

TSUBURAYA FIELDS HOLDINGS

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary

(Translation)
May 13, 2025

TSUBURAYA FIELDS HOLDINGS INC. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: TSUBURAYA FIELDS HOLDINGS INC.
(URL: <https://www.tsuburaya-fields.co.jp/ir/e/>)
Listing: Tokyo Stock Exchange, Prime Market
Securities code: 2767
URL: <https://www.tsuburaya-fields.co.jp/ir/e/>
Representative: Hidetoshi Yamamoto, President and Group CEO
Inquiries: Hideaki Hatanaka, Senior Corporate Officer
Telephone: +81-3-5784-2111

Scheduled date of annual general meeting of shareholders: June 18, 2025
Scheduled date to commence dividend payments: June 19, 2025
Scheduled date to file annual securities report: June 19, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	140,581	(0.9)	15,295	29.3	16,462	27.1	11,158	(4.6)
March 31, 2024	141,923	21.2	11,827	8.0	12,947	15.4	11,695	42.3

(Notes) Comprehensive income For the fiscal year ended March 31, 2025: ¥12,219 million [2.3%]
For the fiscal year ended March 31, 2024: ¥11,941 million [6.5%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	178.78	178.30	22.6	16.7	10.9
March 31, 2024	178.77	178.32	26.9	14.4	8.3

Reference: Share of profit (loss) of entities accounted for using equity method For the fiscal year ended March 31, 2025: ¥1,127 million
For the fiscal year ended March 31, 2024: ¥896 million

(Note) In the fiscal year under review, the provisional accounting treatment for business combinations was finalized. Each figure related to the fiscal year ended March 31, 2024 reflects the details of the finalization of the provisional accounting treatment. In addition, from the beginning of the fiscal year under review, the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) has been adopted. Figures for the fiscal year ended March 31, 2024 are retroactively adjusted.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	98,953	56,247	51.6	820.43
March 31, 2024	98,392	55,993	48.5	729.51

Reference: Equity As of March 31, 2025: ¥51,044 million
As of March 31, 2024: ¥47,731 million

(Note) In the fiscal year under review, the provisional accounting treatment for business combinations was finalized. Each figure related to the fiscal year ended March 31, 2024 reflects the details of the finalization of the provisional accounting treatment. In addition, from the beginning of the fiscal year under review, the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) has been adopted. Figures for the fiscal year ended March 31, 2024 are retroactively adjusted.

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	7,779	1,100	(13,520)	30,854
March 31, 2024	5,563	(4,101)	(3,145)	34,814

2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	Q1 end	Q2 end	Q3 end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	40.00	40.00	2,617	22.4	6.0
Fiscal year ended March 31, 2025	-	0.00	-	50.00	50.00	3,110	28.0	6.5
Fiscal year ending March 31, 2026 (forecast)	-	0.00	-	50.00	50.00		27.8	

(Note) The year-end dividend per share for the year ended March 31, 2025 was changed from ¥40 to ¥50. For more information, please refer to “1. Overview of Operating Results, (3) Basic policy on profit distribution and dividends for the current and next fiscal years” on page five.

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	150,000	6.7	16,000	4.6	16,100	(2.2)	11,200	0.4	180.02

*Notes

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to reasons other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)
 - (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	65,429,150 shares
As of March 31, 2024	69,400,000 shares
 - (ii) Number of treasury shares at the end of the period

As of March 31, 2025	3,212,700 shares
As of March 31, 2024	3,970,850 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	62,412,733 shares
Fiscal year ended March 31, 2024	65,423,736 shares

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate YoY changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	9,398	(0.9)	6,145	(6.3)	5,923	(10.7)	5,443	(14.0)
March 31, 2024	9,487	(77.0)	6,557	28.4	6,633	28.6	6,326	14.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	87.21	86.98
March 31, 2024	96.70	96.45

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2025	66,564	36,242	54.0	577.60
March 31, 2024	59,470	39,325	65.8	597.93

Reference: Equity
As of March 31, 2025: ¥35,936 million
As of March 31, 2024: ¥39,122 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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results, etc. may differ materially from the forecasts due to various factors.

Please refer to 1. Overview of operating results, (1) Overview of operating results on page two and (2) Outlook for the next fiscal year (FY2025) on page four.

(How to obtain supplementary materials on financial results)

The Company is planning to hold a financial briefing for analysts and institutional investors on Wednesday, May 14, 2025. Materials used at that briefing will be posted on the Company's website as soon as possible after the briefing.

Table of contents of attached document

1. Overview of operating results	2
(1) Overview of operating results	2
(2) Outlook for the next fiscal year (FY2025)	4
(3) Basic policy on profit distribution and dividends for the current and next fiscal years	5
(4) Overview of financial position for the fiscal year under review	6
(5) Overview of cash flows for the fiscal year under review	6
2. Basic policy regarding selection of accounting standards	7
3. Consolidated financial statements and important notes	8
(1) Consolidated balance sheets	8
(2) Consolidated statements of income and consolidated statements of comprehensive income	10
(3) Consolidated statement of change in equity	13
(4) Consolidated statements of cash flows	15
(5) Note regarding the consolidated financial statements	17
(Notes regarding the operation of the company as a going concern)	17
(Changes in accounting policies)	17
(Changes in presentation method)	17
(Business combinations)	17
(Segment information, etc.)	17
(Per share information)	21
(Significant subsequent events)	21

1. Overview of operating results

(1) Overview of operating results

During the fiscal year under review, the global economy showed an overall trend toward recovery, as the effects of monetary tightening policies in major countries gradually eased. In the Japanese economy, despite rising prices, personal consumption recovered and corporate capital investment increased. In addition, the tourism and entertainment industry, which captured inbound demand, was revitalized. In particular, the Japanese content industry, represented by anime, movies, and games, is highly regarded worldwide for its innovative technology and creativity.

