TX RAIL PRODUCTS, INC.
BALANCE SHEETS

	Unaudited June 30, 2026	September 30, 2025
ASSETS		
Cash and cash equivalents	$ 22,726	$ 111,213
Accounts receivable, net	2,867,817	1,000,770
Inventory	5,824,553	5,099,161
Other current assets	27,331	16,079
Total current assets	8,742,427	6,227,223
Property and equipment, net	278,645	315,662
Total Assets	$ **9,021,072**	$ **6,542,885**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 1,499,382	$ 119,737
Accrued expenses	10,000	10,000
Accrued expenses-related party	668,523	855,773
Other current liability	119,714	120,458
Total current liabilities	2,297,619	1,105,968
Line of Credit (Note4)	2,000,000	1,999,453
Note payable-related party (Note7)	2,000,000	2,000,000
Total Liabilities	**6,297,619**	**5,105,421**
Commitments and contingencies (Note 2)		
Preferred stock: no par value, 1,000,000 shares authorized no shares outstanding	-	-
Common stock: no par value, 250,000,000 shares authorized, 45,000,000 shares issued and outstanding at June 30, 2026 and September 30, 2025	8,703,344	8,703,344
Additional paid-in capital	4,809,295	4,809,295
Accumulated deficit	(10,789,186)	(12,075,175)
Total stockholders' equity	2,723,453	1,437,464
Total Liabilities and Stockholders' Equity	$ **9,021,072**	$ **6,542,885**

The accompanying notes are an integral part of the financial statements.

TX RAIL PRODUCTS, INC.
STATEMENTS OF OPERATIONS

	Unaudited			
	THREE MONTHS ENDED		NINE MONTHS ENDED	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenue	$ 3,009,544	$ 1,851,909	$ 10,049,415	$ 6,099,706
Cost of goods sold	(2,223,506)	(1,300,212)	(7,509,550)	(4,486,243)
Gross profit	786,038	551,697	2,539,865	1,613,463
Selling, general and administrative expenses	368,876	266,093	1,170,705	773,059
Income from operations	417,162	285,604	1,369,160	840,404
Interest expense	(28,494)	(7,534)	(87,516)	(24,426)
Charitable contribution		(300)		(300)
Other income, net	19	19,487	4,345	26,514
Net income	**$ 388,687**	**$ 297,257**	**$ 1,285,989**	**$ 842,192**
Basic earnings per common share	$ 0.01	$ 0.01	$ 0.03	$ 0.02
Weighted average common shares outstanding	45,000,000	45,000,000	45,000,000	45,000,000

The accompanying notes are an integral part of the financial statements.

TX RAIL PRODUCTS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Unaudited

	Preferred Stock		Common Stock		Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, March 31, 2026	_	$ _	45,000,000	$ 8,703,344	$ 4,809,295	$ (11,177,873)	$ 2,334,766
Net Income						388,687	388,687
Balance June 30, 2026	_	$ _	**45,000,000**	**$ 8,703,344**	**$ 4,809,295**	**$ (10,789,186)**	**$ 2,723,453**

	Preferred Stock		Common Stock		Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, March 31, 2025	_	$ _	45,000,000	$ 8,703,344	$ 4,809,295	$ (12,558,282)	$ 954,357
Net Income						297,257	297,257
Balance, June 30, 2025	_	$ _	**45,000,000**	**$ 8,703,344**	**$ 4,809,295**	**$ (12,261,025)**	**$ 1,251,614**

	Preferred Stock		Common Stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, September 30, 2025	_	$ _	45,000,000	$ 8,703,344	$ 4,809,295	$ (12,075,175)	$ 1,437,464
Net Income						1,285,989	1,285,989
Balance, June 30, 2026	_	$ _	**45,000,000**	**$ 8,703,344**	**$ 4,809,295**	**$ (10,789,186)**	**$ 2,723,453**

	Preferred Stock		Common Stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance, September 30, 2024	_	$ _	45,000,000	$ 8,703,344	$ 4,809,295	$ (13,103,217)	$ 409,422
Net income						842,192	842,192
Balance, June 30, 2025	_	$ _	**45,000,000**	**$ 8,703,344**	**$ 4,809,295**	**$ (12,261,025)**	**$ 1,251,614**

The accompanying notes are an integral part of the financial statements.

