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November 11, 2026

Non-consolidated Financial Results for the Three Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: User Local, Inc.
Listing: Tokyo Stock Exchange
Securities code: 3984
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: None
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 September 30, 2026 (from July 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	1,452	14.6	586	△4.9	592	△4.7	394	△8.3
September 30, 2025	1,267	18.8	616	22.3	622	23.4	430	23.6

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	25.25	—
September 30, 2025	26.98	26.92

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	10,679	9,421	88.2
June 30, 2026	11,180	9,446	84.5

Reference: Equity
As of September 30, 2026: ¥9,421 million
As of June 30, 2026: ¥9,446 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, 2026	—	10.00	—	14.00	24.00
Fiscal year ending 30 June, 2027	—				
Fiscal year ending 30 June, 2027 (Forecast)		15.00	—	15.00	30.00

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

3. Earnings Forecast for the Fiscal Year Ended June 30, 2027 (from July 1, 2026 to June 30, 2027)

(% indicate changes from the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit		Basic earnings per share
Full year	million yen 6,081	% 13.8	million yen 2,149	% △2.1	million yen 2,179	% △1.5	million yen 1,503	% △8.0	yen 96.30

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

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly 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 September 30, 2026	16,161,800 shares
As of June 30, 2026	16,161,800 shares

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

As of September 30, 2026	547,202 shares
As of June 30, 2026	431,502 shares

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

Three months ended September 30, 2026	15,636,062 shares
Three months ended September 30, 2025	15,964,177 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* 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 remained uncertain due to soaring prices caused by fluctuations in foreign exchange rates and other factors, as well as soaring energy prices due to the situation in the Middle East. On the other hand, the interest in the impact of AI on society continues to grow worldwide, and the practical application of AI is advancing rapidly across various fields. We believe that the need for and the interest in the big data and AI- powered cloud 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 our sales management and customer success systems in order to expand our business by developing new clients and conducting other sales promotion activities.

As a result, during the fiscal year under review, net sales were ¥1,452,807 thousand (up 14.6% year on year), operating profit was ¥586,396 thousand (down 4.9% year on year), ordinary profit was ¥592,931 thousand (down 4.7% year on year) and profit was ¥394,867 thousand (down 8.3% year on year).

(2) Explanation of financial position

Assets, liabilities and net assets

(Assets)

Assets at the end of the first three months of the fiscal year under review were ¥10,679,936 thousand, a decrease of ¥500,666 thousand from the end of the previous fiscal year. The main factors were decreases of ¥400,734 thousand in cash and deposits and decreases of ¥59,294 thousand in other current assets.

(Liabilities)

Liabilities at the end of the first three months of the fiscal year under review were ¥1,258,030 thousand, a decrease of ¥476,351 thousand from the end of the previous fiscal year. The main factors were decreases of ¥154,007 thousand in accounts payable and ¥179,582 thousand in income tax payable.

(Net assets)

Total net assets at the end of the first three months of the fiscal year under review were ¥9,421,906 thousand, a decrease of ¥24,314 thousand from the end of the previous fiscal year. The main factors were increases of ¥174,643 thousand in retained earnings and increases of ¥198,958 thousand in treasury shares.

(3) Explanation of earnings forecasts and other forward-looking information

There are no changes to the earnings forecasts for the fiscal year ended June 30, 2027 announced on August 6, 2026 in the “Summary of the Financial Results for the Fiscal Year Ended June 30, 2026”. 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. Financial statements and significant notes thereto

(1) Balance Sheet

(Thousands of yen)

	As of June 30, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	9,749,289	9,348,555
Accounts receivable - trade	305,226	317,955
Prepaid expenses	210,519	184,869
Other	190,670	131,375
Allowance for doubtful accounts	(3,071)	(2,701)
Total current assets	10,452,635	9,980,053
Non-current assets		
Property, plant and equipment	229,833	213,414
Intangible assets	13,113	12,423
Investments and other assets	485,020	474,044
Total non-current assets	727,967	699,882
Total assets	11,180,602	10,679,936
Liabilities		
Current liabilities		
Accounts payable - other	421,920	267,912
Income taxes payable	411,197	231,615
Advances received	676,338	575,191
Provision for bonuses	-	34,338
Other	224,429	148,642
Total current liabilities	1,733,886	1,257,700
Non-current liabilities		
Long-term advances received	495	330
Total non-current liabilities	495	330
Total liabilities	1,734,381	1,258,030
Net assets		
Shareholders' equity		
Share capital	1,220,842	1,220,842
Capital surplus	1,220,005	1,220,005
Retained earnings	7,729,728	7,904,372
Treasury shares	(724,355)	(923,313)
Total shareholders' equity	9,446,221	9,421,906
Total net assets	9,446,221	9,421,906
Total liabilities and net assets	11,180,602	10,679,936

(2) Statement of income

(Thousands of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Net sales	1,267,970	1,452,807
Cost of sales	109,549	220,058
Gross profit	1,158,420	1,232,748
Selling, general and administrative expenses	541,616	646,352
Operating profit	616,804	586,396
Non-operating income		
Interest income	5,770	10,532
Dividend income	3,024	-
Other	793	162
Total non-operating income	9,587	10,694
Non-operating expenses		
Share-based payment expenses	3,051	2,674
Commission for purchase of treasury shares	735	1,193
Other	138	291
Total non-operating expenses	3,924	4,159
Ordinary profit	622,466	592,931
Profit before income taxes	622,466	592,931
Income taxes - current	205,848	219,150
Income taxes - deferred	(14,017)	(21,086)
Total income taxes	191,831	198,064
Profit	430,635	394,867

(3) Notes to financial statements

(Notes on assumption of going concern)

Not applicable.

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

Not applicable.

(Notes to quarterly non-consolidated statements of Cash Flows)

Quarterly non-consolidated statements of cash flows are not prepared for the three months ended September 30, 2026. Depreciation for the three months ended September 30, 2025 and 2026 is as follows.

(Thousands of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Depreciation	16,067	17,965

(Segment information)

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