Under these circumstances, we made steady progress toward achieving sustainable growth and long-term corporate value creation based on our corporate philosophy of “The Greatest Leisure for All People.”

In the content and digital segment, we accomplished our first-year mission in the “five-year medium-term management plan” announced in May 2024. In addition, we reached a broad agreement on a business partnership with the Alibaba Japan*, which has been preparing to accelerate the global EC.

In the amusement equipment business*, pachinko/pachislot (hereinafter, “PS”) machine with a leading IP was well received in the marketplace and drove results for the fiscal year under review.

Consequently, the consolidated results for the fiscal year under review were net sales ¥140,581 million (down 0.9% YoY), operating profit ¥15,295 million (up 29.3% YoY), ordinary profit ¥16,462 million (up 27.1% YoY), and profit attributable to owners of parent ¥11,158 million (down 4.6% YoY).

*Formal name: Alibaba.com Japan Co., Ltd.

*Renamed “PS business” from the current fiscal year

The overview of each business segment is as follows.

Content and digital segment

In May 2024, Tsuburaya Productions Co., Ltd. (hereinafter, “TPC”) announced its first-year mission in the “five-year medium-term management plan.” In the fiscal year under review, TPC worked to build overseas bases and thereby cultivate a new distribution system and strengthen the human resources that play a central role in promoting business.

Total in licensing, MD (product sales), and imaging and event-related revenues for the fiscal year under review amounted to ¥11,165 million, up 13.5% from the previous fiscal year. The breakdown by category is as follows.

<Licensing revenue: ¥6,836 million (up 11.6% YoY)>

(Unit: millions of yen)

	FY2023 (previous fiscal year)	FY2024 (current fiscal year)	Change (%)
Total	6,128	6,836	+11.6%
Overseas	4,803	5,867	+22.1%
China	4,260	5,276	+23.8%
Domestic	1,324	969	(26.8)%

In China, sales of block toys, low-priced toys, stationery, apparel, and daily necessities were strong, driving an increase in licensing revenue.

<MD (product sales) revenue: ¥1,395 million (up 211.5% YoY)>

(Unit: millions of yen)

	FY2023 (previous fiscal year)	FY2024 (current fiscal year)	Change (%)
Total	447	1,395	+211.5%
Overseas	-	331	-
Domestic	447	1,063	+137.6%

In addition to our traditional in-house planning and merchandise, we released our new product, *ULTRAMAN CARD GAME* twice globally in the second half of the fiscal year. As a result, MD (product sales) revenues increased. In the future, we will launch a new merchandise for *ULTRAMAN CARD GAME* every quarter.

<Revenue from imaging and events: ¥2,933 million ((10.1)% YoY)>

(Unit: millions of yen)

	FY2023 (previous fiscal year)	FY2024 (current fiscal year)	Change (%)
Total	3,264	2,933	(10.1)%
Overseas	976	832	(14.8)%
Domestic	2,288	2,101	(8.2)%

Revenue from imaging and events decreased due to a reactionary decline in revenue related to the Tsuburaya Convention, a large-scale event for fans held in the previous fiscal year.

Digital Frontier Inc. made steady progress in VFX production for Netflix titles, such as *City Hunter*, leveraging its leading-edge technology in video production, and in consigned development of large-scale anime movies and opening movies for game software.

As a consequence, net sales of the content and digital business segment for the fiscal year under review was ¥16,410 million, an increase of 7.0% from the previous fiscal year. In terms of expenses, we invested approximately ¥1 billion in temporary cost for TV commercial and other items associated with the launch of the card game business. In addition, we worked to build overseas bases and secure human resources to develop merchandise and strengthen our distribution network. As a result, operating profit was ¥2,835 million (down 25.0% YoY).

Amusement equipment business segment

In this business segment, ACE DENKEN Co., Ltd., (hereinafter, “ACE DENKEN”) a leading company in the installation of equipment for pachinko halls, joined our group from the fiscal year under review, and expanded the range of services to include not only PS machine sales by FIELDS CORPORATION (hereinafter, “FIELDS”) but also new business domains such as peripheral equipment and construction, establishing a management foundation as an amusement equipment business that further contributes to the development of the industry.

In the first half of the fiscal year under review, we forecast that pachinko hall's purchasing power would be concentrated in the second half of the year due to the introduction of new banknotes in the first half of the year, and FIELDS launched a leading merchandise in the second half of the year. Consequently, several PS machines with leading IP, including *L Tokyo Ghoul*, gained a strong reputation in the marketplace and contributed to earnings. In addition, the performance of ACE DENKEN was also favorable, so we carried over the sales of several titles among the lineups planned at the beginning of the fiscal year to the first quarter of the following fiscal year and made refinements. As a result, net sales decreased compared to the forecast, but operating profit exceeded the forecast. All sales of PS machines carried over to the first quarter of the following year have been completed as planned.

