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July 14, 2026

Non-consolidated Financial Results for the Fiscal Year Ended May 31, 2026 (Under Japanese GAAP)

Company name: GDEP ADVANCE, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 5885
 URL: <https://info.gdep.co.jp>
 Representative: Tadamichi Iino, Executive Officer, Representative Director and CEO
 Inquiries: Tatsuo Ohashi, Executive Officer, Director and CFO
 Telephone: 022-713-4050
 Scheduled date of annual general meeting of shareholders: August 27, 2026
 Scheduled date to commence dividend payments: August 12, 2026
 Scheduled date for filing securities reports: August 21, 2026
 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 fiscal year ended May 31, 2026 (from June 1, 2025, to May 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	6,949	4.8	1,117	33.0	1,170	47.1	786	46.5
May 31, 2025	6,630	50.0	839	26.7	796	22.0	536	24.2

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2026	144.60	141.72	24.7	22.5	16.1
May 31, 2025	99.98	96.87	20.5	17.8	12.7

Reference: Equity in earnings of affiliated companies

Fiscal year ended May 31, 2026: ¥— million

Fiscal year ended May 31, 2025: ¥— million

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 ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	5,793	3,535	60.9	641.34
May 31, 2025	4,608	2,851	61.8	526.22

Reference: Equity

As of May 31, 2026: ¥3,526 million

As of May 31, 2025: ¥2,848 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2026	△1,449	△43	△108	1,771
May 31, 2025	596	△126	△78	3,334

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2025	—	0.00	—	23.00	23.00	124	23.0	4.7
Fiscal year ended May 31, 2026	—	0.00	—	44.00	44.00	241	30.4	7.5
Fiscal year ending May 31, 2027 (Forecast)	—	0.00	—	48.00	48.00		31.8	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2027 (June 1, 2026 to May 31, 2027)

(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	8,840	27.2	1,268	13.6	1,268	8.4	829	5.4	150.83

Note:

Earnings forecasts for the six months ending November 30, 2026, are omitted because the company manages performance targets on a yearly basis. For details, please refer to “1. Overview of Operating Results, etc. (4) Outlook” on page 3 of the attached document.

*** Notes**

(1) 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 current fiscal year, The Company has changed the depreciation method and useful life, which falls under the category of “cases where it is difficult to distinguish a change in accounting policy from a change in accounting estimate.” For details, please refer to “3. Non-Consolidated Financial Statements and Notes, (5) Notes to the 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 12 of the attachments to this summary.

(2) 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	5,498,400 shares
As of May 31, 2025	5,413,600 shares

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

As of May 31, 2026	508 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)

Year ended May 31, 2026	5,439,662 shares
Year ended May 31, 2025	5,369,355 shares

Note:

The Company conducted a stock split on December 1, 2024, at a ratio of 4 shares for 1 common stock. “Average number of shares during period” is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* The financial results are outside the scope of audit 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. (4) Outlook” 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 Wednesday, July 15, 2026. The video of the presentation and the presentation materials will be uploaded to our website immediately after the event.

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1. Overview of Operating Results, etc.

(1) Explanation of Operating Results

During the current fiscal year, the Japanese economy continued on a moderate recovery trend, supported by a recovery in private consumption and a rebound in inbound demand. However, the outlook remains uncertain due to persistently high raw material prices, fluctuations in foreign exchange rates, elevated geopolitical risks, trends in overseas monetary policies, and changes in the international situation.

In this economic environment, demand for IT-related capital investment among domestic companies remained solid, and investment in digitalization aimed at improving productivity, strengthening competitiveness, and addressing labor shortages continued to expand. In particular, against the backdrop of the accelerating practical application and business use of generative AI, demand for high-performance GPU servers and AI infrastructure centered on such servers remained strong. In addition, demand has emerged for research and development related to Physical AI, as well as the development of demonstration environments for its application in fields such as robotics and autonomous control.

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, in the current fiscal year, against the backdrop of increased capital investment demand related to generative AI, net sales amounted to ¥6,949,010 thousand (up 4.8% year on year), operating profit amounted to ¥1,117,410 thousand (up 33.0% year on year), ordinary profit amounted to ¥1,170,748 thousand (up 47.1% year on year), and profit amounted to ¥786,565 thousand (up 46.5% 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

(Assets)

Current assets as of the end of the current fiscal year were ¥5,610,435 thousand, an increase of ¥1,219,221 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥1,064,263 thousand in merchandise and an increase of ¥1,597,254 thousand in advance payments to suppliers, despite a decrease of ¥1,562,167 thousand in cash and deposits resulting mainly from advance payments.

Non-current assets as of the end of the current fiscal year were ¥183,031 thousand, a decrease of ¥34,343 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥34,070 thousand in property, plant and equipment, an increase of ¥10,820 thousand in intangible assets, and an increase of ¥17,980 thousand in deferred tax assets, despite a decrease of ¥84,108 thousand resulting from depreciation and amortization of non-current assets.

