

Translation

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Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 2026

Company name: FURYU CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6238 URL <https://www.furyu.jp/>
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 Scheduled date of ordinary general meeting of shareholders: June 23, 2026
 Scheduled date to file Securities Report: June 22, 2026
 Scheduled date to commence dividend payments: June 3, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	44,767	1.0	3,315	48.1	3,302	44.8	2,060	26.6
Year ended March 31, 2025	44,305	3.6	2,239	(40.6)	2,280	(38.9)	1,627	(34.7)

Note: Comprehensive income Year ended March 31, 2026 ¥2,231 million [44.0%]
 Year ended March 31, 2025 ¥1,550 million [(42.9)%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	77.81	—	8.9	11.3	7.4
Year ended March 31, 2025	61.50	—	7.3	8.1	5.1

(Reference) Share of profit (loss) of entities accounted for using equity method

Year ended March 31, 2026 ¥— million
 Year ended March 31, 2025 ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	30,335	23,627	77.9	892.06
As of March 31, 2025	28,110	22,424	79.8	846.87

(Reference) Equity As of March 31, 2026 ¥23,627 million
 As of March 31, 2025 ¥22,424 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	5,189	(2,133)	(1,040)	13,745
Year ended March 31, 2025	3,856	(2,603)	(1,036)	11,728

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	—	0.00	—	39.00	39.00	1,037	63.4	4.7
Year ended March 31, 2026	—	0.00	—	40.00	40.00	1,063	51.4	4.6
Year ending March 31, 2027 (Forecast)	—	0.00	—	40.00	40.00		42.4	

Note: The year-end dividend per share for the year ended March 31, 2026 has been changed from 39 yen to 40 yen. For details, please refer to “Notice Regarding Dividend of Surplus,” announced today (May 14, 2026).

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	48,000	7.2	4,000	20.6	4,000	21.1	2,500	21.3	94.39

*Notes

(1) Significant changes in the scope of consolidation during the period

Yes

Newly included: one company (FURYU Pictures Corporation) Excluded: None

Note: For details, please see “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes on significant matters forming the basis for preparing consolidated financial statements)” on page 15 of the attached material.

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2026	28,296,000 shares	As of March 31, 2025	28,296,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2026	1,809,258 shares	As of March 31, 2025	1,817,325 shares
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Average number of shares during the period

Year ended March 31, 2026	26,484,278 shares	Year ended March 31, 2025	26,460,549 shares
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Note: The number of treasury shares at the end of the period includes the shares of the Company held by the Board Benefit Trust-Restricted Stock (BBT-RS) (110,828 shares as of March 31, 2026 and 120,000 shares as of March 31, 2025). The shares of the Company held by the Board Benefit Trust-Restricted Stock (BBT-RS) are included in the treasury shares deducted from the calculation of the average number of shares during the period (113,717 shares as of March 31, 2026 and 120,000 shares as of March 31, 2025).

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	43,585	(0.9)	3,593	51.7	3,610	48.7	2,196	23.8
Year ended March 31, 2025	43,984	3.7	2,369	(39.7)	2,427	(37.7)	1,774	(3.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2026	82.94	—
Year ended March 31, 2025	67.07	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	29,910	23,492	78.5	886.95
As of March 31, 2025	27,914	22,192	79.5	838.12

(Reference) Equity As of March 31, 2026 ¥23,492 million

As of March 31, 2025 ¥22,192 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements including forecast of financial results contained in these materials are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. As such, they do not constitute the Company's guarantee that such results would be achieved. Actual financial and other results may differ substantially from the statements herein due to various factors.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy continued on a moderate recovery trajectory, supported by ongoing wage increases, improvements in the employment and income environment, and solid corporate earnings, despite concerns over rising prices and U.S. trade policies.

As the transition to a “world with interest rates” progressed, exchange rates remained generally stable, despite some temporary fluctuations. Although persistently high raw material prices and logistics costs weighed on corporate profits, real GDP for the full year 2025 grew by 1.2% thanks to solid capital investment and other factors.

Regarding the global economy, growth in the United States remained steady, supported by solid domestic demand, and Europe moved toward a gradual recovery as inflation subsided, while China continued to face a stagnant real estate market and weakening domestic demand. Furthermore, the outlook for the global economy remains uncertain, including geopolitical risks such as the situation in the Middle East.

Under these circumstances, with the Group’s corporate philosophy “Create quality entertainment that brings happiness and fulfillment to people,” the Group focused on expanding the Photo Sticker Business, diversifying monetization utilizing the customer base such as the young female demographic, where the Group has strengths, and selling products featuring character IPs (intellectual properties), and took steps to implement our “Medium-term Vision,” as the fiscal year ending March 31, 2028 is the last year of the term.