As a consequence, the amusement equipment business segment recorded net sales of ¥123,092 million, down 2.0% YoY, and operating profit of ¥15,277 million, up 46.7%.

[PS machine unit sales and major sales titles]

	FY2023 (previous fiscal year)	FY2024 (current fiscal year)	Change (%)
Pachinko	187,471 units	92,540 units	(50.6)%
Pachislot	72,780 units	113,161 units	+55.5%
Total	260,251 units	205,701 units	(21.0)%

Classification	Delivery time	Major sales titles	Smart PS machine	Unit sales
Pachinko	H2	<i>P Uchū Senkan Yamato 2202 Super Wave</i>		92,000
		<i>P Godzilla vs EVANGELION Second impact G</i>		
		<i>e Godzilla vs EVANGELION Second impact G Awakening of destroyer</i>	○	
Pachislot	H1	<i>Smart slot STREET FIGHTER V The way of the challenger</i>	○	113,000
		<i>L AKAME GA KILL! 2</i>	○	
	H2	<i>Smart pachislot MONSTER HUNTER RISE</i>	○	
		<i>L INUYASHA 2</i>	○	
		<i>L Salaryman Kintaro</i>	○	
		<i>L Pachislot Evangelion: 3.0+1.0</i>	○	
		<i>L Tokyo Ghoul</i>	○	
		<i>Smart Pachislot Resident Evil5</i>	○	
Total				205,000

Other business

In other business, consolidated operating results for the fiscal year under review were net sales ¥1,682 million and operating profit ¥5 million.

(2) Outlook for the next fiscal year (FY2025)

Content and digital segment

In the content and digital business, in order to establish a global business centered on IP and achieve significant earnings growth, we will steadily carry out our mission, which is the second year of our five-year medium-term management plan.

Since the launch of *Ultraman* series on television in 1966, it has been popular with people all over the world as one of Japan's leading specialty films for entertainment. In 2026, it will mark the 60th anniversary of the start of broadcasting. With this commemorative year in mind, we have positioned the next fiscal year as a key growth phase and will further focus on expanding merchandise and distribution in China as well as other Asian regions, North America, and other regions worldwide.

<Licensing revenues>

In China, we will continue to provide merchandise for attractive *Ultraman* goods, mainly toys, stationery, apparel, and daily necessities. Furthermore, while expanding the successful model further into Asia, we will work to grow our business by expanding our distribution network with local partners.

Domestically, we will strengthen and expand collaboration with leading licensees and other entities centered on *Ultraman* series 60th anniversary, as well as collaboration in corporate advertising and other areas.

<MD (product sales) income>

In terms of EC, as mentioned above, we reached a broad agreement on a business alliance with Alibaba Japan. At present, we are planning to open a flagship store in Tmall Global at the end of June 2025. From July 10, "Ultraman Day" (registered by the Japan Memorial Day), we will begin to reserve and sell original figures of *Ultraman Tiga*, which is popular in Japan and overseas among the series specifically developed for this opening, and will deliver new collections to fans around the world. Furthermore, over the next three years, we will gradually expand our merchandise lineup with the aim of expanding to approximately 500 products.

Additionally, we will utilize the infrastructure of major partners, such as China's local travel reservation platform and payment services for inbound travelers to Japan. In the future, we will advance discussions on initiatives to capture demand from foreign visitors to Japan (inbound tourists). This will allow us to build an experience design that links popular events and content in Japan with travel and purchasing behavior before, during and after the trip, providing new value for even more fans.

In the card game business, we will work to promote *ULTRAMAN CARD GAME* using social media and other tools to strengthen sales of the new merchandise globally.

<Revenues from imaging and events>

We will develop visual products in many regions around the world. In North America, we will significantly expand our video content distribution and broadcasting network through partnerships with Amazon Prime Video and other leading local distribution platform operators. At the same time, we will expand live shows and events, mainly in Asia.

Regarding events, we will hold the "Tsuburaya Convention" in September this year.

As a consequence, the content and digital business segment forecasts a 15.8% YoY increase in net sales to ¥19,000 million and a 12.9% increase in operating profit to ¥3,200 million.

Amusement equipment business segment

In the amusement equipment business, we have formulated a three-year business plan that includes ACE DENKEN. At FIELDS, we are implementing initiatives to sell 12 titles of each attractive pachinko and pachislot machine annually. ACE DENKEN plans to expand its share of sales and optimize costs through sales collaboration with FIELDS.

A summary of the three-year business plan is scheduled to be published on the Company's website on May 14, 2025.

In the next fiscal year, the amusement equipment business segment forecasts a 5.6% YoY increase in net sales to ¥130,000 million and a 2.1% increase in operating profit to ¥15,600 million. In PS machine sales, we expect to sell approximately 250,000 units. We have already sold two pachinko and three pachislot titles as the main titles in the first quarter, and all of them have been sold out. We will also continue to respond to the increased production of several titles sold in the previous fiscal year.