TX RAIL PRODUCTS, INC.
STATEMENTS OF CASH FLOWS

	Unaudited	
	Nine Months Ended June 30,	
	2026	2025
Operating activities:		
Net income	$ 1,285,989	$ 842,192
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	37,017	37,018
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,867,047)	(308,367)
Inventory	(725,392)	(2,644,687)
Deposits for purchased products	–	91,702
Other current assets	(11,252)	30,269
Accounts payable and accrued expenses	1,379,645	1,427,558
Other current liabilities	(744)	(59,400)
Net cash provided (used) by operating activities	**98,216**	**(583,715)**
Investing activities:		
Net cash from investing activities	–	–
Financing activities:		
Proceeds/(Payment) on Line of Credit, net	547	548,247
Proceeds from related party transactions	25,000	97,300
Payment for related party transactions	(212,250)	(134,972)
Net cash provided (used) in financing activities	(186,703)	510,575
Increase/(decrease) in cash and cash equivalents	(88,487)	(73,140)
Cash and cash equivalents at beginning of period	111,213	113,976
Cash and cash equivalents at end of period	**$ 22,726**	**$ 40,836**
Cash paid during the period for interest	**$ 87,516**	**$ 24,426**

The accompanying notes are an integral part of the financial statements

NOTE 1- NATURE OF OPERATIONS

TX Rail Products, Inc, a Georgia corporation (the "Company", "we", 'us" or "our"), is a supplier of rail and rail products to the United States of America ("U.S.") coal mining industry, short line railroads and, tunneling contractors. Our headquarters and warehouse are in Ashland, Kentucky. Our products are transported primarily by ground transportation to our customers. Shipping costs are borne by our customers.

On April 18, 2024, the Company changed its name from TX Holdings, Inc to TX Rail Products Inc. (TXRP). The new name reflects the prevailing product line and operations of the Company.

The Company was incorporated in the State of Georgia on May 15, 2000.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions and calculated estimates that affect a) the reported amounts of assets and liabilities, (b) disclosure of contingent assets and liabilities at the date of the financial statements, and (c) the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

CASH EQUIVALENTS

The Company considers all liquid investments with original maturities of three months or less to be call equivalents. The Company had no cash equivalents as of June 30, 2026, and September 30,2025. At June 30, 2026, the Company's cash accounts were not in excess of federally insured limits.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount of consideration from customers, which the Company has an unconditional right to receive. The Company provides an allowance for credit losses, which is based on management's assessment of the collectability of customer accounts and includes consideration for creditworthiness and the financial condition of those customers. The Company reviews historical experience with its customers, the general economic environment adjusted for current conditions and reasonable and supportable forecasts, and the aging of receivables to determine the adequacy of the allowance.

Accounts receivable are ordinarily due between 15-60 days after the issuance of the invoice.

For the three- and nine-months ended June 30, 2026, and 2025, there were no credit losses recorded related to doubtful accounts receivable, where collectability is not reasonably assured. Allowances for credit losses recorded in accounts receivable, net on the balance sheets were $39,340 and $27,440 as of June 30,2026, and September 30, 2025, respectively.

INVENTORY

The Company's inventory consists of mining and rail purchased parts. Inventory is stated at the lower of cost (determined using the first in first out method) or net realizable value. The Company has no manufacturing inventory.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACTIVITIES-Continued

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less depreciation. Major renewals and betterments are capitalized, while maintenance and repairs that do not materially improve or extend the useful lives of the assets are charged to expense as incurred. A depreciable life of ten (10), seven (7) years or five (5) years are assigned to delivery trucks and equipment. Assets are depreciated over their estimated useful lives using the straight-line method.

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No long-lived asset impairment was recognized during the three- and nine-months ending June 30, 2026, and 2025, respectively.

REVENUE RECOGNITION

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring distinct goods to customers. The Company's revenue consists substantially of products sales and is reported net of sales discounts offered to customers. The Company recognizes revenue when performance obligations under the terms of contracts with its customers are satisfied, which occurs when control passes to a customer to enable them to direct the use of and obtain benefit from a product. This typically occurs when a customer obtains legal title, obtains the risks and rewards of ownership, has received the goods according to the contractual shipping terms either at the shipping point or destination and is obligated to pay for the product.

The Company provides an assurance-type warranty that guarantees its product complies with agreed-upon specifications. The warranty is not sold separately and does not convey any additional services to the customer; therefore, the warranty is not considered a separate performance obligation. The Company estimates the costs that may be incurred under warranties and records a liability at the time product revenue is recognized.

For shipping and handling activities, the Company is applying an accounting policy election, which allows an entity to account for shipping and handling activities as fulfillment activities rather than a promised good or service when the activities are performed, even if those activities are performed after the control of the goods has been transferred to the customer. Therefore, the Company expenses shipping and handling costs at the time revenue is recognized.

