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October 14, 2026

Non-consolidated Financial Results for the Three Months Ended August 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	
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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. Non-consolidated financial results for the three months ended August 31, 2026 (from June 1, 2026 to August 31, 2026)

(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	%
Three months ended August 31, 2026	1,541	62.5	406	143.7	412	108.1	274	102.1
August 31, 2025	948	△24.0	166	△5.3	198	20.5	135	19.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2026	49.90	49.40
August 31, 2025	25.06	24.44

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of August 31, 2026	5,918	3,570	60.1
May 31, 2026	5,793	3,535	60.9

Reference: Equity As of August 31, 2026: ¥3,558 million As of May 31, 2026: ¥3,526 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, 2026	—	0.00	—	44.00	44.00
Fiscal year ending May 31, 2027	—				
Fiscal year ending May 31, 2027 (Forecast)		16.00	—	32.00	48.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

For details regarding the revision of the dividend forecast, please refer to the “Notice Regarding Change in Dividend Policy (Implementation of Interim Dividends) and Revision of Dividend Forecast” released today (October 14, 2026).

3. Non-consolidated financial results forecast for the fiscal year ending May 31, 2027 (from 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

Notes:

- Revisions to the financial results forecast most recently announced: None
- Earnings forecasts for the six months ending November 30, 2026 are omitted because the Company manages its business performance on an annual basis.

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes
 Note: For details, please refer to “2. Quarterly Non-Consolidated Financial Statements and Principal Notes (3) Notes to the Quarterly Non-Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements)” on page 5 of the attached materials.

- (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 August 31, 2026	5,498,400 shares	As of May 31, 2026	5,498,400 shares
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- (ii) Number of treasury shares at the end of the period

As of August 31, 2026	539 shares	As of May 31, 2026	508 shares
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- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2026	5,497,890 shares	Three months ended August 31, 2025	5,417,325 shares
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*** Review of the attached quarterly financial statements by a certified public accountant or an audit firm: None**

*** 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 document are based on information currently available to the Company and on certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially from the forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of the earnings forecasts, please refer to “1. Overview of Operating Results, etc. (3) Explanation of Financial Results Forecast and Other Forward-looking Information” on page 2 of the attached materials.

- (Method of obtaining the supplementary material on financial results)

The supplementary material on financial results is disclosed on TDnet on the same day.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Quarter

During the first quarter of the current fiscal year, the Japanese economy continued on a moderate recovery trend, supported by improvements in the employment and income environment and a pickup in personal consumption. On the other hand, the outlook remains uncertain due to geopolitical risks, including the situation in the Middle East, the impact of natural disasters, and fluctuations in financial and capital markets.

In this economic environment, capital investment by domestic companies remained firm, centered on investments aimed at labor saving, improving productivity, and strengthening competitiveness. In particular, as the practical application and business utilization of generative AI advanced further, investment demand for servers equipped with the high-performance GPUs required for the development, training, and inference of AI models, as well as for AI infrastructure centered on such servers, remained strong. Furthermore, in addition to the increasing sophistication of generative AI, interest in physical AI, which combines AI with robotics, autonomous control, and other technologies, has been growing, and demand for related research and development and for the development of demonstration environments is expanding.

Under these circumstances, guided by its mission, “Advance with you -Let's advance the world,” the Company worked to expand its earnings.

As a result, for the first quarter of the fiscal year ending May 31, 2027, operating performance was as follows: net sales of ¥1,541,910 thousand (up 62.5% year-on-year), operating profit of ¥406,806 thousand (up 143.7% year-on-year), ordinary profit of ¥412,113 thousand (up 108.1% year-on-year), and profit of ¥274,360 thousand (up 102.1% year-on-year).

As the Company operates in a single segment, the system incubation business, segment information has been omitted.

(2) Overview of Financial Position for the Current Quarter

(Assets)

Current assets as of August 31, 2026, were ¥5,730,534 thousand, an increase of ¥120,098 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥353,496 thousand in notes and accounts receivable - trade, and contract assets, despite a decrease of ¥284,591 thousand in cash and deposits.

Non-current assets as of August 31, 2026, were ¥187,485 thousand, an increase of ¥4,454 thousand from the end of the previous fiscal year. This was mainly due to the acquisition of property, plant and equipment of ¥14,569 thousand and intangible assets of ¥2,000 thousand, despite a decrease of ¥11,762 thousand due to depreciation and amortization.