In order to ensure the execution and achievement of our missions in each business segment, we will also strengthen our management structure from the perspectives of both finance and governance.

From a financial perspective, while ensuring a sound financial position, we will allocate the cash generated from operations to strategic growth-oriented investments, such as the multifaceted utilization of IP in various business domains, and to shareholder returns, with the aim of improving capital-efficiency.

In terms of governance, we will develop and strengthen our governance system in accordance with global standards in order to maximize the Group's corporate value. The group nomination and compensation committee and the group sustainability committee have already been established as advisory bodies to the board of directors. In the next fiscal year, we will transition to a company with an audit and supervisory committee. From the standpoint of separating supervision and execution, we are responsible for systematizing our efforts in risk management and the discovery of opportunities that contribute to the sustainability of our business and society. By strengthening these management bases, we will deepen our efforts to create medium-to-long-term corporate value.

In light of the above, for the next fiscal year, we are forecasting a 6.7% increase in net sales to ¥150,000 million, a 4.6% increase in operating profit to ¥16,000 million, a 2.2% decrease in ordinary profit to ¥16,100 million, and a 0.4% increase in profit attributable to owners of parent to ¥11,200 million.

(3) Basic policy on profit distribution and dividends for the current and next fiscal year

We regard the improvement of corporate value as an important management issue, and have adopted a basic policy of paying dividends in line with profits.

We recognize that continuous investment for business growth is indispensable for our group, which is developing global content business. We will realize steady business growth and profit growth, and provide shareholder returns, including dividends, while taking into account the balance with business investment.

The year-end dividend for the fiscal year under review will be ¥50, an increase of ¥10 per share from the initial plan. This matter is scheduled to be discussed at the 37th Annual General Meeting of Shareholders to be held on June 18, 2025.

For the next fiscal year, we plan to pay a year-end dividend of ¥50 per share.

(Note 1) Figures in this summary report are based on published figures for each company and organization or our estimates.

(Note 2) Merchandise in this summary report are trademarks or registered trademarks of their respective companies.

(4) Overview of financial position for the fiscal year under review

	End of the previous fiscal year (As of the end of March 2024)	End of current fiscal year (As of the end of March 2025)	YoY change
Total assets	¥98,392 million	¥98,953 million	¥561 million
Total liabilities	¥42,398 million	¥42,706 million	¥307 million
Total net assets	¥55,993 million	¥56,247 million	¥254 million

(Assets)

Current assets increased by ¥4,992 million from the end of the previous fiscal year to ¥69,841 million. This was mainly due to an increase in work in process.

Property, plant and equipment increased by ¥1,089 million from the end of the previous fiscal year to ¥10,230 million. This was mainly due to an increase in tools, furniture and fixtures and land.

Intangible assets decreased by ¥286 million from the end of the previous fiscal year to ¥2,116 million. This was mainly due to a decrease in goodwill.

Investments and other assets decreased by ¥5,233 million from the end of the previous fiscal year to ¥16,765 million. This was mainly due to a decrease in investment securities.

Consequently, assets increased by ¥561 million from the end of the previous fiscal year to ¥98,953 million.

(Liabilities)

Current liabilities decreased by ¥3,852 million from the end of the previous fiscal year to ¥26,770 million. This was mainly due to a increase in trade payables and an decrease in short-term borrowings.

Non-current liabilities increased by ¥4,160 million from the end of the previous fiscal year to ¥15,935 million. This was mainly due to an increase in long-term borrowings.

Consequently, liabilities increased by ¥307 million from the end of the previous fiscal year to ¥42,706 million.

(Net assets)

Net assets increased by ¥254 million from the end of the previous fiscal year to ¥56,247 million. This was mainly due to an increase in retained earnings and an decrease in non-controlling interests.

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

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review decreased by ¥3,959 million from the end of the previous fiscal year to ¥30,854 million.

Cash flows for the fiscal year under review are summarized as follows:

	Previous period (Year ended March 31, 2024)	Current period (Year ended March 31, 2025)	YoY change
Cash flows from operating activities	¥5,563 million	¥7,779 million	¥2,215 million
Cash flows from investing activities	¥(4,101) million	¥1,100 million	¥5,202 million
Cash flows from financing activities	¥(3,145) million	¥(13,520) million	¥(10,374) million

(Cash flows from operating activities)

Net cash provided by operating activities was ¥7,779 million (¥5,563 million provided in the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥16,252 million, an increase in inventories of ¥5,679 million, income taxes paid of ¥4,542 million, an increase in trade receivables of ¥3,050 million, an increase in trade payables of ¥1,704 million and depreciation of ¥1,180 million.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥1,100 million (¥4,101 million used in the same period of the previous fiscal year). This was mainly due to proceeds of ¥2,416 million for purchase of shares of entities accounted for using equity method, ¥1,390 million for purchase of non-current assets and ¥388 million for loan advances.

(Cash flows from financing activities)

Net cash used in financing activities was ¥13,520 million, compared with net cash used of ¥3,145 million in the same period of the previous fiscal year. This was mainly due to purchase of treasury shares of ¥6,310 million, proceeds from long-term borrowings of ¥6,280 million, decrease in short-term borrowings of ¥5,100 million, purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥3,037 million, repayments of long-term borrowings of ¥2,961 million and dividends paid of ¥2,615 million.