As a consequence, regarding the operating results for the fiscal year under review, the Group saw net sales of ¥44,767 million (101.0% of the previous fiscal year), operating profit of ¥3,315 million (148.1% of the previous fiscal year), ordinary profit of ¥3,302 million (144.8% of the previous fiscal year), and profit attributable to owners of parent of ¥2,060 million (126.6% of the previous fiscal year).

Operating results by segment are as follows:

(SEKAIKAN Business)

In the SEKAIKAN Business, we continued to focus on acquiring many IPs of classic characters, as well as ones based on the trend of popular manga works, world-famous games, etc. and producing merchandise thereof, and sales grew steadily.

Sales of Amusement Prizes increased, achieving the second consecutive year of growth, as a result of the commercialization of several popular IPs and the expansion of the number of products, as well as the growth of the crane game market itself.

In overseas merchandise sales, both sales and operating profit increased, led mainly by the Chinese, U.S., and European markets. We are focusing on acquiring merchandising rights for overseas markets to strengthen our product portfolio and expand distribution through the development of new channels.

For high-end hobby items, we continued to focus on stabilizing the business by promoting the commercialization of popular IPs and emphasizing profitability.

In response to exchange rate fluctuations, the impact on cost of sales was mitigated through the expansion of dollar-denominated sales from overseas business and the implementation of forward exchange contracts for dollar-denominated purchase cost payments.

As a result, for the fiscal year under review, the SEKAIKAN Business saw net sales of ¥27,707 million (109.3% of the previous fiscal year), and operating profit of ¥2,337 million (132.1% of the previous fiscal year).

(GIRLS Trend Business)

In the Photo Sticker Business, changes in lifestyle triggered by the COVID-19 pandemic limited opportunities for the age groups that traditionally begin using photo stickers to start doing so. That

impact has continued through the fiscal year, and consumer needs are becoming increasingly diverse. To respond to these changes in the external environment, we worked to increase the play count by developing new models that offer fresh experiences and launching anniversary campaigns. In November 2025, we launched a new model, “YOUTH MY PALETTE,” equipped with a function allowing users to select from seven different camera-style filters that preserve the scene itself and atmosphere of smiling users as they naturally appear. In addition, to commemorate the 30th anniversary of photo sticker machines, various projects promoting the appeal of photo sticker machines were rolled out to greatly boost the market in this fiscal year. On December 19, we launched a special project called “DEAR Reiwa & Heisei: Our Legendary Puri,” allowing users to enjoy the “legendary Puri machines” that had been well received over the 30-year history of photo sticker machines. Furthermore, in March 2026, we launched the second installment, “DEAR Reiwa & Heisei: Our Legendary Puri—PINK Edition,” which generated a huge response, particularly among high school and college-aged women. Although these 30th anniversary projects are ongoing, and their effects are expected to be greater in the future, the play count in the fiscal year under review was 27.87 million, down from 29.57 million in the previous fiscal year.

For the photo sticker image acquisition and viewing service “PICTLINK,” the number of paying members was 1.27 million as of the end of March 2026, down from 1.37 million at the end of March 2025, in spite of the continuation of measures to strengthen the inflow of new members in order to maintain the membership scale. From July 1, 2025, we unified the membership category of PICTLINK paying members into the premium membership category, which contributed to improved profitability.

As a result, for the fiscal year under review, the GIRLS Trend Business saw net sales of ¥14,388 million (97.1% of the previous fiscal year), and operating profit of ¥3,589 million (114.0% of the previous fiscal year).

(FURYU New Business)

In the home video game software business, sales fell short of expectations and decreased compared with the previous fiscal year, although we released new titles, “BEYBLADE X EVOBATTLE” and “Model Debut4 #nicola,” in November and worked to increase sales.

In the animation business, we promoted profitability of both new and existing titles by airing two funded titles in July as well as one title in October for which we are the organizer of production committees, in addition, holding an exhibition commemorating the 10th anniversary of the original comic “LAID-BACK CAMP” in Tokyo in November and in Osaka from January to February.

Although we aimed to improve profitability through the transfer of the colored contact lenses business and the termination of services in the game application business, segment profit decreased compared with the previous fiscal year due to an increase in software amortization in the home video game software business.

As a result, for the fiscal year under review, the FURYU New Business saw net sales of ¥2,672 million (64.4% of the previous fiscal year), and operating loss of ¥454 million (operating loss of ¥430 million in the previous fiscal year).