The Company is also applying an accounting policy election, which allows an entity to exclude from revenue any amount collected from customers on behalf of third parties, such as sales taxes and other similar taxes the Company collects concurrent with revenue-producing activities. Therefore, revenue is presented net of sales taxes and similar revenue-based taxes.

The Company's contracts do not have significant financing components.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACTIVITIES-Continued

DISAGGREGATION OF REVENUE

The Company's revenue is generated from customers in the U.S. geographical market and recognized at a point in time.

The following table presents the Company's revenues and costs of goods sold disaggregated by major product line:

	Three Months Ended		Nine Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenue				
Rail products	$2,998,734	$1,826,409	$10,028,605	$5,969,338
Mining products	10,810	25,500	20,810	130,368
Total	$3,009,544	$1,851,909	$10,049,415	$6,099,706
Cost of goods sold				
Rail products	$2,215,766	$1,276,978	$7,494,264	$4,364,088
Mining products	7,740	23,234	15,286	122,155
Total	$2,223,506	$1,300,212	$7,509,550	$4,486,243

PRODUCT WARRANTIES

The Company provides limited warranties on certain products for 30 days. The Company records an accrued liability and expense for estimated future warranty claims based upon historical experience and management's estimate of the level of future claims. Changes in the estimated amounts recognized in prior years are recorded as an adjustment to the accrued liability and expense in the current year. Product warranty expense were not material for the three- and nine- months ending June 30, 2026, and 2025. Product warranty accruals were not material as of June 30, 2026 or September 30, 2025.

ADVERTISING

The Company expenses the costs of advertising when incurred. No advertising expenses were incurred for the three- and nine - months ending June 30, 2026, and 2025.

INCOME TAXES

The Company accounts for income taxes in accordance with income tax accounting guidance (Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*). Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, the tax position will be realized or sustained upon examination. The term "more likely than not" means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. The Company had no material uncertain tax positions as of June 30, 2026, and September 30, 2025.

FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to observable inputs (Level 1) and the lowest priority to unobservable inputs (Level 3).

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability that rely on the Company's own assumptions.

As of June 30, 2026, and September 30, 2025, the Company did not have any assets or liabilities measured at fair value on a recurring or nonrecurring basis. Accordingly, no fair value hierarchy table has been presented. The carrying amounts of financial instruments such as cash, accounts receivable, and payables approximate their fair values due to the short-term nature of these instruments. The fair value of the Company's third-party debt instruments approximate their carrying value due to their relatively short maturities, variable interest rates and how recent the debt was entered. The interest rates on the Company's third-party borrowings are consistent with current market rates available for similar instruments. It was not practical to estimate the fair value of payables with related parties; the terms of the amounts reflected in the balance sheets are more fully described in Note 7.

EARNINGS PER SHARE

Basic earnings per common share represents income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. The Company has no potential common shares that would have been outstanding if dilutive potential common shares had been issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

COMMITMENTS AND CONTINGENCIES

The Company is subject to certain claims and legal proceedings that arise in the ordinary course of business. Management is not aware of any pending or threatened litigation, claims, or assessments that are expected to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

RECENTLY ADOPTED ACCOUNTING STANDARDS

Effective October 1, 2024, the Company adopted Accounting Standards Update ("ASU") 2023-07, *Segment Reporting* (Topic 280)*: Improvements to Reportable Segment Disclosures*. This update, issued by the FASB in November 2023, requires enhanced disclosures about significant segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM"). The Company applied this guidance retrospectively. Adoption of this update did not have a material impact on the Company's financial position, results of operations, or cash flows, but resulted in expanded segment disclosures presented in Note 2.

ACCOUNTING STANDARDS ISSUED BY NOT YET ADOPTED

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income - Expense Disaggregation Disclosures* (Subtopic 220-40). ASU 2024-03 requires that a public business entity disclose detailed information about types of expense. Specifically, a public business entity would disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation and (d) intangible asset amortization included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(d). In addition, a public business entity should include certain amounts that are already required to be disclosed under current U.S. GAAP in the same disclosure as the other disaggregation requirements. A public business entity would also disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively and disclose the total amounts of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. For public business entities, the new guidance is effective for annual periods beginning after December 15, 2026. Early adoption is permitted. The new guidance should be applied either prospectively to financial statements issued after the effective date of ASU 2024-03 or retrospectively to any or all prior periods presented in the financial statements. The Company is evaluating the impact of the new guidance.