(Reference) Trends in cash flow-related indicators

	FY2020	FY2021	FY2022	FY2023	FY2024
Shareholders' equity ratio	56.9%	43.4%	48.4%	48.5%	51.6%
Shareholders' equity ratio based on market value	35.6%	41.6%	167.3%	113.4%	109.3%
Cash flow to interest-bearing liabilities ratio	3.0 years	1.6 years	1.1 years	2.5 years	1.4 years
Interest coverage ratio	40.7 times	102.5 times	157.3 times	98.5 times	75.2 times

Shareholders' equity ratio: shareholders' equity/ total assets

Shareholders' equity ratio based on market value: market capitalization (closing share price at the end of the period)/ total assets

Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities/ operating cash flow

Interest coverage ratio: operating cash flow/ interest expenses

(Notes) 1. All figures are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

3. Interest-bearing liabilities covers all liabilities that pay interest out of liabilities recorded in the consolidated balance sheet.

2. Basic policy regarding selection of accounting standards

The Group considers the financial statements prepared in accordance with Japanese GAAP to be appropriate for the purpose of presenting the status of the Company's current business. With regard to the application of IFRS, we intend to respond appropriately, taking into account various domestic and overseas circumstances.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheets

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Current consolidated fiscal year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	34,914	30,954
Notes receivable - trade	1,375	1,612
Accounts receivable - trade	8,636	10,825
Contract assets	380	371
Electronically recorded monetary claims - operating	2,744	4,342
Merchandise and finished goods	142	697
Work in process	6,296	10,960
Raw materials and supplies	3,816	3,733
Merchandise rights	2,123	3,323
Other	4,451	3,026
Allowance for doubtful accounts	(31)	(7)
Total current assets	64,848	69,841
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,925	13,738
Accumulated depreciation	(10,009)	(11,005)
Buildings and structures, net	2,916	2,732
Machinery, equipment and vehicles	1,024	1,135
Accumulated depreciation	(965)	(1,092)
Machinery, equipment and vehicles, net	59	43
Tools, furniture and fixtures	6,564	8,210
Accumulated depreciation	(5,657)	(6,779)
Tools, furniture and fixtures, net	906	1,431
Land	5,155	5,664
Construction in progress	102	357
Total property, plant and equipment	9,141	10,230
Intangible assets		
Goodwill	1,395	1,115
Other	1,007	1,001
Total intangible assets	2,402	2,116
Investments and other assets		
Investment securities	13,542	7,831
Long-term loans receivable	1,802	1,354
Deferred tax assets	3,532	3,843
Leasehold and guarantee deposits	2,632	2,727
Other	1,868	1,843
Allowance for doubtful accounts	(1,379)	(833)
Total investments and other assets	21,999	16,765
Total non-current assets	33,543	29,112
Total assets	98,392	98,953

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Current consolidated fiscal year (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,961	13,715
Electronically recorded obligations - operating	1,460	1,235
Short-term borrowings	6,000	900
Current portion of long-term borrowings	2,400	2,207
Income taxes payable	2,414	1,616
Contract liabilities	1,249	542
Provision for bonuses	758	441
Provision for bonuses for directors (and other officers)	216	195
Other	5,162	5,915
Total current liabilities	30,622	26,770
Non-current liabilities		
Long-term borrowings	5,503	8,033
Provision for retirement benefits for directors (and other officers)	169	31
Retirement benefit liability	1,447	2,342
Asset retirement obligations	1,331	1,302
Other	3,323	4,226
Total non-current liabilities	11,775	15,935
Total liabilities	42,398	42,706
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,390	9,289
Retained earnings	33,946	37,520
Treasury shares	(1,631)	(3,415)
Total shareholders' equity	47,653	51,342
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	(356)
Foreign currency translation adjustment	2	(8)
Remeasurements of defined benefit plans	37	65
Total accumulated other comprehensive income	78	(298)
Share acquisition rights	203	306
Non-controlling interests	8,059	4,897
Total net assets	55,993	56,247
Total liabilities and net assets	98,392	98,953

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

Consolidated statements of income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net sales	141,923	140,581
Cost of sales	115,464	105,318
Gross profit	26,459	35,263
Selling, general and administrative expenses		
Advertising expenses	1,107	2,621
Salaries	4,667	5,821
Provision for bonuses	193	240
Retirement benefit expenses	73	97
Provision for retirement benefits for directors (and other officers)	-	(5)
Outsourcing expenses	937	1,540
Travel and transportation expenses	407	521
Depreciation	484	571
Rent expenses on land and buildings	1,026	1,146
Provision of allowance for doubtful accounts	(6)	(18)
Amortization of goodwill	282	280
Provision for bonuses for directors (and other officers)	216	151
Other	5,241	7,000
Total selling, general and administrative expenses	14,631	19,967
Operating profit	11,827	15,295
Non-operating income		
Interest income	13	22
Dividend income	129	129
Purchase discounts	21	54
Share of profit of entities accounted for using equity method	896	1,127
Distributions from investments	16	15
Other	155	221
Total non-operating income	1,233	1,571
Non-operating expenses		
Interest expenses	56	103
Financing expenses	4	22
Depreciation	25	27
Distribution loss	-	66
Provision of allowance for doubtful accounts for subsidiaries and associates	-	80
Other	28	103
Total non-operating expenses	113	404
Ordinary profit	12,947	16,462

