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January 14, 2026

Non-consolidated Financial Results for the Six Months Ended November 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 5885
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 Scheduled date to file semi-annual securities report: January 14, 2026
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Non-consolidated financial results for the six months ended November 30, 2025 (from June 1, 2025 to November 30, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2025	3,083	△22.8	613	23.1	649	30.6	448	30.3
November 30, 2024	3,995	111.8	498	90.6	497	101.8	344	101.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2025	82.63	80.78
November 30, 2024	64.25	62.10

Note:

The Company conducted a stock split on December 1, 2024, at a ratio of 4 shares for 1 common stock. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2025	5,380	3,185	59.1
May 31, 2025	4,608	2,851	61.8

Reference: Equity

As of November 30, 2025: ¥3,178 million
 As of May 31, 2025: ¥2,848 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 May 31, 2025	—	0.00	—	23.00	23.00
Fiscal year ending May 31, 2026	—	0.00			
Fiscal year ending May 31, 2026 (Forecast)			—	29.00	29.00

Note:

Revisions to the forecast of cash dividends most recently announced: No

3. Non-consolidated financial results forecast for the fiscal year ending May 31, 2026(June 1, 2025 to May 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,308	10.2	934	11.2	934	17.3	617	15.0	114.06

Note:

1. Notice concerning Revision of the Financial Forecasts : No

2. Earnings forecasts for the six months ending November 30, 2025 are omitted because the company manages performance targets on a yearly basis.

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: Yes

Note: For details, please refer to “2. Semi-annual Non-Consolidated Financial Statements and Principal Notes (4) Notes to the Semi-annual Non-Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements)” on page 7 of the attachments to this summary.

- (2) 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: Yes
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None

Note: Effective from the semi-annual of the current fiscal year, we have changed the depreciation method and useful life, the change in depreciation method constitutes a “change in accounting policy that is difficult to distinguish from a change in accounting estimate.” For details, please refer to “2. Semi-annual Non-Consolidated Financial Statements and Principal Notes (4) Notes to the Semi-annual Non-Consolidated Financial Statements (Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)” on page 7 of the attachments to this summary.

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

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

As of November 30, 2025	5,444,000 shares
As of May 31, 2025	5,413,600 shares

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

As of November 30, 2025	457 shares
As of May 31, 2025	424 shares

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

Six months ended November 30, 2025	5,425,580 shares
Six months ended November 30, 2024	5,356,054 shares

Note: The Company conducted a stock split on December 1, 2024, at a ratio of 4 shares for 1 common stock. “Number of shares issued at the end of the period”, “Number of treasury shares at the end of the period” and “Average number of shares during period” are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended May 2025.

- * Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

(Cautionary statements with respect to forward-looking statements and other information)

The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of its issue and on certain assumptions that the Company considers reasonable.

Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. Various factors can cause actual results to differ materially from the forecasts. For the assumptions underlying the earnings forecast and notes on the use of the earnings forecast, please refer to “1. Overview of Operating Results, etc. on Semi-annual Finance Results (3) Explanation of non-consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

(Method of obtaining the supplementary material on financial results and details of the financial results briefing)

The Company plans to hold a financial results presentation for institutional investors and analysts on Thursday, January 15, 2026. The video of the presentation and the presentation materials will be uploaded to our website immediately after the event.

○Table of Contents - Attached Documents

1. Overview of Operating Results, etc. on Semi-annual Finance Results.....	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	2
(3) Explanation of non-consolidated Financial Results Forecast and Other Forward-looking Information.....	3
2. Semi-annual Non-Consolidated Financial Statements and Principal Notes.....	4
(1) Semi-annual Non-Consolidated Balance Sheets	4
(2) Semi-annual Non-Consolidated Statements of Income.....	5
(3) Semi-annual Non-Consolidated Statements of Cash Flows.....	6
(4) Notes to the Semi-annual Non-Consolidated Financial Statements.....	7
(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)	7
(Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements)	7
(Notes on segment information, etc.)	7
(Notes in the case of significant changes in shareholders' equity)	7
(Notes on going concern assumption)	7

1. Overview of Operating Results, etc. on Semi-annual Finance Results

(1) Explanation of Operating Results

During the interim accounting period under review, the Japanese economy maintained a moderate recovery trend, supported by a pickup in personal consumption and a rebound in inbound demand. On the other hand, the outlook remains uncertain due to persistently high raw material prices, fluctuations in exchange rates, and ongoing geopolitical risks, as well as the impact of overseas monetary policy trends and changes in the international situation.

