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February 12, 2026

Non-consolidated Financial Results for the Six Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: User Local, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3984
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 Scheduled date to file semi-annual securities report: February 12, 2026
 Scheduled date to commence dividend payments: March 13, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Non-consolidated financial results for the six months ended December 31, 2025 (from July 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
December 31, 2025	2,581	17.7	1,217	21.6	1,226	22.5	914	32.1
December 31, 2024	2,193	16.9	1,001	16.8	1,000	16.7	692	16.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
December 31, 2025	57.23	57.14
December 31, 2024	42.91	42.79

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2025	10,665	9,375	87.9
June 30, 2025	9,971	8,699	87.2

Reference: Equity

As of December 31, 2025: ¥9,375 million
 As of June 30, 2025: ¥8,699 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 30 June, 2025	—	0.00	—	14.00	14.00
Fiscal year ending 30 June, 2026	—	10.00			
Fiscal year ending 30 June, 2026 (Forecast)			—	10.00	20.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Earnings Forecast for the Fiscal Year Ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(% indicate changes from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	5,284	15.3	2,207	12.0	2,207	11.9	1,523	6.6	95.13

(Note) Revisions of forecast of financial results from recently announced figures: None

* Notes

- (1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None
- (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: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of December 31, 2025	16,243,700 shares
As of June 30, 2025	16,218,300 shares

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

As of December 31, 2025	231,439 shares
As of June 30, 2025	207,896 shares

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

Six months ended December 31, 2025	15,976,723 shares
Six months ended December 31, 2024	16,129,137 shares

* 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

Forward-looking statements are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the forecasts due to various factors.

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1. Qualitative information regarding results for the period

(1) Explanation of operating results

During the fiscal year under review, the outlook for the Japanese economy, both in Japan and overseas, remained uncertain due to soaring prices caused by fluctuations in foreign exchange rates and other factors, as well as policy trends in the U.S.. On the other hand, the growing worldwide interest in the impact of AI on society and the promotion of the Digital Transformation have been continuously recognized by society. We believe that the need for and interest in the services we provide will further increase.

In such a business environment, we have a management philosophy that “Driving global evolution by combining Big data and AI “and we work on improvement in quality and sales promotions for our core products, marketing support service” User Insight” and “Social Insight”, AI-based customer support automation services “Support Chatbot”, and Generative AI Services for Corporations “ChatAI” which are provided in SaaS format.

In R&D activities, we focus mainly on (1) Expansion of in-house AI algorithms (2) AI algorithm implementation for existing services (3) New development of AI services. Especially on (3) New development of AI services, we have actively promoted product development for the linking interactive generative AI such as Chat GPT with our services and for the product to solve all kinds of problems using big data analysis and AI technology. We will continue to focus on building a stable core system and training data scientists to further improve the quality of our services.

In sales activities, we strengthened its sales management and customer success systems in order to expand its business by developing new clients and conducting other sales promotion activities.

As a result, during the six months of the fiscal year under review, net sales were ¥2,581,075 thousand (up 17.7% year on year), operating profit was ¥1,217,320 thousand (up 21.6% year on year), ordinary profit was ¥1,226,075 thousand (up 22.5% year on year) and profit was ¥914,343 thousand (up 32.1% year on year).

(2) Explanation of financial position

Assets, liabilities and net assets

(Assets)

Assets during the fiscal year under review were ¥10,665,434 thousand, an increase of ¥694,101 thousand from the previous fiscal year. The main factors were increases of ¥780,650 thousand in cash and deposits and decreases of ¥106,254 thousand in other current assets.

(Liabilities)

Liabilities during the fiscal year under review were ¥1,289,781 thousand, an increase of ¥17,675 thousand from the previous fiscal year. The main factors were increases of ¥136,929 in Income taxes payable and decreases of ¥73,570 thousand in advances received.

(Net assets)

Total net assets during the fiscal year under review were ¥9,375,653 thousand, an increase of ¥676,426 thousand from the previous fiscal year. The main factors were increases of ¥690,197 thousand in retained earnings and increases of ¥33,509 thousand in treasury shares.

Cash flows

Cash and cash equivalents increased by ¥780,650 thousand year on year to ¥9,326,447 thousand in the fiscal year under review. Cash flows and the respective factors contributing thereto during the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to ¥995,040 thousand (¥711,295 thousand in net cash provided of the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥1,326,526 thousand, payment of ¥272,371 thousand in income taxes payable, record of share-based payment expenses of ¥96,657 thousand, decreases of ¥75,286 thousand in advances received and increases of ¥35,094 thousand in trade receivables.

(Cash flows from investing activities)

Net cash provided in investing activities amounted to ¥53,743 thousand (¥118,427 thousand in net cash used of the same period of the previous fiscal year). This was mainly due to payment of ¥42,504 thousand for acquisition of property, plant and equipment, compensation received of ¥44,805 thousand and proceed of ¥55,645 thousand from sale of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥268,133 thousand (¥428,626 thousand in net cash used of the same period of the previous fiscal year). This was mainly due to payment of ¥123,242 thousand for acquisition of treasury stock and dividends payment of ¥223,839 thousand.