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	299	-
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	-	39
Gain on bargain purchase	1,076	-
Other	-	0
Total extraordinary income	1,379	40
Extraordinary losses		
Loss on retirement of non-current assets	24	7
Impairment losses	172	50
Provision of allowance for doubtful accounts for subsidiaries and associates	314	-
Loss on valuation of shares of subsidiaries and associates	-	28
Loss on sale of shares of subsidiaries and associates	-	162
Other	0	1
Total extraordinary losses	511	250
Profit (loss) before income taxes	13,815	16,252
Income taxes - current	2,649	3,841
Income taxes - deferred	(1,904)	(174)
Total income taxes	744	3,666
Profit (loss)	13,070	12,586
Profit attributable to non-controlling interests	1,374	1,427
Profit attributable to owners of parent	11,695	11,158

Consolidated statement of comprehensive income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Profit (loss)	13,070	12,586
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,156)	(383)
Foreign currency translation adjustment	0	(10)
Remeasurements of defined benefit plans, net of tax	26	28
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	(1,128)	(366)
Comprehensive income	11,941	12,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,567	10,781
Comprehensive income attributable to non- controlling interests	1,374	1,438

(3) Consolidated statement of change in equity

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,948	7,390	24,217	(1,644)	37,912
Changes during period					
Dividends of surplus			(1,961)		(1,961)
Profit (loss) attributable to owners of parent			11,695		11,695
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares					-
Disposal of treasury shares			(5)	12	7
Purchase of shares of consolidated subsidiaries					-
Change in scope of consolidation					-
Decrease in retained earnings due to reduction in equity method affiliates					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	9,728	12	9,740
Balance at end of period	7,948	7,390	33,946	(1,631)	47,653

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,194	1	12	1,208	45	2,651	41,817
Changes during period							
Dividends of surplus							(1,961)
Profit (loss) attributable to owners of parent							11,695
Purchase of treasury shares							(0)
Cancellation of treasury shares							-
Disposal of treasury shares							7
Purchase of shares of consolidated subsidiaries							-
Change in scope of consolidation							-
Decrease in retained earnings due to reduction in equity method affiliates							-
Net changes in items other than shareholders' equity	(1,155)	0	25	(1,130)	157	5,408	4,435
Total changes during period	(1,155)	0	25	(1,130)	157	5,408	14,176
Balance at end of period	38	2	37	78	203	8,059	55,993

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,948	7,390	33,946	(1,631)	47,653
Changes during period					
Dividends of surplus			(2,617)		(2,617)
Profit (loss) attributable to owners of parent			11,158		11,158
Purchase of treasury shares				(6,310)	(6,310)
Cancellation of treasury shares		(400)	(3,820)	4,221	-
Disposal of treasury shares		400		305	705
Purchase of shares of consolidated subsidiaries		1,899			1,899
Change in scope of consolidation			188		188
Decrease in retained earnings due to reduction in equity method affiliates			(1,334)		(1,334)
Net changes in items other than shareholders' equity					
Total changes during period	-	1,899	3,574	(1,784)	3,689
Balance at end of period	7,948	9,289	37,520	(3,415)	51,342

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	38	2	37	78	203	8,059	55,993
Changes during period							
Dividends of surplus							(2,617)
Profit (loss) attributable to owners of parent							11,158
Purchase of treasury shares							(6,310)
Cancellation of treasury shares							-
Disposal of treasury shares							705
Purchase of shares of consolidated subsidiaries							1,899
Change in scope of consolidation							188
Decrease in retained earnings due to reduction in equity method affiliates							(1,334)
Net changes in items other than shareholders' equity	(394)	(10)	28	(377)	102	(3,161)	(3,435)
Total changes during period	(394)	(10)	28	(377)	102	(3,161)	254
Balance at end of period	(356)	(8)	65	(298)	306	4,897	56,247

(4) Consolidated statements of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	13,815	16,252
Depreciation	1,024	1,180
Amortization of goodwill	282	280
Investments in capital depreciation	633	511
Increase (decrease) in allowance for doubtful accounts	298	117
Increase (decrease) in provision for bonuses	35	(346)
Increase (decrease) in provision for bonuses for directors (and other officers)	57	(21)
Increase (decrease) in retirement benefit liability	51	34
Interest and dividend income	(143)	(151)
Interest expenses	56	103
Share of loss (profit) of entities accounted for using equity method	(896)	(1,127)
Loss (gain) on sale of non-current assets	(3)	(0)
Loss (gain) on sale of shares of subsidiaries and associates	(299)	162
Impairment losses	172	50
Gain on bargain purchase	(1,076)	-
Decrease (increase) in trade receivables	3,926	(3,050)
Decrease (increase) in inventories	(4,558)	(5,679)
Decrease (increase) in advance payments to suppliers	1,175	239
Decrease (increase) in accounts receivable - other	(591)	513
Increase (decrease) in trade payables	(4,371)	1,704
Increase (decrease) in liabilities related to paid-in transactions	146	571
Increase (decrease) in accounts payable - other	(827)	125
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,374)	537
Other, net	529	(32)
Subtotal	8,062	11,977
Interest and dividends received	201	448
Interest paid	(56)	(103)
Income taxes refund (paid)	(2,643)	(4,542)
Net cash provided by (used in) operating activities	5,563	7,779

