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Cover Page

Document title	Annual Securities Report
Clause of stipulation	Article 24, paragraph (1) of the Financial Instruments and Exchange Act of Japan
Place of filing	Director, General of the Kanto Local Finance Bureau
Filing date	June 16, 2026
Fiscal year	38th fiscal year (from April 1, 2025 to March 31, 2026)
Company name	TSUBURAYA FIELDS HOLDINGS INC.
Company name in English	TSUBURAYA FIELDS HOLDINGS INC.
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Telephone number	+81-3-5784-2111 (representative)
Name of contact person	Kenichi Ozawa, Director and Group CFO
Place for public inspection	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo)

Part I Company Information

[1] Overview of Company

1. Key Financial Data

(1) Key Financial Data of the Group

Fiscal term		34th	35th	36th	37th	38th
Fiscal year-end		Mar. 2022	Mar. 2023	Mar. 2024	Mar. 2025	Mar. 2026
Net sales	(Millions of yen)	94,900	117,125	141,923	140,581	174,142
Ordinary profit (loss)	(Millions of yen)	3,634	11,218	12,947	16,462	17,751
Profit (loss) attributable to owners of parent	(Millions of yen)	2,471	8,221	11,695	11,158	13,050
Comprehensive income	(Millions of yen)	3,046	11,207	11,941	12,219	12,989
Net assets	(Millions of yen)	31,551	41,817	55,993	56,247	66,187
Total assets	(Millions of yen)	70,001	80,893	98,392	98,953	103,360
Net assets per share	(Yen)	469.71	598.18	729.51	820.43	977.58
Basic earnings (loss) per share	(Yen)	38.21	126.70	178.77	178.78	209.70
Diluted earnings per share	(Yen)	38.09	125.74	178.32	178.30	209.13
Equity-to-asset ratio	(%)	43.4	48.4	48.5	51.6	58.9
Rate of return on equity	(%)	8.2	23.7	26.9	22.6	23.3
Price-earnings ratio	(Times)	11.8	16.3	9.5	9.7	6.7
Cash flows from operating activities	(Millions of yen)	7,980	12,561	5,563	7,779	7,477
Cash flows from investing activities	(Millions of yen)	(1,586)	(7,642)	(4,101)	1,100	(2,315)
Cash flows from financing activities	(Millions of yen)	1,385	(725)	(3,145)	(13,520)	(5,195)
Cash and cash equivalents at end of year	(Millions of yen)	32,304	36,497	34,814	30,854	30,835
Number of employees [Average number of temporary employees]	(Persons)	1,193 [357]	1,259 [351]	1,423 [453]	1,664 [500]	1,774 [564]

(Notes) 1. The reporting company conducted a 2-for-1 common stock split on March 22, 2023. Net assets per share, basic earnings per share and diluted earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the 34th fiscal year.

2. In the 37th fiscal year, the provisional accounting treatment for business combinations was finalized. Each figure related to the 36th fiscal year reflects the details of the finalization of the provisional accounting treatment. In addition, from the beginning of the 37th fiscal year, the "*Accounting Standard for Current Income Taxes*" (ASBJ Statement No. 27, October 28, 2022) has been adopted. Figures for the 36th fiscal year are retroactively adjusted.

(2) Key Financial Data of the Reporting Company

Fiscal term		34th	35th	36th	37th	38th
Fiscal year-end		Mar. 2022	Mar. 2023	Mar. 2024	Mar. 2025	Mar. 2026
Net sales and operating revenue	(Millions of yen)	83,604	41,193	9,487	9,398	11,686
Ordinary profit (loss)	(Millions of yen)	1,512	5,159	6,633	5,923	7,476
Profit (loss)	(Millions of yen)	1,595	5,515	6,326	5,443	5,862
Share capital	(Millions of yen)	7,948	7,948	7,948	7,948	7,948
Total number of issued shares	(Shares)	34,700,000	69,400,000	69,400,000	65,429,150	65,429,150
Net assets	(Millions of yen)	29,735	35,973	39,325	36,242	38,790
Total assets	(Millions of yen)	63,874	55,717	59,470	66,564	70,231
Net assets per share	(Yen)	459.41	549.36	597.93	577.60	618.24
Dividend paid per share	(Yen)	20	30	40	50	70
(Interim dividend paid per share)	(Yen)	(-)	(-)	(-)	(-)	(-)
Basic earnings (loss) per share	(Yen)	24.68	85.00	96.70	87.21	94.20
Diluted earnings per share	(Yen)	24.60	84.36	96.45	86.98	93.94
Equity-to-asset ratio	(%)	46.5	64.5	65.8	54.0	54.8
Rate of return on equity	(%)	5.4	16.8	16.9	14.5	15.8
Price-earnings ratio	(Times)	18.2	24.3	17.6	19.9	15.0
Payout ratio	(%)	40.5	35.3	41.4	57.3	74.3
Number of employees [Average number of temporary employees]	(Persons)	505 [21]	104 [8]	104 [7]	117 [9]	110 [13]
Total shareholder return	(%)	159.7	732.3	619.8	648.6	559.0
(Benchmark index: TOPIX Total Return Index)	(%)	(102.0)	(107.9)	(152.5)	(150.2)	(202.2)
Highest stock price	(Yen)	1,008	2,109 (4,620)	3,380	2,579	2,498
Lowest stock price	(Yen)	427	1,809 (801)	1,070	1,120	1,375

(Notes) 1. On October 3, 2022, the reporting company established FIELDS CORPORATION (now a consolidated subsidiary) through an incorporation-type company split and shifted to a holding company structure. For this reason, the financial data for the 35th fiscal year do not include the profit and loss after the split of the newly established company. In conjunction with this change, the reporting company has changed the classification that used to be “net sales” to “net sales and operating revenue.”

2. The reporting company conducted a 2-for-1 common stock split on March 22, 2023. Net assets per share, basic earnings per share, diluted earnings per share and total shareholder return are calculated based on the assumption that the stock split was conducted at the beginning of the 34th fiscal year. The number of dividends from before the stock split is shown for the 34th fiscal year.

3. The highest and lowest share prices are those on the First Section of the Tokyo Stock Exchange before April 3, 2022, and those on the Tokyo Stock Exchange Prime Market after April 4, 2022. The highest and lowest share prices after the stock split are shown for the 35th fiscal year. The highest and lowest share prices before the stock split are shown in parentheses.

4. The dividend of ¥70 per share for the 38th fiscal year is subject to resolution at the Annual General Meeting of Shareholders to be held on June 17, 2026.

2. History

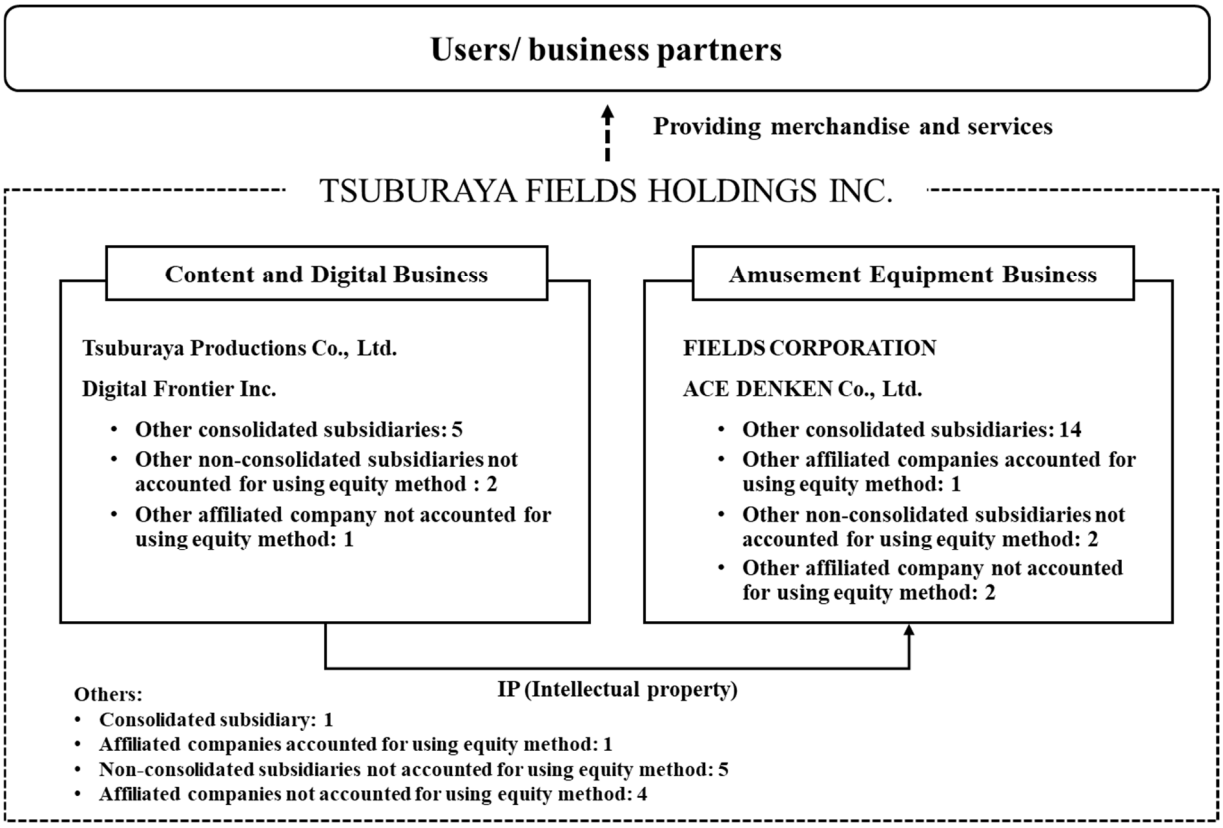
Date	History
Jun. 1988	Established Toyo Shoji Co., Ltd. in Midori-ku, Nagoya City in Aichi Prefecture for the purpose of selling pachinko/pachislot (hereinafter, PS) machines and steel materials
Jan. 1999	Obtained ISO 9002 certification (Sales Division) (transition to ISO 9001 from December 2002)
Jun. 2001	Began operating “Total Workout” fitness clubs
Oct. 2001	Split up company (incorporation-type company split) and moved steel material business to new company (Toyo Shoji Co., Ltd.) Renamed to FIELDS CORPORATION and moved the head office to Minato-ku, Tokyo
Mar. 2002	Made Cerio Ltd. (currently Fields Jr. Corporation) a subsidiary through a stock acquisition
Jan. 2003	Established Digital Load Corporation (currently LUCENT, INC.) as a subsidiary
Mar. 2003	Listed on the JASDAQ
Nov. 2003	Signed a basic sale and purchase agreement with PS machine manufacturer Daido Co., Ltd. (currently Bisty Co., Ltd.) of SANKYO Group
Jun. 2004	Raised share capital to ¥7,948 million through public offering
Jul. 2004	Moved the head office to Shibuya-ku, Tokyo
Dec. 2004	Listed shares on Japan Securities Dealers Association Quotation System (JASDAQ) Began selling PS machines in the *Evangelion* series
Oct. 2005	Opened the G&E BUSINESS SCHOOL
Oct. 2006	Established FutureScope Corp. (currently Optimize Company, Limited) as a subsidiary
Jan. 2008	Made SHINNICHI TECHNOLOGY CORPORATION a subsidiary through a stock acquisition
Feb. 2008	Signed business tie-up with KYORAKU Group
May 2009	Established F Corporation (currently BOOOM Corporation) as a subsidiary
Nov. 2009	Signed basic distribution agreement with Enterrise Co., Ltd. of CAPCOM Group
Apr. 2010	Made Tsuburaya Productions Co., Ltd. a subsidiary through a stock acquisition Made Digital Frontier Inc. a subsidiary through a stock acquisition
Jan. 2011	Made MICRO CABIN INC. a subsidiary through a stock acquisition
May 2011	Established Total Workout premium management Inc. as a subsidiary
Nov. 2011	Published comic *HERO’S* Monthly with Shogakukan Creative INC.
Apr. 2013	Signed business alliance agreement with D-light Co., Ltd. of Daiichi Group
Jan. 2014	Made NANASHOW Corporation an affiliate through the reporting company’s underwriting of a capital increase through a third-party allotment of new shares
Apr. 2014	Signed business alliance agreement with NANASHOW Corporation
Feb. 2015	Signed basic agreement with OK Co., Ltd. of KYORAKU Group
Apr. 2015	Shares listing moved to the First section of the Tokyo Stock Exchange
May 2015	Made K.K. Aristocrat Technologies (currently CROSSALPHA CORPORATION) and SPIKY CORPORATION subsidiaries through a stock acquisition of K.K. Aristocrat Technologies
Jun. 2015	Signed business alliance agreement with Daiichi Shokai Co., Ltd.
Feb. 2018	Established Japan Premium Broadcast Inc. (currently PachinkoPachislot Information Station, Inc.) as a subsidiary with Amusement Press Japan Inc. and Adcircle Co., Ltd.
Oct. 2018	Made NANASHOW Corporation a subsidiary through a stock acquisition by CROSSALPHA CORPORATION
Apr. 2022	Transitioned from the First Section of the Tokyo Stock Exchange to the Prime Market after a revision of the market classification
Oct. 2022	Transitioned to a holding company structure, changed name to TSUBURAYA FIELDS HOLDINGS INC., and transferred PS Machine Business to FIELDS CORPORATION, which was newly established and spun off.
Mar. 2024	Made SOPHIA Co., Ltd. and ACE DENKEN Co., Ltd. subsidiaries through a stock acquisition of Sophia Co., Ltd.

3. Description of Business

The Group (TSUBURAYA FIELDS HOLDINGS INC. and its affiliated companies) consists of TSUBURAYA FIELDS HOLDINGS INC., 33 subsidiaries and nine affiliated companies.

The positioning of the Group's businesses and the organizational diagram of its businesses are shown below.

An overview of each segment is shown below.



[Content and Digital Business]

This business is centered on Tsuburaya Productions Co., Ltd., which owns *Ultraman* and other IP and develops licensing businesses globally, and Digital Frontier Inc., which is engaged in the largest-scale CG/VFX video production in Japan.

[Amusement Equipment Business]

With FIELDS CORPORATION at its core, this business proposes plans and developments to allied manufacturers based on acquired and owned IP and sells commercialized PS machines to pachinko parlors nationwide. It also manufactures and sells private brand PS machines. ACE DENKEN Co., Ltd. also sells and installs peripheral equipment for pachinko parlors.

4. Subsidiaries and Affiliated Companies

As of March 31, 2026

Name	Address	Share capital (Millions of yen)	Main businesses	Holding ratio of voting rights (indirect ownership) (%)	Relationship
(Consolidated subsidiaries) Digital Frontier Inc.	Shibuya-ku, Tokyo	31	Planning and production of CG, etc.	100	One concurrent board member Borrowing of funds
Digital Frontier (Taiwan) Inc.	Taiwan	5 million TWD	Creation and provision of CG films	100 [100]	-
Optimize Company, Limited	Shibuya-ku, Tokyo	60	Provision of various information distribution services through the Internet	100	-
TSUBURAYA FIELDS MEDIA & PICTURES ENTERTAINMENT, INC.	USA	2.5 million USD	Acquisition and distribution of entertainment content, licensing business, trading card business	100	-
TSUBURAYA FIELDS ENTERTAINMENT INTERNATIONAL PTE. LTD.	Singapore	1.9 million SGD	Acquisition and distribution of entertainment content, licensing business, trading card business	100	-
TSUBURAYA FIELDS ENTERTAINMENT KOREA INC.	Korea	900 million KRW	Acquisition and distribution of entertainment content, licensing business, trading card business	100 [100]	-
Tsuburaya Productions Co., Ltd.	Shibuya-ku, Tokyo	310	Planning and production of movies/TV programs Planning, production and sale of character goods	51.00	Two concurrent board members Borrowing of funds
FIELDS CORPORATION (Note 2) (Note 3)	Shibuya-ku, Tokyo	100	Planning, development and sale of PS machines	100	Two concurrent board members Business management Loaning and borrowing of funds
BOOOM Corporation	Shibuya-ku, Tokyo	10	Planning and development of PS machines	100 [100]	One concurrent board member Business management Borrowing of funds
MICRO CABIN INC.	Yokkaichi-shi, Mie	10	Planning and development of software for PS machines	100 [100]	Business management
SEPTECH CORPORATION	Shibuya-ku, Tokyo	10	Procurement, manufacture and logistics control of components related to PS machines	100 [100]	Business management
CROSSALPHA CORPORATION	Shibuya-ku, Tokyo	10	Development and manufacture of PS machines	100 [100]	Business management
SPIKY CORPORATION	Shibuya-ku, Tokyo	100	Development and manufacture of PS machines	100 [100]	Business management
SHINNICHI TECHNOLOGY CORPORATION	Shibuya-ku, Tokyo	10	Development and manufacture of PS machines	100 [100]	Business management
F CORPORATION	Shibuya-ku, Tokyo	5	Development and manufacture of PS machines	100 [100]	Business management
NANASHOW Corporation	Shibuya-ku, Tokyo	40	Development and manufacture of PS machines	83.33 [83.33]	Borrowing of funds Business management
SOPHIA Co., Ltd.	Ota-shi, Gunma	100	Development and manufacture of PS machines	100	Borrowing of funds
ACE DENKEN Co., Ltd. (Note 4)	Taito-ku, Tokyo	95	Development, manufacture, and sales of hall facilities, development and manufacture of PS machines	100 [100]	One concurrent board member Business management Loaning and borrowing of funds
Shinko MechatroTech Co., Ltd.	Hanamaki-shi, Iwate	100	Development, manufacture, and sale of information and mechatronics equipment, medical and nursing care equipment, and PS machines	100 [100]	-
Fields Jr. Corporation	Shibuya-ku, Tokyo	10	Maintenance of PS machines, etc.	100 [100]	Business management
LUCENT, INC	Shibuya-ku, Tokyo	10	Lease, management, trade and asset management of real estate	99.89 [99.89]	Business management Borrowing of funds
PachinkoPachislot Information Station, Inc.	Shibuya-ku, Tokyo	10	Operation of information distribution services	70.00 [70.00]	Business management

Name	Address	Share capital (Millions of yen)	Main businesses	Holding ratio of voting rights (indirect ownership) (%)	Relationship
Total Workout premium management Inc.	Shibuya-ku, Tokyo	5	Management and operation of fitness gyms	100	One concurrent board member
(One other company)	-	-	-	-	-
(Subsidiaries and affiliated companies accounted for using the equity method) SOUGOU MEDIA INC.	Shibuya-ku, Tokyo	10	Planning and production regarding sales promotions	35.00 [35.00]	One concurrent board member
SPO Entertainment Inc.	Chuo-ku, Tokyo	100	Acquisition, import/export and sales of rights to film content Operation of movie theaters and movie distribution services Planning, development and operation of media services	31.81	One concurrent board member

(Notes) 1. Figures in [ ] in the percentage of holding ratio of voting rights (indirect ownership) column indicate the percentage of indirect ownership.

2. FIELDS CORPORATION falls under the category of specified subsidiaries.

3. For FIELDS CORPORATION, net sales (excluding intercompany net sales between consolidated companies) account for more than 10% of consolidated net sales.

Major profit and loss information

1) Net sales	132,926 million yen
2) Ordinary profit	6,031 million yen
3) Profit	4,169 million yen
4) Net assets	27,188 million yen
5) Total assets	42,904 million yen

4. For ACE DENKEN Co., Ltd., net sales (excluding intercompany net sales between consolidated companies) account for more than 10% of consolidated net sales.

Major profit and loss information

1) Net sales	23,975 million yen
2) Ordinary profit	1,840 million yen
3) Profit	1,439 million yen
4) Net assets	3,615 million yen
5) Total assets	13,792 million yen

[2] Overview of Business

1. Management Policy, Business Environment, Issues to Address

Any forward-looking statements in this text are based on the understanding of the Group as of the end of the fiscal year under review.

(1) Basic Management Policies

To bring about our corporate philosophy of *The Greatest Leisure for All People*, the Group obtains, owns and creates intellectual property (IP) with high added value to commercially foster high-value content by expanding IP into a wide-range of areas. Furthermore, we are expanding our business domain into the entertainment business starting with IP first, and working towards providing products and services in each business that enrich people around the world.

Under a holding company structure with TSUBURAYA FIELDS HOLDINGS INC., the Group has two business segments: the Content and Digital Business, which promotes the global content business and drives the Group's growth, and the Amusement Equipment Business, which is responsible for the Group's profitability as a distributor of PS machines.

Alongside these business developments, we will firmly maintain our stance of valuing shareholders as stated in our basic management policy and aim to optimize allocation of management resources to increase our corporate value and return profits to shareholders.

(2) Issues to Address

The Group has made establishing a global content business a management issue. To rebuild our business model into a more robust one in the entertainment and content market, where changes in the market environment are expected to accelerate further, we have formulated a three-year Medium-Term Management Plan starting from the fiscal year ending March 31, 2027. Under this plan, we will address the following issues as our top priorities:

I) Developing the Domestic Content Market and Building a New Business Model

While the Group's greatest strength is *Ultraman*'s strong fanbase across Asia, we have taken seriously the shortfall against the profit targets under the previous Medium-Term Management Plan and have closely examined the underlying factors. Although the retail sales value for *Ultraman* in the domestic Japanese character merchandise market (estimated at approximately ¥15 billion) has achieved steady growth, a significant gap remains compared to the Chinese market (estimated at approximately ¥150 billion to ¥250 billion), leading us to recognize the low domestic retail sales value as a key challenge. In order to respond to resilient domestic demand, we will formulate strategic initiatives and build a new business model capitalizing on the expertise of global licensees, thereby maximizing the Group's potential for multifaceted development.

II) Solidifying the Business Foundation and Maintaining and Expanding Earnings in the Chinese Market

Regarding the Chinese market, we solemnly acknowledge the fact that revenue has declined for the first time in the past 10 years (on a calendar-year basis). We will solidify our business foundation and aim to maintain and expand earnings by further strengthening collaboration with our local Chinese partners. We have already secured new license agreements, and will ensure steady business promotion with these as our core drivers.

III) Establishing the Company as an "IP Growth Platformer"

By leveraging the supply chains and business expansion capabilities in Asia that we have built through the development of our own IP, we aim to establish ourselves as an "IP growth platformer" capable of supporting the cultivation and expansion of third-party IP as well, thereby pursuing further enhancement of corporate value over the medium- to long-term.

IV) Expanding the Fan Base and Accelerating Development in the Amusement Equipment Business

In the amusement equipment business, we will continue striving to provide pachinko/pachislot (PS) machines that meet the expectations

of pachinko parlors by expanding the fan base to include younger demographics through the utilization of diverse IP, while further accelerating our product development structure through the proactive adoption of advanced technologies.

In order to ensure the execution and achievement of the mission of each business, we will also strengthen our management structure in terms of finance and governance.

From a financial perspective, while ensuring a sound financial position, we will optimize the allocation of cash generated from operating activities to primarily strategic growth-oriented investments, such as the multifaceted utilization of IP in various business domains. In addition, cash will be used for shareholder returns to give back to our shareholders, with the aim of improving capital efficiency.

From a governance perspective, we are advancing the development and strengthening of a corporate governance system that conforms to global standards 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, and the Company has transitioned to a company with an Audit and Supervisory Committee as of the current fiscal year. From the standpoint of separating supervision and execution, these committees are responsible for systematizing our efforts in risk management and the discovery of opportunities that will contribute to the sustainability of our business and society as a whole. By strengthening these management foundations, we will deepen our efforts to create medium- to long-term corporate value.

(3) Medium-to-Long-Term Corporate Management Strategy

The Group promotes businesses in the Content and Digital Business by pursuing strategic investments into the digital businesses, and creating and fostering globally popular IP especially through Tsuburaya Productions, which possesses numerous IP such as *Ultraman*. In the Amusement Equipment Business, the Group aims to contribute to the PS industry through the sale and installation of pachinko parlor peripheral equipment, and the planning, development, and distribution of PS machines equipped with various IP to parlors mainly through FIELDS CORPORATION.

Under the management structure described above, we at TSUBURAYA FIELDS HOLDINGS have set a Medium-Term Management Plan for all businesses based on our group's philosophy *The Greatest Leisure for All People,* and are working hard towards realizing its goals. For more information on the Medium-Term Management Plan, please refer to the Group Growth Strategy page on our IR website.

2. Disclosure of Sustainability-Related Financial Information

Below are our Group's philosophy and efforts in sustainability. Any forward-looking statements in this text are based on the understanding of the Group as of the end of the fiscal year under review.

(1) Matters Concerning Sustainability in General

Basic Policy

Our mission is to realize *The Greatest Leisure for All People*, which is our group-wide corporate philosophy. The importance of leisure time in people's lives is increasing as society matures, and the Group wishes to enrich people's entertainment and leisure time by providing new products and services to lead to happiness across society.

Sustainability across all of human society is an indispensable condition for the Group to achieve sustainable growth. We believe that addressing various social issues is our obligation as a company and it also promotes value creation at the same time. For this reason, the Group has positioned sustainability issues as an important management topic. Our goal is to appropriately identify and evaluate related risks and opportunities, control them with an integrated approach, and incorporate them in our management strategies to create further value.

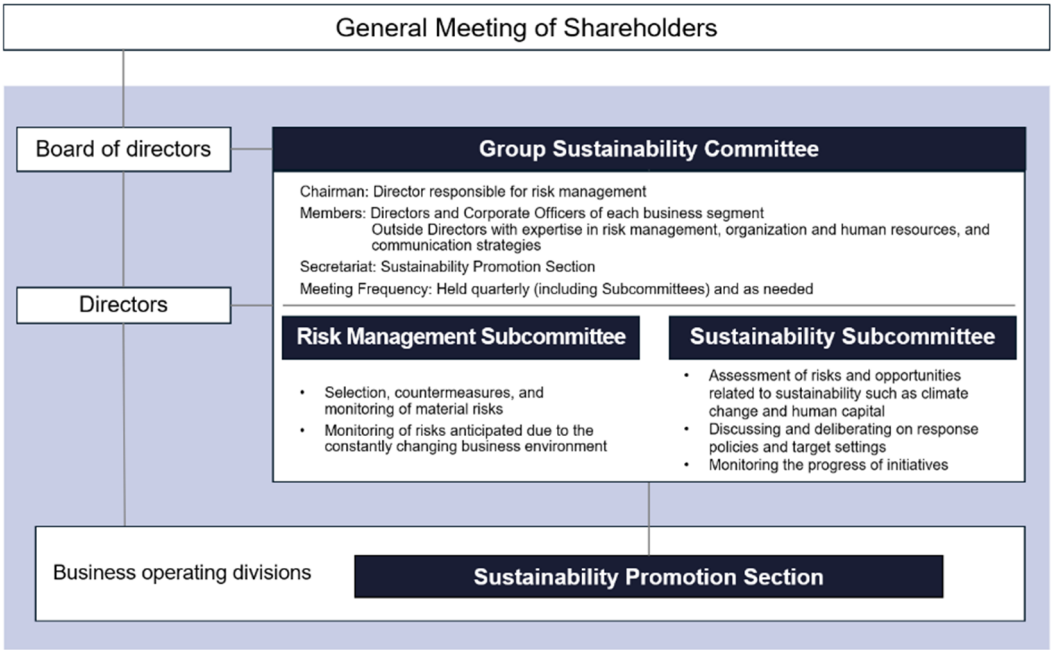
We will work hard for all our stakeholders to realize *The Greatest Leisure for All People* in our sustainability management.

Sustainability Promotion Structure

Governance

The Group has established the Group Sustainability Committee (hereinafter referred to as the "Sustainability Committee" in this section), which is chaired by the Director in charge of risk management and comprised of the Directors and Corporate Officers in charge of each business segment, as well as Outside Directors with expertise in risk management, organization and human resources, and communication strategies. Serving as an advisory body to the Board of Directors, the Committee deliberates on key management issues while considering the relationship between material risks, sustainability materiality, and related risks and opportunities, and also provides advice on business execution to the President and Group CEO, the chief executive officer, regarding the promotion of sustainability management.

The Sustainability Committee has established two subcommittees. The Risk Management Subcommittee promotes the selection, countermeasures, and monitoring of material risks within the Group, as well as the monitoring of risks anticipated due to the constantly changing business environment. The Sustainability Subcommittee assesses the risks and opportunities related to sustainability, such as climate change and human capital, discusses and deliberates on response policies and target settings, while also monitoring the progress of these initiatives.



The activities of these subcommittees are placed on the agenda of the Sustainability Committee meetings, and active exchanges of opinions and deliberations are conducted.

The major items deliberated by the Sustainability Committee during the fiscal year under review are as follows:

- Matters concerning the selection of material risks within the Group
- Matters concerning the response policies for individual material risks
- Establishment and revision of risk-related regulations
- Establishment of sustainability-related policies and regulations
- Matters concerning the enhancement of the effectiveness of sustainability-related policies
- Reports on the progress of sustainability initiatives and examination of targets
- Reports on evaluation results from ESG rating agencies

During the fiscal year under review, the Sustainability Committee held two meetings, and reports regarding the deliberations of the Sustainability Committee were made to the Board of Directors twice. Additionally, individual subcommittee meetings were held flexibly, with the Risk Management Subcommittee meeting 30 times and the Sustainability Subcommittee meeting four times.

Risk Management

The Group has established a comprehensive risk management system to support continual business growth. At the Risk Management Subcommittee established within the Sustainability Committee, members discuss and deliberate on the identification, assessment, and countermeasures for uncertainties (risks) that could affect management, and also implement and monitor these initiatives in alignment with business operating divisions.

Risks managed by the Group include: changes in market conditions, compliance with laws and regulations, digital security, geopolitical factors, natural disasters, and risks to business continuity. We recognize climate change risks as major threats to the sustainability of our business and are taking appropriate initiatives.

The Sustainability Subcommittee and personnel assigned to sustainability roles from each Group company collect information on, identify, and assess risks and opportunities concerning sustainability. They then report the results to the Sustainability Committee. Based on such reports, the Sustainability Committee supervises risk management and actions taken toward opportunities conducted within the Group, and provides advice, proposals, and reports to the Board of Directors. It also consults with and provides advice to the President and Group CEO, as well as major Corporate Officers who are not members of the Committee, as needed.

Strategy and Materiality

We have clarified the relationship between the Group and society with regard to sustainability—specifically, the positive and negative impacts that our business can have on society, alongside the risks and opportunities that social changes and megatrends present to the Group. Based on this, while addressing these factors appropriately, we have identified key management issues as materiality—the core initiatives to be undertaken to achieve the Group’s philosophy and management plans.

