| Securities | 52,032 | 452,990 |
| Finished goods | 5,079,853 | 5,841,361 |
| Other | 707,462 | 1,020,024 |
| Allowance for doubtful accounts | (117) | (37) |
| Total current assets | 15,731,915 | 17,264,700 |
| Non-current assets | | |
| Property, plant and equipment | 1,767,846 | 1,729,608 |
| Intangible assets | | |
| Goodwill | – | 723,871 |
| Other | 221,350 | 376,396 |
| Total intangible assets | 221,350 | 1,100,267 |
| Investments and other assets | | |
| Investment securities | 4,652,600 | 4,627,697 |
| Other | 1,424,458 | 1,783,205 |
| Total investments and other assets | 6,077,059 | 6,410,902 |
| Total non-current assets | 8,066,255 | 9,240,778 |
| Total assets | 23,798,171 | 26,505,479 |

(Thousands of yen)

| | As of August 31, 2025 | As of May 31, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,111,409 | 1,580,131 |
| Current portion of long-term borrowings | 262,106 | 218,345 |
| Income taxes payable | 1,092,858 | 705,568 |
| Provision for bonuses | 227,488 | 118,546 |
| Provision for shareholder benefit program | 8,311 | – |
| Short-term borrowings | – | 50,000 |
| Other | 773,228 | 734,080 |
| Total current liabilities | 3,475,403 | 3,406,672 |
| Non-current liabilities | | |
| Long-term borrowings | 172,500 | 583,750 |
| Retirement benefit liability | 353,694 | 374,444 |
| Asset retirement obligations | 45,765 | 45,866 |
| Other | 87,452 | 178,946 |
| Total non-current liabilities | 659,413 | 1,183,006 |
| Total liabilities | 4,134,816 | 4,589,679 |
| Net assets | | |
| Shareholders’ equity | | |
| Share capital | 93,222 | 93,222 |
| Capital surplus | 2,148,628 | 2,175,172 |
| Retained earnings | 17,842,687 | 19,610,988 |
| Treasury shares | (1,033,497) | (772,451) |
| Total shareholders’ equity | 19,051,041 | 21,106,931 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 396,041 | 452,707 |
| Deferred gains or losses on hedges | 62,539 | 155,884 |
| Foreign currency translation adjustment | 146,255 | 195,031 |
| Remeasurements of defined benefit plans | 7,477 | 5,245 |
| Total accumulated other comprehensive income | 612,314 | 808,868 |
| Total net assets | 19,663,355 | 21,915,800 |
| Total liabilities and net assets | 23,798,171 | 26,505,479 |

## (2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

### Quarterly Consolidated Statement of Income (Cumulative)

(Thousands of yen)

| | Nine months ended May 31, 2025 | Nine months ended May 31, 2026 |
|---|---|---|
| Net sales | 20,773,105 | 23,144,646 |
| Cost of sales | 12,727,967 | 14,024,281 |
| Gross profit | 8,045,137 | 9,120,365 |
| Selling, general and administrative expenses | | |
| Salaries and allowances | 1,124,450 | 1,279,089 |
| Provision for bonuses | 97,765 | 95,860 |
| Retirement benefit expenses | 24,189 | 34,288 |
| Provision of allowance for doubtful accounts | 1 | 17 |
| Other | 2,517,381 | 2,810,053 |
| Total selling, general and administrative expenses | 3,763,787 | 4,219,309 |
| Operating profit | 4,281,349 | 4,901,056 |
| Non-operating income | | |
| Interest income | 3,315 | 6,176 |
| Interest on securities | 144,983 | 161,244 |
| Dividend income | 2,400 | 2,560 |
| Foreign exchange gains | 108,722 | – |
| Other | 2,317 | 3,096 |
| Total non-operating income | 261,738 | 173,078 |
| Non-operating expenses | | |
| Interest expenses | 1,876 | 2,549 |
| Foreign exchange losses | – | 27,265 |
| Loss on investments in silent partnerships | – | 8,035 |
| Other | 350 | 825 |
| Total non-operating expenses | 2,227 | 38,675 |
| Ordinary profit | 4,540,860 | 5,035,458 |
| Extraordinary income | | |
| Gain on receipt of donated non-current assets | 26,997 | – |
| Gain on sale of investment securities | 45,391 | 90,931 |
| Insurance claim income | – | 38,078 |
| Total extraordinary income | 72,388 | 129,009 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 710 | 2,126 |
| Loss on abandonment of inventories | – | 30,509 |
| Total extraordinary losses | 710 | 32,636 |
| Profit before income taxes | 4,612,538 | 5,131,832 |
| Income taxes - current | 1,462,771 | 1,670,665 |
| Income taxes - deferred | 108,382 | 83,223 |
| Total income taxes | 1,571,153 | 1,753,888 |
| Profit | 3,041,385 | 3,377,943 |
| Profit attributable to owners of parent | 3,041,385 | 3,377,943 |

**Quarterly Consolidated Statement of Comprehensive Income (Cumulative)**

(Thousands of yen)

| | Nine months ended May 31, 2025 | Nine months ended May 31, 2026 |
|---|---|---|
| Profit | 3,041,385 | 3,377,943 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (187,889) | 56,666 |
| Deferred gains or losses on hedges | 39,096 | 93,345 |
| Foreign currency translation adjustment | (50,846) | 48,775 |
| Remeasurements of defined benefit plans, net of tax | (6,246) | (2,232) |
| Total other comprehensive income | (205,886) | 196,554 |
| Comprehensive income | 2,835,498 | 3,574,498 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,835,498 | 3,574,498 |
| Comprehensive income attributable to non-controlling interests | – | – |

## (3) Notes to Quarterly Consolidated Financial Statements

**Notes regarding assumption of a going concern**

None.