(3) Explanation of earnings guidance and other forward-looking statements

There are no changes to the earnings forecasts for the fiscal year ended June 30, 2026 announced on August 7, 2025 in the “Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2025”. These forecasts are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to various factors.

2. Semi-annual financial statements and significant notes thereto

(1) Semi-annual Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	8,545,796	9,326,447
Accounts receivable - trade	271,064	306,246
Prepaid expenses	206,724	176,642
Other	210,671	104,416
Allowance for doubtful accounts	(2,015)	(1,977)
Total current assets	9,232,241	9,911,774
Non-current assets		
Property, plant and equipment	257,944	258,548
Intangible assets	—	4,202
Investments and other assets	481,146	490,907
Total non-current assets	739,091	753,659
Total assets	9,971,332	10,665,434
Liabilities		
Current liabilities		
Accounts payable - other	250,467	234,543
Income taxes payable	295,897	432,826
Advances received	565,029	491,459
Other	157,726	129,681
Total current liabilities	1,269,119	1,288,510
Non-current liabilities		
Long-term advances received	2,986	1,270
Total non-current liabilities	2,986	1,270
Total liabilities	1,272,105	1,289,781
Net assets		
Shareholders' equity		
Share capital	1,214,157	1,217,900
Capital surplus	1,378,881	1,394,876
Retained earnings	6,479,202	7,169,400
Treasury shares	(373,014)	(406,524)
Total shareholders' equity	8,699,226	9,375,653
Total net assets	8,699,226	9,375,653
Total liabilities and net assets	9,971,332	10,665,434

(2) Semi-annual statement of income

(Thousands of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Net sales	2,193,254	2,581,075
Cost of sales	207,801	232,838
Gross profit	1,985,453	2,348,236
Selling, general and administrative expenses	984,141	1,130,915
Operating profit	1,001,311	1,217,320
Non-operating income		
Interest income	2,188	12,230
Dividend income	—	3,024
Gain on cancellation of insurance policies	2,214	—
Other	56	903
Total non-operating income	4,458	16,157
Non-operating expenses		
Share-based payment expenses	3,199	6,265
Commission for purchase of treasury shares	1,799	735
Other	98	401
Total non-operating expenses	5,096	7,401
Ordinary profit	1,000,673	1,226,075
Extraordinary income		
Gain on sale of investment securities	—	55,645
Compensation received account	—	44,805
Total extraordinary income	—	100,450
Profit before income taxes	1,000,673	1,326,526
Income taxes - current	330,641	407,298
Income taxes - deferred	(22,051)	4,884
Total income taxes	308,589	412,183
Profit	692,084	914,343

(3) Semi-annual statement of cash flows

(Thousands of yen)

	Six months ended December 31, 2024	Six months ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,000,673	1,326,526
Depreciation	12,580	34,055
Increase (decrease) in allowance for doubtful accounts	248	(38)
Interest and dividend income	(2,188)	(15,254)
Share-based payment expenses	98,285	96,657
Loss (gain) on sale of investment securities	—	(55,645)
Compensation received account	—	(44,805)
Decrease (increase) in trade receivables	(16,616)	(35,094)
Increase (decrease) in advances received	(26,579)	(75,286)
Increase (decrease) in accounts payable - other	30,857	(18,230)
Increase (decrease) in accrued consumption taxes	(23,430)	22,424
Other, net	11,040	18,624
Subtotal	1,084,870	1,253,934
Interest and dividends received	2,188	13,477
Income taxes paid	(375,763)	(272,371)
Net cash provided by (used in) operating activities	711,295	995,040
Cash flows from investing activities		
Purchase of property, plant and equipment	(122,198)	(42,504)
Purchase of intangible assets	—	(4,202)
Proceeds from sale of investment securities	—	55,645
Compensation received	—	44,805
Proceeds from cancellation of insurance funds	5,103	—
Payments of guarantee deposits	(3,612)	—
Proceeds from refund of guarantee deposits	2,280	—
Net cash provided by (used in) investing activities	(118,427)	53,743
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,080	7,486
Purchase of treasury shares	(301,781)	(123,242)
increase (decrease) in deposits for purchase of treasury shares	—	71,462
Dividends paid	(128,924)	(223,839)
Net cash provided by (used in) financing activities	(428,626)	(268,133)
Net increase (decrease) in cash and cash equivalents	164,241	780,650
Cash and cash equivalents at beginning of period	7,676,580	8,545,796
Cash and cash equivalents at end of period	7,840,822	9,326,447

(4) Notes to semi-annual financial statements

(Notes on assumption of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Segment information)

The company omitted the information because it operates in a single segment, data cloud business.