Materiality		Risks	Opportunities	Specific Initiatives
Contribute to improving the lives and hearts of people by providing content and entertainment.	・Contribute to creating personal internal happiness and new value by providing high-quality content and entertainment. ・Contribute to securing a space to connect with others to ensure others are not isolated.	・Risk of poor reviews of content, and declining consumption due to failing to adapt to changes in people's values. ・Risk of promoting social issues that have a negative impact on society (such as addiction)	・Expanding time that can be used for leisure ・Improving the importance of leisure time ・Developing content and expanding delivery methods through technological evolutions	・Planning and development of new in-house IP ・Expanding the acquisition of third-party IP ・Providing content and products that leverage IP to acquire new fans and foster engagement with existing fans ・Strengthening intellectual property protection initiatives ・Contributing to a healthy, accessible, and player-friendly amusement industry
Globalization of business	・Transforming into a global content company ・Globalization of business to expand our content across the world and increase IP value ・Developing business and	・Risk of shrinking market due to population decline ・Risks of poor reviews of content, declining consumption, and decreasing clients due to localization failures resulting from insufficient understanding	・Expanding leisure market due to increasing global population ・Growth in emerging economies ・Increasing social media	・Expanding overseas distribution network ・Fortifying overseas locations ・Expanding the countries and regions that receive streamed content ・Holding live events overseas ・Establishing fan communities

	content that is respectful of the locals cultures where it is distributed	of countries cultures	accounts and platforms that provide content globally	overseas
Securing and fostering human capital	・Securing and fostering human resources that have skills which can support content expansion and globalization ・Providing an environment that allows employees to be highly motivated towards work	・Risk of being unable to secure human resources due to a declining working age population ・Risk of lost recruitment opportunities, increased turnover, lower labor productivity, and damage to corporate trust and brand value due to failure to adapt to changes in people's values toward how they work	・Securing excellent human resources ・Retaining employees ・Increasing content creation capabilities	・Enhancing education and training system ・Salary structure and evaluation system that contributes to employee motivation ・Formulation of personnel system to accommodate diverse working styles ・Hiring skilled human resources and assigning them to the right place ・Implementing initiatives to enhance employee satisfaction
Socially and environmentally friendly business operations	・Business operations for the realization of a sustainable society and social outreach through content	・Risk of damage to corporate trust and brand value, and loss of clients if unable to adapt to social and environmental changes	・Improving reviews of brands and increasing society's trust in the company ・Strengthening relations with stakeholders	・Establishing environmental, human rights, and procurement policies for supply chains, and preparing for regulations concerning fair economic transactions ・Activities to contribute to society through provision of products and services ・Assessing greenhouse gas emissions and taking actions to reduce them
Strengthening governance system	・Organizational management structure that balances business profit and social recognition	・Risk of damage to corporate trust and brand value if unable to adapt to the standards required of prime market listed companies ・Risk of stock price decline if profit cannot be returned to shareholders	・Improving reviews of brands and increasing society's trust in the company ・Stock price growth through appropriate information disclosure and improvements in operating results	・Strengthening corporate governance ・Communication with business partners, industry unions, labor unions, local communities, government agencies, and investors ・Transparent disclosures ・Implementing various initiatives to achieve operating results

The Group will manage and supervise materiality and its progress through the above governance and risk management systems for sustainability. We will also review materiality when there are any major changes to issues based on changes in the social environment and conditions in the Group.

(2) Items Concerning Climate Change

1. Basic Policy

Worsening climate change is a global challenge that is having a serious impact on the economy and society, and governments and companies are accelerating initiatives to reduce greenhouse gas (GHG) emissions. There is a need to expand the introduction of renewable energy and innovate technology for decarbonization, but physical risks such as abnormal weather and rising sea levels on business activities are increasing every year.

In response to these environmental changes, the Group endorses the TCFD's (Task Force on Climate-related Financial Disclosures) recommendations and strengthened our system to properly analyze and assess the risks and opportunities that climate change imposes on the Group's business. Through this, the Group aims to continually generate operating profits, and improve social recognition by integrating climate change risks and opportunities into our business strategy. We have also formulated an environmental policy and a sustainable procurement policy, and are pushing forward with initiatives aimed at reducing environmental impact throughout the entire supply chain. Moving forward, we will enhance our information disclosures based on TCFD recommendations, and promote sustainable business operations that have reduced environmental impact.

2. Governance

The Group has positioned socially and environmentally friendly business operations as a top management priority, and will promote the management of climate change risks and opportunities led by the Sustainability Committee under the supervision of the Board of Directors.

Further, we have established the Sustainability Subcommittee and have assigned personnel to sustainability roles from each Group company, all of which are under the Sustainability Committee. The Sustainability Subcommittee and personnel assigned to sustainability in each Group company will create, promote, and manage detailed initiatives, and report the details to the Sustainability Committee. The Sustainability Committee will periodically monitor and supervise items and initiatives concerning climate change, which will lead to continual improvements. They will also enhance future responses to climate change issues and

promote sustainable business operations.

3. Strategy

Scenario Analysis Method

The Group conducts scenario analysis based on TCFD recommendations to accurately identify the business risks and growth opportunities brought upon by climate change and achieve continual growth. We analyzed the Content and Digital Business as well as the Amusement Equipment Business, and found that worsening climate change and government policies on decarbonization will impact the business environment.

In the scenario analysis, we used scenarios assuming 1.5℃ and 4℃.In the 1.5℃ scenario, the analysis results showed that risks in transitioning to decarbonization (e.g. introducing and strengthening carbon taxes and energy costs) would impact business activities. Then in the 4℃ scenario, the results indicated that physical risks (e.g. increasing abnormal weather and infrastructure damage due to rising temperatures) would impact business operations.

This analysis used scenarios from the IPCC (Intergovernmental Panel on Climate Change) and IEA (International Energy Agency) to predict the effects in the year 2030.We will continue to assess risks and opportunities related to climate change, promote sustainable business activities, and be transparent in information disclosures to our stakeholders.

Scenario Summaries		Reference scenarios
1.5℃ scenario	Scenario in which stricter climate change initiatives than now are taken and the increase of global average temperature is limited to 1.5°C	・SSP1-1.9 from IPCC ・NZE from IEA (part of preliminary calculation based on SDS)
4℃ scenario	Scenario in which no stricter climate change initiatives are taken that now and the average global temperature rises by about 4°C	・SSP5-8.5 (RCP 8.5) from IPCC ・ STEPS from IEA

Scenario Analysis Results

Content and Digital Business

In the 1.5℃ scenario, carbon taxes and emissions trading are expected to increase as environmental regulations become more stringent. Recognizing the risk of damage to corporate credibility and brand value caused by falling behind in environmental responsiveness, the Group believes it is necessary to reduce and avoid these risks by actively promoting environmentally conscious initiatives. In the 4°C scenario, it is predicted that climate change will get much worse, resulting in fewer opportunities to go outside because of typhoons, heavy rains, and extreme heat. As a result, there is a risk of lost opportunities for sales and events, but on the other hand, demand for digital content as well as indoor and online events is expected to increase.

Amusement Equipment Business

In the 1.5℃ scenario, carbon taxes and emissions trading are expected to increase due to rising demands to consider the environment. Regarding PS machines and pachinko parlor peripheral equipment, it is predicted that there will be increased demand for development of products that meet energy conservation and recycling concerns. In the 4°C scenario, it is predicted that worsening climate change will increase the physical risks at manufacturing locations and sales offices, as well as stores (parlors). Additionally, severe weather like heavy rain, typhoons, and intense heat may reduce the number of customers visiting stores and sales, leading to reduced purchasing power of parlors (clients).We will strive to reduce physical risks such as by strengthening BCP, and are thinking about conducting new forms of parlor operation and service support that have been adapted to climate change.

Items					2030 Financial impact		Countermeasures
					4℃	1.5℃	
Risks	Transition risks	Common risks	Imposition of carbon price	There is a possibility that introduction of carbon taxes in Scope 1 and 2 results in increased operating costs and suppressed operating income	—	Low	Strengthening initiatives to reduce carbon emissions
			Increased costs involving information disclosures	Increased information disclosures and management expenses concerning sustainability	—	Low	Use of information disclosure tools and optimization of disclosure system
			Increased SG&A expenses due to rising electricity rates	Increased SG&A expenses due to rising electricity rates	Low	Low	Reduced electricity used through energy conservation
		Content and Digital Business	Cost increase related to producing low-environmental-impact merchandise	Increased material procurement costs due to the utilization of low-environmental-impact alternative materials	—	Low	Strengthening of the material supply chain
			Damage to brand image caused by falling behind in environmental responsiveness	As the importance of environmental consciousness in customer behavior rises, falling behind in environmentally conscious initiatives could lead to risks such as a decline in transactions.	—	Low	Promoting environmentally conscious initiatives
		Amusement Equipment Business	Increase in human resource costs caused by falling behind in environmental responsiveness	Increase in talent acquisition costs due to falling behind in environmentally conscious initiatives.	—	Low	Promoting environmentally conscious initiatives
			Increased SG&A expenses due to rising gasoline prices	Increased costs in sales activities due to rising gasoline prices	Low	—	Cost reductions through optimization of sales
			Increased costs associated with manufacturing PS machines with low environmental impact	Increased procurement costs of raw materials due to using substitute materials with low environmental impact	—	Large	Strengthening development of products that meet energy conservation and recycling regulations
	Physical risks	Common risks	Business suspension and lost opportunities due to typhoons and floods, and repair costs arising from water damage or flooding risks	Business activities could be suspended due to the occurrence of water damage or flooding risks. In addition, disaster prevention and recovery costs at Group facilities could increase.	Medium	—	Indoor filming and video production (Content and Digital Business) Formulation of business continuity plans (BCP) Conducting emergency response training at individual facilities
		Content and Digital Business	Cost increase related to merchandise production	Increase in merchandise production costs due to surging raw material prices and supply instability.	Low	—	Strengthening of the material supply chain
			Decline in event attendance caused by climate change	Rising average temperatures reduce people's willingness to go out during the summer, leading to a decline in event attendance.	Low	—	Expansion of in-house IP digital content
		Amusement Equipment Business	Increased manufacturing costs due to rising raw material and energy prices	Increased costs to manufacture PS machines due to rising raw material prices and unstable supply	Large	—	Strengthening of materials procurement network
			Reduced purchasing power of parlors due to fewer customers visiting because of intense heat	Customers visiting parlors will decrease because of their lessened intention to go outside during the summer due to the rising average temperature. As a result, purchasing power of parlors will decrease, impacting the Group's transactions	Low	—	Promoting parlor management forms and provision services that take climate change effects into account
Opportunities		Content and Digital Business	Expansion of demand for digital content	Increase in demand for digital content that can be enjoyed indoors alongside a decline in the frequency of going out.	Low	Low	—
		Amusement Equipment Business	Development of goods that meet energy conservation and recycling regulations, and strengthened handling of them	Development of PS machines that can be recycled and meet energy conservation needs to lower electricity consumption, and strengthen their handling	Medium	Low	—
			Proposal of parlor spaces	Demand for new parlor management forms and services that take climate change effects into account, like switching to low emission energy	Low	—	—

*For operating profit forecasts in 2030
Small: Less than 3% financial impact
Medium: 3% to 10% financial impact
Large: Over 10% financial impact

4. Risk Management

We recognize climate change risks as major threats to sustainability of our business and are taking the appropriate initiatives.
We categorize climate change risks into transition risks (regulatory and market changes associated with transition to a decarbonized society) and physical risks (effects from temperature increases and abnormal weather). These risks are identified and evaluated in the Sustainability Subcommittee. Results of risk identifications and evaluations are reported to the Sustainability Committee. The results are reported to the Board of Directors as well to receive supervision and directions as needed.
Furthermore, the Group has strengthened the risk monitoring structure, and now we periodically assess the status of risk occurrences and progress of countermeasures, and make efforts to review and improve the initiatives when necessary. We will also continue to enhance future responses to climate change risks and implement initiatives for realizing sustainable business operations.

5. Indicators and Objectives Concerning Climate Change

The Group will also actively promote initiatives to reduce GHG emissions to achieve the government's goal of a carbon-neutral society by 2050. GHG emissions of the Group are as written below.

(Unit: t-CO2)

FY	Scope 1	Scope 2	Scope 3	
			Category 6	Category 7
Fiscal year ended March 2026	2,272	3,312	231	421
Fiscal year ended March 2025	967	2,736	216	263
Fiscal year ended March 2024	860	2,227	185	234

* Scope 1 emissions are calculated by multiplying the total gasoline consumption of vehicles used, as well as the total consumption of fuels such as gas, kerosene, and heavy oil for heating and cooling purposes (including estimated values), by the emission factors specified in the Ministry of the Environment's "List of Calculation Methods and Emission Factors in the Calculation, Reporting, and Publication System" available at the end of the fiscal year under review. The figures for the fiscal year ended March 2025, have been recalculated by expanding the scope of data collection compared to the time of disclosure last year. The significant increase in the fiscal year ended March 2026, is due to this expansion of the data collection scope. We are continuously advancing initiatives to reduce environmental impact, such as expanding the introduction of hybrid vehicles at the Company and FIELDS CORPORATION (with an introduction rate of 97.4% as of the end of the fiscal year under review) and curbing heating and cooling fuel consumption through the integration of sales offices.
* Scope 2 emissions are calculated using an estimation method under the location-based method, by multiplying the electricity consumption of each location by the national average factor specified in the Ministry of the Environment's "Emission Factors by Electricity Utility" available at the end of the fiscal year under review. The figures for the fiscal year ended March 2025, and the fiscal year ended March 2024, have been recalculated by expanding the scope of data collection compared to the time of disclosure last year. The increase in the fiscal year ended March 31, 2026, is due to the expansion of the data collection scope and the addition of target locations. On the other hand, through our initiatives to promote the introduction of renewable energy, the renewable energy utilization rate for the entire Group has risen to 19% (a 5-percentage-point increase year-over-year).
* In Scope 3, we calculate emissions from employee business trips (Category 6) and employee commuting (Category 7). For Category 6, emissions are calculated by taking the nationwide annual business trip expenses for transportation, lodging, and package tours (sourced from the Japan Tourism Agency's "Travel and Tourism Consumption Trends [2010]"), multiplying them by the emission intensity per monetary value for each mode of transportation and lodging to convert them into emission volumes, deriving the emission intensity per total working population, and subsequently multiplying that by the number of employees (consolidated). Category 7 is calculated based on the amount of commuting allowances paid to employees by transportation category. The figures for ACE DENKEN Co., Ltd. for the fiscal year ended March 2026, are calculated by multiplying the total amount of commuting allowances paid by the emission intensity for passenger railways.
* GHG emissions data are estimates calculated using the data that we were able to collect as of the date of the update based on factors announced by the Ministry of the Environment, and are subject to change. The scope of data collection is as shown in the table below.

Aggregation Scope	Fiscal year ended March 2024	Fiscal year ended March 2025	Fiscal year ended March 2026
Scope 1	[Vehicles (Gasoline)] 3 Group Companies	[Vehicles (Gasoline)] Same as left	[Vehicles (Gasoline)] 5 Group Companies

		(TSUBURAYA FIELDS HOLDINGS INC., FIELDS CORPORATION, Tsuburaya Productions Co., Ltd.,)	[Fuel (Gas, Kerosene, etc.)] Consolidated Scope	(Previous scope plus Shinko MechatroTech Co., Ltd. and ACE DENKEN Co., Ltd.) [Fuel (Gas, Kerosene, etc.)] 3 Group Companies (FIELDS CORPORATION branches, etc., 4 business sites of ACE DENKEN Co., Ltd., 2 locations including head office of Shinko MechatroTech Co., Ltd.)
Scope 2		[Target Locations] ・Head office building housing 16 companies including TSUBURAYA FIELDS HOLDINGS INC. ・3 non-head-office locations of Tsuburaya Productions Co., Ltd. ・Head office and studio of Digital Frontier Inc. ・Manufacturing site, 23 branches, 6 showrooms, and 2 other offices of FIELDS CORPORATION	[Target Locations（The following are added to the previous scope] ・1 non-head-office location of Tsuburaya Productions Co., Ltd. ・All remaining branches and showrooms, and 1 other office of FIELDS CORPORATION ・TOTAL WORKOUT gyms ・9 business sites and 2 other locations of ACE DENKEN Co., Ltd.	[Target Locations (The following are added to the previous scope)] ・1 other office of FIELDS CORPORATION ・1 business site of ACE DENKEN Co., Ltd. ・2 locations including head office of Shinko MechatroTech Co., Ltd. ・2 locations including head office of Sophia Co., Ltd.
Scope 3	Category 6	Consolidated Scope		
	Category 7	4 Group Companies (TSUBURAYA FIELDS HOLDINGS INC., FIELDS CORPORATION, Tsuburaya Productions Co., Ltd., Digital Frontier Inc.)		5 Group Companies (Previous 4 companies plus ACE DENKEN Co., Ltd.)

(3) Items Concerning Human Capital

1. Basic Policy

The Group aims to become a company where individual employees can realize their own desires and objectives through work and company life. Within the changing values towards work styles, the Group believes that employees of various backgrounds who are highly motivated and demonstrate their maximum potentials will lead to medium-to-long-term growth and contribution to society. We promote business to deliver entertainment to not only in Japan but also around the world. Human resources who continue to create entertainment while adapting to the endless technological and environmental changes are indispensable, and we are focused on hiring, fostering, and providing a work environment for such resources.

2. Governance and Risk Management Structure for Human Capital

Within the governance structure for sustainability centered around the Sustainability Committee, members review human resource development policies and in-house environmental development policies, review important policies for matters like human rights, and confirm the progress of human capital initiatives. We have established a framework to report the status of deliberations and confirmations within the Sustainability Committee to the Board of Directors at least twice annually.

3. Strategies and Policy Concerning Human Capital Based on Management Strategies

Based on strategies of each business and the entire Group, the Group is actively strengthening initiatives under the following three themes in environmental development: (I) Expanding capabilities/organization and assigning human resources to realize strategies, (II) Securing and fostering human resources, and (III) Bringing about employees who are highly motivated to work.

Expanding Capabilities/Organization and Assigning Human Resources to Realize Strategies

- Identifying and expanding/newly establishing organizations/capabilities needed to realize strategies in the Content and Digital Business, Amusement Equipment Business, and all company departments
- Actively allocating human resources and assigning leaders to key areas (new product development, etc.) for realizing business strategies

Securing and Fostering Human Resources

- Hiring and fostering talent (creative human resources, human resources related to product planning and manufacturing, human resources who can utilize AI etc.) needed to realize strategies and growth
- Securing the number of personnel and productivity needed to achieve objectives in the Medium-Term Management Plan

Bringing About Conditions That Maintains Employees' High Motivation Towards Work

- Enhancing the work environment and system to allow workers to have high motivation towards work
- Promoting environmental development to utilize various human resources and values
- Taking actions for compliance, harassment countermeasures, and human rights

4. Human Capital Initiatives

<Human Resource Development Policy>

Based on the above initiatives in focus areas, the Group is working towards enhancing capabilities and organizations to realize strategies, implementing optimal personnel allocation, and securing and developing human resources for this purpose.

Content and Digital Business

- **Reinforcement of Licensing Sales Functions:** To accelerate global IP expansion, the Company has integrated its domestic and overseas business functions. By cross-organizationally sharing and merging know-how and success stories concerning marketing and IP management cultivated in differing domestic and overseas market environments, we will enhance our planning and sales capabilities. While strengthening relationships with domestic and international partners, we are focused on fostering human resources equipped with comprehensive proposal-based sales capabilities who can maximize the market value of each IP on a global scale.

- **Reinforcement of In-house Merchandising Development Functions:** The Company has newly established the Product Development Business Department to expand our in-house merchandising business and reinforce supply chain management functions. In order to plan high-value-added products and promptly deliver them to the market in line with trends by utilizing AI and other technologies in collaboration with partners, we are concentrating our efforts on securing and developing human resources who possess both high planning capabilities and digital skills.

- **Reinforcement of Production and Creation Functions:** To strengthen the development of video and media works that generate fan enthusiasm, the Company is expanding its production and creation structures. While reinforcing the development and securing of in-house creators, we are moving forward with developing and securing human resources with high production capabilities who can lead robust collaboration and co-creation with a diverse range of external top creators.

- **Reinforcement of Customer Touchpoint Functions:** To promote the utilization of real-world events and digital platforms that deepen engagement with fans, the Company is strengthening its event planning and operations functions alongside digital marketing functions. We are driving the securing of event production talent who can create immersive experiential value and directly approach domestic and international fans, as well as the securing and developing of data-driven digital marketing human resources.

Amusement Equipment Business

- **Reinforcement of New Product Development Functions:** To strengthen the development of more attractive PS machines utilizing IP, the Company is moving forward with securing and developing human resources responsible for IP acquisition and management, as well as product development. In April 2026, the Company reorganized its development departments to cultivate specialized human resources, further elevate product quality, and reinforce development process management. Furthermore, we are continuously reviewing our reward systems for personnel involved in IP acquisition and management, as well as product development. We are designing incentives aimed at achieving our strategic goals, such as introducing evaluation systems that fairly reward achievements and raising the initial base salary for new graduates.

- **Development of Sales Structures:** To provide comprehensive proposal-based solutions to create an attractive PS gaming space encompassing not only PS machines but also peripheral equipment, the Company is moving forward with integrating the sales, production, and logistics bases of FIELDS and ACE DENKEN. Through these initiatives, we aim to achieve cost optimization and improve profit margins, while simultaneously promoting the development of human resources who can

conduct comprehensive proposal-based sales of both PS machines and peripheral equipment. Concurrently, to respond to these transformations in sales structures and contributions to operating performance, we have revised the reward systems for sales personnel and raised the initial base salary for new graduates, thereby striving to enhance employee engagement.

Group-wide / TSUBURAYA FIELDS HOLDINGS INC.

- **Development of Next-Generation Leadership Talent:** To reinforce our IP strategies and maximize group-wide synergy, the Company is implementing educational training programs targeted at next-generation management personnel. By fostering leaders who drive value creation, we will reinforce our business foundations for the sustainable growth of the Group.

- **Development of AI Utilization Structures:** The Company positions the radical improvement in efficiency and acceleration of business processes through the utilization of AI technologies as a key initiative to maximize employee capabilities. In addition to implementing AI usage training targeted at all employees and management personnel, we have established internal rules for the utilization of AI services. By developing systems that can highly automate or support tasks such as information gathering and document draft generation, we construct environments where employees can concentrate on operations that are more creative and directly linked to quality improvement. Through these frameworks, we will develop human resources across the entire Group equipped with advanced expertise capable of adapting to next-generation business environments.

Initiatives for Securing and Fostering Human Resources

To realize our Group-wide corporate philosophy *The Greatest Leisure for All People*, we are aiming to become a company where individual employees of the Group can realize their own aspirations and objectives through work and company life. Amidst the changing values towards work styles, the Group believes that employees of various backgrounds who are highly motivated and demonstrate their maximum potential will lead to medium-to-long-term growth and contribution to society.

To realize medium-to-long-term growth of the Group, we have deeply examined the key human capital to achieve the Medium-Term Management Plan, and are planning to hire and develop human resources that have the necessary skills and talents.

The current educational and training system for new company hires consists of a varied curriculum for the enhancement of operational skills, including topics such as manners needed as a member of society, business fundamentals, and understanding the Group, and this training is given to new hires about one month after being hired and also for one to two days after working at the Group for half a year. Training for each level and occupation is given irregularly.

<Policy for Developing In-House Environments>

The Group utilizes human resources of diverse backgrounds who hold various values and provides an environment and systems that allows employees to be highly motivated to work, and pro-actively utilize newly-graduated and mid-career human resources while focusing on abilities and performance regardless of race, religion, sex, nationality, age, sexual orientation, and disability.

Initiatives to Meet the Needs of Diverse Employee Work Styles

Considering work environment changes, the Group has established an internal system that makes it easier to take childcare leave and family care leave, ensuring that all employees can thrive in accordance with their respective life stages and individual circumstances.

Initiatives for Diverse Resources to Flourish

The Group provides an environment where all employees are highly motivated to work and has established a system for human resources of diverse backgrounds and values to flourish and display their abilities as we recognize its importance. To formalize this philosophy, the Company formulated the “Basic Policy on the Active Participation of Diverse Human Resources” in March 2026. Furthermore, we established a system for managing salaries, qualifications, and targets that focuses on high transparency and being

able to reward the abilities of each individual employee to serve as a shared foundation for all divisions and Group companies to work towards the same philosophy.

Furthermore, in order to provide a conducive environment for those with disabilities to work, the Company established a new facility, the “Work Support Nagoya Base”, in October 2025. Along with the existing “Okinawa Work Center”, the Group is enhancing efforts to provide job opportunities and support for people with disabilities.

Occupational Health and Safety Policy

The Group has established safety and health management regulations, which specify matters concerning occupational health and safety, mental health, and maintenance and promotion of health that must be adhered to, and take the necessary actions to maintain the physical and mental health of employees.

As a structure to implement the above, we have assigned general safety and health managers, safety managers, health managers, safety and health leaders, and industrial physicians to workplaces depending on the type of work and number of employees, and we also established the Health and Safety Committee or Health Committee. All these assigned personnel carry out the necessary duties based on laws and ordinances. We provide a structure to handle a wide range of matters using our established network of outside resources such as industrial physicians, medical specialists, counselors, lawyers, as well as labor and social security attorneys in addition to permanent health consultation centers established by the Group where expert counselors provide mental health care.

One specific initiative is that the Health and Safety Committee has a meeting at least once a month for the members, comprised of multiple employees and physicians, to periodically discuss occupational health and safety, and they report the content of the discussions to employees via the Group portal (intranet). We are also implementing initiatives to maintain and promote the physical and mental health of employees and their families in cooperation with industrial physicians and specialty clinics.

5. Human Capital Indicators and Targets

The scope of data collection for the following metrics is as described below. In addition, metrics have been revised from those disclosed last year, based on the Medium-Term Management Plan starting from the fiscal year ending March 31, 2027.

I) Items Related to Human Resource Development Policy

The data below was collected from consolidated companies.

	FY2023	FY2024	FY2025
Number of Group employees (persons)	1,423	1,664	1,774
In-house MD Development Division (persons) *In the Content and Digital Business	-	-	17
IP and Products Management Division (persons) *In the Amusement Equipment Business	173	220	324
Number of new graduate hires	5	21	31
Average Annual Salary for IP and Product Management Division Personnel (thousands of yen)	7,077	6,731	6,270
Net sales per employee (millions of yen)	99	84	98
Operating profit per employee (millions of yen)	8	9	9
Education and training expenses (millions of yen)	54	89	141

II) Items Related to the Development of the Corporate Environment

The data below was collected from TSUBURAYA FIELDS HOLDINGS INC, FIELDS CORPORATION, Tsuburaya Productions Co., Ltd. and Digital Frontier Inc.

	FY2023	FY2024	FY2025
Ratio of female managers (%)	5.9	6.3	6.6
Ratio of males who have taken childcare leave (%)	25.0	36.4	50.0
Employment Rate of People with Disabilities (%)	1.9	2.0	2.2

3. Business Risks

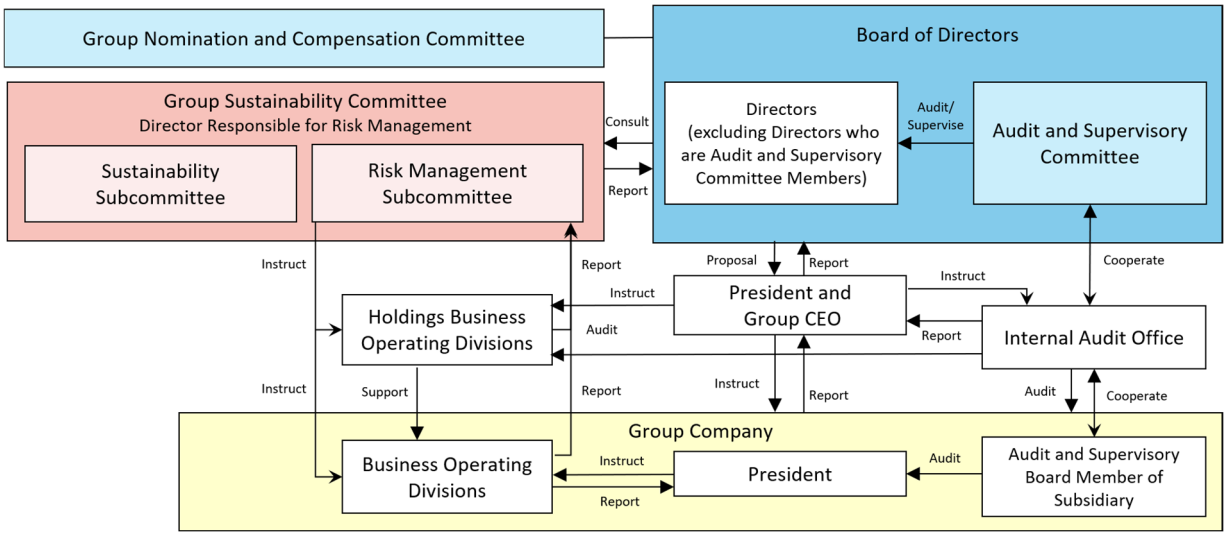
(1) Basic Policy on Risk Management

Based on our corporate philosophy, *The Greatest Leisure for All People*, the Group aims for sustainable value creation through the integration of the Content and Digital Business and the Amusement Equipment Business. To promote these business activities in a stable and continuous manner, we recognize that risk management is an essential management foundation.

The Group aims to identify and address risks surrounding the Group in a timely and appropriate manner, while simultaneously pursuing the sustainable enhancement of corporate value through appropriate risk-taking.

(2) Risk Management Structure

The Company has established the Group Sustainability Committee as an advisory body to the Board of Directors. The Committee is chaired by the director responsible for risk management and has established two subcommittees: the Risk Management Subcommittee and the Sustainability Subcommittee. In cooperation with individual Group companies, these subcommittees promote initiatives concerning risk management and sustainability.



At the Group Sustainability Committee, both subcommittees work in cooperation to deliberate on material management issues, based on the relationships between key risks and sustainability materiality, as well as the related risks and opportunities. Furthermore, the Committee deliberates on the selection of key risks, the formulation of response policies, the verification of response status, and reviews based on environmental changes. The details of these deliberations are reported to the Board of Directors as necessary, and under the supervision of the Board of Directors, the Company is committed to enhancing the effectiveness of its risk management activities.

The Group Sustainability Committee is held on a regular basis, while each subcommittee is held flexibly, to deliberate on and verify matters concerning risk management and sustainability. The Group Sustainability Committee met two times during the fiscal year under review.