(2) Overview of financial position for the fiscal year under review**(i) Assets**

Assets stood at ¥30,335 million, an increase of ¥2,225 million from the end of the previous fiscal year. This is mainly due to a decrease in raw materials and supplies of ¥153 million, a decrease in “other” in current assets of ¥416 million, a decrease in property, plant and equipment of ¥345 million and a decrease in “other” in investments and other assets of ¥161 million, despite an increase in cash and deposits of ¥2,019 million, an increase in accounts receivable - trade of ¥782 million and an increase in merchandise and finished goods of ¥269 million.

(ii) Liabilities

Liabilities stood at ¥6,707 million, an increase of ¥1,021 million from the end of the previous fiscal year. This is mainly due to a decrease in electronically recorded obligations - operating of ¥311 million, a decrease in contract liabilities of ¥226 million and a decrease in “other” in current liabilities of ¥150 million, despite an increase in accounts payable - trade of ¥442 million, an increase in accounts payable - other of ¥135 million, an increase in income taxes payable of ¥886 million and an increase in accrued consumption taxes of ¥148 million.

(iii) Net assets

Net assets stood at ¥23,627 million, an increase of ¥1,203 million from the end of the previous fiscal year. This is mainly due to a decrease in retained earnings of ¥1,037 million as a result of dividends paid, despite an increase in retained earnings of ¥2,060 million resulting from the recording of profit attributable to owners of parent and an increase in deferred gains or losses on hedges of ¥131 million.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥13,745 million, up by ¥2,017 million, compared to the end of the previous fiscal year. This was the result of ¥5,189 million provided by operating activities, ¥2,133 million used in investing activities, and ¥1,040 million used in financing activities.

(i) (Cash flows from operating activities)

In operating activities, profit before income taxes amounted to ¥3,179 million, depreciation amounted to ¥2,309 million and impairment losses amounted to ¥117 million. In addition, there were an increase in allowance for doubtful accounts of ¥142 million, an increase in trade receivables of ¥873 million, an increase in inventories of ¥207 million, an increase in trade payables of ¥131 million, an increase in accounts payable - other of ¥244 million, and income taxes paid of ¥369 million. As a result, net cash provided by operating activities was ¥5,189 million, compared with ¥3,856 million provided in the previous fiscal year.

(ii) (Cash flows from investing activities)

In investing activities, there were outflows of ¥1,588 million for the purchase of property, plant and equipment, ¥641 million for the purchase of intangible assets, and ¥125 million for the proceeds from refund of guarantee deposits. As a result, net cash used in investing activities was ¥2,133 million, compared with ¥2,603 million used in the previous fiscal year.

(iii) (Cash flows from financing activities)

In financing activities, there was ¥948 million in proceeds from sale and leaseback transactions, ¥951 million due to repayments of lease liabilities, and ¥1,037 million due to dividends paid. As a result, net cash used in financing activities was ¥1,040 million, compared with ¥1,036 million used in the previous fiscal year.

(4) Future outlook

As for the future outlook, regarding the global economy, growth in the United States remained steady, supported by solid domestic demand, while concerns grew over policy direction, including trade policy. Europe moved toward a gradual recovery as inflation subsided, while China continued to face a stagnant real estate market and weakening domestic demand. Furthermore, the outlook for the global economy remains uncertain, including geopolitical risks such as the situation in the Middle East.

Under these circumstances, for Amusement Prizes, etc., we will continue to newly acquire IPs of characters and commercialize them in anticipation of the needs and trends in the market, and by accumulating orders of new characters in addition to classic characters, we aim to achieve net sales at the same level as in the fiscal year under review.

In overseas merchandise sales, while being affected by global conditions such as rising costs due to high oil prices, we will continue to focus our resources on North America and China as our key markets. Sales are expected to grow and exceed those of the fiscal year under review through our existing strategy, which aims to develop new sales channels and acquire IPs specialized for each sales-target country.

For high-end hobbies, we expect sales and profits to increase substantially from the level achieved in the fiscal year ended March 31, 2026.