The Company does not expect the adoption of this update, or any other recently issued but not yet effective accounting pronouncements, to have a material effect on the Company's financial statements.

SEGMENT REPORTING

The Company operates as a single operating segment engaged in providing mining and rail products to customers. The Company's reportable segment is determined by the Company's Chief Executive Officer ("CEO"), which is designated as the CODM, based upon information provided about the Company's operations. The segment is also distinguished by the level of information provided to the CODM, who uses net income to review performance and

SEGMENT REPORTING-Continued

allocate resources. The nature of the Company's activities, the types of customers served, and the methods used to deliver products are substantially similar across the Company's operations. Accordingly, management has determined that the Company has one reportable segment under ASC 280, *Segment Reporting*. Segment accounting policies are the same as those described in Note 2.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior period financial statements to conform to June 30, 2026, financial statement presentation. These reclassifications had no effect on net earnings.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following:

	June 30, 2026	September 30, 2025
Delivery Truck Trailer	$ 396,567	$ 396,567
Warehouse equipment	13,144	13,144
Less- Accumulated Depreciation	(131,066)	(94,049)
	$ 278,645	$ 315,662

Depreciation expense of $12,339 and $12,339 was recognized during the three months ending June 30, 2026 and 2025, respectively. Depreciation expense of $37,017 and $37,018 was recognized during the nine months ending June 30, 2026 and 2025, respectively.

NOTE 4 – DEBT

2020 TERM LOAN

On December 3, 2020, the Company entered into a term loan agreement (the "2020 Term Loan") with an original principal amount of $418,245. Principal and interest were payable in 71 equal monthly installments, with final maturity on December 3, 2026. Borrowings under the 2020 Term Loan bore interest at the Wall Street Journal Prime Rate plus 1.00% and were secured by certain of the Company's assets as well as a personal guarantee from the CEO, who is also a principal stockholder. The 2020 Term Loan was repaid in full during the year ended September 30, 2024, using proceeds from the 2024 Line (defined below).

2024 REVOLVING LINE OF CREDIT

On March 13, 2024, the Company entered into a revolving line of credit agreement (the "2024 Line") providing total availability of $500,000, all of which was drawn on the date of inception. Interest was payable monthly, and

NOTE 4 – DEBT – CONTINUED

2024 REVOLVING LINE OF CREDIT-Continued

all outstanding principal and interest were due on March 15, 2025. Borrowings bore interest at the Wall Street Journal Prime Rate plus 0.45% and were secured by certain Company assets and a personal guarantee from the CEO. The 2024 Line was repaid during the year ended September 30, 2025, using proceeds from the 2025 Line (defined below).

2024 TERM LOAN

On March 26, 2024, the Company entered into a term loan agreement (the "2024 Term Loan") with a principal amount of $142,192. Interest was payable monthly and all outstanding principal was due at maturity on September 25, 2024. Borrowings bore interest at a fixed rate of 7.00% and were secured by a Company-owned delivery vehicle. The 2024 Term Loan was repaid in full during the year ended September 30, 2024.

2025 REVOLVING LINE OF CREDIT

On March 27, 2025, the Company entered into a revolving line of credit agreement (the "2025 Line") providing total availability of $1,000,000, all of which was drawn at closing. Interest is payable monthly and all outstanding principal and accrued interest are due on April 15, 2026. Borrowing bear interest at the Wall Street Journal Prime Rate plus 1.00% (8.50% at September 30, 2025) and are secured by certain Company assets as well as a personal guarantee from the CEO. On July 2, 2025, the 2025 Line was amended to increase total availability to $2,000,000. On June 24, 2026, the maturity date of the "2025 Line" was extended to July 15, 2027.

As of June 30, 2026, and September 30, 2025, borrowings outstanding under the 2025 Line were $2,000,000 and $1,999,453, respectively.

COVENANTS

Each of the Company's debt agreements contains customary affirmative and negative covenants and events of default. The Company was in compliance with all applicable covenants as of June 30, 2026.

NOTE 5 – INCOME TAXES

The Company is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax years in progress. The Company is subject to federal and state income taxes; however, no current income tax expense has been recorded because the Company utilized net operating loss (NOL) carryforwards to offset taxable income. The NOL carryforwards reduced the Company's current tax liability to zero. Realization of the Company's deferred taxes depends on generating sufficient taxable income prior to the expiration of the loss carryforwards and tax credits. The Company has concluded that it is more likely than not that the deferred tax assets will not be realized and therefore has maintained a full valuation allowance.