In this economic environment, domestic companies continued to show solid appetite for capital investment in IT-related fields, with digitalization investments aimed at improving productivity, strengthening competitiveness, and reducing labor dependency remaining steady. In particular, against the backdrop of progress in the practical application and business utilization of generative AI, demand for high-performance GPU servers and AI infrastructure built around these systems continued to be firm.

Under the mission of “Advance with you, let's advance the world”, our Company has worked to increase profits in this situation.

As a result, for the semi-annual of the fiscal year ending May 31, 2026, operating results were as follows: net sales were ¥3,083,815 thousand (down 22.8% year-on-year), operating profit of ¥613,745 thousand (up 23.1% year-on-year), ordinary profit of ¥649,068 thousand (up 30.6% year-on-year), and net profit of ¥448,308 thousand (up 30.3% year-on-year).

As the Company is in the single segment of the system incubation business, we have omitted the segment-by-segment description.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

(Assets)

Current assets as of November 30, 2025, were ¥5,179,098 thousand, an increase of ¥787,884 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥124,911 thousand in cash and deposits and an increase of ¥352,642 thousand from notes and accounts receivable - trade, and contract assets and an increase of ¥294,577 thousand from merchandise.

Non-current assets as of November 30, 2025, were ¥201,093 thousand, a decrease of ¥16,280 thousand from the end of the previous fiscal year. This was mainly due to attributable to depreciation of ¥40,285 thousand, despite the acquisition of property, plant and equipment of ¥18,296 thousand and intangible assets of ¥6,450 thousand.

As a result, total assets as of November 30, 2025, were ¥5,380,192 thousand, an increase of ¥771,603 thousand from the end of the previous fiscal year.

(Liabilities)

Current liabilities of November 30, 2025, were ¥1,336,234 thousand, an increase of ¥308,976 thousand from the end of the previous fiscal year. This is mainly due to a decrease of ¥32,317 thousand in other current liabilities due to accrued consumption taxes, despite an increase of ¥219,949 thousand in notes and accounts payable - trade and an increase of ¥73,755 thousand in advances received and an increase of ¥29,882 thousand in provision.

Non-current liabilities as of November 30, 2025, were ¥858,885 thousand, an increase of ¥129,470 thousand from the end of the previous fiscal year. This was due to an increase of ¥129,470 thousand in long-term advances received.

As a result, total liabilities as of November 30, 2025, were ¥2,195,119 thousand, an increase of ¥438,447 thousand from the end of the previous fiscal year.

(Net assets)

Net assets of November 30, 2025, were ¥3,185,072 thousand, an increase of ¥333,156 thousand from the end of the previous fiscal year. This was mainly due to the recording of ¥448,308 thousand in profit, despite the payment of ¥124,503 thousand in dividends from surplus.

2) Cash flows

Cash and cash equivalents (“cash”) of November 30, 2025, were ¥3,459,024 thousand, an increase of ¥124,911 thousand compared with the end of the fiscal year ended May 31, 2025.

Cash flows and factors affecting them for the first half of the fiscal year ending May 31, 2026, under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥240,777 thousand. (¥89,343 thousand were used in the previous fiscal year.) This was mainly due to the main cash outflows factors increase in trade receivables of ¥352,642 thousand, an increase in inventories of ¥300,000 thousand, income taxes paid of ¥184,947 thousand, despite the main cash inflows factors including an increase in profit before income taxes of ¥649,068 thousand, and an increase in trade payables of ¥219,949 thousand, an increase in other liabilities of ¥180,874 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was ¥27,545 thousand. (¥23,634 thousand were used in the previous fiscal year.) This was due to the purchase of property, plant and equipment of ¥12,695 thousand and intangible assets of ¥14,850 thousand.

(Cash flows from financing activities)

Net cash used in financing activities was ¥117,823 thousand. (¥89,449 thousand were used in the previous fiscal year.) This was mainly due to the payment of ¥124,261 thousand in dividends from surplus.

(3) Forecasts and Other Projections

There is no revision to the forecasts of financial results for the fiscal year ending May 31, 2026, which were announced on July 14, 2025.