As a result, total assets as of the end of the current fiscal year were ¥5,793,467 thousand, an increase of ¥1,184,878 thousand from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the current fiscal year were ¥1,425,833 thousand, an increase of ¥398,576 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥195,846 thousand in accounts payable - trade resulting from higher purchases to prepare for future demand, an increase of ¥82,242 thousand in income taxes payable due to an increase in taxable income, and an increase of ¥115,967 thousand in advances received.

Non-current liabilities as of the end of the current fiscal year were ¥832,050 thousand, an increase of ¥102,636 thousand from the end of the previous fiscal year. This was due to an increase of ¥102,636 thousand in long-term advances received.

As a result, total liabilities as of the end of the current fiscal year were ¥2,257,884 thousand, an increase of ¥501,212 thousand from the end of the previous fiscal year.

(Net assets)

Net assets as of the end of the current fiscal year were ¥3,535,582 thousand, an increase of ¥683,665 thousand from the end of the previous fiscal year. This was mainly due to the recognition of profit of ¥786,565 thousand, despite a decrease of ¥124,503 thousand resulting from dividends of surplus.

(3) Explanation of Cash flows

Cash and cash equivalents ("cash") as of the end of the current fiscal year were ¥1,771,944 thousand, a decrease of ¥1,562,167 thousand compared with the end of the previous fiscal year.

Cash flows and the factors affecting them for the current fiscal year were as follows:

(Cash flows from operating activities)

Net cash used in operating activities was ¥1,449,582 thousand (net cash provided by operating activities was ¥596,336 thousand in the previous fiscal year). This was mainly due to cash inflows including profit before income taxes of ¥1,170,748 thousand, depreciation and amortization of ¥84,108 thousand, an increase in trade payables of ¥194,634 thousand, and an increase in other liabilities of ¥247,475 thousand, despite cash outflows including an increase in trade receivables of ¥110,596 thousand, an increase in inventories of ¥1,064,594 thousand, an increase in other assets of ¥1,607,896 thousand, and income taxes paid of ¥332,659 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was ¥43,496 thousand (net cash used in investing activities was ¥126,872 thousand in the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of ¥20,733 thousand and intangible assets of ¥19,550 thousand.

(Cash flows from financing activities)

Net cash used in financing activities was ¥108,971 thousand (net cash used in financing activities was ¥78,671 thousand in the previous fiscal year). This was mainly due to the payment of dividends of ¥124,392 thousand, despite proceeds from the issuance of shares of ¥15,676 thousand upon the exercise of share acquisition rights.

(4) Outlook

The Japanese economy is expected to continue to grow moderately. However, the outlook is expected to remain uncertain due to factors such as rising energy and raw material prices, sharp fluctuations in foreign exchange rates, interest rate trends, and a decline in real wages resulting from inflation.

Under these circumstances, demand for AI-related capital investment in the domestic market is expected to remain solid.

Based on the above, the Company forecasts the following operating results for the next fiscal year (ending May 31, 2027): net sales of ¥8,840,000 thousand (up 27.2% year on year), operating profit of ¥1,268,880 thousand (up 13.6% year on year), ordinary profit of ¥1,268,880 thousand (up 8.4% year on year), and profit of ¥829,261 thousand (up 5.4% year on year).

The above forecasts are based on information available as of the date of the release of this document. Actual results may differ materially from these forecasts due to various factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders to be one of its most important management policies. In allocating profits, the Company intends to continue investing to enhance corporate value while increasing the dividend payout ratio each fiscal year.

Accordingly, the Company has resolved to pay a year-end dividend of ¥44 per share, resulting in an annual dividend of ¥44 per share for the current fiscal year. For the next fiscal year, the Company plans to pay an annual dividend of ¥48 per share (consisting of a year-end dividend of ¥48 per share).

2. Basic stance on the choice of accounting standards

In order to ensure comparability between companies and over time, the company prepares non-consolidated financial statements in accordance with principles generally accepted in Japan.

We will continue to respond appropriately to the application of international accounting standards, taking into consideration various domestic and international circumstances.