Furthermore, through cooperation with the Audit and Supervisory Committee, the Internal Audit Division, and Audit and Supervisory Board members of subsidiaries, the Company strives to enhance the effectiveness of organizational audits and strengthen its corporate governance functions

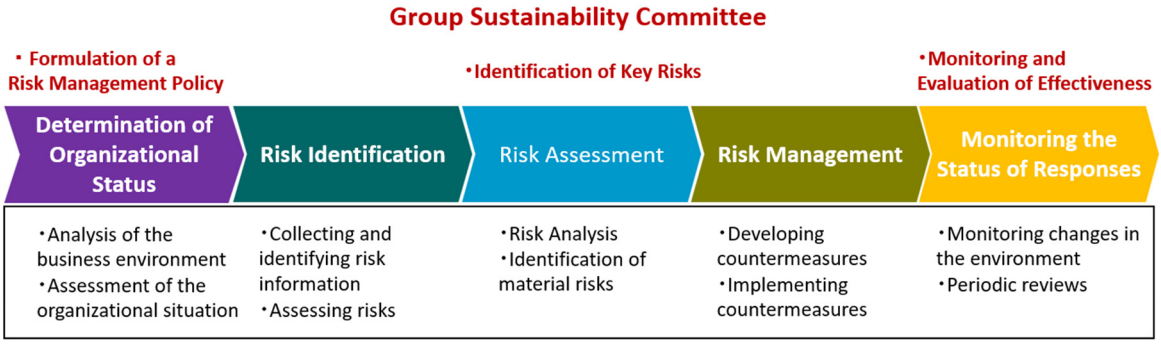
(3) Risk Management Processes

The Group's risk management activities are fundamentally based on understanding changes in the business environment. We identify and review risks in light of changes in the external environment, including macroeconomics, regulatory trends, technological innovations, and social issues, and strive to implement risk management activities that correspond to the latest conditions.

- Selection Process for Key Risks

Risks were identified by collecting opinions from management, workplace managerial staff, and the Audit and Supervisory Committee over a total of seven workshops. Furthermore, we assess these risks in light of the external environment and with

professional expertise, selecting key risks through multifaceted examination and discussions.



- Approach to Selecting Key Risks

Key risks are selected from the perspectives of achieving strategies and business plans tailored to the Group's business characteristics, as well as enhancing corporate value and preventing its impairment, based on multiple criteria that detail the degree of impact and probability of occurrence.

Specifically, we consider perspectives such as the impact on Group strategies, the chain reaction or ripple effects to other risks, the difficulty of recovery, disclosure and accountability, and the strength of countermeasures. In addition, we confirm the relevance of these risks to sustainability materiality as necessary, clarifying their relationship with management issues.

- Approach to Responding to Key Risks

The departments in charge work in cooperation with relevant departments to formulate response plans for each key risk and develop structures to promote these responses. The status of responses to each risk is verified by the Risk Management Subcommittee and in cases where environmental changes or the materialization of risks are identified, a structure is in place to promptly report such events to the chairperson of the Group Sustainability Committee. Furthermore, based on insights gained from the results of monitoring and events that have occurred, the Company verifies the effectiveness of countermeasures through deliberations within the Group Sustainability Committee, and reviews them as necessary.

Additionally, in the event that an emergency or material issue arises during day-to-day operations, we are developing structures to ensure timely and appropriate reporting, initial responses, minimization of damage and impact, and prevention of recurrence, based on the concepts of incident management or crisis management depending on the nature, materiality, and urgency of the event. For risks that have the potential to cause large-scale damage or long-term suspension of business activities, we are committed to taking proactive initiatives to minimize damage through our Business Continuity Plan (BCP) and other frameworks.

(4) Key Risks

The risks that may impact the Group's operating results, etc., that we recognize are set forth below. The risks listed below represent the major items that the Group recognizes as materially important for management, and the order of listing does not indicate the relative scale of importance. Furthermore, individual risks may be interrelated and exert a compounded impact.

Any forward-looking statements in this text are based on the understanding of the Group as of the filing date of this Annual Securities Report, unless otherwise specified.

Group Strategy Risks	
Risk Details	The Group simultaneously promotes multiple growth themes, such as IP and business investments, global expansion, and in-house development and manufacturing, and is accelerating the creation of synergy among multiple core businesses. Since these initiatives are interrelated, direction-setting and decision-making based on a group management perspective are essential. Under these circumstances, if the management strategies, allocation of management resources, investment decisions, alliance management, and business model transformations for the entire Group cannot be operated in a consistent and integrated manner, the priorities of investments and initiatives may become unclear. This could disperse management resources, cause the continuation of unprofitable investments, stagnate growth initiatives, and lower capital efficiency, which may

	ultimately impact the Group's operating results.
Countermeasures	• Foster an understanding of our management policies through cooperation among subsidiaries to improve the certainty of strategy execution and suppress ripple effects to other risks. • To strengthen products and distribution, promote the reinforcement of organizations, human resources, and product planning and development capabilities, the expansion of partners, and the integrated acquisition of IP and growth investments. • To maximize IP value, share and utilize the expertise and know-how concerning IP possessed by each company, striving to create Group-wide synergy and expand IP resources.

IP Strategy Risks	
Risk Details	The Group positions the multi-layered development of businesses centered around IP as the source of its growth, and considers maximizing the value of major IP, as well as developing and acquiring new IP, to be material growth themes. In addition, contract and rights management are becoming increasingly complex due to factors such as reviewing contracts with master licensees, coordinating competition with sub-licensees, and signing numerous licensing agreements in conjunction with in-house manufacturing and direct sales of merchandising. Furthermore, with the global expansion of our business, particularly in China and other overseas markets, it is becoming increasingly important to address rights protection, contractual terms, and commercial customs region-by-region. Under these circumstances, if any termination or modification of terms for licensing agreements of major IP, loss of opportunities to acquire new IP, decline in IP value, infringement of intellectual property rights by third parties, or deficiencies in contract and rights management occur, it may cause delays in product planning, loss of sales opportunities, incurrence of additional expenses, litigation responses, or a decline in brand value. This, in turn, could ultimately impact the Group's operating results and corporate value.
Countermeasures	• Strike a balance between "defensive" IP management focused on rights protection and "offensive" IP utilization aimed at improving the reproducibility of monetization. • Construct a highly reliable IP management structure by expanding the utilization of the *Ultraman* IP, researching and analyzing powerful IP, and strengthening relationships with content holders.

Governance Risks	
Risk Details	The timely and appropriate judgments of management within the Group serve as a crucial factor supporting our growth. On the other hand, in conjunction with future global expansion and the scaling up of growth investments, it is anticipated that the volume of information, complexity, and speed required for management decisions will increase further. Under these circumstances, if organizational operations rely excessively on the attributes, experience, and judgments of specific executives or individuals in charge, it may disrupt decision-making or business execution in the event of their absence or unforeseen circumstances. Furthermore, a decline in the flexibility of management decisions and organizational operations could impact business continuity and the promotion of growth initiatives, which may ultimately impact the Group's operating results and corporate value.
Countermeasures	• Clarify duties and the division of responsibilities, sharing information group-wide, and developing a mutually supportive structure to strengthen human resource development and cross-organizational collaboration. • Reinforce our management foundation by separating supervision from execution, enhancing the monitoring functions of the Board of Directors, and delegating authority to improve both the quality and speed of management decisions.

	• Strengthen our corporate governance structure by ensuring that outside and independent directors account for half of the Board of Directors.

Brand Risks	
Risk Details	The Group is actively engaged in global expansion, in-house product development and manufacturing, and the expansion of new business domains, which has resulted in expanding touchpoints with consumers, business partners, copyright holders, investors, and other stakeholders. Furthermore, against the backdrop of the rapid dissemination of information driven by social media and rising social interest in corporate ethics and information disclosure, any damage to credibility could have far-reaching and prolonged consequences. Under these circumstances, if any scandals or misconduct by the Group or its related parties, lack of information disclosure, or deficiencies in disseminated content occur, it may lower the trust of stakeholders, including customers and investors. This, in turn, could lead to a reduction in revenue opportunities, deterioration of the financing environment, or a decline in brand value, ultimately impacting the Group's operating results and corporate value.
Countermeasures	• Maintain and improve trust from stakeholders by strengthening brand and reputation management as well as information disclosure. • To pursue sustainable growth, the Group Sustainability Committee has been established to promote sustainability management. • Ensure the proactive disclosure of both financial and non-financial information.

Product Development and Sales Risks	
Risk Details	In the Amusement Equipment Business, the continuous creation of hit PS machines and the achievement of unit sales targets serve as material financial resources supporting the Group's growth investments. On the other hand, factors such as demand fluctuations in the PS machine market, changes in consumer preferences, failure to adhere to regulatory compliance standards, and product planning and development relying excessively on individual experience or chance may arise. If the creation of hit machines that match market needs, the achievement of unit sales targets, or the number of PS machine titles below plans under these circumstances, it could decrease revenue and profits, potentially lowering our capability to generate the funds necessary for growth investments. In addition, within the Content and Digital Business, a lack of proper product planning structures, mismatch with market trends and consumer needs, and the level of proficiency of demand forecasting, inventory management, manufacturing management, and quality control can affect short-term sales, customer trust, and medium- to long-term profitability. If these systems do not function adequately, it may impact the Group's profitability through inventory valuation losses, loss of sales opportunities, delays in investment recovery, and the incurrence of additional expenses.
Countermeasures	• Construct a structure to reduce reliance on specific individuals by standardizing product development and sales processes and utilizing data, while simultaneously advancing sophisticated demand forecasting, inventory management, and quality control. • Continuously develop and sell products that draw out the appeal of major IP, pursue gameplay that satisfies market needs, and reinforce our private brand (PB) development structures.

Supply Chain Risks	
Risk Details	Within the Group, the complexity of our supply chain, including procurement sources, contract manufacturers, logistics, and sales channels, is increasing in conjunction with the expansion of in-house product planning, development, and manufacturing, global expansion, and the expansion of our private brand (PB) product ratio. Consequently, it is becoming increasingly critical to ensure stable supply and quality guarantee through securing copyrights, securing and standardizing

	component procurement routes, utilizing reused parts, and making capital investments. Furthermore, the destabilization of supply chains due to geopolitical risks or natural disasters, alongside rising demands for quality, legal, and regulatory compliance, are factors that further heighten the importance of supply chain management. Under these circumstances, if any deficiencies arise in procurement, quality control, or legal and regulatory compliance, or if problems such as an overdependence on specific regions for component procurement or suspension of sales due to legal violations occur, it may cause supply disruptions, production halts, delivery delays, loss of sales opportunities, incurrence of penalties, or a decline in trust from customers and business partners. This, in turn, could ultimately impact the Group's brand value, profitability, and medium- to long-term investment capacity.
Countermeasures	• Strengthen the management of issues concerning the supply chain, including procurement, quality, and legal and regulatory compliance. • Promote responsible procurement activities in collaboration with business partners and suppliers. • Improve our competitiveness through the integration of production and logistics bases. • Establish direct retail stores and utilize both in-house e-commerce (EC) sites and external EC platforms to develop sales channels and distribution networks, constructing a structure to deliver products stably to our customers in the expansion of merchandise of various IP, including *Ultraman.*

AI/DX Risks	
Risk Details	Within the Group, AI and DX represent more than mere operational efficiency, they serve as a management execution foundation that supports the refinement of our business portfolio, improvement in the precision of investment decisions, expansion of IP resources, and the pioneering of new businesses. Under these circumstances, as competitors advance their investments in AI and DX, if the development of data foundations, the utilization of digital technologies including AI, and the optimization of IT investments do not progress as planned at the Company, it may delay the sophisticated advancement of demand forecasting, inventory management, investment decisions, marketing, and operational efficiency. This, in turn, could lead to a decline in productivity, competitiveness, and group-wide synergy. Furthermore, if internal rules regarding AI usage, rights clearance, personal information management, or fact-checking are inadequate, it may result in information leaks, intellectual property rights infringements, or the utilization of erroneous information. This could ultimately impact the Group's operating results and corporate value through a loss of credibility, incurrence of additional response expenses, or the loss of medium- to long-term growth opportunities.
Countermeasures	• Develop AI, data, and IT foundations on a group-wide basis. • Establish a specialized department to promote AI utilization, while simultaneously deliberating and implementing effective utilization initiatives to improve operational efficiency and accelerate the business speed of each business segment. • Improve AI governance by establishing internal guidelines and reinforcing digital literacy.

Cyber Risks	
Risk Details	The Group is expanding initiatives premised on e-commerce (EC), customer data management, IP information management, and data utilization, which has increased the importance of information management across the entire Group, including subcontractors. Furthermore, against the backdrop of increasingly sophisticated and stealthy cyberattacks, the expanding range of attack targets

	encompassing subcontractors and supply chains, and rising social demands for personal and customer information management, the importance of information security management is heightening further. Under these circumstances, if cyberattacks from external sources, internal misconduct, human error, system failures, deficiencies in management structures, or intentional misuse by employees occur in information systems possessed or utilized by the Group or its subcontractors, confidential information, personal information, customer information, or IP-related information could be leaked. This, in turn, could cause the suspension of EC sites, business interruptions, burdens of damages, or a loss of trust from business partners, ultimately impacting the Group's business continuity, operating results, and corporate value.
Countermeasures	• Strengthen structures to centrally manage and support information security management on a group-wide basis. • Ensure thorough information management by providing education and awareness-raising to executives and employees. • Promote initiatives to properly protect personal and confidential information, aiming to prevent information leaks and unauthorized utilization.

Human Resource Risks	
Risk Details	As the Group pushes forward with global expansion and the promotion of new business domains, securing and developing human resources in specific fields serves as a prerequisite for strategy execution. Furthermore, against the backdrop of intensifying competition to acquire professional talent and rising interest in human capital management, increasing importance is placed on frameworks to flexibly secure and develop necessary talent, as well as leadership structures to drive global expansion. Under these circumstances, if securing and developing human resources does not progress as planned, or if leadership structures are inadequately established due to a lack of diversity or flexibility within management, or if the outflow of core human resources occurs, it may cause a decline in business execution momentum or delays and stagnation in growth strategies. This, in turn, could ultimately impact the execution of medium- to long-term growth strategies and evaluations from the market.
Countermeasures	• Secure and develop necessary human resources based on the gap between our medium- to long-term human resource strategies and the current status, thereby reinforcing our strategy execution capabilities. • Reinforce core human resources who will be responsible for building overseas bases, strengthening distribution networks, and driving product development and business promotion. • Promote initiatives to realize employee well-being, such as enhancing non-monetary rewards and welfare benefits.

Business Continuity Risks	
Risk Details	Within the Group, the head office functions of major Group companies and a portion of our management resources are concentrated in the Tokyo metropolitan area. Concurrently, with global expansion and the scaling up of supply chains, it is becoming increasingly critical to coordinate with domestic and international business partners, subcontractors, customers, and overseas affiliates. Under these circumstances, in the event of large-scale disasters, material accidents, conflicts, the spread of infectious diseases, or other emergencies, there is a potential risk of disruptions arising in our head office functions, information systems, logistics, contract manufacturers, sales channels, or coordination with overseas affiliates. Furthermore, if a major earthquake directly beneath the Tokyo metropolitan area, a Nankai Trough earthquake, an eruption of Mount Fuji, or abnormal weather

	conditions occur, it may become difficult to ensure safety, make prompt decisions, issue instructions, and handle external communications. If these risks materialize, it could cause the suspension of product supplies, prolonged recovery periods, delays in decision-making, and confusion in external communications, which may ultimately impact the Group's operating results and corporate value.
Countermeasures	• Develop chains of command in times of emergencies, establish initial response and business recovery procedures, and strengthen global crisis management public relations. • Improve our capacity to respond to emergencies by strengthening cooperation among Group companies, refining disaster response manuals and our Business Continuity Plan (BCP), and constructing safety confirmation structures.

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of Conditions Such as Operating Results

The corporate philosophy of the Group is *The Greatest Leisure for All People.* To realize this, we aim to deliver products and services that bring joy and emotional fulfillment to people around the world.

In the current period (April 2025 to March 2026), we focused on growth potential alongside earning power and worked toward improving shareholder value.

The financial position, operating results and cash flow of the Group in the fiscal year under review is as summarized below (hereinafter "operating results, etc.").

I) Financial Position

(Assets)

Current assets increased by ¥4,242 million from the end of the previous fiscal year to ¥74,083 million. This was mainly due to an increase in work in process and merchandising rights and a decrease in trade receivables.

Property, plant and equipment increased by ¥635 million from the end of the previous fiscal year to ¥10,866 million. This was mainly due to an increase in tools, furniture and fixtures.

Intangible assets decreased by ¥302 million from the end of the previous fiscal year to ¥1,813 million. This was mainly due to a decrease in goodwill.

Investments and other assets decreased by ¥169 million from the end of the previous fiscal year to ¥16,596 million.

As a result, assets increased by ¥4,406 million from the end of the previous fiscal year to ¥103,360 million.

(Liabilities)

Current liabilities decreased by ¥1,955 million from the end of the previous fiscal year to ¥24,815 million. This was mainly due to a decrease in trade payables.

Non-current liabilities decreased by ¥3,577 million from the end of the previous fiscal year to ¥12,357 million. This was mainly due to a decline in long-term borrowings.

As a result, liabilities decreased by ¥5,532 million from the end of the previous fiscal year to ¥37,173 million.

(Net assets)

Net assets increased by ¥9,939 million from the end of the previous fiscal year to ¥66,187 million. This was mainly due to growth in retained earnings.

II) Operating Results

The consolidated results for the fiscal year under review were net sales ¥174,142 million (up 23.9% YoY), operating profit ¥17,455 million (up 14.1% YoY), ordinary profit ¥17,751 million (up 7.8% YoY), and profit attributable to owners of parent ¥13,050 million (up 17.0% YoY).

The overview of each business segment is as follows.

Content and Digital Business Segment

The status of Tsuburaya Productions Co., Ltd. during the fiscal year under review is as follows.

In the Japanese business, sales increased compared with the same period of the previous fiscal year, driven by generally firm growth across all major categories, including licensing, MD (merchandising), and imaging and event revenues. As part of the commemorative initiatives for the Ultraman Series 60th Anniversary, we are actively collaborating with IP holders supported by diverse customer bases to further penetrate the Ultraman brand across a wide range of demographics.
As a result, domestic net sales reached ¥5,003 million (up 6.4% YoY).

Regarding overseas operations, revenue and profits declined year-on-year. However, Ultraman retains a high level of recognition and a strong fanbase in the Chinese market, and we believe that its medium- to long-term growth potential remains unchanged. Through the strengthening of strategic partnerships with our most trusted licensees, the Group is steadily advancing initiatives to expand into new categories in licensing and merchandising.
As a result, overseas net sales totaled ¥4,349 million (down 36.6% YoY).

<Revenue Breakdown by Region (Japan and Overseas)> (Unit: millions of yen)

	Previous consolidated fiscal year (Mar. 31, 2025)	Current consolidated fiscal year (Mar. 31, 2026)	YoY change (%)
Japan	4,702	5,003	+6.4%
Overseas	6,856	4,349	(36.6)%
Total	11,559	9,352	(19.1)%

As a result, net sales totaled ¥9,352 million (down 19.1% YoY) in the fiscal year under review.

The breakdown by category is as follows.

<License Revenue: ¥4,159 million (down 39.2% YoY)> (Unit: millions of yen)

	Previous consolidated fiscal year (Mar. 31, 2025)	Current consolidated fiscal year (Mar. 31, 2026)	YoY change (%)
Japan	969	1,003	+3.6%
China	5,287	2,557	(51.6)%
North America, Asia and others	580	598	+3.2%
Total	6,836	4,159	(39.2)%

In the Japanese market, the Ultraman Series 60th Anniversary Project has made steady progress. As the anniversary period enters its full-scale launch phase, we will accelerate multifaceted exposure through these diverse partnerships, aiming to further enhance the added value of *Ultraman*. In the Chinese market, licensing revenue declined, however, the imaging and event segment recorded revenue growth, driven by robust performance in streaming distribution and the success of events and new ticketed stage

performances in Shanghai.

<Imaging and Event Revenue: ¥2,964 million (up 1.0% YoY)> (Unit: millions of yen)

	Previous consolidated fiscal year (Mar. 31, 2025)	Current consolidated fiscal year (Mar. 31, 2026)	YoY change (%)
Japan	2,101	2,130	+1.4%
Overseas	832	833	+0.2%
Total	2,933	2,964	+1.0%

Revenue from imaging and event operations was roughly in line with the previous year during the fiscal year, primarily due to an increase in audience attendance at the biennial “TSUBURAYA CONVENTION 2025” held in fall and the annual “Ultra Heroes EXPO2025” (held in summer and winter).

As a result, net sales for the Content and Digital business segment was ¥13,874 million (down 15.4% YoY), and operating profit was ¥934 million (down 67.0% YoY).

Amusement Equipment Business Segment

During the fiscal year under review, sales of pachinko and pachislot (PS) machines reached approximately 274,000 units (up 33.6% YoY), driven by strong sales of multiple titles featuring leading IPs, such as *NEON GENESIS EVANGELION -Memories of the beginning-*. Additionally, we responded to ongoing demand for increased production of *L Tokyo Ghoul* throughout the year. As a result, our share of market unit sales in fiscal year 2025 (Apr. 2025-Mar. 2026) was approximately 18.2% (according to our survey). Furthermore, we implemented various initiatives to help pachinko parlors maximize customer traffic, such as proposing the installation of dedicated prize corners in stores that introduced our machine models.

As a result, strong sales of major titles and an expansion in market share, the Amusement Equipment Business Segment’s net sales were ¥159,069 million (up 29.2% YoY) and operating profit was ¥19,881 million (up 30.1% YoY).

[PS Machine Unit Sales and Major Titles Sold]

	Previous consolidated fiscal year (Mar. 31, 2025)	Current consolidated fiscal year (Mar. 31, 2026)	YoY change (%)
Pachinko	92,540 units	142,479 units	+54.0%
Pachislot	113,161 units	132,293 units	+16.9%
Total	205,701 units	274,772 units	+33.6%

[Major Titles Sold in the Fiscal Year Under Review]

Classification	Major titles	Unit sales
Pachinko	*e SHIN ULTRAMAN*	~142,000 units
	e Tokyo Ghoul	
	e INUYASHA 3.0	
	e BERSERK Musou Chapter 2	
	NEON GENESIS EVANGELION -Memories of the beginning-	
Pachislot	*L Pachislot MOBILE SUIT GUNDAM SEED*	~132,000 units
	L ULTRAMAN	
	Smart Pachislot Devil May Cry 5 STYLISH TRIBE	

	L ZETTAI SHOGEKI - PLATONIC HEART-	
	LB Pachislot Evangelion -The Door of Promises-	
	L DARLING in the FRANXX	
	SMART PACHISLOT Shin Onimusha 3	
	L ZETTAI SHOGEKI IV	
	L Mushoku Tensei: Jobless Reincarnation	
Total		~274,000 units

Other Businesses

Other businesses posted net sales of ¥1,783 million and operating profit of ¥39 million for the fiscal year under review.

(Notes) 1. Figures written in this report are values published by companies/organizations or are from estimates by the Group.
2. Product names written in this report are trademarks or registered trademarks of their respective companies.

Ⅲ) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review decreased by ¥18 million from the end of the previous fiscal year to ¥30,835 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥7,477 million (¥7,779 million provided in the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥17,303 million, an increase in inventories of ¥12,495 million, a decrease in trade receivables of ¥8,407 million, and a decrease in trade payables of ¥5,147 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,315 million (¥1,100 million provided in the same period of the previous fiscal year). This was mainly due to purchase of non-current assets of ¥2,131 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥5,195 million (¥13,520 million used in the same period of the previous fiscal year). This was mainly due to dividends paid of ¥3,108 million and repayments of long-term borrowings of ¥2,207 million.

IV) Production, Orders, and Sales Results

A. Production Results

Production results in the fiscal year under review are as follows.

Segment name	Production (millions of yen)	YoY change (%)
Content and Digital Business	6,687	+8.2
Amusement Equipment Business	38,493	+6.0
Total	45,180	+6.3

(Notes) 1. Transactions between segments are eliminated.
2. Amounts are based on manufacturing costs.

B. Order Results

Order results in the fiscal year under review are as follows.

Segment name	Orders (millions of yen)	YoY change (%)	Order backlog (millions of yen)	YoY change (%)
Content and Digital Business	11,607	(14.3)	1,348	+1.1
Amusement Equipment Business	151,632	+2.9	26,177	(20.6)
Total	163,240	+1.4	27,525	(19.8)

(Notes) 1. Transactions between segments are eliminated.
2. There was a notable change in order results in the fiscal year under review. This change was mainly caused by the decreased orders of PS machines in the Amusement Equipment Business.

C. Sales Results

Sales results in the fiscal year under review are as follows.

Segment name	Sales (millions of yen)	YoY change (%)
Content and Digital Business	13,468	(15.9)
Amusement Equipment Business	158,899	+29.3
Others	1,773	+6.0
Total	174,142	+23.9

(Notes) 1. Transactions between segments are eliminated.
2. Major clients are not included as they comprise less than 10% of total sales.
3. There was a notable change in order results in the fiscal year under review. This change was mainly caused by the increase in orders of PS machines in the Amusement Equipment Business.

D. Product Purchase Results

Product purchase results in the fiscal year under review are as follows.

Segment name	Purchases (millions of yen)	YoY change (%)
Amusement Equipment Business	98,123	+52.8
Total	98,123	+52.8

(Notes) 1. Amounts are based on purchase prices.
2. There was a notable change in purchase results in the fiscal year under review. This change was mainly caused by the increase in purchases of PS machines in the Amusement Equipment Business.

(2) Management's Discussion and Analysis of Operating Results, etc.

Details concerning recognition, analysis, and discussion of operating results, etc. of the Group from a management perspective are as follows. Any forward-looking statements in this text are based on the understanding of the Group as of the end of the fiscal year under review.

I) Details concerning recognition, analysis, and discussion of operating results, etc. for the fiscal year under review

During the fiscal year under review, the Japanese economy maintained a moderate recovery trend, supported by a pickup in personal consumption and capital investment, although some issues remained, such as persistently high prices. Regarding the overseas economy, while uncertainties stemming from geopolitical risks and policy trends persist, a swift stabilization of the situation is highly anticipated. Under these economic conditions, the entertainment and content market, our focus area, is becoming increasingly vitalized. With government support further boosting the global attention on Japanese IP, we are seeing the emergence of companies capturing global business opportunities for growth, as well as those attracting high expectations by launching new IP-driven business initiatives.

With Tsuburaya Productions Co., Ltd., a veteran in the IP industry, as one of our core companies, the Group has remained committed to our philosophy, *The Greatest Leisure for All People*. To effectively convert this momentum into revenue, we have simultaneously reinforced our operational base and channeled investments into growth sectors, consistently executing strategies aimed at sustainable growth and the creation of long-term corporate value.

As the driving force of our amusement equipment business, FIELDS CORPORATION has solidified its market presence and expanded its market share by continuously providing pachinko/pachislot (PS) machines that align with the needs of pachinko parlor operators.

II) Analysis and discussion of cash flow status and information on capital resources and fund liquidity

The Group's cash flow for the fiscal year under review is written in [2] Overview of business 4. Management analysis of financial position, operating results and cash flows (1) Overview of conditions such as operating results III) Cash flows.

The Group's main capital needs are working capital and capital expenditures. We plan to meet these capital needs with cash flow generated by sales activities, cash on hand, and by borrowing it from financial institutions.

The Group and some subsidiaries have introduced CMS (Cash Management Service) to concentrate excess working capital on hand to us for central management in an effort to improve capital efficiency. We signed an overdraft agreement for unexpected capital needs and are prepared for liquidity risks.

III) Significant accounting estimates and assumptions

We prepare our consolidated financial statements based on accounting standards that are generally accepted as fair and appropriate in Japan. When we are preparing these consolidated financial statements, we use estimates and assumptions that impact the figures to be reported for assets, liabilities, revenues, and expenses, but the figures based on these estimates and assumptions may differ from actual results.

Significant accounting estimates and assumptions used when preparing consolidated financial statements are written in [5] Financial Information, 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes (major accounting estimates).

5. Critical Contracts, etc.

FIELDS CORPORATION (consolidated company)

Name of the counterparty	Contract item	Contents of the contract	Contract period
Bisty Co., Ltd.	Pachislot machines	PS Basic Sale and Purchase Agreement for PS manufactured by Bisty Co., Ltd. that only FIELDS can sell	From October 1, 2013 until September 30, 2014 Renews automatically every year hereafter
	Pachinko machines	Sales Consignment Agreement for PS sold by Bisty Co., Ltd. that only FIELDS can sell	From October 1, 2013 until September 30, 2014 Renews automatically every year hereafter

*PS: pachinko/pachislot

6. Research and Development Activities

Not applicable.

[3] Information About Facilities

1. Overview of Capital Expenditures

The amount of capital expenditures for the fiscal year under review was ¥1,323 million, which was mainly used for acquiring business assets. Broken down for each segment, we made ¥774 million in capital expenditures in the Content and Digital Business, ¥470 million in the Amusement Equipment Business, ¥11 million in other businesses, and ¥66 million across the entire Group.