For the existing Photo Sticker Business, we will redefine photo stickers as a product category—“everyday entertainment that can be enjoyed with anyone”—and build a consistent brand experience cycle based on consumer behavior, from awareness to re-experiencing the product. We will promote a comprehensive strategy to enhance the attractiveness of the photo sticker machines as a gateway to the customer experience, as well as to create additional value for “PICKLINK,” a service for acquiring and viewing the photo sticker image used by customers after the play of photo sticker machines, and implement various marketing and branding measures such as securing prime locations and conducting large-scale promotions. As a result, the annual total play count for photo sticker machines in the fiscal year ending March 31, 2027 is expected to turn to increase at approximately 32.00 million plays (114.8% of the previous fiscal year). In addition, the number of PICKLINK paying members at the end of March 2027 is expected to increase to 1.29 million (1.27 million at the end of the previous year), and driven by this growth in both revenue and member base, we expect to achieve an operating profit of ¥4.2 billion for the business as a whole.

Furthermore, regarding the new Photo Sticker Business, we aim to build a new revenue base by leveraging both third-party IPs (intellectual properties) and through global expansion. In the domestic market, in addition to rolling out new photo sticker machines compatible with character IPs, we will launch “SUKELU factory,” a dedicated machines targeting fans of specific idols, and vigorously pursue the development of new print markets and the acquisition of new customer segments through “SUKELU factory.” Furthermore, as part of our global expansion, we will use our Chinese subsidiary—scheduled to be established in June 2026—as a base to begin a full-scale entry into the Chinese market with photo sticker machines featuring character IPs. Through these initiatives, we will achieve business diversification and sustainable growth that transcend existing frameworks.

In the home video game software business, we will establish a production system that integrates development, marketing, and sales from the planning stage onward, with the aim of enhancing the market appeal of our original titles and creating hit titles. In addition, we will fully leverage the expertise we have accumulated in event management, promotions, and sales both domestically and internationally to vigorously drive sales growth in the global market. Furthermore, by expediting the porting of existing titles to next-generation hardware, we aim to revitalize sales of older titles and improve profitability.

In the animation business, we will prioritize ensuring the profitability of titles released during the fiscal year under review and transforming them into high-quality assets, while also working to strengthen our planning and production infrastructure to support medium- to long-term growth.

Specifically, we aim to make a solid contribution to revenue through two titles—“Let’s Go KAIKIGUMI” and “The Eternal Fool’s Words of Wisdom: A Pawsitively Fantastic Adventure”—for which we will serve as the organizer of production committees in FY2026, as well as through our funded titles, while also working to establish these IPs as high-value assets.

Furthermore, to ensure a steady pipeline of titles aimed at achieving the Medium-term Vision, we will establish a comprehensive system covering everything from planning to production team formation—including the development of a framework for selecting source material for anime adaptations and securing production lines—and will continue to expand our in-house anime production resources. Furthermore, we will fully ramp up the contracted animation production business we launched in FY2025, while working to establish the necessary infrastructure for in-house production and aiming to establish this as a new source of revenue. Through these initiatives, we will establish a system capable of handling everything from planning to production, thereby achieving sustainable growth in the animation business.

In the apparel business, we will focus resources on strategically prioritized products to create bestsellers and achieve efficient sales growth while minimizing inventory risk. We also leverage major social media platforms and live streaming to generate sustainable viral buzz, and by channeling that momentum into advertising and other initiatives, we maximize traffic to our own websites. Furthermore, we will implement measures to encourage new customers to make their next purchase sooner, thereby turning them into repeat customers and improving the business’s profitability.

In light of the above, for the Group’s financial forecasts for fiscal year ending March 31, 2027, the fourth year of the Medium-term Vision, the Group expects net sales of ¥48,000 million (107.2% of the fiscal year under review), operating profit of ¥4,000 million (120.6% of the fiscal year under review), ordinary profit of ¥4,000 million (121.1% of the fiscal year under review), and profit attributable to owners of parent of ¥2,500 million (121.3% of the fiscal year under review).

As the Group, sales are expected to exceed those of the fiscal year under review, and profits are also projected to increase due to both sales growth and the impact of measures implemented across each business.

The assumed foreign exchange is US\$1 = ¥150.00.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company considers that it is for the benefit of shareholders’ common interest to implement, on a priority basis, strategic investments that lead to sustainable growth and improved corporate value. In addition, recognizing the return of profit to shareholders as one of the important management measures, the Company has the basic policy of regarding stable and continuous dividends as its basic principle and conducting the return of profit by comprehensively considering the trends of earnings and the enhancement of internal reserves required for future growth investments, among others. Furthermore, in addition to this policy, the Company will place greater emphasis on the sound increase of profit and the return of profit to shareholders in addition to promoting the improvement of ROE to 15% or more as a target for capital efficiency. Therefore, future dividends will be determined based on a comprehensive judgment, using a dividend payout ratio of 40% or dividend on equity ratio (DOE) of 5.0% as a reference index, and taking into consideration the amount of medium- to long-term investments aimed at enhancement of corporate value in the future. At the same time, the Company will also consider a flexible position with regard to share repurchases, in response to the state of cash flow and the share price trends. The Board of Directors shall decide on dividends of surplus.