As a result, total assets as of August 31, 2026, were ¥5,918,020 thousand, an increase of ¥124,552 thousand from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of August 31, 2026, were ¥1,545,772 thousand, an increase of ¥119,938 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥367,390 thousand in advances received, despite a decrease of ¥140,912 thousand in notes and accounts payable - trade and a decrease of ¥132,475 thousand in income taxes payable.

Non-current liabilities as of August 31, 2026, were ¥801,785 thousand, a decrease of ¥30,265 thousand from the end of the previous fiscal year. This was due to a decrease of ¥30,265 thousand in long-term advances received.

As a result, total liabilities as of August 31, 2026, were ¥2,347,557 thousand, an increase of ¥89,672 thousand from the end of the previous fiscal year.

(Net assets)

Net assets as of August 31, 2026, were ¥3,570,462 thousand, an increase of ¥34,879 thousand from the end of the previous fiscal year. This was mainly due to the recording of profit of ¥274,360 thousand, despite a decrease of ¥241,907 thousand due to the payment of dividends.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

There are no changes to the full-year financial results forecast for the fiscal year ending May 31, 2027, announced on July 14, 2026.

2. Quarterly Non-Consolidated Financial Statements and Principal Notes

(1) Quarterly Non-Consolidated Balance Sheets

(Thousands of yen)

	As of May 31, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	1,771,944	1,487,353
Notes and accounts receivable - trade, and contract assets	201,467	554,964
Merchandise	2,025,177	2,053,759
Advance payments to suppliers	1,597,254	1,608,598
Other	14,591	25,858
Total current assets	5,610,435	5,730,534
Non-current assets		
Property, plant and equipment	72,686	77,218
Intangible assets	40,508	40,784
Investments and other assets	69,835	69,482
Total non-current assets	183,031	187,485
Total assets	5,793,467	5,918,020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	449,293	308,380
Income taxes payable	275,788	143,312
Advances received	571,813	939,203
Provision	—	13,469
Other	128,938	141,405
Total current liabilities	1,425,833	1,545,772
Non-current liabilities		
Long-term advances received	606,118	575,853
Long-term accounts payable - other	225,931	225,931
Total non-current liabilities	832,050	801,785
Total liabilities	2,257,884	2,347,557
Net assets		
Shareholders' equity		
Capital stock	298,718	298,718
Capital surplus	899,339	899,339
Retained earnings	2,329,187	2,361,640
Treasury shares	△1,242	△1,341
Total shareholders' equity	3,526,001	3,558,356
Share acquisition rights	9,580	12,105
Total net assets	3,535,582	3,570,462
Total liabilities and net assets	5,793,467	5,918,020

(2) Quarterly Non-Consolidated Statements of Income

(Thousands of yen)

	For the three months ended August 31, 2025 (From June 1, 2025 to August 31, 2025)	For the three months ended August 31, 2026 (From June 1, 2026 to August 31, 2026)
Net sales	948,848	1,541,910
Cost of sales	646,727	988,879
Gross profit	302,120	553,031
Selling, general and administrative expenses	135,206	146,225
Operating profit	166,914	406,806
Non-operating income		
Foreign exchange gains	22,907	2,453
Interest income	8,203	2,854
Other	28	—
Total non-operating income	31,139	5,307
Ordinary profit	198,054	412,113
Profit before income taxes	198,054	412,113
Income taxes	62,307	137,752
Profit	135,746	274,360

(3) Notes to the Quarterly Non-Consolidated Financial Statements

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

(Calculation of tax expenses)

The Company calculates tax expenses by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the first quarter of the current fiscal year, and multiplying profit before income taxes for the quarter by the estimated effective tax rate.

(Notes on segment information, etc.)

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

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes to Quarterly Non-Consolidated Statements of Cash Flows)

The Company has not prepared quarterly statements of cash flows for the first quarter of the current fiscal year. Depreciation (including amortization of intangible assets) for the first quarter of the fiscal year is as follows.

	For the three months ended August 31, 2025 (From June 1, 2025 to August 31, 2025)	For the three months ended August 31, 2026 (From June 1, 2026 to August 31, 2026)
Depreciation	Thousands of yen 19,724	Thousands of yen 11,762