2. Status of Major Facilities

(1) Reporting Company

As of March 31, 2026

Site name (location)	Segment name	Facility details	Carrying amounts (millions of yen)					Number of employees (people)
			Buildings and structures	Tools, furniture and fixtures	Land (m^2)	Other	Total	
Head Office (Shibuya-ku, Tokyo)	Corporate	Head Office, etc.	122	37	0 (16.14)	-	160	110

(2) Domestic Subsidiaries

As of March 31, 2026

Company Name	Site name (location)	Number of branches and offices (stores)	Segment name	Facility details	Carrying amounts (millions of yen)					Number of employees (people)
					Buildings and structures	Tools, furniture and fixtures	Land (m^2)	Other	Total	
Tsuburaya Productions Co., Ltd.	Head Office (Shibuya-ku, Tokyo)	1	Content and Digital Business	Head Office, etc.	706	736	277 (1,187.00)	289	2,010	217
Digital Frontier Inc.	Head Office (Shibuya-ku, Tokyo) and others	2	Content and Digital Business	Head Office, etc.	94	227	-	0	321	256
FIELDS CORPORATION	Head Office (Shibuya-ku, Tokyo)	1	Amusement Equipment Business	Head Office, etc.	31	307	-	480	819	393
	Hokkaido-Tohoku Regional Office Sapporo Branch (Sapporo-shi, Hokkaido) and others	4	Amusement Equipment Business	Regional offices and branches, etc.	17	26	36 (330.61)	-	80	36
	Tokyo-North Kanto Regional Office Tokyo Branch (Shibuya-ku, Tokyo) and others	8	Amusement Equipment Business	Regional offices and branches, etc.	15	11	-	-	27	91
	Nagoya Regional Office Nagoya Branch (Nakagawa-ku, Nagoya-shi) and others	4	Amusement Equipment Business	Regional offices and branches, etc.	104	13	-	-	117	45
	Osaka regional office Osaka branch office (Osaka-shi, Osaka) and others	3	Amusement Equipment Business	Regional offices and branches, etc.	13	14	350 (2,000.03)	-	377	46
	Chugoku-Shikoku Regional Office Hiroshima Branch (Hiroshima-shi, Hiroshima) and others	3	Amusement Equipment Business	Regional offices and branches, etc.	15	3	-	-	18	31
	Kyushu Regional Office Fukuoka Branch (Fukuoka-shi, Fukuoka) and others	4	Amusement Equipment Business	Regional offices and branches, etc.	7	7	-	-	15	42
	Sales Outlets (Shibuya-ku, Tokyo) and others	2	Other	Sales outlets, etc.	32	40	-	-	72	-
SOPHIA Co., Ltd.	Head Office (Ota-shi, Gunma)	1	Amusement Equipment Business	Head Office	1	0	703 (39,961.26)	2	706	16
	Kiryu Office (Kiryu-shi, Gunma)	1	Amusement Equipment Business	Office	-	-	314 (28,656.36)	-	314	-

Company Name	Site name (location)	Number of branches and offices (stores)	Segment name	Facilities	Carrying amounts (millions of yen)					Number of employees (people)
					Buildings and structures	Tools, furniture and fixtures	Land (m^2)	Other	Total	
ACE DENKEN Co., Ltd.	Head Office (Taito-ku, Tokyo)	1	Amusement Equipment Business	Head Office, etc.	390	43	914 (582.42)	8	1,357	62
	East Japan Regional Office (Taito-ku, Tokyo) and others	10	Amusement Equipment Business	Regional offices and sales offices, etc.	4	0	-	0	5	28
	Chubu Regional Office (Nagoya-shi, Aichi) and others	3	Amusement Equipment Business	Regional offices and sales offices, etc.	10	1	-	-	12	33
	Kansai Regional Office (Osaka-shi, Osaka) and others	8	Amusement Equipment Business	Regional offices and sales offices, etc.	86	6	848 (738.46)	2	944	45
Shinko MechatroTech Co., Ltd.	Head Office (Hanamaki-shi, Iwate)	1	Amusement Equipment Business	Head Office, etc.	1	107	509 (52,544.97)	1	619	99
LUCENT, INC.	Real Estate Rental Business (Nagoya-shi, Aichi) and others	-	Amusement Equipment Business	Real Estate Rental Business	691	34	1,640 (6,631.52)	-	2,366	-

(Notes) 1. “Other” in carrying amounts includes machinery, equipment, and vehicles as well as construction in progress.
2. Figures for carrying amounts are before eliminating unrealized profits from transactions within the Group.

(3) Overseas Subsidiaries

Description is omitted as there are no major facilities.

3. Planned Addition, Retirement, and Other Changes of Facilities

Not applicable.

[4] Information About Reporting Company

1. Company's Shares, etc.

(1) Total Number of Shares

I) Authorized Shares

Class	Total number of authorized shares (shares)
Common stocks	277,600,000
Total	277,600,000

II) Issued Shares

Class	Number of issued shares as of the end of the fiscal year (shares) (March 31, 2026)	Number of issued shares as of the filing date (shares) (June 16, 2026)	Name of financial instruments exchange on which securities are listed or authorized financial instruments firms association to which securities are registered	Description
Common stocks	65,429,150	65,429,150	Prime Market of the Tokyo Stock Exchange	Standard shares with no restrictions on shareholder rights. There are 100 shares per unit.
Total	65,429,150	65,429,150	-	-

(2) Share Acquisition Rights

I) Employee Stock Option Plans

Details of the stock option plan are described in [5] Financial Information, 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes (Matters Related to Stock Options, etc.).

II) Rights Plans

Not applicable.

III) Other Share Options for Other Uses

Not applicable.

(3) Corporate Bond Certificates, etc. with Share Options Subject to Exercise Value Change

Not applicable.

(4) Changes in Total Number of Issued Shares, Share Capital and Legal Capital Surplus

Date	Change in total number of issued shares (shares)	Balance of total number of issued shares (shares)	Change in share capital (million yen)	Balance of share capital (million yen)	Change in capital reserve (million yen)	Balance of capital reserve (million yen)
March 22, 2023	34,700,000	69,400,000	-	7,948	-	7,994
May 31, 2024	(3,970,850)	65,429,150	-	7,948	-	7,994

(Notes) 1. Based on the resolution of the Board of Directors meeting held on March 6, 2023, a stock split was conducted at a ratio of two shares for each share of common stock, effective March 22, 2023. As a result, the total number of issued shares increased by 34,700,000 shares.

2. Based on the resolution of the Board of Directors meeting held on May 14, 2024, treasury shares were cancelled effective May 31, 2024. As a result, the total number of issued shares decreased by 3,970,850 shares.

(5) Shareholding by Shareholder Category

As of March 31, 2026

Class	Status of shares (number of shares constituting one unit: 100 shares)								Status of shares less than one unit (shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (persons)	-	16	41	113	152	107	18,344	18,773	-
Number of shares held (units)	-	106,251	19,504	39,735	88,891	444	398,994	653,819	47,250
Shareholding ratio (%)	-	16.25	2.98	6.08	13.60	0.07	61.02	100.00	-

(Note) 3,176,705 shares of treasury shares are included as 31,767 units in the “individuals and others” section and 5 units in the “shares less than one unit” section.

(6) Major Shareholders

As of March 31, 2026

Name	Address	Number of shares held (shares)	Ratio of shares held to the total number of issued shares (excluding treasury shares) (%)
Hidetoshi Yamamoto	Setagaya-ku, Tokyo	15,250,000	24.50
Takashi Yamamoto	Setagaya-ku, Tokyo	7,225,600	11.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1, Akasaka, Minato-ku, Tokyo	4,674,900	7.51
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	4,497,600	7.22
Mint Co.	2- 24-15, Minami-Aoyama, Minato-ku Tokyo	3,200,000	5.14
Hideyuki Kayamori	Kasugai-shi, Aichi	1,962,800	3.15
BBH BOSTON CUSTODIAN FOR JAPAN VALUE EQUITY CONCENTRATED FUND A SERIES OF 620135 (Standing proxy: Settlement Business Division, Mizuho Bank, Ltd.)	HARBOUR PLACE, 4TH FLOOR, 103 SOUTH CHURCH STREET, GEORGE TOWN GRAND CAYMAN CAYMAN ISLANDS (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo,)	1,139,900	1.83
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Settlement Business Division, Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo,)	1,013,130	1.63
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo)	1,006,100	1.62
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Business Division, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1 BOSTON, MASSACHUSETTS (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	911,575	1.46
Total	-	40,881,605	65.67

(Notes) 1. Shares held by the Master Trust Bank of Japan, Ltd. (Trust Account), the Custody Bank of Japan, Ltd. (Trust Account), and the Nomura Trust and Banking Co., Ltd. (Trust Account) are all shares related to trust businesses.

2. The Company holds 3,176,705 treasury shares, but is excluded from the list of major shareholders above.

3. Shareholding ratios are calculated after deducting treasury shares.

4. Although the statement of large-volume holdings (statement of changes) made available for public inspection on January 22, 2026, states that Capital Research and Management Company held the following shares as of January 15, 2026, it has not been included in the major shareholders above as the Company was not able to confirm the actual number of shares held as of the end of the current fiscal year.

The content of the statement of large-volume holdings (statement of changes) is as follows:

Name	Address	Number of share certificates, etc. held (shares)	Ratio of share certificates, etc. held (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A	3,043,400	4.65

5. Although the statement of large-volume holdings (statement of changes) made available for public inspection on March 19, 2026, states that NOMURA SECURITIES CO., LTD. and two joint holders held the following shares as of March 13, 2026, they have not been included in the major shareholders above as the Company was not able to confirm the actual number of shares held as of the end of the current fiscal year.

The content of the statement of large-volume holdings (statement of changes) is as follows:

Name	Address	Number of share certificates, etc. held (shares)	Ratio of share certificates, etc. held (%)
Nomura Securities Co., Ltd.	1-13-1, Nihonbashi, Chuo-ku, Tokyo	2,400	0.00
Nomura International plc	1 Angel Lane, London EC4R 3AB, United Kingdom	-102,266	-0.16
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	3,208,100	4.90

(7) Voting Rights

I) Issued Shares

As of March 31, 2026

Class	Number of shares	Number of voting rights (units)	Description
Shares with no voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stocks 3,176,700	-	-
Shares with full voting rights (other)	Common stocks 62,205,200	622,052	Standard shares with no restrictions on shareholder rights.
Shares less than one unit	Common stocks 47,250	-	-
Total number of issued shares	65,429,150	-	-
Total voting rights held by all shareholders	-	622,052	-

(Note) 5 treasury shares are included in the “Shares less than one unit” section.

II) Treasury Shares, etc.

As of March 31, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name	Number of shares held in others’ names	Total number of shares held	Ratio of shares held to the total number of issued shares (%)
(Treasury shares) TSUBURAYA FIELDS HOLDINGS INC.	16-17, Nanpeidaicho, Shibuya-ku, Tokyo	3,176,700	-	3,176,700	4.86
Total	-	3,176,700	-	3,176,700	4.86

(Note) The Company holds 5 treasury shares in addition to the above.

2. Acquisition and Disposal of Treasury Shares

Class of Shares, etc.

Acquisition of common stock pursuant to Article 155, item (vii) of the Companies Act

(1) Acquisition by Resolution of Shareholders' Meeting

Not applicable.

(2) Acquisition by Resolution of Board of Directors Meeting

Not applicable.

(3) Acquisition Not Based on Resolution of Shareholders' Meeting or Board of Directors Meeting

Class	Number of shares (shares)	Total value (yen)
Treasury shares acquired in the current fiscal year	5	9,090
Treasury shares acquired during the current period	-	-

(Note) The treasury shares acquired during the current period do not include shares purchased from holders of shares less than one unit from June 1, 2026, up to the filing date of this Annual Securities Report.

(4) Disposal of Acquired Treasury Shares and Number of Treasury Shares Held

Class	Current fiscal year		During the current period	
	Number of shares (shares)	Total value of disposals (yen)	Number of shares (shares)	Total value of disposals (yen)
Shares of acquired treasury shares that went on solicitation of subscribers	-	-	-	-
Shares of acquired treasury shares retired	-	-	-	-
Treasury shares acquired through transfers related to mergers, share exchanges, partial share exchanges, or company splits	-	-	-	-
Other (disposal of treasury shares from restricted stock compensation)	36,000	38,268,000	400	425,200
Treasury shares held	3,176,705	-	3,176,305	-

3. Dividend Policy

As per our basic policy on the distribution of profits, 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.

As a Group engaged in a global content business, we recognize that continuous investment is essential for sustainable growth. Based on this philosophy, we intend to aggressively reinvest cash generated from steady profit growth into the structural reform of our IP businesses to further enhance corporate value.

Going forward, we will strive to provide stable and continuous shareholder returns including dividends, while maintaining a careful balance between business investment for future growth and steady profit increases.

Dividends for the current and next fiscal years

Regarding the year-end dividend for the fiscal year ended March 31, 2026, we have decided to increase the dividend by 20 yen from the previous forecast of 50 yen, resulting in a revised dividend of 70 yen per share. This decision was made to further strengthen shareholder returns, based on a comprehensive review of the above policy and recent steady financial performance. This proposal will be submitted to the 38th Annual General Meeting of Shareholders scheduled for June 17, 2026.

Furthermore, for the next fiscal year's dividend forecast, we plan to pay a year-end dividend of 70 yen per share (unchanged from the current fiscal year), reflecting our strong commitment to business growth and our ongoing proactive stance on shareholder returns.

Dividends of surplus for which the record date falls within the current fiscal year are as follows:

Date of resolution		Total dividend amount (million yen)	Dividend per share (yen)
June 17, 2026	Resolution at the Annual General Meeting of Shareholders (scheduled)	4,357	70

4. Corporate Governance

(1) Overview of Corporate Governance

I) Basic Policy on Corporate Governance

The Company's mission is to provide *The Greatest Leisure for All People*, which is its corporate philosophy, and its basic management policy is to continuously enhance corporate value.

To realize this basic policy, the Company believes that effectively functioning corporate governance is one of its key management priorities.

In order to enhance management soundness, transparency, and compliance awareness, and while working to strengthen its corporate governance, the Company has established an organizational structure capable of responding quickly and flexibly to changes in the business environment and is conducting efficient management.

Furthermore, in order to strengthen the audit and supervisory functions over the Board of Directors, facilitate rapid decision-making, and ensure agile business execution, the Company transitioned from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee at the General Meeting of Shareholders held in June 2025.

II) Overview of the Corporate Governance System and Reasons for its Adoption

・ i) Overview of Corporate Governance System

(Directors and the Board of Directors)

The Company's Board of Directors is composed of eight directors (including four outside directors). In addition to holding a Board of Directors meeting once a month, extraordinary meetings are held as necessary, deciding on important management matters and reporting on and supervising the status of business execution, thereby maintaining a system capable of making swift management decisions. Furthermore, various rules and regulations covering all internal business operations have been comprehensively established, and under clearly documented rules, each position is structured to execute operations with clear authority and responsibility.

The specific agenda items for the Board of Directors during the fiscal year ended March 2026 are as follows:

1) Regular agenda items

- Matters related to management plans, including the medium-term management plan
- Matters related to financial results, including the approval of financial results
- Matters related to general meetings of shareholders, including the convocation of general meetings of shareholders and the determination of proposals
- Matters related to organizational restructuring, including the restructuring of the executive officer structure
- Monthly performance reports
- IR reports
- Matters related to the evaluation of the effectiveness of the Board of Directors
- Matters related to directors' and officers' (D&O) liability insurance

2) Non-regular agenda items

- Matters related to IP strategy
- Voluntary reports from various committees

In addition to a total of 10 Board of Directors meetings, there were five written resolutions deemed to be Board of Directors resolutions under Article 370 of the *Companies Act* and Article 25 of the *Company's Articles of Incorporation*.

Title	Name	Number of meetings attended
President	Hidetoshi Yamamoto	10/10 times
Senior Managing Director	Ei Yoshida	10/10 times
Senior Managing Director	Masayuki Nagatake	10/10 times
Director	Kenichi Ozawa	10/10 times
Outside Director	Kimie Morishita	10/10 times
Outside Director (Audit and Supervisory Committee Member)	Tetsuo Komori	10/10 times
Outside Director (Audit and Supervisory Committee Member)	Keiichi Maeda	10/10 times
Outside Director (Audit and Supervisory Committee Member)	Kenichi Ikezawa	10/10 times

(Notes) 1. Mr. Takayuki Tsukagoshi, Mr. Takashi Yamamoto, Mr. Yusaku Toyoshima, Mr. Hiroyuki Yamanaka, Mr. Shigesato

Itoi, Ms. Yoriko Aelvoet, Mr. Katsuya Shirai, Mr. Tetsuo Komori and Mr. Keiichi Maeda retired from their positions as directors at the conclusion of the 37th Annual General Meeting of Shareholders held on June 18, 2025.

2. Mr. Kenichi Ikezawa, Mr. Yoshika Furuta and Mr. Masakazu Kurihara retired from their positions as Audit and Supervisory Board members at the 37th Annual General Meeting of Shareholders held on June 18, 2025.
3. Mr. Tetsuo Komori, Mr. Keiichi Maeda and Mr. Kenichi Ikezawa have been appointed and assumed office as Directors of the Audit and Supervisory Committee at the 37th Annual General Meeting of Shareholders held on June 18, 2025.

(Corporate officers)

The Company has adopted a corporate officer system.

(Audit and Supervisory Committee members and the Audit and Supervisory Committee)

The Company has established an Audit and Supervisory Committee, which is comprised of three Directors of the Audit and Supervisory Committee (including three Outside Directors). In addition to holding a regular committee meeting once a month, the Committee holds ad hoc meetings as necessary to audit and supervise the execution of duties by Directors who are not Audit and Supervisory Committee members. Specifically, with the attendance of the Internal Audit Office, the Committee provides opportunities for individual interviews with Directors and key employees. Furthermore, the Audit and Supervisory Committee and the Internal Audit Office hold quarterly meetings to exchange opinions with the accounting auditor. They also attend interim and year-end audits conducted by the accounting auditor, thus ensuring that audit operators are performed with close cooperation among the three parties.

The specific agenda items and the status of activities of the Audit and Supervisory Committee for the fiscal year ended March 2026 are described in “4. Corporate Governance, (3) Audits, I) Status of Audits by the Audit and Supervisory Committee.”

(Group Nomination and Compensation Committee)

The Company has established a Group Nomination and Compensation Committee, which reports to the Board of Directors on the nomination and compensation of directors. It consists of two outside directors (including one chairperson) and two internal directors.

The specific agenda items discussed by the Group Nomination and Compensation Committee during the fiscal year ended March 2026 are as follows:

- Matters related to the review of the next management and executive structure
- Matters related to the review of the Directors’ skill matrix
- Matters concerning the review of succession planning and the utilization of diverse human resources
- Matters related to evaluation of the effectiveness of the Board of Directors
- Matters concerning the formulation of an executive remuneration system

The Group Nomination and Compensation Committee held 11 meetings from April 2025 to March 2026. Attendance at these meetings was as follows:

Title	Name	Number of meetings attended
President	Hidetoshi Yamamoto	11/11 times
Senior Managing Director	Masayuki Nagatake	11/11 times
Outside Director	Tetsuo Komori	11/11 times
Outside Director (Committee Chairperson)	Keiichi Maeda	11/11 times

(Group Sustainability Committee)

The Company has established the Group Sustainability Committee as an advisory body to report on important matters concerning sustainability and risk management to the Board of Directors. The Committee consists of two Outside Directors, two Internal Directors (including one chairperson), and one Corporate Officer, building a structure that enables deliberations from diverse and specialized perspectives. Furthermore, the Committee actively incorporates the latest relevant expertise in the sustainability field, including risk management, while receiving support from external consultants, thereby aiming to improve the quality of decision-making by the Board of Directors.

The specific agenda items of the Group Sustainability Committee for the fiscal year ending March 31, 2026, are as follows:

(Matters related to Risk Management)

- Matters concerning the basic policy and structural development of risk management
- Matters concerning material risks

(Details of Review Concerning Sustainability)

- Matters concerning the formulation of sustainability-related policies
- Matters concerning the enhancement of the effectiveness of sustainability-related policies
- Reports on evaluation results from ESG rating agencies

・ ii) Reasons for Adopting This System

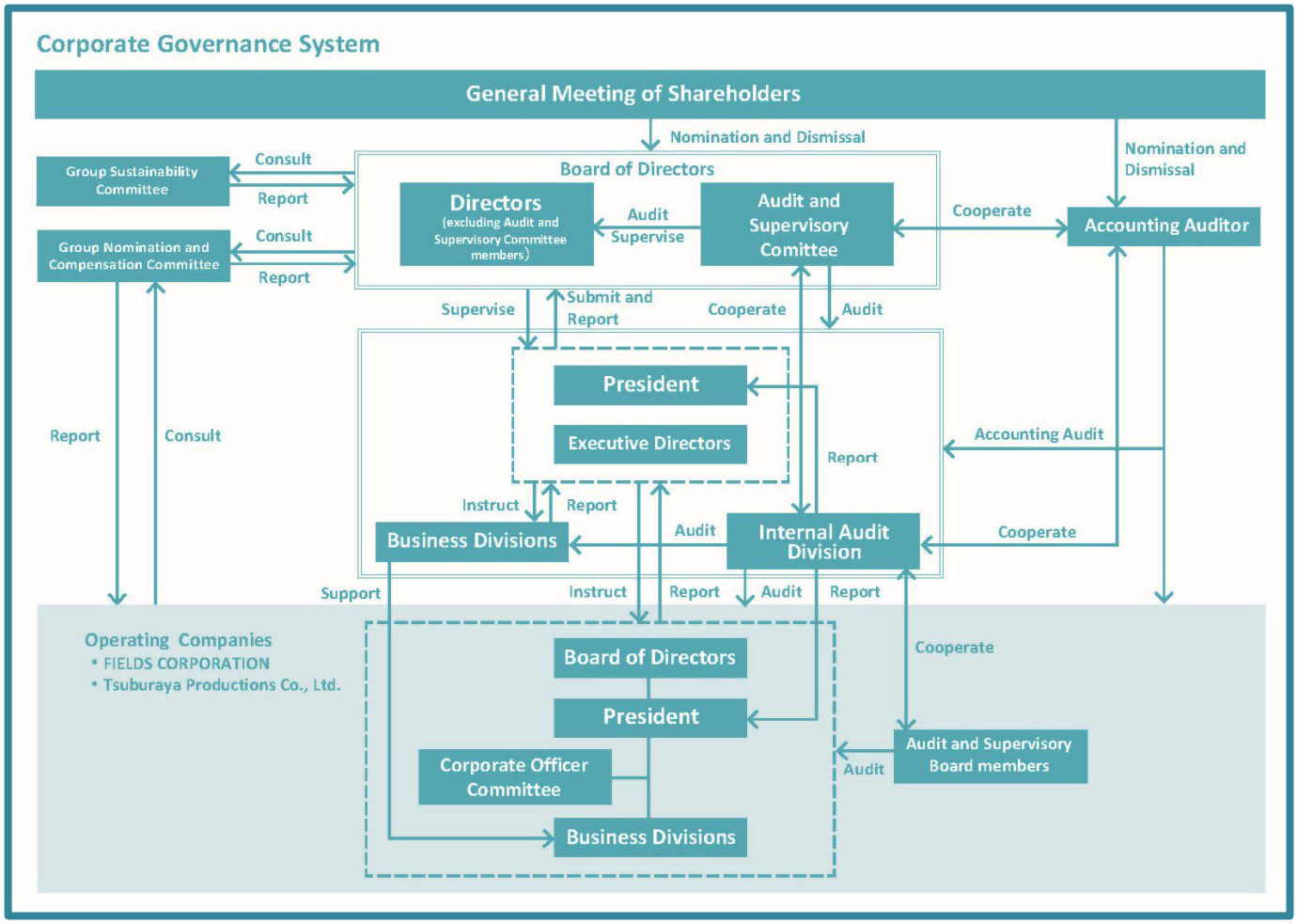
The Company believes that in order to continuously serve our corporate philosophy, *The Greatest Leisure for All People*, it is essential to have a strong management organization that takes appropriate risks in a rapidly changing business environment and takes on challenges boldly and swiftly to create corporate value.

To balance this proactive management with a robust defensive governance structure, the Company transitioned to a Company with an Audit and Supervisory Committee at the Annual General Meeting of Shareholders held in June 2025. Through this transition, the Company enhanced the oversight functions of the Board of Directors and established a swift decision-making structure by delegating operational authority to executive management.

While enhancing the agility of the executive side, the Company believes that sound and sustainable growth can be achieved by ensuring the effective functioning of a framework where the Audit and Supervisory Committee, the accounting auditor, the Group Nomination and Compensation Committee, and the Group Sustainability Committee check and support management from multifaceted perspectives.

・

・ Relationship Between Corporate Bodies and Internal Control



・ iii) Development of the Internal Control System

Based on the Companies Act and the Regulations for Enforcement of the Companies Act, the Company has resolved as follows at its Board of Directors meeting to develop a system to ensure the appropriateness of the Company's operations and the operations of the corporate group comprising the Company and its subsidiaries (hereinafter, "the Group").

1) Basic policy on business operations

Based on its corporate philosophy of *The Greatest Leisure for All People*, the Company will establish an effective corporate governance structure as a Company with an Audit and Supervisory Committee to achieve the continuous enhancement of corporate value. We have formulated the "Environmental Policy," "Human Rights Policy," "Sustainable Procurement Policy," and "Policy on Fair Economic Transactions" to promote sustainable management that pays attention to social sustainability. In addition, the Company will execute its operations with clear authority and responsibility, by building management mechanisms and organizational structures and by establishing various rules and regulations covering all internal business operations, in order to continuously enhance its corporate value.

2) Systems to ensure that the execution of duties by the Group's directors and employees complies with laws, regulations, and the Articles of Incorporation

a. The Group's directors and employees will endeavor to conduct lawful and fair business activities in accordance with the Group's Code of Corporate Conduct.
b. To ensure that the execution of duties by the Group's directors and employees is in strict compliance with laws and regulations, the Company will appoint a director responsible for compliance, establish and operate various compliance-related rules and regulations and an internal whistleblowing system, and conduct education and training to raise awareness of compliance among directors and employees. Regarding sustainability-related initiatives based on various policies, the Group Sustainability Committee will report on important matters to the Board of Directors as appropriate.
c. The Internal Audit Office, which is business execution divisions, will conduct internal audits on the status of compliance operations throughout the Group, and periodically report the results to the Company's President, the Audit and Supervisory Committee, and the presidents of each Group company.

3) Systems for the preservation and management of information related to the execution of duties by the Company's directors

a. Important documents, such as Board of Directors meeting minutes, approval request forms, and other information related to the duties of directors, will be preserved and managed in accordance with document management rules and regulations.
b. Directors shall be permitted to view the documents specified in the preceding paragraph at any time.

4) Regulations, rules and other systems for managing risks of loss within the Group

a. To ensure the Group's risk management systems, we have established the Group Sustainability Committee as an advisory body to the Board of Directors along with appointing a director responsible for risk management. In addition, risk management rules and regulations will be established to monitor the risk status of markets, investments, disasters and so on and to implement group-wide responses.
b. Each division within the Group will manage risks related to its own area of responsibility. In addition, each Group company will establish and operate rules concerning authority and decision-making, and endeavor to properly manage risks related to its business execution.
c. Education and training will be conducted to raise risk management awareness among directors and employees.
d. The Internal Audit Office will perform audits regarding the status of day-to-day risk management by each division within the Group. If correction or improvement is necessary, it will be reported to the Company's President, the Audit and Supervisory Committee, and the presidents of each Group company, and the responsible department or the audited department will promptly implement countermeasures.

5) Systems to ensure efficient execution of duties by the Group's directors and employees

a. In addition to holding Board of Directors meetings once a month, the Company will also convene extraordinary meetings as needed, thereby enabling decisions to be made promptly and efficiently.

b. The Company will adopt an executive officer system to expedite decision-making in business execution.

c. Based on its regulations governing division of business operations and authority, the Company will clarify responsibilities and authority within the Group, and aim to enhance the efficiency of business execution across the entire Group.

d. Based on the Group's management policies, each Group company will engage in close consultation with the Company regarding strategies and initiatives, and will manage its business in accordance with mutually agreed business plans. Furthermore, regarding day-to-day business execution, in accordance with applicable rules and regulations, each Group company will be mindful of discipline and efficiency, and will achieve coordination among organizations.

e. Based on its medium-term management plan and corresponding annual management plans, the Group will set Group-wide goals shared by directors and employees, and in addition to instilling these goals, it will execute business efficiently to achieve them.

6) Systems for ensuring proper reporting of matters relating to the execution of duties and for ensuring proper operations within the Group

a. The Company will establish Group company management regulations, obligating each Group company to periodically report to the Company on sales performance, financial status, and other important management information. In addition, the Company will endeavor to grasp qualitative issues such as compliance and risk management.

b. For subsidiaries and affiliates, the Company will work to ensure the appropriateness of operations such as through day-to-day communication, dispatching officers, and exercising voting rights.

c. With respect to transactions within the Group, the Company will establish and operate systems for conducting appropriate transactions in accordance with laws, regulations, accounting standards, and other social norms.

d. The Internal Audit Office will conduct internal audits on the operational status of each Group company, and report the results to the Company's President, the Audit and Supervisory Committee, and the presidents of each Group company.

e. Placing high importance on dialogue with stakeholders, the Group will actively disclose information via its website, etc., regarding prompt relief and corrective actions when human rights violations are confirmed, as well as the status and results of environmental initiatives specified in the Environmental Policy.

f. The Company will establish a department in charge of internal control for each Group company. In addition, the Company will create a system that allows for efficient consultation, information sharing, and communication of instructions/requests regarding internal control between the Company and Group companies.

7) Matters related to employees who are assigned to assist the company's Audit and Supervisory Committee members in their duties, matters related to the independence of such employees from directors, and matters related to ensuring the effectiveness of instructions given by the reporting company's Audit and Supervisory Committee members to such employees

a. The Company will assign employees to assist an Audit and Supervisory Committee member if requested by the Audit and Supervisory Committee members. Furthermore, if such employees concurrently hold positions in other departments, duties related to the Audit and Supervisory Committee members will take precedence.

b. Decisions regarding personnel evaluations, assignments, treatment, personnel transfers, disciplinary actions, and other matters concerning such employees will be made following discussion with the Audit and Supervisory Committee members.

8) Systems for reporting to the company's Audit and Supervisory Committee members

a. Upon discovering any significant violation of laws and regulations, facts that could cause damage to the Group, or

other material matters related to business operations, officers and employees of the Group will report to the Audit and Supervisory Committee members in a timely and appropriate manner. Persons who receive such reports will also promptly report them to the Audit and Supervisory Committee members.

b. Audit and Supervisory Committee members may, when necessary, request reports on material matters from officers and employees of the Group at any time.

c. In addition to attending Board of Directors meetings at Group companies, Audit and Supervisory Committee members may attend other important meetings related to business execution. The Company's Audit and Supervisory Committee members may also inspect the minutes or other relevant materials of such meetings, and request explanations of these materials.

d. The Group will establish an internal whistleblowing system, and the Company director responsible for compliance will centrally manage information relating to compliance across the entire Group, while periodically reporting relevant information to the Audit and Supervisory Committee members.

9) Systems for ensuring that persons who make a report to the Audit and Supervisory Committee members are not treated disadvantageously due to making the report

The Company will prohibit the disadvantageous treatment of persons who have made a report to the Audit and Supervisory Committee members due to making the report, and will thoroughly communicate this fact to the officers and employees of the Group.

10) Matters related to policies on procedures for prepayment or reimbursement of expenses that arise with regard to the execution of duties by the Audit and Supervisory Committee members, and on the handling of other expenses or reimbursement arising in relation to such execution of duties

Regarding expenses and obligations that arise with regard to the execution of duties by Audit and Supervisory Committee members, these will be processed smoothly and basically without limitation, except in cases where it is deemed that the expenses and obligations are not necessary for the execution of duties by the said Audit and Supervisory Committee members.