NOTE 6 – COMMON STOCK REPURCHASE

On January 27, 2023, the Company's Board of Directors authorized a share repurchase program permitting the Company to repurchase up to 8,053,084 shares of its common stock over a 12-month period, at a price not to exceed $0.25 per share. Shares repurchased under the program are retired upon settlement. During the year ended September 30, 2024, the Company repurchased and retired 418,084 shares for cash consideration totaling $17,000.

NOTE 7 – RELATED PARTY TRANSACTIONS

Accrued expenses – related party consists of the following:

	June 30, 2026	September 30, 2025
Advances from (to) officer	$(39,140)	$67,737
Accrued officer's salary	–	31,410
Interest due on note payable to officer	559,726	559,726
Amounts due under lease agreement with officer	147,937	196,900
	$668,523	$855,773

ADVANCES FROM (TO) OFFICER

As of June 30, 2026, the Company advanced an aggregate of $39,140 to the CEO. The receivables are shown net in Accrued expenses – related party on the balance sheet. As of September 30, 2025, the CEO advanced an aggregate of $67,737, to the Company. The advances were for general corporate purposes, do not bear interest, and are repayable upon demand. The advances are subordinate to the Company's bank indebtedness described in Note 4.

ACCRUED OFFICER'S SALARY

As of June 30, 2026, and September 30, 2025, the Company owed $0 and $31,410, respectively, to the Company's Chief Financial Officer ("CFO") as payment for past services. The amounts due are secured by the death benefit proceeds of a $500,000 key man term life insurance policy purchased by the Company on the life of the CFO.

NOTE PAYABLE TO OFFICER

On February 25, 2014, the Company entered into a term loan agreement with the CEO (the "CEO Loan") with a principal amount of $2,000,000 due February 26, 2024. The CEO Loan bore interest at the greater of 5.00% or the WSJ Prime Rate through September 30, 2019. Starting October 1, 2019, the CEO Loan is non-interesting bearing. Accrued interest on the CEO Loan totaled $559,726 as of June 30, 2026, and September 30, 2025. On February 26, 2024, the CEO Loan was amended, which extended the maturity date to February 25, 2029. The CEO Loan is secured by the death benefit proceeds of a $2,000,000 key man term life insurance policy purchased by the Company on the life of the CEO. The principal and interest on the CEO Loan are subordinate to the Company's bank indebtedness described in Note 4.

LEASE AGREEMENT WITH OFFICER

The Company leases its headquarters and warehouse from the CEO, and the CEO's immediate family member, pursuant to the terms of an agreement initially entered on November 19, 2012; the lease agreement was renewed for varying annual periods through August 31, 2025, at $2,000 monthly. On September 1, 2025, the lease was renewed for an additional one year at $3,000 monthly. As of June 30, 2026, and September 30, 2025, the Company owed $147,937, and $196,900 under the lease agreement. Lease payments of $9,000 and $6,000 were

LEASE AGREEMENT WITH OFFICER-Continued

recognized in selling, general and administrative expenses on the statements of operations for the three months ending June 30, 2026, and 2025, respectively. Lease payments of $25,000 and $12,000 were recognized in selling, general and administrative expenses on the statement of operations for the nine months ending June 30,2026 and 2025, respectively. The Company has elected the practical expedient permitted under ASC 842-10-25-2 to not recognize right-of-use assets and lease liabilities for leases that, at commencement, have a lease term of 12 months or less and do not include a purchase option that the Company is reasonably certain to exercise. Lease payments associated with this lease are recognized on a straight-line basis over the lease term.

NOTE 8 – SUBSEQUENT EVENTS

On January 6, 2026, the Company entered into a securities purchase agreement whereby, it will sell to an investor in a private placement, 6,000,000 shares of its no-par common stock, at a purchase price of $0.30. The agreement also provides the investor with an option to purchase an additional 4,000,000 shares of the common stock at a price of $0.50 for a period of 36 months following the date of the agreement. Provided the investor holds at least 1% of the Company issued and outstanding shares, the investor has agreed to grant voting control with respect to the initial shares to the Company. On March 13, 2026, the purchase agreement was terminated by mutual consent,

Subsequent events have been evaluated through July 28, 2026, which is the date the financial statements were issued.

NOTE 9 – OTHER

The Company imports certain products from suppliers in China for resale to customers in the United States. Changes in U.S. trade policy, including the imposition of tariffs or other import restrictions on goods from China, could increase the Company's cost of inventory and negatively impact gross margins, operating results, and cash flows. Management continues to monitor developments in trade regulations and may adjust pricing, sourcing strategies, or supply chain arrangements as necessary to mitigate potential adverse effects.