Disclosure date: August 18, 2026

Net Protections Holdings, Inc.

Q&A of Financial Results Presentation for the Three Months Ended June 30, 2026

August 14, 2026

※This is a transcript of the Q&A. The main part was disclosed on the day of the results briefing.

Question & Answer

Participant [Q]: Could you explain the reasons behind the turnaround to positive GMV growth for NP *Atobarai*? Also, what is the effective growth rate for gross profit, excluding the one-time factors from the previous fiscal year?

Shibata CEO [A]: First, regarding NP *Atobarai*, our sales momentum is very strong. GMV is growing as large-scale merchants continue to onboard one after another, and we expect this growth trend to continue.

On the other hand, due to an intensely competitive and challenging environment, we have seen some downward pressure on our pricing. As a result, while our GMV is expanding, our gross profit margin has been slightly declining.

Consequently, looking at the full fiscal year, we expect our total gross profit to end up slightly higher than last year.

Okada CFO [A]: As for the effective growth rate of gross profit, it is roughly flat after making those adjustments.

Participant [Q]: What kind of cost reduction measures are you taking for atone? And should we expect the gross margin to keep improving going forward?

Shibata CEO [A]: We still have room to lower the delinquency rate, so we are focusing on that. There is also room to cut collection costs, and we think we can reduce expenses in a few other areas too, like operational costs.

Overall, there is still plenty of potential for cost reductions, and we expect the gross margin to continue improving.

Participant [Q]: You mentioned an improvement in the B2B collection rate. What specific measures were successful here?

Shibata CEO [A]: In the previous quarter, collections were slightly delayed, which I think was mostly just due to calendar effects. However, we did strengthen our payment reminder efforts a bit, and as a result, it has fully recovered.

So, as I mentioned last quarter, we were not really worried about this, and things have progressed steadily, exactly as expected.

Participant [Q]: B2B GMV growth is slowing down. Is this because the impact from the new large merchants added in Q1 of last year has run its course?

Shibata CEO [A]: That is exactly right. That effect has run its course. Also, because we focused our sales resources on partnerships and large merchant activations last year, we are seeing a temporary dip in new merchant onboardings right now.

On the other hand, our current sales pipeline is, well, it is a bit hard to put into words, but it is very strong. So, we expect to see solid growth right on schedule going forward, and we feel quite reassured.

Participant [Q]: Regarding the partnership with Sumitomo Mitsui Card, what kind of impact on GMV can we expect from the onboarding started in July? Also, B2B GMV growth appears to be slowing down slightly. Around when do you expect the growth rate to pick up again?

Shibata CEO [A]: Regarding our partnership with Sumitomo Mitsui Card, things are actively moving right now, and they are steadily referring clients to us. Activations will start in the second half of this fiscal year at the earliest, but we expect most of it to begin in the next fiscal year. As for how much GMV contribution that will bring, it is still too early to tell at this stage. However, we certainly hope it reaches a reasonable share.

As for the B2B GMV growth rate, we expect it to stay somewhat moderate this fiscal year. From next fiscal year onwards, however, the benefits of our partnerships will start to kick in, and we plan to successfully bring growth back on track, right in line with the figures in our mid-term plan.

Participant [Q]: The take rate for *atone* has declined slightly. Could you explain the reasons for this, and share your outlook going forward?

Shibata CEO [A]: It has declined slightly. However, our current growth is being driven mainly by the digital e-commerce sector, and the service fee rates in this sector are not unreasonably low. Since we are successfully acquiring merchants at these rates right now, we do not expect the take rate for *atone* to drop significantly going forward.

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