11) Other systems to ensure that audits by Audit and Supervisory Committee members auditors are performed effectively

a. Audit and Supervisory Committee members may request individual hearings with officers and employees of the Group at any time. In addition, Audit and Supervisory Committee members will periodically hold meetings to exchange opinions with the Company's President, the Internal Audit Office, and the accounting auditor.

b. The Audit and Supervisory Committee will hold meetings with Audit and Supervisory Board members of group companies to share information and exchange opinions.

c. When deemed necessary for the conduct of audits, Audit and Supervisory Committee members may consult with external experts, such as lawyers or certified public accountants, and the Company will bear the associated costs.

d. The Audit and Supervisory Committee will formulate the audit policies for the fiscal year, prepare audit plans, and ensure alignment with the annual internal audit plans formulated by the Internal Audit Division. Through attendance of director meetings and other important meetings, as well as regular consultative meetings and exchanges of opinions on a quarterly and other regular basis with the Internal Audit Division and the accounting auditor, the Committee will verify the effectiveness of the internal control system through organizational audits.

12) Systems for the exclusion of anti-social forces

a. The Group's basic policy is to sever all ties with anti-social forces and organizations, firmly rejecting their involvement in management activities and ensuring sound corporate management. The Group will also take a resolute stance as an organization against any contact with anti-social forces or organizations.

b. Even if unintentional ties with anti-social forces are discovered, a system will be established to promptly sever such ties by including clauses for the exclusion of anti-social forces in contracts and other relevant documents.

c. Thorough communication will be provided to officers and employees of each Group company to ensure that any and all ties with anti-social forces and organizations are severed.

d. A department for dealing with improper demands and the like will be specified. In addition to working to collect and manage information in cooperation with relevant institutions, such as the competent police station, it will take a resolute stance against improper demands.

・ iv) Establishment of Risk Management Systems

To establish a framework for risk management, the Company will appoint a director responsible for risk management and establish risk management basic rules and regulations. This system enables the monitoring of risks including those related to markets, investments, and disasters, and ensures a group-wide response.

Regarding the management of legal risks, the legal department will manage various contracts centrally. For important contracts, etc., in principle, all will be subject to legal checks by the corporate legal counsel. In this way, the Company strives to avoid unforeseen risks.

・ v) Overview of the Content of Limited Liability Agreements

Pursuant to the provisions of Article 427, paragraph (1) of the *Companies Act*, the Company has concluded agreements with each outside director to limit their liability for damages referred to in Article 423, paragraph (1).

For all agreements, the limit of liability for damages based on these agreements is set at the higher of ¥3 million or the minimum liability amount prescribed by law.

・ vi) Overview of the Content of Officer Indemnification Insurance Policies

The Company has concluded an officer indemnification insurance policy, as prescribed in Article 430-3, paragraph (1) of the *Companies Act*, with an insurance company. This includes Directors (including Directors who are Audit and Supervisory Committee members), Corporate Officers, and managerial employees of the Company, and Directors, Audit and Supervisory Board members, Corporate Officers, and managerial employees of the Company's subsidiaries as the insured persons. The Company bears the full cost of the insurance premiums.

The insurance policy indemnifies the insured persons for damages and litigation expenses, etc., that they would incur in cases where claims for damages are brought against them by shareholders or third parties.

Furthermore, as an initiative to ensure that proper execution of duties of the insured persons is not impaired, the policy excludes from coverage any compensation for loss or damage arising from intentional or criminal acts, etc. by the insured persons.

III) Provisions in the Articles of Incorporation Regarding the Number or Qualifications of Directors

・ i) Number of Directors

The Company has stipulated in its Articles of Incorporation that the number of directors shall be no more than 15.

・ ii) Resolution Requirements for Election of Directors

The Company has stipulated in its Articles of Incorporation that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present, where shareholders holding at least one-third of the voting rights of shareholders entitled to exercise voting rights are present. The Articles of Incorporation also stipulate that resolutions for the election of directors are not to be made by cumulative voting.

・ iii) Exemption from Liability for Former Directors and Former Audit and Supervisory Board Members

Regarding exemption from liability for former Directors and former Audit and Supervisory Board members, the Company has stipulated in its Articles of Incorporation that, in order to enable directors and Audit and Supervisory Board members to fully exercise the roles expected of them in the execution of their duties, the liability for damages of directors (including former directors) and former Audit and Supervisory Board members for neglecting their duties may be exempted by a resolution of the Board of Directors, to the extent permitted by law, pursuant to the provisions of Article 426, paragraph (1) of the *Companies Act*.

・ iv) Requirements for Special Resolutions at General Meetings of Shareholders

The Company has stipulated in its Articles of Incorporation that, in order to ensure the smooth operation of its general meetings of shareholders, special resolutions at general meetings of shareholders as specified in Article 309, paragraph (2) of the Companies Act shall be adopted by a majority of two-thirds or more of the voting rights of shareholders present, where shareholders holding at least one-third of the voting rights of shareholders entitled to exercise voting rights are present.

IV) Matters for Resolution at Generals Meeting of Shareholders that Can Be Resolved by the Board of Directors

(Acquisition of own shares)

The Company has stipulated in its Articles of Incorporation that, in order to enable flexible capital policies, it may acquire its own shares by a resolution of the Board of Directors, pursuant to the provisions of Article 165, paragraph (2) of the Companies Act.

(Interim dividends)

The Company has stipulated in its Articles of Incorporation that, in order to enable flexible shareholder return policies, it may distribute interim dividends by a resolution of the Board of Directors, with September 30 of each year as the record date, pursuant to the provisions of Article 454, paragraph (5) of the *Companies Act*.

(2) Officers

I) List of Officers

Male: seven, Female: one (ratio of female officers is 12.5%)

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
President and Group CEO	Hidetoshi Yamamoto	October 29, 1955	Jun. 1988 Apr. 2000 Jun. 2007 May 2018 Jun. 2019 Aug. 2022 Oct. 2022 Jun. 2024	Representative Director and President at the time of incorporation, FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC., hereinafter, "the reporting company") Outside Director, Tokyo Itoi Shigesato Office Co., Ltd. (currently Hobonichi Co., Ltd.) (current position) Chairman and CEO, the reporting company Chairman, President and Group CEO, the reporting company President, Total Workout premium management Inc. (current position) President and Group CEO, the reporting company Director and Chairman, FIELDS CORPORATION President and Group CEO, the reporting company (current position)	(Note) 2	15,250,000
Senior Managing Director and Chief Officer of Amusement Equipment Business Segment	Ei Yoshida	May 5, 1962	Apr. 1987 Nov. 2000 May 2005 Jun. 2007 Mar. 2010 Apr. 2016 Jun. 2016 Jun. 2017 Apr. 2020 Apr. 2021 Oct. 2022 Jun. 2024 Jun. 2025	Joined the Nittaku Enterprise Managing Executive Officer, Nittaku Enterprise Managing Director, G&E Corporation President, G&E Corporation Representative Director and President, SOGO MEDIA INC. Joined the reporting company as corporate officer, division manager, PS Business Management Division Senior Managing Director, Division Manager, PS Business Management Division, the reporting company Director, SOGO MEDIA INC. (current position) Director, G&E Corporation Senior Managing Director, the reporting company Senior Managing Director, in charge of Group Business Strategy Division and Pachinko Parlors Sales Division, the reporting company Director, the reporting company President and Representative Director, FIELDS CORPORATION (current position) Senior Managing Director, the reporting company Senior Managing Director and Chief Officer of Amusement Equipment Business Segment, the reporting company (current position)	(Note) 2	190,000

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Senior Managing Director and Chief Officer of Content and Digital Business Segment	Masayuki Nagatake	January 11, 1969	Apr. 1991	Joined Nomura Asset Management Co., Ltd.	(Note) 2	145,000
			Apr. 1999	Vice President, Goldman Sachs Japan Co., Ltd.		
			Nov. 2001	Director, Finance and Accounting Department, FAST RETAILING CO., LTD.		
			Apr. 2002	Chief Executive Officer, UNIQLO (U.K.) Ltd.		
			May 2009	Joined TOMY Company, Ltd.		
			Jul. 2011	Executive Officer, TOMY Company, Ltd.		
			Feb. 2016	President and Chief Operating Officer, TOMY International, Inc.		
			Jan. 2018	Executive Officer, Head of President Office, TOMY Company, Ltd.		
			Apr. 2019	President and COO, Tsuburaya Productions Co., Ltd.		
			Jun. 2022	Director, FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC., the reporting company)		
			Jun. 2025	Representative Director and President, Tsuburaya Productions Co., Ltd. (current position)		
				Senior Managing Director and Chief Officer of Content and Digital Business Segment, the reporting company (current position)		
Director and Group CFO, Division Manager, Group Business Strategy Division	Kenichi Ozawa	November 20, 1966	Apr. 1990	Joined Saitama Bank, Ltd.	(Note) 2	115,000
			May 2005	Joined Mizuho Securities Co., Ltd.		
			Sep. 2006	Joined Rakuten, Inc.		
			Oct. 2008	General Manager, Accounting Department, Rakuten, Inc.		
			Jan. 2010	Joined the reporting company as deputy division manager, Planning and Administration Division		
			Apr. 2010	Corporate Officer, Deputy Division Manager, Planning and Administration Division, the reporting company		
			Jun. 2014	Managing Director, the reporting company		
			May 2018	Director, Group Strategy Office, the reporting company		
			Apr. 2020	Director, Division Manager, Group Strategy Division, the reporting company		
			Jun. 2022	Director, SPO Entertainment Inc. (current position)		
				Audit and Supervisory Board member, Tsuburaya Productions Co., Ltd. (current position)		
				Audit and Supervisory Board member, Digital Frontier Inc. (current position)		
			Aug. 2022	Director, in charge of group finance, Division Manager, Group Business Strategy Division, the reporting company		
			Oct. 2022	Audit and Supervisory Board member, FIELDS CORPORATION (current position)		
			Jun. 2024	Director and Group CFO, Division Manager, Group Business Strategy Division, the reporting company (current position)		
			Feb. 2025	Audit and Supervisory Board member, ACE DENKEN Co., Ltd. (current position)		

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Director (Outside)	Kimie Morishita	August 18, 1967	Apr. 1993	Joined DENTSU INC.	(Note) 2	-
			Sep. 2001	Joined McKinsey & Company Japan as associate		
			May 2003	Joined DENTSU INC.		
			Apr. 2012	Director, Dentsu Aegis Network Division, DENTSU INC.		
			Oct. 2016	Director of CEO Office, Dentsu Aegis Network China, DENTSU INC. (Shanghai)		
			Jul. 2018	General Manager, Dentsu Innovation Initiative – Innovation Intelligence Department, DENTSU INC.		
			Mar. 2019	Head of Global Business Center Network Development office, General Manager, Network Solutions Department, DENTSU INC.		
			Apr. 2019	Director, Dentsu isobar Inc. (Part-time)		
				Director, Carat Japan K.K. (Part-time)		
				Director, iProspect Japan K.K. (Part-time)		
				Director, Vizeum Japan K.K. (Part-time)		
			Jan. 2020	Director, dentsu X Japan Inc. (Part-time)		
			Jun. 2021	Joined Ryohin Keikaku Co., Ltd., Executive Officer, in charge of PR & ESG Division, Open Communications Division, and Customer Relations Office		
			Jun. 2023	Outside Director (Audit and Supervisory Committee Member), SPARX Group Co., Ltd. (current position)		
				Outside Corporate Auditor, SPARX Asset Management Co., Ltd. (current position)		
			Mar. 2024	Outside Director, Asahi Soft Drinks Co., Ltd.		
			Jul. 2024	Director (Outside), the reporting company (current position)		
			Mar. 2025	Director (Outside), YUDA Milk Corporation (current position)		
			Mar. 2026	Adviser, Asahi Soft Drinks Co., Ltd. (current position)		

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Director, Audit and Supervisory Committee Member (Outside)	Tetsuo Komori	December 1, 1958	Apr. 1984	Joined McKinsey & Company Inc.	(Note) 3	-
			Dec. 1993	Principal (partner), McKinsey & Company Inc.		
			Jun. 2002	President, ASCII CORPORATION		
			Nov. 2003	Chairman and Executive Director, MediaLeaves, Inc.		
			Jun. 2004	Management Advisor, Unison Capital, Inc. Auditor, TOMOEGAWA CO., LTD.		
			Jun. 2005	Outside Director, TOMOEGAWA CO., LTD. (currently TOMOEGAWA CORPORATION)		
			Feb. 2006	Director, President and CEO, Kanebo, Ltd.		
			May 2006	Director CEO and President Corporate Officer, Kanebo Trinity Holdings, Ltd. Representative Director, Kanebo Home Products, Ltd. Representative Director, Kanebo Pharmaceuticals, Ltd. Representative Director, Kanebo Foods, Ltd.		
			Aug. 2009	Management Advisor, Unison Capital, Inc.		
			Mar. 2015	Outside Director, Nissen Holdings Co., Ltd.		
			Oct. 2015	President and Representative Director, Ken Depot Corporation		
			Jun. 2016	Outside Director (Chair of Audit and Supervisory Committee), TOMOEGAWA CO., LTD.		
			Jul. 2021	Representative Director and President, K.K. Asian Personal Care Holding (currently FineToday Holdings Co., Ltd.) (current position) Representative Director and CEO, Fine Today Shiseido Co., Ltd. (currently FineToday Co., Ltd.) (current position)		
			Jun. 2022	Outside Director, the reporting company		
			Jun. 2024	Advisor, TOMOEGAWA CORPORATION (current positon)		
			Jun. 2025	Outside Director (Audit and Supervisory Committee), the reporting company (current position)		
			Mar. 2026	Director, Fine Today Industries Co., Ltd. (current position)		

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Director, Audit and Supervisory Committee Member (Outside)	Keiichi Maeda	July 6, 1957	Apr. 1982	Joined DENTSU INC.	(Note) 3	-
			Jul. 1997	General Manager, Corporate Planning Office, DENTSU INC.		
			Jan. 2002	Deputy Director-General, Corporate Planning Office, DENTSU INC.		
			Jun. 2003	Deputy Director-General, Account Planning Solutions Bureau and General Manager, Campaign Planning Office, DENTSU INC.		
			Apr. 2010	Director-General, Newspaper Bureau, DENTSU INC.		
			Apr. 2013	Corporate Officer, Assistant to Head of Domestic Business, and Director-General, Business Administration Bureau, DENTSU INC.		
			Jan. 2016	Corporate Officer, in charge of Sales/Olympic Sales Promotion and Digital Sales Promotion, DENTSU INC.		
			Jan. 2017	President, DENTSU LIVE INC.		
				Corporate Officer, in charge of promotion area, DENTSU INC.		
			Jan. 2018	Corporate Officer, in charge of internal audit, DENTSU INC.		
			Jan. 2020	Executive Advisor, Dentsu Group Inc.		
			Jan. 2021	President and Representative Director, K.K. Gakugeikai (current position)		
			Jun. 2022	Outside Director, the reporting company		
			Jun. 2025	Outside Director (Audit and Supervisory Committee), the reporting company (current position)		

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Director, Audit and Supervisory Committee Member (Outside)	Kenichi Ikezawa	December 4, 1947	Apr. 1973 Apr. 1978 Jun. 1988 May 1990 May 1994 Sep. 1997 Sep. 1998 Dec. 2000 Jun. 2001 Jan. 2009 Jun. 2012 Jun. 2025	Joined Sony Corporation Accounting and Financial Director, Sony France S.A. Senior Manager, Budget Section, Accounting Department, Sony Corporation Accounting and Financial Director, Sony Corp. of America Administrative Director, Sony Corporation of Hong Kong Ltd. General Manager, International Accounting Department, Sony Corporation General Manager, Accounting Department, Sony Corporation Joined Benesse Corporation as a general manager of Strategy and Planning Department Joined Hermès Japon Co., Ltd. as a corporate officer, Administrative General Manager Joined Oki Data Corporation as an advisor Outside Audit and Supervisory Board member, the reporting company Outside Director (Audit and Supervisory Committee), the reporting company (current position)	(Note) 3	2,000
Total						15,702,000

(Notes) 1. Ms. Kimie Morishita, Mr. Tetsuo Komori, Mr. Keiichi Maeda, and Mr. Kenichi Ikezawa are outside directors as prescribed in the *Companies Act*.

2. The term of office for directors (excluding directors who are Audit and Supervisory Committee members) is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 2026.

3. The term of office for Audit and Supervisory Committee members is from the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 2025 to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 2027.

4. At the 37th Annual General Meeting of Shareholders held on June 18, 2025, Mr. Tetsuo Komori, Mr. Keiichi Maeda and Mr. Kenichi Ikezawa were newly elected as directors of the Audit and Supervisory Committee.

5. The Company has introduced a corporate officer system for efficient business execution.
Mr. Takashi Yamamoto has been appointed as senior managing corporate officer. Mr. Yusaku Toyoshima, Mr. Hiroyuki Yamanaka and Mr. Mitsuo Akita have been appointed as managing corporate officers. Mr. Tetsuya Watanabe, and Mr. Tadamasa Oshio have been appointed as senior corporate officers. Mr. Satoshi Kato, Mr. Kei Kurosawa, and Mr. Kei Minamitani have been appointed as corporate officers.

II) Outside Officers

One of the Company's outside directors held 2,000 shares of the Company as of the end of the fiscal year under review. Furthermore, there are no special interests between them and the Company.

Functions and roles performed by outside officers in corporate governance, and reasons for their appointment

<Outside Directors>

• Ms. Kimie Morishita

Outside director, Ms. Kimie Morishita is well-versed in communication strategy, branding, and PR fields both within and outside Japan, and possesses advanced knowledge and expertise based on abundant experience. Leveraging this experience and insight, she has provided important and useful advice to the Company on its management indicators from an independent standpoint and an expert perspective. Furthermore, as a member of the Group Sustainability Committee, she has contributed to the establishment of a highly objective and transparent governance system, such as by providing advice on key management issues (materiality) that contribute to the enhancement of medium- to long-term corporate value.

The Board of Directors has determined that Ms. Morishita is well-qualified to provide coaching and supervision for the Group's business evolution, and possesses the right qualifications to advance the sustainable enhancement of corporate value for the Company, and has nominated her as a candidate for outside director accordingly.

Furthermore, as she satisfies the independence requirements stipulated by the Tokyo Stock Exchange as well as the Company's own independence criteria, she is judged to have no risk of conflict of interest with general shareholders and has been designated as an independent officer.

・Mr. Tetsuo Komori

Mr. Tetsuo Komori possesses exceptional insight as well as advanced knowledge and expertise gained through his diverse experience in corporate management. Leveraging this experience and insight, he has provided important and useful advice to the Company on its management indicators from an independent standpoint and multifaceted perspective. Furthermore, as a member of the Group Nomination and Compensation Committee, Mr. Komori provides advice on the appointment, dismissal, and compensation of officers from an external perspective, and contributes to the establishment of a highly objective and transparent governance system. The Board of Directors has determined that Mr. Komori is well-qualified to coach and supervise the Company's management and business, and possesses the right qualifications to advance the sustainable enhancement of corporate value for the Company, and has nominated him as a candidate for outside director accordingly.

Furthermore, as he satisfies the independence requirements stipulated by the Tokyo Stock Exchange as well as the Company's own independence criteria, he is judged to have no risk of conflict of interest with general shareholders and has been designated as an independent officer.

・Mr. Keiichi Maeda

Mr. Keiichi Maeda, not only has experience in corporate management, but also has a thorough knowledge of corporate governance and possesses exceptional insight and advanced knowledge and expertise based on abundant experience. Leveraging this experience and insight, he has provided important and useful advice to the Company on its management indicators from an independent standpoint and expert perspective. Furthermore, as Chair of the Group Nomination and Compensation Committee and a member of the Audit and Supervisory Committee, with a strong sense of leadership and an external perspective, Mr. Maeda provides advice regarding the appointment, dismissal, and the compensation framework of officers, and on key management issues (materiality) that contribute to the enhancement of medium- to long-term corporate value, contributing significantly to the establishment of a highly objective and transparent governance system. The Board of Directors has determined that Mr. Maeda is well-qualified to coach and supervise the Company's management and business, and possesses the right qualifications to advance the sustainable enhancement of corporate value for the Company, and appointed him as Outside Director accordingly.

Furthermore, as he satisfies the independence requirements stipulated by the Tokyo Stock Exchange as well as the Company's own independence criteria, he is judged to have no risk of conflict of interest with general shareholders and has been designated as an independent officer.

<Outside Audit and Supervisory Committee Members>

・Mr. Kenichi Ikezawa

Mr. Kenichi Ikezawa has been engaged in accounting and finance operations for many years and possesses extensive insight regarding group internal controls that draws on the knowledge and expertise gained throughout his career. As a full-time Audit and Supervisory Committee member, he enhances the effectiveness of audits by collecting in-house information and ensuring close cooperation with the Internal Audit Division and other relevant departments, and plays an important role in conducting operational and accounting audits and providing advice to the Company's management from an independent standpoint. The Board of Directors has determined that Mr. Ikezawa is well-qualified to provide appropriate oversight of the Company's management, and possesses the right qualifications to advance the sustainable enhancement of corporate value for the Company, and appointed him as Outside Director accordingly.

Furthermore, as he satisfies the independence requirements stipulated by the Tokyo Stock Exchange as well as the Company's own independence criteria, he is judged to have no risk of conflict of interest with general shareholders and has been designated as an independent officer.

III) Coordination Between Supervision/Audits by Outside Directors and Internal Audits, Audit and Supervisory Committee Member Audits, and Accounting Audits, and Their Relationship with the Internal Control Division

Outside directors help ensure an effective management oversight system by providing opinions from an independent and objective standpoint at Board of Directors meetings regarding key decision-making, conflict-of-interest transactions, and other general management matters. In addition, outside of Board of Directors meetings, they periodically exchange opinions with full-time Audit and Supervisory Committee members and other stakeholders, aiming to strengthen their information-gathering capabilities, and subsequently provide comments and opinions to the Board of Directors.

Outside Directors who are Audit and Supervisory Committee members attend Board of Directors meetings and other important internal meetings to express their opinions. In addition, they also conduct audits and supervision via hearings with various divisions and the examination of approval documents etc., thus maintaining a system capable of monitoring the execution of business by directors. Furthermore, the Internal Audit Office attends monthly meetings of the Audit and Supervisory Committee, and together, they mutually conduct evaluations of internal controls and report/exchange opinions on audit results. Furthermore, the Audit and Supervisory Committee and the Internal Audit Office hold quarterly meetings to exchange opinions with the accounting auditor. They also attend interim and year-end audits conducted by the accounting auditor, thus ensuring that the audits and supervision of the Company are performed with close cooperation among the three parties.

(3) Audits

I) Status of Audits by Audit and Supervisory Committee

The Company transitioned from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee at the 37th General Meeting of Shareholders held on June 18, 2025.

As of the filing date of this Annual Securities Report, the Company is a company with an Audit and Supervisory Committee, comprising of one full-time Audit and Supervisory Committee member and two part-time Audit and Supervisory Committee members. Full-time Audit and Supervisory Committee member, Mr. Kenichi Ikezawa, has been engaged in accounting and finance operations for many years and possesses a considerable degree of expertise and experience. In addition, the two part-time Audit and Supervisory Committee members have extensive experience in a wide variety of corporate management and are well-versed in corporate governance. By electing individuals with such a considerable degree of insight, the Company ensures the effectiveness of audits.

Audit and Supervisory Committee members attend Board of Directors meetings and other important internal meetings to express opinions from their respective professional perspectives and objective and multifaceted standpoints. In addition, they also conduct Audit and Supervisory Committee member audits such as conducting hearings with individual divisions, examination of approval documents, audits of the internal control system, and monitoring and verification of the qualifications of accounting auditors, thus maintaining a system capable of monitoring the execution of business by directors.

During the current fiscal year, the Company held two meetings of the Audit and Supervisory Board, and nine meetings of the Audit and Supervisory Committee. Attendance at these meetings by each Audit and Supervisory Boad and Audit and Supervisory Committee member was as follows.

Audit and Supervisory Board Meetings of the Current Fiscal Year (until June 18, 2025)

Name	Number of meetings	Number of meetings attended
Kenichi Ikezawa	2 times	2 times
Yoshika Furuta	2 times	2 times
Masakazu Kurihara	2 times	2 times

Audit and Supervisory Committee Meetings of the Current Fiscal Year (from June 18, 2025, onwards)

Name	Number of meetings	Number of meetings attended
Komori Tetsuo	9 times	9 times
Keiichi Maeda	9 times	9 times
Kenichi Ikezawa	9 times	9 times

The specific matters discussed by the Audit and Supervisory Committee are as follows:

i) Audit policy and audit plans

ii) Preparation of audit reports

iii) Appointment and dismissal of the accounting auditor, and consent to audit remuneration

iv) Development and operation of the internal control system

v) Key audit matters (KAM)

The main activities of the full-time Audit and Supervisory Committee members are as follows:

i) Attendance at Board of Directors meetings and other important meetings

ii) Cooperation with the internal audit division

iii) Cooperation with the accounting auditor

iv) Investigation of operations and property at places of business

v) Observation of physical inventory

vi) Inspection of important approval documents, etc.

vii) Communication with directors, etc.

II) Status of Internal Audits

Regarding internal audits at the Company, an Internal Audit Office has been established under the direct control of the President and audits are conducted by three members, including one general manager. Based on the internal audit plan, internal audits are conducted regarding the compliance status and internal control status of the entire Group. After reporting the results to the President, they are promptly reported to relevant directors, the Audit and Supervisory Committee, and the presidents of Group companies. Furthermore, there is no system in place for reporting directly to the Board of Directors. In addition, the Internal Audit Office shares information on compliance status and other matters with the Audit and Supervisory Committee in a timely manner, ensuring a cooperative system. At meetings of the Audit and Supervisory Committee, opportunities are provided for Audit and Supervisory Committee members to conduct individual hearings with directors and key employees. The Internal Audit Office also attends the meetings. Furthermore, in an effort to ensure thorough cooperation, the Internal Audit Office also attends periodic meetings for the exchange of opinions between the Audit and Supervisory Committee and the accounting auditor.

III) Status of Accounting Audits

・ a. Name of the Audit Corporation

BDO Sanyu & Co.

・ b. Continuous Audit Period

Since the fiscal year ended March 2001

・ c. Certified Public Accountants Who Performed the Audit

Ms. Suzue Masuda

Mr. Koichiro Nakanishi

・ d. Personnel Involved in Assisting the Audit Operations

The personnel involved in assisting with the accounting audit of the Company consists of eight certified public accountants and six others.

・ e. Policy and Reasons for Selection of Audit Corporation

When selecting an audit corporation, the Company obtains documents from candidate accounting auditors detailing an overview of the audit corporation, its audit implementation framework, and estimated audit remuneration, and makes a comprehensive assessment through interviews and other reviews. The current accounting auditor has no issues with professional ethics, independence, quality control systems, etc., and was selected after considering its audit track record, audit plans, etc.

Regarding the dismissal of an accounting auditor, if any of the grounds specified in the items of Article 340, paragraph (1) of the Companies Act apply to the accounting auditor, the Audit and Supervisory Committee will dismiss the accounting auditor with the consent of all Audit and Supervisory Committee members. In this case, the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will, at the first general meeting of shareholders convened after the dismissal, report the fact of the accounting auditor's dismissal and the reason for dismissal.

Furthermore, in addition to the above, the Audit and Supervisory Committee determines the content of a proposal regarding the dismissal or non-reappointment of an accounting auditor by comprehensively considering such factors as the performance of duties and the quality of audit by the accounting auditor. Based on this determination, the Board of Directors will submit the proposal to the general meeting of shareholders.

・ f. Evaluation of Audit Corporations by Audit and Supervisory Committee Members and the Audit and Supervisory Committee

The Audit and Supervisory Committee confirms by resolution the evaluation of the accounting auditor and the appropriateness of their audit results. An evaluation of the audit corporation is conducted by comprehensively reviewing the accounting auditor's performance of duties. This is based on the Report on the Status of Development and Operation of the Audit Corporation's Quality Control System and the Report on Results of the Statutory Audit under the Companies Act received from the accounting auditor, the written response from the Audit and Supervisory Committee to Questions Regarding Financial Results, as well as the Checklist for Evaluation of Accounting Auditors from the finance and accounting division.

IV) Details of Audit Remuneration, Etc.

・ A. Remuneration for the Auditing Certified Public Accountants, Etc.

Class	Previous fiscal year		Fiscal year under review	
	Remuneration based on audit certification services (million yen)	Remuneration based on non-audit services (million yen)	Remuneration based on audit certification services (million yen)	Remuneration based on non-audit services (million yen)
Reporting company	65	-	66	-
Consolidated subsidiaries	-	-	-	-
Total	65	-	66	-

(Note) In addition to the above remuneration amount for the fiscal year under review, there is additional remuneration of ¥2 million related to the previous fiscal year.

・ b. Remuneration for the Same Network as the Auditing Certified Public Accountants, Etc. (Excluding a.)

Not applicable.

・ c. Details of Remuneration Based on Other Important Audit Certification Services

Not applicable.

・ d. Policy for Determining Audit Remuneration

Although there are no specific applicable items, the decision is made after taking into account factors such as the number of audit days.

・ e. Reasons for the Audit and Supervisory Committee's Consent to the Remuneration of the Accounting Auditor

Based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit and Supervisory Committee Members Association (JASBA), the Audit and Supervisory Committee has checked the trends in audit hours and audit remuneration by audit item, as well as the status of audit plans and results from previous fiscal years. As a result of reviewing the appropriateness of the estimated audit hours and remuneration for the fiscal year under review, the Audit and Supervisory Committee has given consent referred to in Article 399, paragraph (1) of the Companies Act to the remuneration of the accounting auditor.

(4) Remuneration for Directors (and Other Officers)

I) Matters Concerning the Policy for Determining the Amount of Remuneration, etc. for Officers or the Method of Calculation

Regarding, remuneration provided to directors, monetary remuneration (fixed remuneration) is revised annually in April, and the determined remuneration is paid monthly in 12 equal installments. In addition, the Company has adopted bonuses as a form of performance-linked remuneration.

(Matters related to the policy for determining the content of remuneration, etc. for individual directors)

Remuneration for the Company's directors is structured to reflect achievements in relation to the Group's sustainable growth and to its targets for enhancing medium- to long-term corporate value, as well as to align with shareholder interests. The amount of individual remuneration, etc., is determined appropriately by comprehensively considering factors such as the director's assigned duties and roles, performance in each period, degree of contribution, and responsibilities, based on comparisons with peer companies and in light of economic and social conditions.

In addition, the policy for determining this remuneration is decided by resolution of the Board of Directors following consultation with the Group Nomination and Compensation Committee.

Furthermore, the Company does not provide a retirement benefit plan for its directors.