In accordance with this basic policy, the Company proposes to pay a year-end dividend for the fiscal year under review of ¥40 per share. As a result, the dividend payout ratio for the fiscal year under review became 51.4%, with a DOE of 4.6%. Regarding a dividend for the next fiscal year, a year-end dividend of ¥40 per share is envisaged.

2. Basic rationale for selecting the accounting standard

The Group has adopted Japanese accounting standards in order to ensure comparability with other Japanese companies in the same industries.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	11,733,051	13,752,896
Accounts receivable - trade	4,103,294	4,886,216
Electronically recorded monetary claims - operating	1,044,899	1,135,446
Merchandise and finished goods	2,264,597	2,534,062
Work in process	37,568	129,506
Raw materials and supplies	610,175	456,499
Advance payments to suppliers	829,039	839,522
Prepaid expenses	368,545	368,225
Accounts receivable - other	486,113	507,446
Other	921,140	504,845
Allowance for doubtful accounts	(5,246)	(6,003)
Total current assets	22,393,180	25,108,665
Non-current assets		
Property, plant and equipment		
Buildings, net	328,281	340,128
Tools, furniture and fixtures, net	184,765	208,996
Leased assets, net	2,320,057	1,751,184
Other	107,821	295,017
Total property, plant and equipment	2,940,927	2,595,325
Intangible assets		
Software	416,375	370,898
Other	554,673	617,430
Total intangible assets	971,048	988,329
Investments and other assets		
Investment securities	14,477	5,658
Distressed receivables	16,650	158,463
Long-term prepaid expenses	70,562	43,557
Leasehold and guarantee deposits	615,230	494,585
Deferred tax assets	1,097,574	1,092,142
Other	7,475	7,475
Allowance for doubtful accounts	(16,650)	(158,463)
Total investments and other assets	1,805,319	1,643,419
Total non-current assets	5,717,295	5,227,074
Total assets	28,110,476	30,335,740

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	659,006	1,101,636
Electronically recorded obligations - operating	714,657	403,509
Lease liabilities	278,403	321,219
Accounts payable - other	884,505	1,020,326
Accrued expenses	1,401,041	1,438,937
Income taxes payable	62,306	949,029
Accrued consumption taxes	50,699	199,152
Contract liabilities	876,705	650,136
Provision for loss on orders received	44,319	16,342
Other	390,435	239,762
Total current liabilities	5,362,082	6,340,053
Non-current liabilities		
Deferred tax liabilities	—	20,328
Provision for share awards for directors (and other officers)	8,686	11,989
Retirement benefit liability	309,728	328,459
Other	5,945	7,093
Total non-current liabilities	324,360	367,870
Total liabilities	5,686,442	6,707,923
Net assets		
Shareholders' equity		
Share capital	1,639,216	1,639,216
Capital surplus	1,614,716	1,614,716
Retained earnings	21,098,548	22,121,927
Treasury shares	(1,949,562)	(1,940,349)
Total shareholders' equity	22,402,918	23,435,509
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(48,656)	83,034
Foreign currency translation adjustment	23,972	17,456
Remeasurements of defined benefit plans	45,798	91,815
Total accumulated other comprehensive income	21,115	192,306
Total net assets	22,424,034	23,627,816
Total liabilities and net assets	28,110,476	30,335,740

(2) Consolidated statements of income and consolidated statements of comprehensive income**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	44,305,986	44,767,484
Cost of sales	27,413,829	27,154,713
Gross profit	16,892,156	17,612,770
Selling, general and administrative expenses	14,652,666	14,296,822
Operating profit	2,239,490	3,315,947
Non-operating income		
Interest income	177	338
Foreign exchange gains	17,909	1,286
Gain on adjustment of accounts payable	1,888	143
Subsidy income	3,813	12,010
Gain on investments in investment partnerships	14,355	–
Consumption taxes refund	9	366
Compensation income	7,581	3,816
Other	4,167	1,634
Total non-operating income	49,903	19,594
Non-operating expenses		
Interest expenses	385	104
Compensation expenses	4,089	6
Loss on investments in investment partnerships	–	1,904
Consumption tax difference	3,077	1,164
Loss on extinguishment of share-based payment expenses	865	666
Cancellation penalty	87	28,155
Other	74	1,214
Total non-operating expenses	8,579	33,217
Ordinary profit	2,280,814	3,302,325
Extraordinary income		
Gain on sale of non-current assets	1,581	–
Gain on sale of businesses	1,115	–
Total extraordinary income	2,696	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	17,823	5,361
Impairment losses	–	117,653
Total extraordinary losses	17,823	123,015
Profit before income taxes	2,265,687	3,179,309
Income taxes - current	601,139	1,173,695
Income taxes - deferred	37,206	(55,113)
Total income taxes	638,345	1,118,582
Profit	1,627,341	2,060,727
Profit attributable to owners of parent	1,627,341	2,060,727