3. Non-Consolidated Financial Statements and Notes

(1) Non-Consolidated Balance Sheets

(Thousands of yen)

	As of May 31, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	3,334,112	1,771,944
Accounts receivable - trade	90,871	201,467
Merchandise	960,913	2,025,177
Advance payments to suppliers	—	1,597,254
Prepaid expenses	3,549	5,219
Other	1,766	9,372
Total current assets	4,391,214	5,610,435
Non-current assets		
Property, plant and equipment		
Buildings, net	20,322	18,715
Tools, furniture and fixtures, net	114,240	53,971
Total property, plant and equipment	134,563	72,686
Intangible assets		
Software	6,733	9,323
Software in progress	25,080	30,580
Other	605	605
Total intangible assets	32,419	40,508
Investments and other assets		
Investments in other securities of subsidiaries and affiliates	524	628
Long-term prepaid expenses	327	—
Deferred tax assets	22,147	40,127
Other	27,393	29,079
Total investments and other assets	50,392	69,835
Total non-current assets	217,374	183,031
Total assets	4,608,588	5,793,467

(Thousands of yen)

	As of May 31, 2025	As of May 31, 2026
Liabilities		
Current liabilities		
Notes payable – trade	1,212	—
Accounts payable – trade	253,446	449,293
Accounts payable – other	64,542	117,024
Income taxes payable	193,545	275,788
Advances received	455,845	571,813
Deposits received	10,803	11,914
Other	47,861	—
Total current liabilities	1,027,257	1,425,833
Non-current liabilities		
Long-term advances received	503,482	606,118
Long-term accounts payable - other	225,931	225,931
Total non-current liabilities	729,414	832,050
Total liabilities	1,756,672	2,257,884
Net assets		
Shareholders' equity		
Share capital	290,879	298,718
Capital surplus		
Legal capital surplus	330,879	338,718
Other capital surplus	560,621	560,621
Total capital surplus	891,501	899,339
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,667,124	2,329,187
Total retained earnings	1,667,124	2,329,187
Treasury shares	△987	△1,242
Total shareholders' equity	2,848,518	3,526,001
Share acquisition rights	3,398	9,580
Total net assets	2,851,916	3,535,582
Total liabilities and net assets	4,608,588	5,793,467

(2) Non-Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Net sales	6,630,931	6,949,010
Cost of sales	5,293,358	5,213,368
Gross profit	1,337,572	1,735,641
Selling, general and administrative expenses	497,662	618,231
Operating profit	839,910	1,117,410
Non-operating income		
Foreign exchange gains	—	41,688
Interest	18,243	11,335
Other	710	313
Total non-operating income	18,953	53,337
Non-operating expenses		
Foreign exchange losses	62,776	—
Total non-operating expenses	62,776	—
Ordinary profit	796,087	1,170,748
Profit before income taxes	796,087	1,170,748
Income taxes – current	274,291	402,163
Income taxes – deferred	△15,008	△17,980
Total income taxes	259,283	384,182
Profit	536,804	786,565

Non-Consolidated Statement of Cost of goods sold

		For the fiscal year ended (from June 1, 2024 to May 31, 2025)		For the fiscal year ended (from June 1, 2025 to May 31, 2026)	
Classification	Note number	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)
I Material costs	※ 1	5,202,210	98.3	5,061,182	97.1
II Labor costs		37,273	0.7	54,976	1.0
III Manufacturing expenses	※ 2	53,875	1.0	97,209	1.9
Total		5,293,358	100.0	5,213,368	100.0

Cost accounting methods

The cost accounting method is based on job-order costing.

Note :

*1. Material costs include the following amounts.

Item	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Transfer from other account Tools, furniture and fixtures (Thousands of yen)	788	14,568
Transfer to other account Tools, furniture and fixtures (Thousands of yen)	7,561	14,898
Manufacturing expenses (Thousands of yen)	—	80
Selling, general and administrative expenses (Thousands of yen)	225	58

*2. The main breakdown is as follows.

Item	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Rent expenses (Thousands of yen)	19,887	61,839
Depreciation (Thousands of yen)	12,065	17,574

(3) Non-Consolidated Statements of Changes in Equity
For the fiscal year ended May 31, 2025

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	285,125	325,125	560,621	885,746	1,219,990	1,219,990	△270	2,390,592
Change during period								
Issuance of new shares - exercise of share acquisition rights	5,754	5,754		5,754				11,509
Dividends of surplus					△89,670	△89,670		△89,670
Profit					536,804	536,804		536,804
Purchase of treasury shares							△717	△717
Net changes in items other than shareholders' equity								
Total changes during period	5,754	5,754	—	5,754	447,133	447,133	△717	457,925
Balance at end of period	290,879	330,879	560,621	891,501	1,667,124	1,667,124	△987	2,848,518

	Share acquisition rights	Total net assets
Balance at beginning of period	—	2,390,592
Change during period		
Issuance of new shares - exercise of share acquisition rights		11,509
Dividends of surplus		△89,670
Profit		536,804
Purchase of treasury shares		△717
Net changes in items other than shareholders' equity	3,398	3,398
Total changes during period	3,398	461,324
Balance at end of period	3,398	2,851,916