(Matters related to resolutions of the general meeting of shareholders regarding the remuneration, etc. of Directors (excluding Outside Directors who are Audit and Supervisory Committee members) and Outside Directors who are Audit and Supervisory Committee members)

The amount of monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members) was resolved at the Company's 37th Annual General Meeting of Shareholders held on June 18, 2025, to be no more than ¥1,100 million annually (of which, no more than ¥50 million is for outside directors). In addition, the amount of monetary remuneration for Directors who are Audit and Supervisory Committee members was resolved to be no more than ¥100 million annually. As of the conclusion of this general meeting of shareholders, the number of Directors (excluding Directors who are Audit and Supervisory Committee members) was five (including one outside director) and the number of Directors who are Audit and Supervisory Committee members was three (including three outside directors).

(Matters related to performance-linked remuneration, etc.)
As a form of performance-linked remuneration, the Company grants bonuses to directors in order to raise their awareness of improving performance for each fiscal year. The bonus amount is calculated according to the degree of achievement against a target value for consolidated operating profit, which is set as the performance indicator for the fiscal year. Operating profit has been selected as the performance indicator because it represents the results of a company's operating activities and is considered the profit metric that best reflects management's capabilities.

(Details of non-monetary remuneration, etc.)
For the purpose of providing directors with incentives to raise their motivation to contribute to corporate value enhancement by sharing with shareholders the merits and risks of stock price fluctuations, the Company has introduced a share options plan to grant stock options. The number of shares to be granted was determined by a resolution of the Board of Directors, based on the responsibilities of each eligible director, and following consultation with the Group Nomination and Compensation Committee, and has been granted accordingly.
Furthermore, in order to further enhance director motivation to contribute to medium- to long-term performance improvement and sustainable enhancement of corporate value, and to promote further value sharing with shareholders, the Company has similarly introduced a restricted stock remuneration plan to allot shares of the Company's common stock, subject to a restricted transfer period and other provisions, including grounds for free acquisition by the Company. These shares have also been granted following consultation with the Group Nomination and Compensation Committee and a resolution of the Board of Directors.
While new allotments under these non-monetary remuneration plans have currently been discontinued in conjunction with the transition to a company with an Audit and Supervisory Committee in June 2025, the Group Nomination and Compensation Committee is currently discussing future incentives (non-monetary remuneration) for directors with a view to introducing a new remuneration system that contributes to the enhancement of medium- to long-term corporate value. Going forward, when introducing a new system regarding the types of remuneration and methods of payment after receiving a report from the Committee and a resolution of the Board of Directors, the Company plans to submit a proposal to the General Meeting of Shareholders.

(Matters related to the delegation of authority for determining the content of remuneration, etc. for individual directors)
At the Company, based on a resolution of delegation by the Board of Directors, President and Group CEO Hidetoshi Yamamoto determines the specific content of remuneration amounts for individual directors.
This delegated authority covers the amounts of fixed remuneration and bonuses for directors. The reason for this delegation of authority is that, in his role overseeing overall operations, Mr. Yamamoto is in the best position to evaluate the Company's overall performance and the roles and contributions of each director from a comprehensive perspective.
Furthermore, the remuneration amounts of individual directors are determined after their assigned duties and roles, performance in each period, degree of contribution, and responsibilities are appropriately evaluated by Mr. Yamamoto, based on comparisons with peer companies and in light of economic and social conditions. When making such determinations, the President must decide on the specific content based on a draft prepared by the Human Resources Department, and after consulting with and obtaining a report from the Group Nomination and Compensation Committee. In finalizing the specific content, the Human Resources Department verifies its consistency to ensure alignment with the Committee's report. The Board of Directors has determined that the decisions align with the policy for determining the content of remuneration, etc. for individual directors.

II) Total Amount of Remuneration, etc. by Officer Category, Total Amount by Type of Remuneration, etc., and Number of Relevant Officers

Officer category	Total amount of remuneration, etc. (million yen)	Total amount by type of remuneration, etc. (million yen)			Number of relevant officers (persons)
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee members and outside directors)	338	134	72	131	9
Audit and Supervisory Board members (excluding outside Audit and Supervisory Committee members)	0	0	-	-	1
Outside Officers	44	44	-	-	10

(Notes) 1. The Company transitioned from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee as of June 18, 2025.
2. Directors who are Audit and Supervisory Committee members are all Outside Directors.

III) Total Amount of Consolidated Remuneration, etc. Paid to Each Officer

Name	Total amount of consolidated remuneration, etc. (million yen)	Officer category	Company category	Total amount of consolidated remuneration, etc. by type (million yen)		
				Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.
Hidetoshi Yamamoto	115	Director	Reporting company	78	36	0
Ei Yoshida	136	Director	Reporting company	-	-	27
		Director	Consolidated subsidiaries FIELDS CORPORATION	72	36	-

(Notes) 1. Details are provided only for individuals whose total consolidated remuneration, etc. is ¥100 million or more.
2. The breakdown of non-monetary remuneration, etc. for Mr. Ei Yoshida is ¥27 million worth of restricted stock remuneration.

(5) Shareholdings

I) Standards and Policy on Classification of Investment Shares

The Company classifies investment shares held solely for the purpose of benefiting from changes in the value of shares or dividends associated with the shares as investment shares held for pure investment. Shares other than these are classified as investment shares held for purposes other than pure investment.

II) Investment Shares Held for Purposes Other than Pure Investment

・ a. Shareholding Policy, Method for Verifying the Rationality of Shareholdings, and Details of Verification by the Board of Directors, etc. Regarding the Appropriateness of Holding Individual Issues

The Company may hold cross-shareholdings only to the extent necessary for the purpose of maintaining and strengthening its business relationships and contributing to the enhancement of its corporate value. In addition, when holding cross-shareholdings, the Company verifies the appropriateness of such holdings by carefully examining, on a case-by-case basis, whether the purpose is appropriate, and whether the benefits and risks associated with such holdings are commensurate with the cost of capital.

Furthermore, the Company annually verifies the necessity of holding individual cross-shareholdings, the returns and risks from holding them, and their economic rationality from a medium-to-long-term perspective, and then discloses a summary of the outcome after determining whether to continue holding or to dispose of the shares.

With respect to the voting rights of cross-shareholdings, the Company makes individual decisions for each specific proposal based on whether exercising the voting rights contributes to the enhancement of the Company's medium- to long-term corporate value, while also verifying potential conflicts of interest and the risk of shareholder value impairment.

・ b. Number of Issues and Amount Recorded on the Balance Sheet

	Number of issues	Total amount recorded on the balance sheet (million yen)
Shares not listed	4	253
Shares other than those not listed	-	-

・ (Issues Whose Number of Shares Increased in the Current Fiscal Year)

Not applicable.

・(Issues Whose Number of Shares Decreased in the Current Fiscal Year)

Not applicable.

・c. Information on the Number of Shares, Balance Sheet Amount, etc. by Issue of Specified Investment Shares and Deemed Holdings of Shares

Not applicable.

III) Investment Shares Held for Pure Investment

Class	Current fiscal year		Previous fiscal year	
	Number of issues	Total amount recorded on the balance sheet (million yen)	Number of issues	Total amount recorded on the balance sheet (million yen)
Shares not listed	-	-	-	-
Shares other than those not listed	13	4,850	10	5,238

Class	Current fiscal year		
	Total amount of dividends received (million yen)	Total gain (loss) on sale (million yen)	Total of valuation gain (loss) (million yen)
Shares not listed	-	-	-
Shares other than those not listed	221	8	(393)

IV) Investment Shares Whose Purpose of Holding Changed from Purposes Other than Pure Investment to Pure Investment During the Current Fiscal Year and Past Four Fiscal Years

Issue	Number of shares	Amount recorded on the balance sheet (millions of yen)	Fiscal year of change	Reason for change and policy regarding holding or sale after change
DAIKOKU DENKI Co., Ltd.	1,989,800	4,817	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the PS machine industry. However, anticipating fluctuations in the stock's value due to changes in the market environment, the Company acquired additional shares, and as a result, the holding classification was changed to pure investment. The Company's policy is to consider selling as and when appropriate while closely monitoring the market environment.
CAPCOM CO., LTD.	400	1	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the entertainment industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.
Bandai Namco Holdings Inc.	300	1	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the entertainment industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.
Universal Entertainment Corporation	100	0	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the PS machine industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.

Issue	Number of shares	Amount recorded on the balance sheet (millions of yen)	Fiscal year of change	Reason for change and policy regarding holding or sale after change
SEGA SAMMY HOLDINGS INC.	100	0	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the entertainment industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.
Heiwa Corporation	100	0	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the PS machine industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.
FUJISHOJI CO., LTD.	100	0	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the PS machine industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.
GENDAI AGENCY INC.	100	0	Fiscal year ended March 2023	The shares had initially been held to monitor trends in the PS machine industry. However, aiming instead to benefit from fluctuations in the stock's value due to changes in the market environment or dividends associated with the shares, the holding classification was changed to pure investment. The Company will consider selling as and when appropriate while closely monitoring the market environment.

5. Employees

(1) Basic Policy on Human Resources Strategy

Based on our corporate philosophy of *The Greatest Leisure for All People*, the Group aims to capture business opportunities in the entertainment and content market, pursuing sustainable growth and the enhancement of medium- to long-term corporate value. In the Group Medium-Term Management Plan, which sets the fiscal year ending March 31, 2027 as its first year, we have established the monetization of IP potential, the strengthening and expansion of IP value, and the creation of an IP value creation platform as our basic policies. We are simultaneously reinforcing our operational base and channeling investments into growth sectors in both the content and digital business and the amusement equipment business.

The Group recognizes that human capital is a material management resource essential for realizing these management policies and business strategies. In order to steadily advance the monetization of the IP business, strengthen the licensing business, expand our in-house merchandising business, expand customer touchpoints across video, event, and digital domains, and reinforce product appeal and sales capabilities in the amusement equipment business, it is indispensable to secure and develop human resources equipped with the necessary expertise, creativity, sales capabilities, planning and development skills, digital technology utilization skills, and global readiness required for each business sector.

Based on this philosophy, the Group is committed to hiring and developing human resources with the necessary competencies and skills, and ensuring the right person is assigned to the right place according to the business characteristics and growth strategies of each operating company. FIELDS CORPORATION is pushing forward with the reinforcement of human resources in its sales and product development organizations, which serve as the source of the company's earning power. Tsuburaya Productions Co., Ltd., effective from the current fiscal year, has integrated domestic and overseas business functions, centralized production capabilities, and newly established a product planning and development department. Through these initiatives, resource allocation has been optimized, establishing an organizational structure that contributes to maximizing IP value and monetizing IP potential. Digital Frontier Inc. regards creators who possess high levels of expertise and expressive capabilities as the source of the company's competitive advantage, and supports their professional skill enhancement and long-term career development.

Going forward, to further enhance our ability to execute individual initiatives set forth in the Medium-Term Management Plan, the Group will continue to promote the hiring, development, and assignment of human resources in step with our business strategies. At the same time, the Group will remain dedicated to building an organization where each employee can maximize their potential, achieving a harmonious balance between corporate growth and individual growth.

Policy for Determining the Amount and Content of Remuneration and Other Benefits for Employees

The Group's basic policy for determining salaries, bonuses, and other benefits for employees is to make comprehensive assessments based on the business characteristics, job descriptions, roles, responsibilities, expertise, capabilities, degree of contribution to performance, and business results of each operating company. In particular, for the purpose of securing and retaining the human resources necessary for business growth and raising employees' motivation to grow, the Group places high importance on operational management that appropriately reflects the expansion of roles and responsibilities, professional skill enhancement, performance, and contribution into compensation, rather than relying solely on seniority.

TSUBURAYA FIELDS HOLDINGS INC., in executing management administration capabilities for the entire Group as a holding company, is steadily advancing the securement and reinforcement of talent with business-wide influence across the Group, as well as those with specialized expertise in focus areas within back-office domains. Salaries and other benefits are determined by comprehensively considering each individual's role, job description, responsibility, expertise, capability, degree of contribution to performance, and company business results. As a result of human resource reinforcement including external recruitment and continuous improvements to compensation, the average salary of the company has increased by 15.9% since 2021.

FIELDS CORPORATION, while reinforcing human resources in sales and product development organizations, is working to improve salary levels and human resource systems for the purpose of securing talent and enhancing compensation competitiveness. In 2025, the company raised initial salaries for new graduates by 19.2% to 28.7% depending on the job category, and average salary has increased by 11.6% since 2021.

Tsuburaya Productions Co., Ltd., in addition to changing its human resources system in 2022, has steadily advanced recruitment, organizational restructuring, and structural reforms against the backdrop of strengthening overseas operations. Salaries and other benefits are determined by comprehensively considering each individual's role, job description, and company business results. As a

result of continuous improvements to compensation and other initiatives, the average salary has increased by 15.9% since 2021. Going forward, in conjunction with the transition to the new organizational structure, plans to review system operations to ensure more appropriate evaluations and compensation are in progress.

Digital Frontier Inc. adopts a basic policy of systematically evaluating the roles, actions, and proficiency in professional skills expected of its employees, and reflects improvements in roles and skills directly in compensation. Furthermore, while linking individuals' degree of target achievement against business goals and business results to their compensation, the company continuously references market benchmarks within the video production industry, striving to improve on and maintain a competitive compensation level. Through these initiatives, its average salary has increased by 8.36% since 2021.

The Group will continue to address salary increases corresponding to business growth and changes in roles, the appropriate operation of bonuses and other benefits, and continuous improvements to human resource systems according to the business and human resource strategies of each operating company. Through these efforts, we aim to secure, develop, and retain the diverse human resources that support our business growth.

(2) [Status of Employees]

(I) Status of Consolidated Companies

As of March 31, 2026

Segment name	Number of employees (persons)
Content and Digital Business	496 [73]
Amusement Equipment Business	1,059 [456]
Other	109 [22]
Corporate (shared)	110 [13]
Total	1,774 [564]

(Notes) 1. The number of employees is the number of employees working with the group (excluding those seconded from the Group to outside and including those seconded from outside to the Group). The number of temporary employees (including part-time, temporary, and contract employees, and excluding dispatched employees) is the average number of employees for the year stated in [ ].
2. “Corporate (shared)” categories are employees of the reporting company.

(II) Reporting Company

As of March 31, 2026

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (thousands of yen)	YoY change of average annual salary (%)
110 [13]	43.4	12.7	7,764	6.7

(Notes) 1. The number of employees is the number of employees within the Group (excluding those seconded from the company to outside and including those seconded from outside to the company). The number of temporary employees (including part-time, temporary, and contract employees, and excluding dispatched employees) is the average number of employees for the year stated in [ ].
2. Average annual salary include bonus and non-standard wages.
3. Since all employees of the reporting company belong to the holding company, the disclosure of information by segment is omitted.

(III) Company with the Most Number of Employees

a. Company with the Most Number of Employees in the Current Fiscal Year

FIELDS CORPORATION

As of March 31, 2026

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (thousands of yen)	YoY change of average annual salary (%)
697 [42]	40.1	12.3	7,476	1.1

(Notes) 1. The number of employees is the number of employees within the Group (excluding those seconded from the company to outside and including those seconded from outside to the company). The number of temporary employees (including part-time, temporary, and contract employees, and excluding dispatched employees) is the average number of employees for the year stated in [ ].
2. Average annual salary include bonus and non-standard wages.

b. Company with the Next Most Number of Employees in the Current Fiscal Year

Digital Frontier Inc.

As of March 31, 2026

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (thousands of yen)	YoY change of average annual salary (%)
237 [6]	35.5	8.0	5,304	2.6

(Notes) 1. The number of employees is the number of employees within the Group (excluding those seconded from the company to outside and including those seconded from outside to the company). The number of temporary employees (including part-time, temporary, and contract employees, and excluding dispatched employees) is the average number of employees for the year stated in [ ].
2. Average annual salary include bonus and non-standard wages.

(IV) Labor Unions

There are no labor unions at the company, but some consolidated subsidiaries have labor unions. Labor-management relations are progressing smoothly regardless of the existence of labor unions.

(V) Ratio of Female Employees in Managerial Positions, Percentage of Male Employees Taking Childcare Leave and Differences in Wages Between Male and Female Employees

a. Reporting Company

	Current Fiscal Year			
Ratio of female employees in managerial positions (%) (Note)	Percentage of male employees taking childcare leave (%)	Differences in wages between male and female employees (%)		
		All employees	Regular employees	Part-time employees Fixed-term employees
10.6	-	-	-	-

(Note) Calculated in accordance with the provisions of *the Act on the Promotion of Women's Active Engagement in Professional Life* (Act No. 64 of 2015).

b. Consolidated Subsidiaries

Current Fiscal Year					
Company name	Ratio of female employees in managerial positions	Percentage of male employees taking childcare leave (%)	Differences in wages between male and female employees (%) (Note 1)		
			All employees	Regular employees	Part-time employees Fixed-term employees
FIELDS CORPORATION	-	40.0 (Note 2)	64.4	68.0 (Note 3)	51.2
Total Workout premium management Inc.	25.0 (Note 4)	-	-	-	-
Digital Frontier Inc.	5.9	-	84.4	84.1	148.7
Shinko MechatroTech Co., Ltd.	7.1	-	-	-	-

(Notes) 1. Calculated in accordance with the provisions of *the Act on the Promotion of Women's Active Engagement in Professional Life* (Act No. 64 of 2015).

2. This is a calculation of the percentage of male employees taking childcare leave, etc. pursuant to Article 71-6, Item 1 of the *Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members* (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the *Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members* (Act No. 76 of 1991).

3. Regarding "regular employees" in the "differences in wages between male and female employees," the *Workers' Labor Standards regulation* Article 2, paragraph (1) prohibits women from working in jobs that intermittently handle goods weighing 30 kilograms or more. Therefore, it is difficult to assign women to sales positions where the handling of such heavy goods (PS machines) is essential, and there is no sales allowance or incentive payment to be paid to such sales positions.

4. Regarding the "ratio of female employees in managerial positions," the company is implementing initiatives to develop female employees who can become candidates for future section manager positions by creating an environment where they can actively take on the challenge of leadership positions.

[5] Financial Information

1. Preparation of Consolidated Financial Statements and Financial Statements

(1) The reporting company's consolidated financial statements are prepared in accordance with Regulation on Terminology, Forms and Preparation of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(2) The reporting company's financial statements are prepared in accordance with Regulation on Terminology, Forms and Preparation of Financial Statements (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as the "Financial Statements, etc. Order"). In addition, the reporting company falls under the category of a special company submitting financial statements and prepares financial statements in accordance with the provisions of Article 127 of the Financial Statements, etc. Order.

2. Notes on Audit Certification

The consolidated financial statements for the fiscal year under review (April 1, 2025, to March 31, 2026) and the financial statements for the fiscal year (April 1, 2025, to March 31, 2026) were audited by BDO Sanyu & Co. in accordance with Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Act.

3. Special Initiatives to Ensure Appropriateness of Consolidated Financial Statements, Etc.

The reporting company takes special initiatives to ensure the appropriateness of its consolidated financial statements, etc. Specifically, the reporting company joined the Financial Accounting Standards Foundation in order to develop systems that enable an appropriate understanding of the content of accounting standards, etc. and systems that allow for accurate responses to changes in accounting standards, etc.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

I) Consolidated Balance Sheet

(Unit: millions of yen)

	Previous Fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	*2 30,954	*2 30,935
Notes receivable - trade	1,612	435
Accounts receivable - trade	10,825	6,299
Contract assets	371	417
Electronically recorded monetary claims - operating	4,342	1,593
Products and finished goods	697	1,354
Work in process	10,960	16,936
Raw materials and supplies	3,733	4,904
Merchandise rights	3,323	8,014
Other	3,026	3,210
Allowance for doubtful accounts	(7)	(16)
Total current assets	69,841	74,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	*2 13,738	*2 13,824
Accumulated depreciation	(11,005)	(11,098)
Buildings and structures, net	2,732	2,726
Machinery, equipment and vehicles	1,135	1,121
Accumulated depreciation	(1,092)	(1,046)
Machinery, equipment and vehicles, net	43	74
Tools, furniture and fixtures	8,210	9,595
Accumulated depreciation	(6,779)	(7,438)
Tools, furniture and fixtures, net	1,431	2,157
Land	*2 5,664	*2 5,605
Construction in progress	357	303
Total property, plant and equipment	10,230	10,866
Intangible assets		
Goodwill	1,115	834
Other	1,001	979
Total intangible assets	2,116	1,813
Investments and other assets		
Investment securities	*1 7,831	*1 7,387
Long-term loans receivable	1,354	1,586
Deferred tax assets	3,843	4,241
Leasehold and guarantee deposits	2,727	2,858
Other	1,843	1,445
Allowance for doubtful accounts	(833)	(923)
Total investments and other assets	16,765	16,596
Total non-current assets	29,112	29,276
Total assets	98,953	103,360

(Unit: Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2025)	Current consolidated fiscal year (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,715	6,346
Electronically recorded obligations - operating	1,235	3,517
Short-term borrowings	900	1,059
Current portion of long-term borrowings	*2 2,207	*2 3,380
Income taxes payable	1,616	2,718
Contract liabilities	542	320
Provision for bonuses	441	631
Provision for bonuses for directors (and other officers)	195	184
Other	5,915	6,657
Total current liabilities	26,770	24,815
Non-current liabilities		
Long-term borrowings	*2 8,033	*2 4,653
Provision for retirement benefits for directors (and other officers)	31	35
Retirement benefit liability	2,342	2,307
Asset retirement obligations	1,302	1,325
Other	4,226	4,036
Total non-current liabilities	15,935	12,357
Total liabilities	42,706	37,173
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	9,289	9,314
Retained earnings	37,520	47,460
Treasury shares	(3,415)	(3,377)
Total shareholders' equity	51,342	61,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(356)	(617)
Foreign currency translation adjustment	(8)	11
Remeasurements of defined benefit plans	65	116
Total accumulated other comprehensive income	(298)	(489)
Share acquisition rights	306	303
Non-controlling interests	4,897	5,026
Total net assets	56,247	66,187
Total liabilities and net assets	98,953	103,360

II) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

・ Consolidated Statement of Income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Net sales	*1 140,581	*1 174,142
Cost of sales	105,318	135,760
Gross profit	35,263	38,381
Selling, general and administrative expenses		
Advertising expenses	2,621	2,482
Salaries	5,821	6,189
Provision for bonuses	240	362
Retirement benefit expenses	97	100
Provision for retirement benefits for directors (and other officers)	(5)	3
Outsourcing expenses	1,540	1,699
Travel and transportation expenses	521	560
Depreciation	571	845
Rent expenses on land and buildings	1,146	1,110
Provision of allowance for doubtful accounts	(18)	18
Amortization of goodwill	280	280
Provision for bonuses for directors (and other officers)	151	183
Other	7,000	7,089
Total selling, general and administrative expenses	19,967	20,926
Operating profit	15,295	17,455
Non-operating income		
Interest income	22	41
Dividend income	129	294
Purchase discounts	54	55
Share of profit of entities accounted for using equity method	1,127	37
Distributions from investments	15	27
Other	221	215
Total non-operating income	1,571	671
Non-operating expenses		
Interest expenses	103	146
Financing expenses	22	2
Depreciation	27	10
Distribution loss	66	-
Provision of allowance for doubtful accounts for subsidiaries and associates	80	152
Other	103	65
Total non-operating expenses	404	376
Ordinary profit	16,462	17,751

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Extraordinary income		
Gain on sale of non-current assets	*2 0	*2 56
Gain on sale of investment securities	39	-
Other	0	2
Total extraordinary income	40	59
Extraordinary losses		
Loss on retirement of non-current assets	*3 7	*3 35
Impairment losses	*4 50	*4 161
Loss on valuation of shares of subsidiaries and associates	28	10
Loss on sale of shares of subsidiaries and associates	*5 162	-
Loss on business restructuring	-	*6 298
Other	1	0
Total extraordinary losses	250	506
Profit (loss) before income taxes	16,252	17,303
Income taxes - current	3,841	4,371
Income taxes - deferred	(174)	(252)
Total income taxes	3,666	4,118
Profit (loss)	12,586	13,185
Profit attributable to non-controlling interests	1,427	135
Profit attributable to owners of parent	11,158	13,050

・Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Profit	12,586	13,185
Other comprehensive income		
Valuation difference on available-for-sale securities	(383)	(267)
Foreign currency translation adjustment	(10)	20
Remeasurements of defined benefit plans, net of tax	28	50
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	* (366)	* (196)
Comprehensive income	12,219	12,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,781	12,860
Comprehensive income attributable to non-controlling interests	1,438	129

III) Consolidated statement of changes in equity

Previous fiscal year (from 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					
Dividend of surplus			(2,617)		(2,617)
Profit 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
Change in equity due to 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 options	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							
Dividend of surplus							(2,617)
Profit attributable to owners of parent							11,158
Purchase of treasury shares							(6,310)
Cancellation of treasury shares							-
Disposal of treasury shares							705
Change in equity due to 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

Fiscal year under review (April 1, 2025, to March 31, 2026)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,948	9,289	37,520	(3,415)	51,342
Changes during period					
Dividend of surplus			(3,110)		(3,110)
Profit attributable to owners of parent			13,050		13,050
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares					-
Disposal of treasury shares		25		38	63
Change in equity due to 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	-	25	9,939	38	10,003
Balance at end of period	7,948	9,314	47,460	(3,377)	61,345

	Accumulated other comprehensive income				Share options	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	(356)	(8)	65	(298)	306	4,897	56,247
Changes during period							
Dividend of surplus							(3,110)
Profit attributable to owners of parent							13,050
Purchase of treasury shares							(0)
Cancellation of treasury shares							-
Disposal of treasury shares							63
Change in equity due to 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	(261)	20	50	(190)	(2)	129	(63)
Total changes during period	(261)	20	50	(190)	(2)	129	9,939
Balance at end of period	(617)	11	116	(489)	303	5,026	66,187

IV) Consolidated statement of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit (loss) before income taxes	16,252	17,303
Depreciation	1,180	1,851
Amortization of goodwill	280	280
Investments in capital depreciation	511	312
Increase (decrease) in allowance for doubtful accounts	117	98
Increase (decrease) in provision for bonuses	(346)	189
Increase (decrease) in provision for bonuses for directors (and other officers)	(21)	(10)
Increase (decrease) in retirement benefit liability	34	15
Interest and dividend income	(151)	(336)
Interest expenses	103	146
Share of loss (profit) of entities accounted for using equity method	(1,127)	(37)
Loss (gain) on sale of non-current assets	(0)	(55)
Loss (gain) on sale of shares of subsidiaries and associates	162	-
Impairment losses	50	161
Decrease (increase) in trade receivables	(3,050)	8,407
Decrease (increase) in inventories	(5,679)	(12,495)
Decrease (increase) in advance payments to suppliers	239	(333)
Decrease (increase) in accounts receivable - other	513	507
Increase (decrease) in trade payables	1,704	(5,147)
Increase (decrease) in liabilities related to paid-in transactions	571	(172)
Increase (decrease) in accounts payable - other	125	632
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	537	37
Other, net	(32)	(703)
Subtotal	11,977	10,654
Interest and dividends received	448	336
Interest paid	(103)	(146)
Income taxes refund (paid)	(4,542)	(3,367)
Net cash provided by (used in) operating activities	7,779	7,477

(Unit: millions of yen)

	End of previous fiscal year (April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,101)	(1,539)
Proceeds from sale of property, plant and equipment	1	126
Purchase of intangible assets	(289)	(592)
Purchase of investment securities	(77)	(185)
Proceeds from sale of investment securities	908	87
Purchase of shares of subsidiaries and associates	(234)	(10)
Payments for investments in capital	(74)	(30)
Purchase of shares of entities accounted for using equity method	(8)	-
Proceeds from sale of shares of affiliates accounted for by the equity method	2,416	-
Loan advances	(388)	(402)
Proceeds from collection of loans receivable	71	272
Payments of leasehold and guarantee deposits	(103)	(179)
Proceeds from refund of leasehold and guarantee deposits	7	48
Other	(26)	88
Net cash provided by (used in) investing activities	1,100	(2,315)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,100)	158
Repayments of long-term borrowings	(2,961)	(2,207)
Proceeds from long-term borrowings	6,280	-
Dividends paid	(2,615)	(3,108)
Proceeds from exercise of stock options	286	45
Purchase of treasury shares	(6,310)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,037)	-
Other, net	(61)	(83)
Net cash provided by (used in) financing activities	(13,520)	(5,195)
Effect of exchange rate change on cash and cash equivalents	(18)	14
Net increase (decrease) in cash and cash equivalents	(4,660)	(18)
Cash and cash equivalents at beginning of period	34,814	30,854
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	700	-
Cash and cash equivalents at end of period	*1 30,854	*1 30,835

[Notes]

・(Significant accounting policies for preparation of consolidated financial statements)

1.Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries: 24

Principal consolidated subsidiaries

Tsuburaya Productions Co., Ltd.
Digital Frontier Inc.
Digital Frontier (Taiwan) Inc.
Optimize Company, Limited
TSUBURAYA FIELDS MEDIA & PICTURES ENTERTAINMENT, INC.
TSUBURAYA FIELDS ENTERTAINMENT INTERNATIONAL PTE. LTD.
TSUBURAYA FIELDS ENTERTAINMENT KOREA INC.
FIELDS CORPORATION
BOOOM Corporation
MICRO CABIN INC.
SEPTECH CORPORATION
CROSSALPHA CORPORATION
SPIKY CORPORATION
SHINNICHI TECHNOLOGY CORPORATION
F CORPORATION
NANASHOW CORPORATION
Sophia Co., Ltd
ACE DENKEN Co., Ltd.
Shinko MechatroTech Co., Ltd.
Fields Jr. Corporation
LUCENT, INC
PachinkoPachislot Information Station, Inc.
Total Workout premium management Inc. and another company

(2) Major non-consolidated subsidiaries

TOKYO PREMIUM DINING, INC.
Meta Field Inc. and seven other companies

During the consolidated fiscal year under review, the number of companies decreased by seven due to dissolution and other reasons, and increased by one through new establishment.

Reason for exclusion from scope of consolidation

The non-consolidated subsidiaries are small-scale companies and their total assets, net sales, profit and loss, (proportionate to holdings) and retained earnings (proportionate to holdings) have no material impact on the consolidated financial statements.

2.Application of equity method

(1) Number of affiliated companies accounted for using the equity method: two

Major affiliated companies accounted for using the equity method

SOUGOU MEDIA INC.

SPO Entertainment Inc.

(2) Major non-consolidated subsidiaries and affiliated companies not accounted for by the equity method

TOKYO PREMIUM DINING, INC.

Meta Field Inc.

GLAMOROUS co., ltd.

APE Inc.

