

Translation

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Non-consolidated Financial Results for the Three Months of the Fiscal Year Ending May 31, 2026 (Under Japanese GAAP)

October 14, 2025

Company name: zig-zag, inc.
 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 340A
 URL: <https://www.zig-zag.co.jp/>
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 Scheduled date for dividend payment: None
 Supplementary materials for financial summaries: Yes
 Financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Non-consolidated Financial Results for the Three Months of the Fiscal Year Ending May 31, 2026 (from June 01, 2025 to August 31, 2025)

(1) Operating results (Cumulative)

(Percentage indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended August 31, 2025	332	-	60	-	73	-	50	-
August 31, 2024	-	-	-	-	-	-	-	-
	Basic earnings per share		Diluted earnings per share					
	Yen		Yen					
Three months ended August 31, 2025	7.04		6.34					
August 31, 2024	-		-					

(Note) 1. As quarterly financial statements have not been prepared for the first quarter of the fiscal year ending May 2025, figures for the first quarter of the fiscal year ending May 2025, the year-on-year changes for the same quarter, and the year-on-year changes for the first quarter of the fiscal year ending May 2026 are not presented.

2. On September 1, 2025, a stock split was conducted at a ratio of 3 shares for each common share. Basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Financial positions

	Total assets	Equity	Equity to total assets ratio
	Million yen	Million yen	%
As of August 31, 2025	2,047	1,165	56.9
May 31, 2025	2,127	1,114	52.4

(Reference) Owner's equity As of the first quarter of the fiscal year ending May 2026: 1,165 million yen As of the fiscal year ended May 2025: 1,114 million yen

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending May 31, 2026	-				
Fiscal year ending May 31, 2026 (Forecast)		0.00	-	0.00	0.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending May 31, 2026 (from June 01, 2025 to May 31, 2026)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending May 31, 2026	1,639	16.1	328	1.8	328	5.9	240	(2.3)	33.25

(Note) 1. Correction of financial forecast from the most recent financial forecast: None

2. On September 1, 2025, a stock split will be conducted at a ratio of 3 shares for each common share. For Basic earnings per share in the Forecasts for the fiscal year ending May 2026, the figures reflect the impact of this stock split. If the stock split is not taken into account, Basic earnings per share would be 99.75 yen.

* Notes

(1) Application of accounting procedures specific to the preparation of quarterly financial statements: None

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards : None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(3) Number of shares issued (common stock)

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

As of August 31, 2025	7,222,320 shares
As of May 31, 2025	7,222,320 shares

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

As of August 31, 2025	- shares
As of May 31, 2025	- shares

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

Three months ended August 31, 2025	7,222,320 shares
Three months ended August 31, 2024	- shares

(Note) 1. The Company has not prepared quarterly financial statements for the first quarter of the fiscal year ending May 2025, and therefore the average number of shares for the first quarter of the fiscal year ending May 2025 is not stated.

2. On September 1, 2025, a stock split was conducted at a ratio of 3 shares for each common share. "Number of shares issued at end of period" and "Average number of shares" are calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

* Review by certified public accountants or audit corporations of the attached quarterly financial statements: None

*Note regarding the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee of their achievement. Actual results may differ significantly due to various factors.

(How to obtain supplementary materials for financial results)

The supplementary financial results materials will be disclosed on TDnet on October 14, 2025, and will be promptly posted on our website after disclosure.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter

Our mission is to 'Taking the excitement of the world as a matter of course', the company provides a one-stop cross-border e-commerce platform consisting of the overseas customer purchase support service 'WorldShopping' and the cross-border e-commerce support service for domestic e-commerce sites 'WorldShoppingBIZ.'

During the three months ended August 31, 2025, the global economy remained firm, supported by factors such as the easing of high inflation. On the other hand, the situation continues to require close attention to risks such as the abolition of the de minimis (tax exemption threshold) rule, U.S. tariff policies, and fluctuations in foreign exchange rates. In addition, the outlook remains uncertain due to the situation in Ukraine and ongoing instability in the Middle East.

Under these circumstances, as a marketing initiative to increase awareness of our overseas customer service "WorldShopping," we launched advertisements utilizing influencers and strengthened our exposure in the Greater China region, with a particular focus on Taiwan.

For domestic e-commerce shops, we released the "2025 First Half Web Inbound Data." We continue to regularly co-host seminars with companies supporting cross-border e-commerce, leading to the acquisition of new shops. In addition, we are promoting the introduction of the inbound support service "Inbound Navi," which was launched in May 2025 and targets retail stores and tourist destinations throughout Japan.

As a result, the operating results for the three months ended August 31, 2025 were as follows: Net sales of 332,965 thousand yen, operating profit of 60,501 thousand yen, ordinary profit of 73,442 thousand yen, and net income of 50,853 thousand yen.

As the Company operates a single segment, the cross-border e-commerce platform business, segment information is omitted.