(Unit: millions of yen)

	End of previous fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,528)	(1,101)
Proceeds from sale of property, plant and equipment	3	1
Purchase of intangible assets	(234)	(289)
Purchase of investment securities	(439)	(77)
Proceeds from sale of investment securities	73	908
Purchase of shares of subsidiaries and associates	(254)	(234)
Payments for investments in capital	(303)	(74)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	1,732	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	343	-
Purchase of shares of entities accounted for using equity method	(3,167)	(8)
Proceeds from sale of shares of affiliates accounted for by the equity method	-	2,416
Loan advances	(370)	(388)
Proceeds from collection of loans receivable	6	71
Payments of leasehold and guarantee deposits	(33)	(103)
Proceeds from refund of leasehold and guarantee deposits	57	7
Other, net	12	(26)
Net cash provided by (used in) investing activities	(4,101)	1,100
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(499)	(5,100)
Repayments of long-term borrowings	(3,617)	(2,961)
Proceeds from long-term borrowings	2,950	6,280
Dividends paid	(1,959)	(2,615)
Proceeds from exercise of stock options	5	286
Purchase of treasury shares	(0)	(6,310)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(3,037)
Other, net	(24)	(61)
Net cash provided by (used in) financing activities	(3,145)	(13,520)
Effect of exchange rate change on cash and cash equivalents	0	(18)
Net increase (decrease) in cash and cash equivalents	(1,683)	(4,660)
Cash and cash equivalents at beginning of period	36,497	34,814
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	700
Cash and cash equivalents at end of period	34,814	30,854

(5) Note regarding the consolidated financial statements

(Notes regarding the operation of the company as a going concern)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard, 2022”) has been applied from the beginning of the current consolidated fiscal year.

Revisions to the classification of Income taxes for recording (other comprehensive income taxation) are made in accordance with the transitional treatment stipulated in Article 20-3 of the Revised Accounting Standard 2022 and the transitional treatment stipulated in Article 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”).

This change in accounting policy had no impact on the consolidated financial statements.

In addition, the Company has applied the 2022 Revised Implementation Guidance from the beginning of the fiscal year under review with respect to revisions to the treatment of deferral of gains and losses on sales of shares of subsidiaries and other securities in intercompany transactions for tax purposes. This change in accounting policy was applied retrospectively, and the consolidated financial statements for the previous fiscal year have been retrospectively applied.

As a consequence, “income taxes – deferred” decreased by ¥140 million and “profit,” “profit attributable to owners of the parent” and “deferred tax assets” increased by the same amount compared with the figures prior to the retroactive application.

(Changes in presentation method)

(Consolidated Statement of cash flows)

“Proceeds from exercise of employee share options” and “purchase of treasury shares,” which were included in “other, net” under “net cash provided by (used in) financing activities” in the previous fiscal year, are now presented separately from the current fiscal year due to an increase in their monetary materiality.

To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

Consequently, ¥ (19) million yen presented in “Other, net” under “net cash provided by (used in) financing activities” in the statement of cash flows for the previous fiscal year has been reclassified as ¥5 million for “proceeds from exercise of stock options”, ¥ (0) for “purchase of treasury shares” and ¥24 million for “other, net.”

(Business combinations)

A business combination involving the acquisition of Sophia Co., Ltd., which was conducted on March 25, 2024 (deemed acquisition date: March 31, 2024), was provisionally accounted for in the previous fiscal year, but was finalized in the current fiscal year.

In conjunction with the finalization of this provisional accounting treatment, the comparative information included in the consolidated financial statements for the fiscal year under review reflects a significant revision to the initial allocation of acquisition costs. As a result, total assets increased by ¥111 million, total liabilities increased by ¥104 million and net assets increased by ¥7 million at the end of the previous fiscal year.

Gain on bargain purchase of ¥1,072 million calculated on a provisional basis at the end of the previous fiscal year was ¥1,076 million based on the valuation of property, plant and equipment and shares of subsidiaries and associates.

(Segment information, etc.)

[Segment information]

1. The outline of any reporting segment

The reporting segments of the Company are components of the Group for which separate financial data is available and which are regularly reviewed by the board of directors to determine resource allocation and assess performance.

Our group comprises segments by products and services handled by the operating companies. We have two reporting segments: content and digital, and amusement equipment business.

The content and digital business segment plans, produces, and distributes visual products and engages in merchandise and advertising licensing. Amusement equipment business segment plans, develops, manufactures, sells and peripheral equipment and construction of PS machine.

In each business segment, the company which serves as the business controlling company is the center of planning and promoting business strategies in Japan and overseas.

(Changes in reporting segments, etc.)

Starting from the current fiscal year, the segment name that was previously classified as the “PS business” has been changed

to the “amusement equipment business.” This change was only a change in the name of the reporting segment and had no impact on segment information.