G&E Corporation

VIRTUAL LINE STUDIOS CORPORATION and ten other companies

During the consolidated fiscal year under review, the number of companies decreased by six due to dissolution and other reasons, and increased by one through new establishment.

Reason for not applying the equity method

Companies not accounted for by the equity method are excluded from the scope of application of the equity method because the impact of each company's on net income (amounts proportional to holdings) and retained earnings (amounts proportional to holdings) is de minimis and not material as a whole.

3. Disclosure regarding fiscal years, etc. of consolidated subsidiaries

The fiscal year-end of consolidated subsidiaries is the same as the end of the fiscal year under review.

4. Matters related to Accounting Policies

(1) Valuation criteria and methods for significant assets

I) Securities

Other securities

Securities other than shares, etc. without a market price

Market value method (all valuation differences are processed using the direct-to-net-assets method, and sales costs are calculated using the moving-average method)

Shares, etc. without a market price

Cost method using the moving-average method

Investments in investment partnerships are accounted for by recognizing the Company's proportionate share of the net assets, based on the most recent financial statements available from the partnerships.

II) Inventory assets

Inventory assets held for ordinary sale

The valuation standard is the cost method (a method of writing down book value due to a decline in profitability).

a. Products and finished goods

Consolidated subsidiaries

Used PS machines: Specific identification method

Other: Weighted average method or moving-average method

b. Work in process

Consolidated subsidiaries: Specific identification method

c. Raw materials

Consolidated subsidiaries: Weighted average method or moving-average method

d. Supplies

The reporting company and consolidated subsidiaries: Last purchase cost method

e. Merchandise rights

Consolidated subsidiaries: Specific identification method

(2) Depreciation methods for significant depreciable assets

I) Property, plant and equipment

The Company and its domestic consolidated subsidiaries use the declining-balance method

However, buildings (excluding buildings fixtures) acquired on or after April 1, 1998 and building fixtures and equipment acquired on or after April 1, 2016 are depreciated using the straight-line method.

The estimated useful lives of major assets are as follows:

Buildings and structures 3-50 years

Machinery, equipment and vehicles 7-15 years

Tools, furniture and fixtures 2-20 years

II) Intangible assets

Straight-line method

Software for internal use is depreciated using the straight-line method over its useful life (not exceeding 5 years).

III) Long-term prepaid expenses

Straight-line method

(3) Accounting standards for significant provisions

I) Allowance for doubtful accounts

To provide for losses from uncollectable receivables, the Company records estimated uncollectible amounts for general receivables based on historical bad debt ratios, and for specific receivables for which there is some concern regarding collectability, individual estimated uncollectible amounts are recorded.

II) Provision for bonuses

To provide for payment of bonuses to employees, the Company and certain consolidated subsidiaries record the amounts to be borne in the fiscal year under review as part of the expected amounts to be paid.

III) Provision for bonuses for directors (and other officers)

To provide for payment of bonuses to directors and other officers, the Company and certain consolidated subsidiaries record amounts corresponding to the fiscal year under review based on the expected amounts of bonuses to be paid to officers in the fiscal year under review.

IV) Provision for retirement benefits for directors (and other officers)

To provide for the payment of retirement benefits to directors and other officers, certain consolidated subsidiaries record amounts corresponding to the fiscal year under review based on the expected amounts to be paid in the fiscal year under review.

(4) Accounting method for retirement benefits

I) Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the method of attributing expected retirement benefits to periods up to the end of the fiscal year under review is based on the benefit formula criteria.

II) Method of amortizing actuarial differences

Actuarial differences are amortized using the straight-line method over a certain number of years (five years), which is shorter than the average remaining years of service of eligible employees at the time of occurrence in each fiscal year, and are treated as expenses starting in the fiscal year after occurrence.

III) Adoption of simplified method by small enterprises, etc.

Certain consolidated subsidiaries apply the simplified method to calculate retirement benefit liabilities and retirement benefit expenses, using the retirement benefit obligation that would be required in the case of voluntary retirement of employees at the end of the fiscal year.

(5) Accounting standards for significant revenues and expenses

Revenue recognition by certain consolidated subsidiaries includes both goods and services that are transferred at one point in time and goods and services that are transferred over a period of time. For goods and services that are transferred at one point in

time, revenue primarily relates to the sale of PS machines and is recognized when the machines are shipped to pachinko parlors. For goods and services that are transferred over a period of time, revenue primarily related to consignment contracts, and for those contracts where a reasonable estimate of progress can be made, revenue is recognized based on the input method.
Details of major performance obligations in major businesses and the normal times at which revenue is recognized are as follows.

I) Revenue from the sale of PS machines

Revenue from contracts between certain subsidiaries and customers derives primarily from the sale of PS machines to pachinko parlors. Purchase and sale agreements with pachinko parlors provide that the risk of loss transfers to the pachinko parlor when a PS machine is shipped to the pachinko parlor, and therefore, the performance obligation, i.e., delivery of the machine to the pachinko parlor, of certain consolidated subsidiaries is considered to be completed at that time.

For transactions in which certain consolidated subsidiaries are the sole distributor, i.e., transactions in which certain consolidated subsidiaries exclusively sell the PS machines manufactured by the machine manufacturer, it is the performance obligation of the subsidiary itself to provide such machines and the subsidiary is the principal, and therefore the payments for PS machines sold to pachinko parlors are recognized as revenue at the time the machines are shipped to the pachinko parlor, which is the customer.

For transactions in which certain consolidated subsidiaries are not the sole distributor, i.e., transactions in which a portion of the PS machines manufactured by the PS machine manufacturer is sold on behalf of the PS machine manufacturer, such consolidated subsidiaries are considered to be acting as agents, since their performance obligation is to arrange for the PS machines to be provided by the manufacturer, and therefore, they recognize as revenue that amount of the agency commission received from the machine manufacturer, which is the customer, at the time when the machines are shipped to the pachinko parlor.

II) Revenues from licensing agreements for use of merchandising rights

Revenue from licensing agreements for use of merchandising rights acquired and held by certain consolidated subsidiaries is treated as follows: for merchandising rights of PS machines for which certain consolidated subsidiaries are the sole distributor, the transaction is deemed to be paid supply to the machine manufacturer under a buyback agreement, and therefore, an amount corresponding to the paid supply is deducted from the purchase price at the time of sale of the relevant PS machines.

(6) Goodwill amortization method and period

Goodwill is amortized on a straight-line basis over a reasonable number of years not exceeding 10 years based on individual estimates of the period when the effects will be realized.

(7) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly-liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and are exposed to insignificant risk of changes in value.

(8) Other important matters for preparation of consolidated financial statements

Accounting for non-deductible consumption taxes on assets

Non-deductible consumption taxes and local consumption taxes on assets are accounted for as expenses in the fiscal year under review.

・(Notes - Significant Accounting Estimates)

1. Valuation of goodwill

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

(Unit: millions of yen)

	Previous fiscal year	Fiscal year under review
Goodwill	1,115	834

(2) Information concerning the details of significant accounting estimates for identified items

I) Method of calculating amounts

For the purpose of determining whether impairment losses should be recognized and measuring the amounts of such losses, assets are grouped at the smallest units that generate cash flows that are largely independent of the cash flows from other assets or asset groups. Goodwill is grouped with larger units (cash-generating units) that include multiple assets or asset groups related to the business associated with the goodwill. Goodwill is amortized in each period, but if there are indications of impairment, the Company determines whether an impairment loss should be recognized, and if recognition is determined to be necessary, the amount of the loss is measured and the amount net of the loss is recorded in the consolidated financial statements.

II) Assumptions used in significant accounting estimates

Impairment losses are recognized based on the recoverable amount of the cash-generating unit, including goodwill. Goodwill primarily relates to consolidated subsidiaries that develop and manufacture pachinko and pachislot machine, and the relevant recoverable amounts are calculated based on future cash flows under business plans. Such business plans include estimates premised on assumptions set on the basis of historical sales results and available information.

III) Effect of significant accounting estimates on the consolidated financial statements for the following fiscal year

Business plans may be affected by consumer preferences, the PS machine industry environment, the spread of smart PS machines, and other factors. If changes to the set assumptions occur, goodwill impairment may arise, which could impact the consolidated financial statements for the following fiscal year.

2. Recoverability of deferred tax assets

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

(Unit: millions of yen)

	Previous fiscal year	Fiscal year under review
Deferred tax assets	3,843	4,241
Amount before offsetting deferred tax liabilities	4,008	4,398

(2) Information concerning the details of significant accounting estimates for identified items

I) Method of calculating amounts

The Group records deferred tax assets for deductible temporary differences and tax loss carry forward to the extent that it is believed they will be effective in reducing future tax liabilities. The recoverability of deferred tax assets is determined based on the corporate classification as set forth in the Implementation Guidance on Recoverability of Deferred tax assets (ASBJ Guidance No. 26), the sufficiency of future taxable income before financial effects of temporary differences and others, the scheduling of the fiscal years of expected future reversal of deductible temporary differences, and other factors.

II) Assumptions used in significant accounting estimates

The recorded amounts of deferred tax assets are calculated by estimating taxable income based on business plans for the following and subsequent fiscal years and the results of future recovery scheduling.

The Company’s business plan includes estimates of operating revenue for management and planning guidance (business administration) for each Group subsidiary based on the business plans for Group subsidiaries. Such estimates include assumptions regarding acceptance policies for such operating revenue and the manner and scope of receipt.

In addition, the key assumption regarding the recoverability of deferred tax assets is the sales plan (unit sales and sales prices) for PS machines in the business plan of an operating subsidiary in the Amusement Equipment Business. This plan includes estimates based on assumptions established on the basis of historical sales results and available information.

III) Effect of significant accounting estimates on the consolidated financial statements for the following fiscal year

The Company's business plans may be affected by changes in operating revenue estimation policies, and the business plans of operating subsidiaries in the amusement equipment business may be affected by consumer preferences, the PS machine industry environment, the spread of smart PS machines, and other factors. If there are changes in the assumptions set in the business plans of individual Group companies, there may be a significant impact on determinations of recoverability of deferred tax assets, which could affect the consolidated financial statements for the following fiscal year.

(Notes - New Accounting Standards Not Yet Applied)

・ Accounting Standard for Leases, etc. (ASBJ Statement No. 34, September 13, 2024)

・ Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

In addition, revision of relevant corporate accounting standards, guidance on application of corporate accounting standards, practice reports, and transfer guidelines

(1) Summary

Similar to international accounting standards, the standard provides that all leases by a lessee should be recorded as assets and liabilities.

(2) Planned date of application

The Company plans to apply the standard from the beginning of the fiscal year ending March 2028.

(3) Effect of adoption of this accounting standard

The amount of the effect was being evaluated at the time of preparation of these consolidated financial statements.

・ "Practical Guidelines on Accounting for Financial Instruments" (Transferred Guidance No. 9, March 11, 2025)

(1) Summary

To provide investors with useful financial information by measuring unlisted shares (with no market prices) embedded within venture capital funds and other similar funds at fair value, these guidelines prescribe revisions to the accounting treatment for investment interests in venture capital funds held by listed companies and other entities.

(2) Planned date of application

The Company plans to apply the standard from the beginning of the fiscal year ending March 2027.

(3) Effect of adoption of this accounting standard

The amount of the effect was being evaluated at the time of preparation of these consolidated financial statements.

・ "Accounting Standard for Subsequent Events" (ASBJ Statement No. 41, January 9, 2026, Accounting Standards Board of Japan)
・ "Implementation Guidance on Accounting Standard for Subsequent Events" (ASBJ Guidance No. 35, January 9, 2026, Accounting Standards Board of Japan)

(1) Overview

The "Accounting Standard for Subsequent Events" and its implementation guidance were developed with the priority of establishing a comprehensive accounting standard addressing the definition, accounting treatment, and disclosure of subsequent events. Guided by the basic policy of transferring the accounting-related provisions from the Japanese Institute of Certified Public Accountants (JICPA) Auditing and Assurance Practice Committee, Auditing Standards Committee Report No. 560, Practice Guidelines No. 1, "Auditing Treatment of Subsequent Events" to the Accounting Standards Board of Japan (ASBJ) while in principle inheriting their content, these standards revise expressions and clarify the evaluation period for subsequent events. Furthermore, they prescribe the accounting treatment and disclosures for subsequent events, including a new requirement to disclose notes regarding the approval of the issuance of financial statements.

(2) Scheduled Date of Application

The standard and guidance are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(Notes - Consolidated Balance Sheet)

*1 Items relating to unconsolidated subsidiaries and affiliated companies are as follows.

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Investments in securities (shares)	¥2,039 million	¥1,897 million

*2. Assets pledged as collateral and secured liabilities

(1) Assets pledged as collateral and secured liabilities of certain consolidated subsidiaries

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Buildings	¥907 million	¥870 million
Land	¥2,183 million	¥2,183 million
Total	¥3,090 million	¥3,053 million

(Note) The above amounts are based on loan agreements entered into by certain consolidated subsidiaries and financial institutions and are subject to revolving mortgages.

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Current portion of long-term borrowings	¥117 million	¥1,647 million
Long-term borrowings	¥2,253 million	¥606 million
Total	¥2,371 million	¥2,253 million

(2) Assets pledged as collateral for borrowings of companies other than consolidated subsidiaries

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Time deposits	¥100 million	¥100 million
Total	¥100 million	¥100 million

3. Contingent liabilities

When certain consolidated subsidiaries sell PS machines to pachinko parlors on behalf of PS machine manufacturers, they provide guarantees on the prices of the PS machines.

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
K.K. KIKUYA	4Millions of yen	48Millions of yen
Nikko Syouji LLC	28Millions of yen	35Millions of yen
K.K. PALAZZO Tokyo Plaza	25Millions of yen	33Millions of yen
K.K. PALAZZO Kichijoji East	58Millions of yen	33Millions of yen
King Kanko Co., Ltd.	18Millions of yen	30Millions of yen
ABC Co.,Ltd.	-Millions of yen	21Millions of yen
K.K. VENICE Sangyo	15Millions of yen	20Millions of yen
K.K. Ichiroku Shoji Holdings	5Millions of yen	12Millions of yen
SHOUEI PROJECT INC	12Millions of yen	12Millions of yen
K.K. SA-PLANNING	1Millions of yen	11Millions of yen
Others	440Millions of yen	249Millions of yen
Total	610Millions of yen	509Millions of yen

4. Overdraft agreements

The Group enters into overdraft agreements with its banks to ensure efficient procurement of working capital. The balance of undrawn lines of credit under these agreements is as follows.

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Total amount of overdraft limits	16,300 Millions of yen	16,300 Millions of yen
Loan balance	－Millions of yen	－Millions of yen
Net amount	16,300 Millions of yen	16,300 Millions of yen

(Notes - Consolidated Statement of Income)

*1 Revenue from contracts with customers

Net sales from contracts with customers and other revenue are not presented separately. The amount of revenue from contracts with customers is indicated in “Notes to consolidated financial statements (Notes - revenue recognition) 1. Breakdown of revenue from contracts with customers.”

*2 The details of gain on sale of non-current assets are as follows.

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Buildings and structures	－Millions of yen	23Millions of yen
Machinery, equipment and vehicles	0Millions of yen	1Millions of yen
Tools, furniture and fixtures	0Millions of yen	0Millions of yen
Land	－Millions of yen	30Millions of yen
Total	0Millions of yen	56Millions of yen

*3 The details of loss on retirement of non-current assets are as follows.

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Buildings and structures	4Millions of yen	30Millions of yen
Machinery, equipment and vehicles	－Millions of yen	0Millions of yen
Tools, furniture and fixtures	3Millions of yen	4Millions of yen
Total	7Millions of yen	35Millions of yen

*4 Impairment losses

The Group recorded impairment losses for the following assets.

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

Application	Location	Type	Amount
Other assets	Shibuya-ku, Tokyo	Other intangible assets	¥50 million

Group business assets are grouped based on the smallest units that generate cash flows for each administrative accounting category. With respect to asset groups mentioned above, profitability declined, and therefore, book values were reduced to the recoverable amounts, and the amount of the reduction was recorded under extraordinary losses. The breakdown is ¥50 million yen for other intangible assets.

The recoverable amounts for the relevant asset groups are measured at value in use. Value in use is calculated by discounting future cash flows at a discount rate of 1.47%.

Current fiscal year (from April 1, 2025, to March 31, 2026)

Application	Location	Type	Amount
Other assets	Shibuya-ku, Tokyo	Other intangible assets	¥161 million

Group business assets are grouped based on the smallest units that generate cash flows for each administrative accounting category.

With respect to asset groups mentioned above, profitability declined, and therefore, book values were reduced to the recoverable amounts, and the amount of the reduction was recorded under extraordinary losses. The breakdown is ¥161 million for other intangible assets.

The recoverable amounts for the relevant asset groups are measured at value in use. Value in use is evaluated as zero because no future cash flows are expected.

*5 Loss on sales of shares of subsidiaries and affiliated companies

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

In connection with the sale of some shares of DAIKOKU DENKI Co., Ltd., the Company recorded loss on sale of shares of subsidiaries and affiliated companies of ¥162 million as extraordinary loss.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

Not applicable.

*6 Loss on business restructuring

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

Not applicable.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

These expenses were incurred in connection with headcount optimization resulting from a review of the business portfolio at a consolidated subsidiary in the Company's content and digital business segment.

(Notes – Concerning Consolidated Statement of Comprehensive Income)

* Notes regarding reclassification adjustments relating to other comprehensive income, incomes taxes, and tax effects

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Valuation difference on available-for-sale securities		
Amount generated in the current period	(515) Millions of yen	(388)Millions of yen
Reclassification adjustments	(42) Millions of yen	(8)Millions of yen
Income taxes and before tax effect adjustment	(558) Millions of yen	(396)Millions of yen
Income taxes and tax effect	174 Millions of yen	129Millions of yen
Valuation difference on available-for-sale securities	(383) Millions of yen	(267)Millions of yen
Foreign currency translation adjustment		
Amount generated in the current period	(10) Millions of yen	20 Millions of yen
Reclassification adjustments	－Millions of yen	－Millions of yen
Income taxes and before tax effect adjustment	(10) Millions of yen	20 Millions of yen
Income taxes and tax effect	－Millions of yen	－ Millions of yen
Foreign currency translation adjustment	(10) Millions of yen	20 Millions of yen
Remeasurements of defined benefit plans		
Amount generated in the current period	33 Millions of yen	64Millions of yen
Reclassification adjustments	(5) Millions of yen	(14)Millions of yen
Income taxes and before tax effect adjustment	28 Millions of yen	50Millions of yen
Income taxes and tax effect	－Millions of yen	－Millions of yen
Remeasurements of defined benefit plans	28 Millions of yen	50Millions of yen
Share of other comprehensive income of		

entities accounted for using equity method		
Amount generated in the current period	(0) Millions of yen	－Millions of yen
Total other comprehensive income	(366) Millions of yen	(196)Millions of yen

・(Notes - Consolidated Statement of Changes in Equity)

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

1. Matters related to issued shares

Class of shares	Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review
Common stock	69,400,000	—	3,970,850	65,429,150

(Note) (Overview of variable events)

Decrease due to cancellation of treasury shares: 3,970,850 shares

2. Matters related to treasury shares

Class of shares	Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review
Common stock	3,970,850	3,500,000	4,258,150	3,212,700

(Note) (Overview of variable events)

Increase due to acquisition of treasury shares: 3,500,000 shares

Decrease due to cancellation of treasury shares: 3,970,850 shares

Decrease due to exercise of share options: 47,300 shares

Decrease due to disposal of treasury share as restricted share awards: 240,000 shares

3. Matters related to share options, etc.

Company name	Breakdown	Class of target shares	Number of target shares				Balance at the end of the fiscal year under review (millions of yen)
			Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review	
Reporting company	Share options as the Series 1 Share Options	—	—	—	—	—	1
	Share options as the Series 2 Share options	—	—	—	—	—	220
	Share options as the Series 3 Share Options	—	—	—	—	—	85
Total			—	—	—	—	306

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
June 19, 2024 Annual General Meeting of Shareholders	Common stock	2,617	40	March 31, 2024	June 20, 2024

(2) Dividends with a record date in the fiscal year under review, whose effective date of distribution falls in the following fiscal year

Resolution	Class of shares	Total dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
June 18, 2025 Annual General Meeting of Shareholders	Common stock	3,110	Retained earnings	50	March 31, 2025	June 19, 2025

Fiscal year under review (from April 1, 2025 to March 31, 2026)

1. Matters related to issued shares

Class of shares	Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review
Common stock	65,429,150	—	—	65,429,150

2. Matters related to treasury shares

Class of shares	Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review
Common stock	3,212,700	5	36,000	3,176,705

(Note) (Overview of variable events)

Increase due to purchase of shares less than one unit: 5 shares

Decrease due to exercise of share acquisition rights: 36,000 shares

3. Matters related to share options, etc.

Company name	Breakdown	Class of target shares	Number of target shares				Balance at the end of the fiscal year under review (millions of yen)
			Beginning of the fiscal year under review	Increase	Decrease	End of fiscal year under review	
Reporting company	Share options as the Series 1 Share Options	—	—	—	—	—	1
	Share options as the Series 2 Share options	—	—	—	—	—	201
	Share options as the Series 3 Share Options	—	—	—	—	—	101
Total			—	—	—	—	303

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
June 18, 2025 Annual General Meeting of Shareholders	Common stock	3,110	50	March 31, 2025	June 19, 2025

(2) Dividends with a record date in the fiscal year under review, whose effective date of distribution falls in the following fiscal year

Resolution planned	Class of shares	Total dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Record date	Effective date
June 17, 2026 Annual General Meeting of Shareholders	Common stock	4,357	Retained earnings	70	March 31, 2026	June 18, 2026

・(Notes - Consolidated Statement of Cash Flows)

*1 The relationship between cash and cash equivalents at the end of year and the amounts stated in consolidated balance sheet is as follows:

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Cash and deposits	30,954 Millions of yen	30,935Millions of yen
Time deposits with maturities of more than three months	(100) Millions of yen	(100)Millions of yen
Cash and cash equivalents	30,854 Millions of yen	30,835Millions of yen

・(Notes - Leases)

1. Operating Leases

・(Lessee Side)

Future minimum lease payments under non-cancelable operating lease transactions

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Due within one year	138 Millions of yen	272Millions of yen
Over one year	2 Millions of yen	351Millions of yen
Total	140 Millions of yen	624Millions of yen

・(Notes - Financial Instruments)

1. Matters Related to Financial Instruments

(1) Policy for Financial Instruments

Group policy is to invest temporary surplus funds primarily in highly-secure financial assets.

Company policy is to procure short-term working capital through bank borrowings and to make appropriate decisions regarding medium-to long-term financing in light of the use of the funds and market conditions.

In addition, the Company does not enter into derivative transactions for speculative purposes.

(2) Details and Risks of Financial Instruments

Notes and accounts receivable - trade and electronically recorded monetary claims - operating are trade receivables arising from normal operating activities and are exposed to customer credit risks. Investment securities are primarily equity securities held for net investment purposes and are exposed to the risk of fluctuations in market prices. Loans are mainly loans to affiliated companies and are exposed to the credit risks of the borrowers. Leasehold and guarantee deposits consist primarily of leasehold deposits under office lease agreements, which expose the lessor to credit risks.

Notes and accounts payable – trade and electronically recorded obligations – operating represent trade payables arising from normal operating activities, all of which are due within one year. Borrowings are mainly for the purpose of raising funds necessary for working capital, and some of these borrowings are exposed to interest rate fluctuation risks. Income taxes payable consist of payables related to income taxes, resident taxes and enterprise taxes, all of which are due within one year.

(3) Risk Management Relating to Financial Instruments

・I) Management of Credit Risks (the risk that counterparties may default)

Regarding notes and accounts receivable - trade and electronically recorded monetary claims – operating, each business division manages due dates and balances for each counterparty in accordance with the Monetary Claim Management Regulations and makes efforts to identify concerns about collection due to deterioration in financial condition and other factors at an early stage. For loans, the Headquarter Administration Division monitors the financial condition of borrowers and makes efforts to identify concerns about loan recovery due to deterioration in financial condition and other factors at an early stage.

・II) Monitoring Market Risks (risks arising from fluctuations in foreign exchange rates, interest rates, etc.)

With respect to investment securities, in accordance with the Fund Investment Management Regulations, the Headquarter Administration Division regularly assesses the market value and financial position of the issuing companies and continuously reviews the status of holdings, taking into consideration the relationship with the client company. The Headquarter Administration Division continuously monitors market interest rate trends regarding the risk of fluctuation of interest rates on borrowings.

・III) Management of Liquidity Risks Related to Financing (the risk that payments may not be made when due)

Based on reports from each department, the Headquarter Administration Division prepares and updates cash flow plans in a timely manner to manage liquidity risk.

(4) Supplementary Explanation Regarding Matters Related to Fair Value of Financial Instruments

Since variable factors are incorporated in the calculation of the fair value of financial instruments, the fair value may vary if different assumptions are adopted.

2. Matters Related to Fair Value of Financial Instruments

Carrying amounts, fair values, and the differences between them are as follows.

With respect to the Previous fiscal year, a significant revision of the initial allocation of acquisition cost is reflected due to the finalization of provisional accounting treatment for business combinations.

・ Previous Fiscal Year (As of March 31, 2025) (Unit: millions of yen)

Classification	Carrying amount	Fair value	Difference
(1) Investment securities *2			
Other securities *3	5,495	5,495	-
(2) Long-term loans receivable	1,354		
Allowance for doubtful accounts *4	(598)		
	756	741	(14)
(3) Lease and guarantee deposits	2,727	2,616	(111)
Total assets	8,978	8,853	(125)
(1) Long-term borrowings (including current portion of long-term borrowings)	10,240	9,927	(313)
Total liabilities	10,240	9,927	(313)

*1 “Cash and deposits,” “Notes receivable - trade,” “Accounts receivable - trade,” “Electronically recorded monetary claims – operating,” “Notes and accounts payable – trade” “Short-term borrowings,” and “Income taxes payable” are omitted, as they are cash and because their fair values approximate their carrying values due to their short maturities.

*2 Equity securities without market prices are not included in “(1) Investment securities.” The carrying amounts of these financial instruments are as follows.

Classification	Previous fiscal year (millions of yen)
Unlisted shares	295
Shares of subsidiaries	1,479
Shares of affiliated companies	559
Total	2,335

*3 The Company considers the base value of investment trusts to be the fair value in accordance with generally accepted accounting principles for investment trusts, and such investment trusts are included.

*4 The allowance for doubtful accounts recorded separately in long-term loans receivable is deducted.

Fiscal year under review (As of March 31, 2026) (Unit: millions of yen)

Classification	Carrying amount	Fair value	Difference
(1) Investment securities *2			
Other securities *3	5,094	5,094	—
(2) Long-term loans receivable	1,586		
Allowance for doubtful accounts *4	(663)		
	922	893	(29)
(3) Lease and guarantee deposits	2,858	2,674	(184)
Total assets	8,876	8,662	(213)
(1) Long-term borrowings (including current portion of long-term borrowings)	8,033	7,715	(318)
Total liabilities	8,033	7,715	(318)

*1 “Cash and deposits,” “Notes receivable - trade,” “Accounts receivable - trade,” “Electronically recorded monetary claims – operating,” “Notes and accounts payable – trade” “Short-term borrowings,” and “Income taxes payable” are omitted, as they are cash and because their fair values approximate their carrying values due to their short maturities.

*2 Equity securities without market prices are not included in “(1) Investment securities.” The carrying amounts of these financial instruments are as follows.

Classification	Fiscal year under review (millions of yen)
Unlisted shares	295
Shares of subsidiaries	1,289
Shares of affiliated companies	607
Investments in investment enterprise partnerships	100
Total	2,293

*3 The Company considers the base value of investment trusts to be the fair value in accordance with generally accepted accounting principles for investment trusts, and such investment trusts are included.

*4 The allowance for doubtful accounts recorded separately in long-term loans receivable is deducted.

(Note 1) Scheduled redemption amounts for monetary receivables and securities with maturity dates after the consolidated closing date

Previous fiscal year (As of March 31, 2025) (Unit: millions of yen)

Classification	Within one year	More than one year Within five years	More than five years Within ten years	Over ten years
Cash and deposits	30,954	—	—	—
Notes receivable - trade	1,612	—	—	—
Accounts receivable - trade	10,708	117	—	—
Electronically recorded monetary claims - operating	4,342	—	—	—
Long-term loans receivable *1	—	756	—	—
Total assets	47,618	873	—	—

*1 ¥598 million that is not expected to be redeemed is not included in long-term loans receivable.

*2 Leaseholds and guarantee deposits are not included in the above amounts because the repayment dates are not fixed.

Fiscal year under review (As of March 31, 2026) (Unit: millions of yen)

Classification	Within one year	More than one year Within five years	More than five years Within ten years	Over ten years
Cash and deposits	30,935	—	—	—
Notes receivable - trade	435	—	—	—
Accounts receivable - trade	6,261	37	—	—
Electronically recorded monetary claims - operating	1,593	—	—	—
Long-term loans receivable *1	—	922	—	—
Total assets	39,226	959	—	—

*1 ¥663 million that is not expected to be redeemed is not included in long-term loans receivable.

*2 Leaseholds and guarantee deposits are not included in the above amounts because the repayment dates are not fixed.

(Note 2) Scheduled redemption amounts for long-term borrowings and other interest-bearing liabilities after the consolidated closing date

Previous fiscal year (As of March 31, 2025) (Unit: millions of yen)

Classification	Within one year	More than one year Within two years	More than two years Within three years	More than three years Within four years	More than four years Within five years	Over five years
Short-term borrowings	900	—	—	—	—	—
Long-term borrowings	2,207	3,380	1,403	1,403	1,241	605
Total	3,107	3,380	1,403	1,403	1,241	605

Fiscal year under review (As of March 31, 2026) (Unit: millions of yen)

Classification	Within one year	More than one year Within two years	More than two years Within three years	More than three years Within four years	More than four years Within five years	Over five years
Short-term borrowings	1,059	—	—	—	—	—
Long-term borrowings	3,380	1,403	1,403	1,241	114	491
Total	4,439	1,403	1,403	1,241	114	491

3. Matters related to breakdown of fair value of financial instruments by level

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs to the determination of fair value:

Level 1 fair value: Fair value calculated using inputs for observable fair values that are determined by quoted prices for the assets or liabilities subject to such fair values that are formed in active markets

Level 2 fair value: Fair value calculated using inputs for determining fair value other than Level 1 inputs that are observable fair values

Level 3 fair value: Fair values calculated using inputs for determining market values that are not observable

If the Company uses multiple inputs that are significant to the determination of fair value, the Company categorizes fair value into the level in which each of these inputs has the lowest priority for determining fair value.