For the fiscal year ended May 31, 2026

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	290,879	330,879	560,621	891,501	1,667,124	1,667,124	△987	2,848,518
Change during period								
Issuance of new shares - exercise of share acquisition rights	7,838	7,838		7,838				15,676
Dividends of surplus					△124,503	△124,503		△124,503
Profit					786,565	786,565		786,565
Purchase of treasury shares							△255	△255
Net changes in items other than shareholders' equity								
Total changes during period	7,838	7,838	—	7,838	662,062	662,062	△255	677,483
Balance at end of period	298,718	338,718	560,621	899,339	2,329,187	2,329,187	△1,242	3,526,001

	Share acquisition rights	Total net assets
Balance at beginning of period	3,398	2,851,916
Change during period		
Issuance of new shares - exercise of share acquisition rights		15,676
Dividends of surplus		△124,503
Profit		786,565
Purchase of treasury shares		△255
Net changes in items other than shareholders' equity	6,182	6,182
Total changes during period	6,182	683,665
Balance at end of period	9,580	3,535,582

(4) Non-Consolidated Statements of Cash flows

(Thousands of yen)

	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Cash flows from operating activities		
Profit before income taxes	796,087	1,170,748
Depreciation	55,047	84,108
Amortization of security deposit	1,305	1,305
Share-based payment expenses	3,398	6,182
Interest and dividends	△18,243	△11,335
Foreign exchange losses (gains)	62,808	△39,882
Decrease (increase) in trade receivables	275,134	△110,596
Decrease (increase) in inventories	△123,404	△1,064,594
Increase (decrease) in trade payables	△98,407	194,634
Decrease (increase) in other assets	△193	△1,607,896
Increase (decrease) in other liabilities	△188,353	247,475
Subtotal	765,178	△1,129,849
Interest received	16,652	12,925
Income taxes paid	△185,494	△332,659
Net cash provided by (used in) operating activities	596,336	△1,449,582
Cash flows from investing activities		
Purchase of property, plant and equipment	△100,922	△20,733
Purchase of intangible assets	△23,795	△19,550
Payments of security deposit	△1,468	△3,212
Others	△686	—
Net cash provided by (used in) investing activities	△126,872	△43,496
Cash flows from financing activities		
Proceeds from issuance of shares	11,509	15,676
Purchase of treasury shares	△717	△255
Dividends paid	△89,464	△124,392
Net cash provided by (used in) financing activities	△78,671	△108,971
Effect of exchange rate change on cash and cash equivalents	△62,808	39,882
Net increase (decrease) in cash and cash equivalents	327,984	△1,562,167
Cash and cash equivalents at beginning of period	3,006,128	3,334,112
Cash and cash equivalents at end of period	3,334,112	1,771,944

(5) Notes to Non-Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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. Effective from the current fiscal year, however, the depreciation method for assets related to cloud services with contract terms of less than three years has been changed to the declining-balance method. This change was made in connection with the launch of a new cloud service. While the previous cloud service was intended for medium-term contract periods, the new cloud service also includes contracts with shorter terms, such as one-year contracts. As the economic value of these assets is expected to decline over time, the Company determined that the declining-balance method more appropriately reflects its operating results.

In addition, effective from the current fiscal year, in conjunction with the change in the depreciation method, the useful lives of assets related to cloud services with contract terms of less than three years have been revised to three years, based on the estimated period over which the assets are expected to be economically usable. This change has been applied prospectively.

This change had no impact on the financial results for the current fiscal year.

(Notes to equity-method gains and losses)

Information on equity-method gains and losses is omitted because the Company's affiliated companies are immaterial in terms of profit and retained earnings.

(Notes on segment information, etc.)

(Segment information)

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

(Notes on per share information)

	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Net assets per share	¥526.22	¥641.34
Basic earnings per share	¥99.98	¥144.60
Diluted earnings per share	¥96.87	¥141.72

Note:

1. 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. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	For the fiscal year ended (from June 1, 2024 to May 31, 2025)	For the fiscal year ended (from June 1, 2025 to May 31, 2026)
Basic earnings per share		
Profit (Thousands of yen)	536,804	786,565
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to common share (Thousands of yen)	536,804	786,565
Average number of common shares outstanding during the period (Shares)	5,369,355	5,439,662
Diluted earnings per share		
Adjustment to net profit (Thousands of yen)	—	—
Increase in common stock (Shares)	172,311	110,667
Outline of potential shares not included in the calculation of diluted earnings per share due to the absence of a dilution effect	3rd Share Acquisition Rights Number of stock acquisition rights: 17 (Number of common shares subject to stock acquisition rights: 13,600)	3rd Share Acquisition Rights Number of stock acquisition rights: 17 (Number of common shares subject to stock acquisition rights: 13,600) 4th Share Acquisition Rights Number of stock acquisition rights: 10 (Number of common shares subject to stock acquisition rights: 8,000)

(Notes on Significant Subsequent Events)

Not applicable.