2. Semi-annual Non-Consolidated Financial Statements and Notes

(1) Semi-annual Non-Consolidated Balance Sheets

(Thousands of yen)

	As of May 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	3,334,112	3,459,024
Notes and accounts receivable - trade, and contract assets	90,871	443,513
Merchandise	960,913	1,255,491
Other	5,316	21,069
Total current assets	4,391,214	5,179,098
Non-current assets		
Property, plant and equipment	134,563	113,972
Intangible assets	32,419	37,472
Investments and other assets	50,392	49,649
Total non-current assets	217,374	201,093
Total assets	4,608,588	5,380,192
Liabilities		
Current liabilities		
Notes and accounts payable - trade	254,658	474,607
Income taxes payable	193,545	211,252
Advances received	455,845	529,600
Provision	—	29,882
Other	123,207	90,890
Total current liabilities	1,027,257	1,336,234
Non-current liabilities		
Long-term advances received	503,482	632,953
Long-term accounts payable - other	225,931	225,931
Total non-current liabilities	729,414	858,885
Total liabilities	1,756,672	2,195,119
Net assets		
Shareholders' equity		
Capital stock	290,879	294,148
Capital surplus	891,501	894,769
Retained earnings	1,667,124	1,990,929
Treasury shares	△987	△1,086
Total shareholders' equity	2,848,518	3,178,761
Share acquisition rights	3,398	6,311
Total net assets	2,851,916	3,185,072
Total liabilities and net assets	4,608,588	5,380,192

(2) Semi-annual Non-Consolidated Statements of Income

(Thousands of yen)

	For the six months ended November 30, 2024	For the six months ended November 30, 2025
Net sales	3,995,118	3,083,815
Cost of sales	3,280,287	2,198,525
Gross profit	714,831	885,290
Selling, general and administrative expenses	216,290	271,544
Operating profit	498,540	613,745
Non-operating income		
Foreign exchange gains	—	27,088
Interest	3,698	8,205
Other	207	28
Total non-operating income	3,905	35,322
Non-operating expenses		
Foreign exchange losses	5,288	—
Total non-operating expenses	5,288	—
Ordinary profit	497,158	649,068
Profit before income taxes	497,158	649,068
Income taxes	153,020	200,759
Profit	344,138	448,308

(3) Semi-annual Non-Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended November 30,2024	For the six months ended November 30,2025
Cash flows from operating activities		
Profit (loss) before income taxes	497,158	649,068
Depreciation	20,016	40,285
Amortization of security deposit	652	652
Share-based payment expenses	485	2,912
Increase (decrease) in provision	10,191	29,882
Interest	△3,698	△8,205
Foreign exchange losses (gains)	12,308	△29,503
Decrease (increase) in trade receivables	△209,296	△352,642
Decrease (increase) in inventories	△27,949	△300,000
Increase (decrease) in trade payables	△189,415	219,949
Decrease (increase) in other assets	△123,134	△17,343
Increase (decrease) in other liabilities	9,360	180,874
Subtotal	△3,321	415,929
Interest received	2,927	9,795
Income taxes paid	△88,949	△184,947
Net cash provided by (used in) operating activities	△89,343	240,777
Cash flows from investing activities		
Purchase of property, plant and equipment	△7,835	△12,695
Purchase of intangible assets	△15,095	△14,850
Others	△703	—
Net cash provided by (used in) investing activities	△23,634	△27,545
Cash flows from financing activities		
Proceeds from issuance of shares	671	6,537
Purchase of treasury shares	△672	△99
Dividends paid	△89,447	△124,261
Net cash provided by (used in) financing activities	△89,449	△117,823
Effect of exchange rate change on cash and cash equivalents	△12,308	29,503
Net increase (decrease) in cash and cash equivalents	△214,734	124,911
Cash and cash equivalents at beginning of period	3,006,128	3,334,112
Cash and cash equivalents at end of period	2,791,393	3,459,024

(4) Notes to Semi-annual Non-Consolidated Financial Statements

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates and changes in accounting estimates)

(Change in Depreciation Method for Tangible Fixed Assets and Change in Useful Life)

Previously, the Company adopted the straight-line method for assets related to cloud services. However, starting from the semi-annual of the current fiscal year, the straight-line method has been changed to the declining balance method for cloud service contracts with a term of less than three years. This change is due to the commencement of new cloud services. While our previous cloud services were based on medium-term contract periods, the new cloud services include contracts with shorter durations, such as one year. Since the economic value of these assets is expected to diminish over time, we have determined that the declining balance method more accurately reflects our operating results.

Additionally, starting with the semi-annual of the current fiscal year, in conjunction with the change in depreciation method, the useful life of assets related to cloud services with contract terms of less than three years has been revised to three years based on an estimate of the economically usable period, and has been changed going forward.

This has no impact on the cumulative results for the semi-annual of the current fiscal year.

(Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally estimating the effective tax rate after applying the tax effect on income before income taxes for the fiscal year including the six months ended November 30, 2025, and multiplying income before income taxes by the estimated effective tax rate.

(Notes on segment information, etc.)

Segment information is omitted as the Company operates a single segment of system incubation business.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.