Segment information for the previous fiscal year is also presented under the new name.

2. Methods of measuring net sales, profit (loss) and assets etc. of reporting segments

The accounting method for the reporting segments is the same as the accounting method used in the preparation of the consolidated financial statements.

Income of reporting segments is based on operating profit.

3. Information on net sales and profit (loss) and assets etc.by reporting segment

Previous fiscal year (April 1, 2023, to March 31, 2024)

(Unit: millions of yen)

	Reporting segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	Amusement equipment business	Total				
Net sales							
Net sales to external customers	14,998	125,328	140,326	1,597	141,923	—	141,923
Inter-segment net sales or transfers	337	267	605	10	615	(615)	—
Total	15,336	125,595	140,931	1,607	142,538	(615)	141,923
Segment profit	3,781	10,412	14,194	19	14,214	(2,386)	11,827
Segment assets	15,309	58,493	73,802	1,318	75,121	23,270	98,392
Other items							
Depreciation	455	397	852	45	897	126	1,024
Amount of amortization of goodwill	—	282	282	—	282	—	282
Investment amount to equity-method affiliates	—	9,521	9,521	436	9,958	—	9,958
Increase in property, plant and equipment and intangible assets	518	919	1,438	77	1,516	38	1,554

(Note) 1. “Other” is a business segment that is not included in reporting segments and includes fitness business, etc.

2. Adjusted amounts are as follows.

(1) ¥(2,386) million for adjustments to segment income includes an elimination ¥29 million for inter-segment transactions and ¥(2,416) million for corporate expenses that are not allocated to individual reporting segments.

(2) ¥23,270 million adjustment to segment assets includes ¥(366) million the elimination of inter-segment transactions and ¥23,637 million for corporate assets not allocated to the respective reporting segments.

(3) ¥126 million adjustment to depreciation pertains to corporate assets not allocated to reporting segments.

(4) ¥38 million for adjustment to the increase in property, plant and equipment and intangible assets relates to corporate assets that is not allocated to reporting segments.

3. Segment profit is adjusted with operating profit of consolidated statement of income.

4. In the fiscal year under review, the provisional accounting treatment for business combinations was finalized. Each figure related to the fiscal year ended March 31, 2024 reflects the details of the finalization of the provisional accounting treatment. In addition, from the beginning of the fiscal year under review, the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) has been adopted. Figures for the fiscal year ended March 31, 2024 are retroactively adjusted.

Current fiscal year (April 1, 2024 to March 31, 2025)

(Unit: millions of yen)

	Reporting segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	Amusement equipment business	Total				
Net sales							
Net sales to external customers	16,008	122,900	138,909	1,672	140,581	—	140,581
Inter-segment net sales or transfers	401	191	592	10	602	(602)	—
Total	16,410	123,092	139,502	1,682	141,184	(602)	140,581
Segment profit	2,835	15,277	18,113	5	18,118	(2,822)	15,295
Segment assets	17,147	70,068	87,216	1,177	88,393	10,560	98,953
Other items							
Depreciation	512	503	1,015	50	1,065	114	1,180
Amount of amortization of goodwill	—	280	280	—	280	—	280
Investment amount to equity-method affiliates	—	37	37	351	388	—	388
Increase in property, plant and equipment and intangible assets	1,223	384	1,608	52	1,660	3	1,663

(Note) 1. "Other" is a business segment that is not included in reporting segments and includes fitness business, etc.

2. Adjusted amounts are as follows.

- (1) ¥(2,822) million for adjustments to segment income includes an elimination of inter-segment transactions of ¥30 million and ¥(2,852) million in corporate expenses that are not allocated to the respective reporting segments.
- (2) ¥10,560 million adjustment to segment assets includes ¥(20,558) million elimination of inter-segment transactions and ¥31,118 million for corporate assets not allocated to the respective reporting segments.
- (3) ¥114 million adjustment to depreciation pertains to corporate assets not allocated to reporting segments.
- (4) The ¥3 million adjustment to the increase in property, plant and equipment and intangible assets relates to corporate assets that is not allocated to reporting segments.

3. Segment profit is adjusted with operating profit of consolidated statement of income.

(Per share information)

Item	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	¥729.51	¥820.43
Profit (loss) per share	¥178.77	¥178.78
Diluted profit (loss) per share	¥178.32	¥178.30

(Note) 1. In the fiscal year under review, the provisional accounting treatment for business combinations was finalized. Each figure related to the fiscal year ended March 31, 2024 reflects the details of the finalization of the provisional accounting treatment. In addition, from the beginning of the fiscal year under review, the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) has been adopted. Figures for the fiscal year ended March 31, 2024 are retroactively adjusted.

2. The basis for calculating net income per share is as follows.

Item	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Profit per share or loss per share		
Profit (loss) attributable to owners of parent (millions of yen)	11,695	11,158
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent attributable to common share (millions of yen)	11,695	11,158
Average number of shares of common stock outstanding during the period (shares)	65,423,736	62,412,733
Diluted profit (loss) per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in common share (shares)	167,205	167,041
Outline of dilutive shares not included in the calculation of diluted profit per share because they have no dilutive effect	—	—

(Significant subsequent events)

Not applicable.