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,627,341	2,060,727
Other comprehensive income		
Deferred gains or losses on hedges	(124,210)	131,690
Foreign currency translation adjustment	23,972	(6,516)
Remeasurements of defined benefit plans, net of tax	23,328	46,016
Total other comprehensive income	(76,909)	171,191
Comprehensive income	1,550,431	2,231,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,550,431	2,231,918

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,639,216	1,614,716	20,511,058	(2,000,402)	21,764,587
Changes during period					
Dividends of surplus			(1,031,160)		(1,031,160)
Profit attributable to owners of parent			1,627,341		1,627,341
Purchase of treasury shares				(120,638)	(120,638)
Disposal of treasury shares		(8,690)		171,479	162,788
Transfer of loss on disposal of treasury shares		8,690	(8,690)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	587,490	50,840	638,331
Balance at end of period	1,639,216	1,614,716	21,098,548	(1,949,562)	22,402,918

	Accumulated other comprehensive income				Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	75,554	—	22,470	98,025	21,862,612
Changes during period					
Dividends of surplus					(1,031,160)
Profit attributable to owners of parent					1,627,341
Purchase of treasury shares					(120,638)
Disposal of treasury shares					162,788
Transfer of loss on disposal of treasury shares					—
Net changes in items other than shareholders' equity	(124,210)	23,972	23,328	(76,909)	(76,909)
Total changes during period	(124,210)	23,972	23,328	(76,909)	561,421
Balance at end of period	(48,656)	23,972	45,798	21,115	22,424,034

Fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,639,216	1,614,716	21,098,548	(1,949,562)	22,402,918
Changes during period					
Dividends of surplus			(1,037,348)		(1,037,348)
Profit attributable to owners of parent			2,060,727		2,060,727
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares				9,217	9,217
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,023,378	9,212	1,032,591
Balance at end of period	1,639,216	1,614,716	22,121,927	(1,940,349)	23,435,509

	Accumulated other comprehensive income				Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(48,656)	23,972	45,798	21,115	22,424,034
Changes during period					
Dividends of surplus					(1,037,348)
Profit attributable to owners of parent					2,060,727
Purchase of treasury shares					(5)
Disposal of treasury shares					9,217
Net changes in items other than shareholders' equity	131,690	(6,516)	46,016	171,191	171,191
Total changes during period	131,690	(6,516)	46,016	171,191	1,203,782
Balance at end of period	83,034	17,456	91,815	192,306	23,627,816

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	2,265,687	3,179,309
Depreciation	2,297,326	2,309,916
Impairment losses	—	117,653
Increase (decrease) in allowance for doubtful accounts	7,418	142,569
Increase (decrease) in retirement benefit liability	76,914	85,551
Interest and dividend income	(177)	(338)
Interest expenses	385	104
Foreign exchange losses (gains)	1,152	(8,459)
Cancellation penalty	—	28,155
Loss (gain) on sale and retirement of non-current assets	16,242	5,361
Loss (gain) on sale of businesses	(1,115)	—
Compensation income	(7,581)	(3,816)
Compensation expenses	4,089	6
Decrease (increase) in trade receivables	937,479	(873,468)
Decrease (increase) in inventories	26,499	(207,726)
Decrease (increase) in accounts receivable - other	(88,203)	45,016
Decrease (increase) in advance payments to suppliers	290,889	(10,482)
Increase (decrease) in trade payables	(100,535)	131,496
Increase (decrease) in accounts payable - other	(103,625)	244,400
Increase (decrease) in accrued expenses	97,311	37,871
Other, net	(374,472)	305,166
Subtotal	5,345,684	5,528,288
Interest and dividends received	177	338
Interest paid	(385)	(104)
Income taxes paid	(1,489,868)	(369,021)
Income taxes refund	16,062	51,162
Cancellation penalty paid	(11,845)	(28,155)
Proceeds from compensation	581	7,000
Compensation paid	(4,089)	(5)
Net cash provided by (used in) operating activities	3,856,317	5,189,502
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,073,782)	(1,588,028)
Proceeds from sale of property, plant and equipment	1,817	1,149
Purchase of intangible assets	(632,146)	(641,364)
Payments of guarantee deposits	(88,671)	(34,690)
Proceeds from refund of guarantee deposits	11,460	125,824
Proceeds from sale of businesses	160,000	—
Other, net	18,261	3,174
Net cash provided by (used in) investing activities	(2,603,059)	(2,133,936)
Cash flows from financing activities		
Proceeds from sale and leaseback transactions	1,747,249	948,083
Repayments of lease liabilities	(1,752,761)	(951,386)
Purchase of treasury shares	(38)	(5)
Dividends paid	(1,031,160)	(1,037,348)
Net cash provided by (used in) financing activities	(1,036,711)	(1,040,656)
Effect of exchange rate change on cash and cash equivalents	22,557	2,593
Net increase (decrease) in cash and cash equivalents	239,103	2,017,502
Cash and cash equivalents at beginning of period	11,489,282	11,728,385
Cash and cash equivalents at end of period	11,728,385	13,745,888