(2) Overview of financial positions for the quarter

(Assets)

At the end of the first quarter, current assets amounted to 1,993,532 thousand yen, an increase of 22,348 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 132,208 thousand yen in consumption taxes refund receivable, while cash and deposits increased by 100,976 thousand yen and other current assets increased by 48,960 thousand yen. Non-current assets amounted to 54,302 thousand yen, a decrease of 102,297 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 100,000 thousand yen in guarantee deposits.

As a result, total assets amounted to 2,047,835 thousand yen, a decrease of 79,948 thousand yen compared to the end of the previous fiscal year.

(Liabilities)

At the end of the first quarter, current liabilities amounted to 872,671 thousand yen, a decrease of 127,543 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 23,064 thousand yen in contract liabilities, while accounts payable - trade decreased by 34,590 thousand yen, accrued expenses decreased by 35,548 thousand yen, and income taxes payable decreased by 80,324 thousand yen. Non-current liabilities amounted to 9,962 thousand yen, a decrease of 3,258 thousand yen compared to the end of the previous fiscal year. This was due to a decrease of 3,258 thousand yen in long-term borrowings.

As a result, total liabilities amounted to 882,633 thousand yen, a decrease of 130,801 thousand yen compared to the end of the previous fiscal year.

(Net assets)

At the end of the first quarter, total net assets amounted to 1,165,202 thousand yen, an increase of 50,853 thousand yen compared to the end of the previous fiscal year. This was due to an increase in retained earnings resulting from the recording of net income of 50,853 thousand yen.

As a result, the equity to total assets ratio was 56.9% (52.4% at the end of the previous fiscal year).

(3) Explanation regarding forecasts and other forward-looking statements

There are no changes to the forecasts for the fiscal year ending May 2026 from the forecasts announced on July 14, 2025.

2. Quarterly Financial Statements and Main Notes (1) Quarterly Balance Sheet

(Unit: Thousands of yen)

	Previous fiscal year (May 31, 2025)	For the three months ended (August 31, 2025)
Assets		
Current assets		
Cash and deposit	1,463,296	1,564,272
Accounts receivable - trade	7,789	6,365
Merchandise	44,673	41,621
Advance payments to suppliers	13,732	4,811
Prepaid expenses	35,404	41,954
Consumption taxes refund receivable	247,253	115,045
Deposits paid	139,878	151,188
Other	19,997	68,957
Allowance for doubtful accounts	(840)	(684)
Total current asset	1,971,184	1,993,532
Non-current assets		
Property, plant, and equipment	3,775	3,441
Intangible assets	-	2,754
Investment Other assets		
Guarantee deposits	101,394	1,394
Long-term prepaid expenses	1,507	1,137
Deferred tax assets	49,921	45,574
Total investment and other assets	152,824	48,106
Total non-current assets	156,599	54,302
Total assets	2,127,783	2,047,835
Liabilities		
Current liabilities		
Trade payables	264,838	230,247
Current portion of long-term borrowings	13,032	13,032
Accounts payable	196,939	161,390
Accrued expenses	5,699	7,099
Income taxes payable	101,305	20,981
Contract liabilities	401,671	424,735
Other	16,728	15,184
Total current liabilities	1,000,214	872,671
Non-current liabilities		
Long-term borrowings	13,220	9,962
Total non-current liabilities	13,220	9,962
Total liabilities	1,013,434	882,633
Net assets		
Shareholders' equity		
Share capital	398,430	398,430
Capital surplus	538,714	538,714
Retained earnings	177,034	227,887
Total shareholders' equity	1,114,178	1,165,031
Share acquisition rights	170	170
Total net assets	1,114,348	1,165,202
Total liabilities and net assets	2,127,783	2,047,835

(2) Quarterly Statement of Income

(Unit: Thousands of yen)

	For the three months ended (From June 1, 2025 Until August 31, 2025)
Revenue	332,965
Cost of sales	112,004
Gross profit	220,961
Selling, general and administrative expenses	160,459
Operating profit	60,501
Non-operating income	
Interest income	1,046
Commission income	13,787
Interest on tax refund	256
Other	7
Total non-operating income	15,098
Non-operating expenses	
Interest expense	143
Foreign exchange losses	1,949
Other	65
Total non-operating expenses	2,158
Ordinary profit	73,442
Extraordinary losses	
Loss on retirement of fixed assets	47
Total extraordinary losses	47
Income before income taxes	73,394
Income taxes - current	18,193
Income taxes - deferred	4,347
Total income taxes	22,541
Net income	50,853

(3) Notes to the quarterly financial statements

(Notes on Segment Information, etc.)

As the Company operates a single segment, the cross-border e-commerce platform business, segment information is omitted.

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

There are no applicable items.

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes on Quarterly Statement of Cash Flows)

The quarterly statement of cash flows for the three months ended is not prepared. Depreciation for the three months ended is as follows.

	For the three months ended (From June 1, 2025 Until August 31, 2025)
Depreciation	322 thousand yen