**Notes on significant changes in the amount of shareholders' equity**

None.

**Notes to quarterly consolidated balance sheet**

Overdraft contracts

The Company has entered into overdraft contracts with its four major banks to finance working capital efficiently.

The unused lines of credit, etc. at the end of the third quarter under review are as follows.

(Thousands of yen)

| | As of August 31, 2025 | As of May 31, 2026 |
|---|---|---|
| Credit line of overdrafts | 1,300,000 | 1,350,000 |
| Borrowing balance of those contracts | – | 50,000 |
| Difference | 1,300,000 | 1,300,000 |

**Notes to quarterly consolidated statement of cash flows**

The Company has not prepared quarterly consolidated statement of cash flows for the first nine months ended May 31, 2026. In addition, the amounts of depreciation (including amortization related to intangible assets) for the first nine months of the current and previous fiscal years are as stated below.

(Thousands of yen)

| | Nine months ended May 31, 2025 | Nine months ended May 31, 2026 |
|---|---|---|
| Depreciation | 172,279 | 190,308 |

**Segment information**

[Segment information]

Nine months ended May 31, 2025

Information is omitted as the business of the Company and its consolidated subsidiaries is comprised of a single reportable segment engaged in the miscellaneous goods business and its accompanying operations.

Nine months ended May 31, 2026

Information is omitted as the business of the Company and its consolidated subsidiaries is comprised of a single reportable segment engaged in the miscellaneous goods business and its accompanying operations.

**Business combinations, etc.**

Business combination through acquisition

1. Overview of business combination

(1) Name and business of the acquired company

Name of the acquired company: Thousand Inc.

Description of business: OEM manufacturer involved in the creation of base models for high-quality figures, as well as their development and production

(2) Main reasons for the business combination

Because Thousand's vision is extraordinarily compatible with the Group in terms of promoting the evolution of the entertainment (IP) business, the business combination is expected to be highly successful in generating outcomes in various areas, including joint development of new products, strengthening of sourcing and procurement, and mutual use of sales routes, which we believe will contribute to increases in the corporate value of the Group.

(3) Date of the business combination

March 31, 2026 (deemed business combination date)

(4) Legal form of the business combination

Acquisition of shares

(5) Name of the company after combination

No change.

(6) Percentage of voting rights to be acquired

100%

(7) Main basis for determining the acquiring company

The acquisition of shares by the Company in exchange for cash

2. Period of the acquired company's results included in the quarterly consolidated financial statements

Since March 31, 2026 is treated as the deemed acquisition date, the assets and liabilities of the acquired company as of March 31, 2026 are included in the quarterly consolidated balance sheet as of the end of the third quarter under review. Note that the results of the acquired company are not included in the quarterly consolidated statement of income for the nine months ended May 31, 2026.

3. Acquisition cost of the acquired company and breakdown by type of consideration

(Thousands of yen)

| Consideration for acquisition | Cash | 920,000 |
|---|---|---|
| Acquisition cost | | 920,000 |

4. Details of conditional consideration provided for in the business combination agreement and accounting treatment policy after the current fiscal year

(1) Details of conditional consideration

The conditional consideration will be paid depending on the degree of achievement of the acquired company's business performance targets, and the payment amount has not yet been determined.

(2) Accounting policy

In the event of a change in the acquisition consideration, the acquisition cost shall be adjusted as if the change had occurred at the time of acquisition, and the amount of goodwill and the amortization amount of goodwill shall be adjusted accordingly.

5. Amount of goodwill recognized, reasons for recognition, amortization method, and amortization period

(1) Amount of goodwill recognized

723,871 thousand yen

Note that this amount of goodwill is provisional as the allocation of the acquisition cost has not yet been completed.

(2) Reason for recognition

Because the acquisition cost exceeded the net amount of the assets acquired and liabilities assumed, the difference was recognized as goodwill.

(3) Amortization method and amortization period

The amortization period for goodwill is currently under review and will be finalized upon completion of the allocation of the acquisition cost.

6. Amount of assets accepted and liabilities assumed on the date of the business combination and their main breakdown

(Thousands of yen)

| | |
|---|---|
| Current assets | 954,034 |
| Non-current assets | 137,078 |
| Total assets | 1,091,112 |
| Current liabilities | 501,388 |
| Non-current liabilities | 393,594 |
| Total liabilities | 894,983 |

**Subsequent events**

None.