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant matters forming the basis for preparing consolidated financial statements)

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries: 3

(2) Names of consolidated subsidiaries

Olu. Inc.

FURYU of America, Inc.

FURYU Pictures Corporation

(3) Significant changes in scope of consolidation

From the fiscal year under review, FURYU Pictures Corporation, established through an incorporation-type company split, is included in the scope of consolidation.

2. Disclosure about application of equity method

Not applicable.

3. Disclosure about fiscal years of consolidated subsidiaries

Of the consolidated subsidiaries, FURYU of America, Inc. has a fiscal year ending December 31. In preparing the consolidated financial statements, the financial statements as of that date are used, and necessary adjustments are made to reflect significant transactions that occurred between that date and the consolidated balance sheet date.

The fiscal year-end dates of Olu. Inc. and FURYU Pictures Corporation, both consolidated subsidiaries, are the same as the consolidated balance sheet date.

(Notes on segment information)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of management resources and to assess their performance.

The Group plans comprehensive strategy and develops business activities in which the services engaged in form the basis of business unit. Accordingly, the Group is made up from segments differentiated by the type of service. There are three reportable segments consisting of “SEKAIKAN Business,” “GIRLS Trend Business,” and “FURYU New Business.”

The SEKAIKAN Business concentrates on the use of licensed character copyrights, and the planning and sales of plush toys, figures and other items used in the crane games that are offered by amusement facilities. The GIRLS Trend Business concentrates on the sale of photo sticker machines and sticker paper, the consumable of such machines, and carries out the operation, etc. of an internet-based content and media business, the main service of which is “PICKLINK,” a photo sticker image acquisition and viewing service. The FURYU New Business concentrates on the planning and sale of home video game software as well as planning and production of animation programs, production services involving the bringing together of sponsor companies and formation of production committees, and the sale of video content merchandise.

2. Method for calculating amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method used for reported business segments complies with accounting policy that has been adopted in preparing the consolidated financial statements.

Segment profit of the reportable segments is on an operating profit basis.

3. Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable segments				Adjustments	Amount recorded in the consolidated financial statements
	SEKAIKAN Business	GIRLS Trend Business	FURYU New Business	Total		
Net sales						
Sales to external customers	25,338,241	14,818,823	4,148,920	44,305,986	—	44,305,986
Inter-segment sales or transfers	—	—	—	—	—	—
Total	25,338,241	14,818,823	4,148,920	44,305,986	—	44,305,986
Segment profit (loss)	1,768,917	3,147,517	(430,426)	4,486,008	(2,246,517)	2,239,490
Segment assets	1,868,484	4,126,691	2,120,297	8,115,473	19,995,002	28,110,476
Other items						
Depreciation	32,449	1,548,691	598,102	2,179,244	118,082	2,297,326
Increase in property, plant and equipment and intangible assets	56,823	1,769,834	821,178	2,647,836	168,898	2,816,735

Notes: 1. Adjustments are as follows:

The adjustment amount of negative ¥2,246,517 thousand for segment profit or loss includes ¥13,298 thousand in inter-segment transactions, and negative ¥2,259,815 thousand in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

The adjustment amount of ¥19,995,002 thousand for segment assets is corporate assets that are not allocated to each reportable segment. Corporate assets mainly consist of cash and deposits.

The adjustment amount of ¥168,898 thousand for increase in property, plant and equipment and intangible assets is corporate capital investments that are not allocated to each reportable segment.

2. Segment profit (loss) was adjusted to operating profit in the consolidated statements of income.

Fiscal year ended March 31, 2026

(Thousands of yen)

	Reportable segments				Adjustments	Amount recorded in the consolidated financial statements
	SEKAIKAN Business	GIRLS Trend Business	FURYU New Business	Total		
Net sales						
Sales to external customers	27,706,211	14,388,649	2,672,623	44,767,484	—	44,767,484
Inter-segment sales or transfers	949	—	64	1,013	(1,013)	—
Total	27,707,161	14,388,649	2,672,687	44,768,497	(1,013)	44,767,484
Segment profit (loss)	2,337,473	3,589,558	(454,787)	5,472,243	(2,156,295)	3,315,947
Segment assets	1,821,124	3,658,539	3,158,708	8,638,372	21,697,367	30,335,740
Other items						
Depreciation	37,155	1,405,809	736,676	2,179,640	130,275	2,309,916
Increase in property, plant and equipment and intangible assets	74,659	963,967	924,291	1,962,918	153,591	2,116,509

Notes: 1. Adjustments are as follows:

The adjustment amount of negative ¥2,156,295 thousand for segment profit or loss includes ¥36,046 thousand in inter-segment transactions, and negative ¥2,192,342 thousand in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

The adjustment amount of ¥21,697,367 thousand for segment assets is corporate assets that are not allocated to each reportable segment.

Corporate assets mainly consist of cash and deposits.

The adjustment amount of ¥153,591 thousand for increase in property, plant and equipment and intangible assets is corporate capital investments that are not allocated to each reportable segment.

2. Segment profit (loss) was adjusted to operating profit in the consolidated statements of income.

[Related information]

Fiscal year ended March 31, 2025

1. Information about products and services

The information is omitted because the same information is disclosed in “[Segment information].”

2. Information about geographical areas

(1) Net sales

The information is omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information about main customers

This information is omitted because there are no net sales applicable to net sales to any specific customer that accounting for at least 10% of net sales in the consolidated statements of income.

Fiscal year ended March 31, 2026

1. Information about products and services

The information is omitted because the same information is disclosed in “[Segment information].”

2. Information about geographical areas

(1) Net sales

(Thousands of yen)		
Japan	Overseas	Total
39,187,480	5,580,003	44,767,484

Notes: Net sales are classified by country or region based on the location of customers; however, since no single country or region outside Japan exceeds 10% of net sales, it is categorized as “Overseas.”

(2) Property, plant and equipment

The information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

3. Information about main customers

This information is omitted because there are no net sales applicable to net sales to any specific customer that accounting for at least 10% of net sales in the consolidated statements of income.

[Information about impairment loss of non-current assets by reportable segment]

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

In the “GIRLS Trend Business” segment, impairment losses on non-current assets were recorded. The amount of the impairment losses was ¥117,653 thousand.

[Information about amortization and unamortized balance of goodwill by reportable segment]

Not applicable.

[Information about gain on bargain purchase by reportable segment]

Not applicable.

(Notes on per share information)

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	846.87	892.06
Earnings per share	61.50	77.81

Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.

2. For the purpose of calculating net assets per share, the treasury shares deducted from the total number of issued shares at the end of the period includes shares of the Company remaining in the “Board Benefit Trust-Restricted Stock (BBT-RS)” (120,000 shares in the fiscal year ended March 31, 2025; 110,828 shares in the fiscal year ended March 31, 2026). For the purpose of calculating earnings per share, the treasury shares deducted from the average number of shares during the period includes shares of the Company remaining in the “Board Benefit Trust-Restricted Stock (BBT-RS)” (120,000 shares in the fiscal year ended March 31, 2025; 113,717 shares in the fiscal year ended March 31, 2026).

3. The basis for calculation of net assets per share is as follows.

	As of March 31, 2025	As of March 31, 2026
Total net assets (Thousands of yen)	22,424,034	23,627,816
Amounts deducted from total net assets (Thousands of yen)	—	—
Net assets related to common shares at the end of the period (Thousands of yen)	22,424,034	23,627,816
Number of shares of common shares used for calculation of net assets per share at the end of the period (Shares)	26,478,675	26,486,742

4. The basis for calculation of earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	1,627,341	2,060,727
Profit not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Thousands of yen)	1,627,341	2,060,727
Average number of outstanding common shares during the period (Shares)	26,460,549	26,484,278

(Notes on subsequent events)

Not applicable.