(1) Financial instruments recorded in the consolidated balance sheets at fair value

Previous fiscal year (As of March 31, 2025)

Classification	Fair value (Unit: millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Shares	5,307	—	—	5,307
Total assets	5,307	—	—	5,307

(Note) In accordance with generally accepted accounting principles, investment trusts for which the base value of investment trusts is deemed to be fair value are not included. The carrying amount for such investment trusts is ¥188 million.

Fiscal year under review (As of March 31, 2026)

Classification	Fair value (Unit: millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Shares	4,896	—	—	4,896
Total assets	4,896	—	—	4,896

(Note) In accordance with generally accepted accounting principles, investment trusts for which the base value of investment trusts is deemed to be fair value are not included. The carrying amount for such investment trusts is ¥197 million.

(2) Financial instruments other than financial instruments included in the consolidated balance sheet at fair value

Previous fiscal year (As of March 31, 2025)

Classification	Fair value (Unit: millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	—	741	—	741
Leasehold and guarantee deposits	—	2,616	—	2,616
Total assets	—	3,357	—	3,357
Long-term borrowings (including current portion of long-term borrowings)	—	9,927	—	9,927
Total liabilities	—	9,927	—	9,927

Fiscal year under review (As of March 31, 2026)

Classification	Fair value (Unit: millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	—	893	—	893
Leasehold and guarantee deposits	—	2,674	—	2,674
Total assets	—	3,568	—	3,568
Long-term borrowings (including current portion of long-term borrowings)	—	7,715	—	7,715
Total liabilities	—	7,715	—	7,715

(Note) Description of valuation techniques used to determine fair value and inputs for determining fair value

Investment securities

Fair values of listed stocks are valued using quoted prices. Listed stocks are traded on active markets and, therefore, their fair values are classified as level 1 fair values.

Long-term loans receivable

The fair values of long-term loans receivable are calculated using the discounted present value method based on an appropriate indicator, such as future cash flows and yields on government bonds, plus a credit spread, and are classified as a level 2 fair values.

Leasehold and guarantee deposits

The fair values of these assets are calculated by the discounted present value method based on reasonable estimates of the expected timing of repayment and appropriate indicators such as future cash flows and yields on government bonds and are classified as level 2 fair values.

Long-term borrowings (including current portion of long-term borrowings)
The fair values of these assets are determined using the discounted present value method based on the sum of principal and interest, the remaining term of the debt, and an interest rate adjusted for credit risk, and are classified as level 2 fair values.

・(Notes - Securities)

1. Other securities

Previous fiscal year (As of March 31, 2025)

(Unit: millions of yen)

Classification	Carrying amount	Acquisition cost	Difference
Items for which the carrying amount exceeds the acquisition cost			
Shares	78	8	70
Others	150	119	30
Subtotal	229	128	100
Items for which the carrying amount does not exceed the acquisition cost			
Shares	5,228	5,828	(600)
Others	37	40	(2)
Subtotal	5,266	5,869	(603)
Total	5,495	5,997	(502)

Fiscal year under review (March 31, 2026)

(Unit: millions of yen)

Classification	Carrying amount	Acquisition cost	Difference
Items for which the carrying amount exceeds the acquisition cost			
Shares	62	9	52
Others	189	141	48
Subtotal	251	151	100
Items for which the carrying amount does not exceed the acquisition cost			
Shares	4,834	5,831	(997)
Others	8	9	(1)
Subtotal	4,842	5,841	(999)
Total	5,094	5,993	(898)

2.Other available-for-sale securities sold during the fiscal year under review

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

(Unit: millions of yen)

Classification	Proceeds from sales	Total gain on sales	Total loss on sales
Shares	760	13	―
Others	152	29	―
Total	913	42	―

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

Classification	Proceeds from sales	Total gain on sales	Total loss on sales
Shares	87	8	―
Others	―	―	―
Total	87	8	―

・(Notes - Retirement Benefits)

1. Outline of the retirement allowance system adopted

The Company and certain domestic consolidated subsidiaries have adopted retirement lump-sum payment plans as unfunded defined benefit plans.

The retirement lump-sum payment plans of certain consolidated subsidiaries calculate retirement benefit liabilities and retirement benefit expenses using the simplified method.

2. Defined benefit plan

(1) Reconciliation of beginning and ending balances of retirement benefit obligations (excluding plans for which the simplified method is applied)

(Unit: millions of yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Retirement benefit obligations at beginning of year	771	790
Service costs	68	67
Interest expenses	5	10
Actuarial differences arising	(33)	(64)
Retirement benefits payable	(20)	(37)
Retirement benefit obligations fiscal year-end	790	766

(2) Reconciliation of the beginning and ending balances of retirement benefit liabilities for plans adopting the simplified method

(Unit: millions of yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Retirement benefit liabilities at beginning of year	675	1,552
Retirement benefit expenses	100	95
Retirement benefits payable	(113)	(105)
Increase from inclusion of subsidiaries in consolidation	889	—
Retirement benefit liabilities at fiscal year-end	1,552	1,541

(3) Reconciliation of the ending balance of retirement benefit obligations and retirement benefit liabilities with retirement benefit assets recorded in the consolidated balance sheet

(Unit: millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Retirement benefit obligations of unfunded plans	2,342	2,307
Net amount of liabilities and assets recorded in the consolidated balance sheet	2,342	2,307
Retirement benefit liability	2,342	2,307
Net amount of liabilities and assets recorded in the consolidated balance sheet	2,342	2,307

(Note) Includes plans that apply the simplified method.

(4) Amount of retirement benefit expenses and breakdown

(Unit: millions of yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Service costs	68	67
Interest expenses	5	10
Amortization of actuarial differences	(5)	(14)
Retirement benefit expenses calculated by the simplified method	100	95
Retirement benefit expenses for defined benefit plans	167	158

(5) Remeasurements of defined benefit plans

The breakdown of items recorded in remeasurements of defined benefit plans (before income taxes and tax effect) is as follows:

(Unit: millions of yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Actuarial differences	(28)	(50)
Total	(28)	(50)

(6) Remeasurements of defined benefit plans

The breakdown of remeasurements of defined benefit plans (before income taxes and tax effect) are as follows:

(Unit: millions of yen)

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Unrecognized actuarial differences	(65)	116
Total	(65)	116

(7) Matters related to the bases of actuarial calculations

Principal bases of actuarial calculations

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Discount rate	1.40%	2.20%
Expected rate of salary increase	1.00%	1.00%

(Notes – Stock Options, etc.)

1. Amounts and Account Titles of Recorded Expenses Relating to Stock Options and Restricted Share Awards

	Previous fiscal year	Fiscal year under review
Share-based payment expenses included in selling, general and administrative expenses	¥226 million	¥150 million

2. Amount Recorded as Gain Due to Forfeiture from Non-Exercise of Rights

	Previous fiscal year	Fiscal year under review
Gain on reversal of share options	¥0 million	¥2 million

3. Details and Scope of and Changes in Stock Options

(1) Details of Stock Options

I) FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC.) First Share Options (December 2020)

Details as of the end of the fiscal year under review are as follows. No changes concerning these matters have occurred as of the end of the month prior to the month in which this Securities Report was submitted (i.e., as of May 31, 2026).

Date of resolution	November 13, 2020
Category and number of grantees (people)	Six corporate officers of the Company 43 employees of the Company Three directors and corporate officers of our subsidiaries Eight employees of our subsidiaries
Number of stock options by type of stock	Common stock 801,200 shares
Grant date	December 1, 2020

Vesting conditions	Being employed continuously from the grant date (December 1, 2020) through the vesting date (November 13, 2022) and holding a position as a director, other officer, or employee of the Company or an affiliated company at the time of exercise of rights.
Requisite service period	Not specified
Exercise period	November 14, 2022 to November 13, 2030
Number of share options (units)	4,006 (Note 1)
Class, details, and number of shares subject to share options (shares)	Common stock: 801,200 (Note 1)
Amount to be paid-in upon exercise of share options (yen)	366 (Note 2)
Issue price and amount included in capital when shares are issued through exercise of first share options (yen)	Issue price 471.8 Amount to be included in capital (Note 3)
Terms of exercise of share options	If the holder of share options waives their share options, those share options cannot be exercised. Other conditions are as set forth in the share options allotment agreement between the Company and share options holder.
Notes concerning assignment of share options	Purchase of share options by assignment is subject to approval by a resolution of the Company's Board of Directors.
Notes concerning issuance of share options in conjunction with organizational restructuring	(Note 4)

* Numbers of shares are converted to the number of shares after the share split on March 22, 2023 (a 2-for-1 split of common stock).

(Notes) 1. The class of shares subject to share options are the common stock of the Company, and the number of shares subject to each share option (the "Number of Shares Granted") is 200 shares. However, if the Company implements a share split (including gratis allotment of Company common stock; hereinafter the same applies with respect to statements concerning share splits) or a share consolidation on or after the date of the allotment (hereinafter, the "allotment date") of share options , the number of granted shares shall be adjusted according to the following formula, and any fraction less than one share resulting from the adjustment shall be discarded.

$$\text{Adjusted number of shares granted} = \text{Unadjusted number of shares granted} \times \text{Share split or share consolidation ratio}$$

In addition, if the Company merges or implements a corporate division or if an adjustment of the number of shares granted is necessary due to comparable reasons on or after the Allotment Date, the Company may appropriately adjust the number of shares to a reasonable extent.

2. If the Company carries out the actions set forth in (1) or (2) below with respect to common stock on or after the Allotment Date, the amount to be paid-in per share delivered as a result of exercise of each share option (the "Exercise Price") shall be adjusted in accordance with the formula set forth below, with fractions of less than one yen resulting from the adjustment rounded up.

(1) If the Company implements a share split or share consolidation

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{1}{\text{Share split or share consolidation ratio}}$$

(2) If the Company issues new shares or disposes of treasury shares at a price below market value (excluding cases where treasury stock is sold pursuant to Article 194 of the *Companies Act* (Demand for Sale to Holder of Shares Less than One Unit), conversion of securities that are or can be converted into common stock of the Company, or exercise of share options (including those attached to bonds with share options) that entitle the holder to request the issuance of common stock of the Company)

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{\text{Number of previously-issued shares} + \dfrac{\text{Number of newly-issued shares} \times \text{Subscription price per share}}{\text{Market value}}}{\text{Number of previously-issued shares} + \text{Number of newly-issued shares}}$$

3. Notes concerning increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options

(1) The amount of the increase in share capital in the event of issuance of shares through the exercise of share options shall be one-half of the maximum amount of the increase in share capital, etc. calculated in accordance with Article 17,

Paragraph 1, of the *Regulations for Corporate Accounting*, with any fraction of less than one yen resulting from the calculation rounded up to the nearest whole yen.

(2) The amount of the increase in legal capital surplus in the event of issuance of shares through the exercise of share options shall be the amount obtained by subtracting the increased amount of share capital as set forth in (1) above from the maximum amount of the increase in share capital as set forth in (1) above.

4. If the Company merges (limited to cases where the Company is dissolved as a result of the merger) or implements an absorption-type company split or an incorporation-type company split (in each case, limited to cases where the Company becomes a split company) or a share-for-share exchange or share transfer (in each case, limited to cases where the Company becomes a wholly-owned subsidiary) (collectively referred to as "Organizational Restructuring"), on the effective date of the Organizational Restructuring (meaning, in the case of an absorption-type merger, the date on which the merger becomes effective; in the case of a consolidation-type merger, the date of incorporation of the newly-established company; in the case of an absorption-type company split, the date on which the company split becomes effective; in the case of a consolidation-type company split, the date of incorporation of the newly-established company; in the case of a share exchange, the date on which the share exchange becomes effective; and in the case of a share transfer, the date of incorporation of the wholly- owning parent company established through the share transfer; hereinafter the same applies), new share options of the reorganized company (the "Reorganized Company"), as specified in Article 236, paragraph (1), item (viii), sub-items (a) to (e) of the *Companies Act*, shall be delivered to share option holders who hold remaining share options (the "Remaining Share Options") immediately prior to the effective date in accordance with each respective case.
Provided, however, that such delivery shall be subject to the condition that the delivery of share options of the Reorganized Company is specified in accordance with each of the following items in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, consolidation-type company split plan, share exchange agreement, or share transfer plan.
(1) Number of share options of the Reorganized Company to be issued
The same number of share options as the number of Remaining Share Options held by the share option holders shall be delivered to each share option holder.
(2) Class of shares of the Reorganized Company that are the subject of the share options
The class of shares shall be the common stock of the Reorganized Company.
(3) Number of shares of the Reorganized Company that are the subject of the share options
The number of shares shall be determined in accordance with "Class, details, and number of shares subject to share options (shares)" taking into consideration the terms and conditions of the Organizational Restructuring.
(4) Value of the property to be contributed at the time of exercise of share options
The value of the property to be contributed at the time of exercise of each delivered share option shall be the amount obtained by (i) the post-reorganization exercise price, which is determined by adjusting the exercise price specified in the table under "Amount to be paid-in upon exercise of share options (yen)," taking into consideration the terms and conditions of the Organizational Restructuring, multiplied by (ii) the number of shares of the Reorganized Company that are the subject of the share options as determined in accordance with (3) above.
(5) Period during which share options can be exercised
The exercise period for the share options shall be from the later of the commencement date of the exercise period specified in the table under "Exercise Period of Share Options" or the effective date of the Organizational Restructuring to the expiration date of the exercise period specified in that table.
(6) Notes concerning increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options
Determined in accordance with Note 3.
(7) Restrictions on purchase of share options by assignment
Purchase of share options by assignment is subject to approval by a resolution of the Board of Directors of the Reorganized Company.
(8) Provisions on the purchase of share options
If any of the proposals specified in I) to VII) below is approved at a general meeting of shareholders of the Company (or, if a resolution of the general meeting of shareholders is not required, by resolution of the Company's Board of Directors), the Company may acquire share options gratis on a date determined separately by the Board of Directors.
I) A proposal to approve a merger in which the Company is the non-surviving company;
II) A proposal to approve a split agreement or split plan in which the Company will become a split company;
III) A proposal to approve a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary;
IV) A proposal to approve amendment of the Articles of Incorporation to create a provision requiring the Company's approval for the acquisition through assignment of all shares issued by the Company;
V) A proposal to approve amendment of the Articles of Incorporation to create a provision stipulating that the Company's approval is required for the acquisition through assignment of the class of shares that are the

subject of share options or that the Company may acquire all such shares by resolution of the general meeting of shareholders;

VI) A proposal to approve a share consolidation involving the class of shares that are the subject of the share options (limited to cases where the consolidation results in fractional shares of less than one unit when the number of shares constituting one unit of the relevant classes multiplied by the consolidation ratio); and

VII) A proposal to approve a demand for the sale of shares by a special controlling shareholder pursuant to Article 179-3, paragraph (1) of the *Companies Act*;

(9) Other terms of the exercise of share options

Determined in accordance with "Terms of exercise of share options" in the table.

II). TSUBURAYA FIELDS HOLDINGS INC. share options

Details as of the end of the fiscal year under review are as follows. No changes concerning these matters have occurred as of the end of the month prior to the month in which this Securities Report was submitted (i.e., as of May 31, 2026).

Date of resolution	November 25, 2022
Category and number of grantees (people)	Employees of the Company: 60 Directors and corporate officers of consolidated subsidiaries of the Company: 22 Employees of consolidated subsidiaries of the Company: 566
Number of stock options by type of stock	Common stock: 530,400 shares
Grant date	December 12, 2022
Vesting conditions	Being employed continuously from the grant date (December 12, 2022) through the vesting date (November 25, 2024) and holding a position as an officer or employee of the Company or an affiliated company at the time of exercise of rights.
Requisite service period	Not specified
Exercise period	November 26, 2024 to November 25, 2032
Number of share options (units)	2,652 (Note 1)
Class, details, and number of shares subject to share options (shares)	Common stock: 530,400 (Note 1)
Amount to be paid-in upon exercise of share options (yen)	2,510 (Note 2)
Issue price and amount included in capital when shares are issued through exercise of first share options (yen)	Issue price 3,517 Amount to be included in capital (Note 3)
Terms of exercise of share options	(1) A holder of share options must, at the time of exercising those rights, be in a position as an officer or employee of the Company or an affiliated company (in this paragraph, "affiliated company" means an affiliated company stipulated in the Regulation on the Terminology, Forms and Preparation Methods of Financial Statements);provided, however, that this shall not apply in cases where the share option holder resigns as an officer of the Company or an affiliated company upon expiration of their term of office, loses status as an employee of the Company or affiliated company due to mandatory retirement or for reasons attributable to the Company, or if the Company determines there are reasonable grounds. (2) If the holder of share options waives their share options, those share options cannot be exercised.
Notes concerning assignment of share options	Purchase of share options by assignment is subject to approval by a resolution of the Company's Board of Directors.
Notes concerning issuance of share options in conjunction with organizational restructuring	(Note 4)

* Numbers of shares are converted to the number of shares after the share split on March 22, 2023 (a 2-for-1 split of common stock).

(Notes) 1. The class of shares subject to share options are the common stock of the Company, and the number of shares subject to each share option (the "Number of Shares Granted") is 200 shares. However, if the Company implements a share split (including gratis allotment of Company common stock; hereinafter the same applies with respect to statements concerning share splits) or a share consolidation on or after the date of the Board of Directors resolution offering the share options (the "Resolution Date"), the Number of Shares Granted shall be adjusted according to the following

formula, and any fraction of less than one share resulting from the adjustment shall be discarded.

Adjusted number of shares granted = Unadjusted number of shares granted × Share split or share consolidation ratio

In addition, if the Company merges or implements a corporate division or if an adjustment of the number of shares granted is necessary due to comparable reasons on or after the Resolution Date, the Company may appropriately adjust the Number of Shares Granted to a reasonable extent.

2. If the Company carries out the actions set forth in (1) or (2) below with respect to common stock on or after the allotment date, the Exercise Price shall be adjusted in accordance with the formula set forth below (the "Exercise Price Adjustment Formula"), with fractions of less than one yen resulting from the adjustment rounded up.

(1) If the Company implements a share split or share consolidation

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{1}{\text{Share split or share consolidation ratio}}$$

(2) If the Company issues new shares or disposes of treasury shares at a price below market value (excluding cases where treasury stock is sold pursuant to Article 194 of the *Companies Act* (Demand for Sale to Holder of Shares Less than One Unit), conversion of securities that are or can be converted into common stock of the Company, or exercise of share options (including those attached to bonds with share options) that entitle the holder to request the issuance of common stock of the Company)

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{\text{Number of previously-issued shares} + \dfrac{\text{Number of newly-issued shares} \times \text{Subscription price per share}}{\text{Market value}}}{\text{Number of previously-issued shares} + \text{Number of newly-issued shares}}$$

3. Notes concerning increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options

(1) The amount of the increase in share capital in the event of issuance of shares through the exercise of share options shall be one-half of the maximum amount of the increase in share capital, etc. calculated in accordance with Article 17, Paragraph (1), of the *Regulations for Corporate Accounting*, with any fraction of less than one yen resulting from the calculation rounded up to the nearest whole yen.

(2) The amount of the increase in legal capital surplus in the event of issuance of shares through the exercise of share options shall be the amount obtained by subtracting the increased amount of share capital as set forth in (1) above from the maximum amount of the increase in share capital as set forth in (1) above.

4. If the Company merges (limited to cases where the Company is dissolved as a result of the merger) or implements an absorption-type company split or an incorporation-type company split (in each case, limited to cases where the Company becomes a split company) or a share-for-share exchange or share transfer (in each case, limited to cases where the Company becomes a wholly-owned subsidiary) (collectively referred to as "Organizational Restructuring"), on the effective date of the Organizational Restructuring (meaning, in the case of an absorption-type merger, the date on which the merger becomes effective; in the case of a consolidation-type merger, the date of incorporation of the newly-established company; in the case of an absorption-type company split, the date on which the company split becomes effective; in the case of a consolidation-type company split, the date of incorporation of the newly-established company; in the case of a share exchange, the date on which the share exchange becomes effective; and in the case of a share transfer, the date of incorporation of the wholly-owning parent company established through the share transfer; hereinafter the same applies), new share options of the reorganized company (the "Reorganized Company"), as specified in Article 236, paragraph (1), item (viii), sub-items (a) to (e) of the *Companies Act*, shall be delivered to share option holders who hold remaining share options (the "Remaining Share Options") immediately prior to the effective date in accordance with each respective case. Provided, however, that such delivery shall be subject to the condition that the delivery of share options of the Reorganized Company is specified in accordance with each of the following items in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, consolidation-type company split plan, share exchange agreement, or share transfer plan.

(1) Number of share options of the Reorganized Company to be issued

The same number of share options as the number of Remaining Share Options held by the share option holders shall be delivered to each share option holder.

(2) Class of shares of the Reorganized Company that are the subject of the share options

The class of shares shall be the common stock of the Reorganized Company.

(3) Number of shares of the Reorganized Company that are the subject of the share options

The number of shares shall be determined in accordance with "Class, details, and number of shares subject to share options (shares)" taking into consideration the terms and conditions of the Organizational Restructuring.

(4) Value of the property to be contributed at the time of exercise of share options

The value of the property to be contributed at the time of exercise of each delivered share option shall be the amount obtained by (i) the post-reorganization exercise price, which is determined by adjusting the exercise price specified in the table under "Amount to be paid-in upon exercise of share options (yen)," taking into consideration the terms and conditions of the Organizational Restructuring, multiplied by (ii) the number of shares of the Reorganized Company that are the subject of the share options as determined in accordance with (3) above.

(5) Period during which share options can be exercised

The exercise period for the share options shall be from the later of the commencement date of the exercise period specified in the table under "Exercise Period of Share Options" or the effective date of the Organizational Restructuring to the expiration date of the exercise period specified in that table.

(6) Notes concerning to increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options

Determined in accordance with Note 3.

(7) Restrictions on purchase of share options by assignment

Purchase of share options by assignment is subject to approval by a resolution of the Board of Directors of the Reorganized Company.

(8) Provisions on the purchase of share options

If any of the proposals specified in I) to V) below is approved at a general meeting of shareholders of the Company (or, if a resolution of the general meeting of shareholders is not required, by resolution of the Company's Board of Directors), the Company may acquire share options gratis on a date determined separately by the Board of Directors.

I) A proposal to approve a merger in which the Company is the non-surviving company;
II) A proposal to approve a split agreement or split plan in which the Company will become a split company;
III) A proposal to approve a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary;
IV) A proposal to approve amendment of the Articles of Incorporation to create a provision requiring the Company's approval for the acquisition through assignment of all shares issued by the Company; or
V) A proposal to approve amendment of the Articles of Incorporation to create a provision stipulating that the Company's approval is required for the acquisition through assignment of the class of shares that are the subject of share options or that the Company may acquire all such shares by resolution of the general meeting of shareholders.

(9) Other terms of the exercise of share options

Determined in accordance with "Terms of exercise of share options" in the table.

III) TSUBURAYA FIELDS HOLDINGS INC. 2023 share options

Details as of the end of the fiscal year under review are as follows. No changes concerning these matters have occurred as of the end of the month prior to the month in which this Securities Report was submitted (i.e., as of May 31, 2026).

Date of resolution	July 14, 2023
Category and number of grantees (people)	One director of the Company Three corporate officers of the Company Eight employees of the Company Five directors of subsidiaries of the Company Five corporate officers of subsidiaries of the Company 157 employees of subsidiaries of the Company
Number of stock options by type of stock	Common stock: 107,100 shares
Grant date	August 10, 2023
Vesting conditions	Being employed continuously from the grant date (August 10, 2023) through the vesting date (July 14, 2025) and holding a position as an officer or employee of the Company or an affiliated company at the time of exercise of rights.
Requisite service period	Not specified
Exercise period	July 15, 2025 to July 14, 2033

Number of share options (units)	1,071 (Note 1)
Class, details, and number of shares subject to share options (shares)	Common stock: 107,100 (Note 1)
Amount to be paid-in upon exercise of share options (yen)	2,952 (Note 2)
Issue price and amount included in capital when shares are issued through exercise of first share options (yen)	Issue price: 3,976 Amount to be included in capital (Note 3)
Terms of exercise of share options	(1) A holder of share options must, at the time of exercising those rights, be in a position as an officer or employee of the Company or an affiliated company (in this paragraph, "affiliated company" means an affiliated company stipulated in the Regulation on the Terminology, Forms and Preparation Methods of Financial Statements); provided, however, that this shall not apply in cases where the share option holder resigns as an officer of the Company or an affiliated company upon expiration of their term of office, loses status as an employee of the Company or affiliated company due to mandatory retirement or for reasons attributable to the Company, or if the Company determines there are reasonable grounds. (2) If the holder of share options waives their share options, those share options cannot be exercised.
Notes concerning assignment of share options	Purchase of share options by assignment is subject to approval by a resolution of the Company's Board of Directors.
Notes concerning issuance of share options in conjunction with organizational restructuring	(Note 4)

* Details as of the issuance of share options (August 10, 2023) are stated.

(Notes) 1. The class of shares subject to share options are the common stock of the Company, and the number of shares subject to each share option (the "Number of Shares Granted") is 100 shares. However, if the Company implements a share split (including gratis allotment of Company common stock; hereinafter the same applies with respect to statements concerning share splits) or a share consolidation on or after the date of the Board of Directors resolution offering the share options (the "Resolution Date"), the Number of Shares Granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be discarded.

Adjusted number of shares granted = Unadjusted number of shares granted × Share split or share consolidation ratio

In addition, if the Company merges or implements a corporate division or if an adjustment of the number of shares granted is necessary due to comparable reasons on or after the Resolution Date, the Company may appropriately adjust the Number of Shares Granted to a reasonable extent.

2. If the Company carries out the actions set forth in (1) or (2) below with respect to common stock on or after the allotment date, the Exercise Price shall be adjusted in accordance with the formula set forth below (the "Exercise Price Adjustment Formula"), with fractions of less than one yen resulting from the adjustment rounded up.

(1) If the Company implements a share split or share consolidation

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{1}{\text{Share split or share consolidation ratio}}$$

(2) If the Company issues new shares or disposes of treasury shares at a price below market value (excluding cases where treasury stock is sold pursuant to Article 194 of the *Companies Act* (Demand for Sale to Holder of Shares Less than One Unit), conversion of securities that are or can be converted into common stock of the Company, or exercise of share options (including those attached to bonds with share options) that entitle the holder to request the issuance of common stock of the Company)

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{\text{Number of previously-issued shares} + \dfrac{\text{Number of newly-issued shares} \times \text{Subscription price per share}}{\text{Market value}}}{\text{Number of previously-issued shares} + \text{Number of newly-issued shares}}$$

3. Notes concerning increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options

(1) The amount of the increase in share capital in the event of issuance of shares through the exercise of share options shall be one-half of the maximum amount of the increase in share capital, etc. calculated in accordance with Article 17, Paragraph (1), of the *Regulations for Corporate Accounting*, with any fraction of less than one yen resulting from the calculation rounded up to the nearest whole yen.

(2) The amount of the increase in legal capital surplus in the event of issuance of shares through the exercise of share options shall be the amount obtained by subtracting the increased amount of share capital as set forth in (1) above from the maximum amount of the increase in share capital as set forth in (1) above.

4. If the Company merges (limited to cases where the Company is dissolved as a result of the merger) or implements an absorption-type company split or an incorporation-type company split (in each case, limited to cases where the Company becomes a split company) or a share-for-share exchange or share transfer (in each case, limited to cases where the Company becomes a wholly-owned subsidiary) (collectively referred to as "Organizational Restructuring"), on the effective date of the Organizational Restructuring (meaning, in the case of an absorption-type merger, the date on which the merger becomes effective; in the case of a consolidation-type merger, the date of incorporation of the newly-established company; in the case of an absorption-type company split, the date on which the company split becomes effective; in the case of a consolidation-type company split, the date of incorporation of the newly-established company; in the case of a share exchange, the date on which the share exchange becomes effective; and in the case of a share transfer, the date of incorporation of the wholly-owning parent company established through the share transfer; hereinafter the same applies), new share options of the reorganized company (the "Reorganized Company"), as specified in Article 236, paragraph (1), item (viii), sub-items (a) to (e) of the *Companies Act*, shall be delivered to share option holders who hold remaining share options (the "Remaining Share Options") immediately prior to the effective date in accordance with each respective case. Provided, however, that such delivery shall be subject to the condition that the delivery of share options of the Reorganized Company is specified in accordance with each of the following items in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, consolidation-type company split plan, share exchange agreement, or share transfer plan.

(1) Number of share options of the Reorganized Company to be issued
The same number of share options as the number of Remaining Share Options held by the share option holders shall be delivered to each share option holder.

(2) Class of shares of the Reorganized Company that are the subject of the share options
The class of shares shall be the common stock of the Reorganized Company.

(3) Number of shares of the Reorganized Company that are the subject of the share options
The number of shares shall be determined in accordance with "Class, details, and number of shares subject to share options (shares)" taking into consideration the terms and conditions of the Organizational Restructuring.

(4) Value of the property to be contributed at the time of exercise of share options
The value of the property to be contributed at the time of exercise of each delivered share option shall be the amount obtained by (i) the post-reorganization exercise price, which is determined by adjusting the exercise price specified in the table under "Amount to be paid-in upon exercise of share options (yen)," taking into consideration the terms and conditions of the Organizational Restructuring, multiplied by (ii) the number of shares of the Reorganized Company that are the subject of the share options as determined in accordance with (3) above.

(5) Period during which share options can be exercised
The exercise period for the share options shall be from the later of the commencement date of the exercise period specified in the table under "Exercise Period of Share Options" or the effective date of the Organizational Restructuring to the expiration date of the exercise period specified in that table.

(6) Notes concerning to increased share capital and legal capital surplus in the event of issuance of shares through the exercise of share options
Determined in accordance with Note 3.

(7) Restrictions on purchase of share options by assignment
Purchase of share options by assignment is subject to approval by a resolution of the Board of Directors of the Reorganized Company.

(8) Provisions on the purchase of share options
If any of the proposals specified in I) to V) below is approved at a general meeting of shareholders of the Company (or, if a resolution of the general meeting of shareholders is not required, by resolution of the Company's Board of Directors), the Company may acquire share options gratis on a date determined separately by the Board of Directors.

I) A proposal to approve a merger in which the Company is the non-surviving company;
II) A proposal to approve a split agreement or split plan in which the Company will become a split company;
III) A proposal to approve a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary;
IV) A proposal to approve amendment of the Articles of Incorporation to create a provision requiring the

Company's approval for the acquisition through assignment of all shares issued by the Company; or

V) A proposal to approve amendment of the Articles of Incorporation to create a provision stipulating that the Company's approval is required for the acquisition through assignment of the class of shares that are the subject of share options or that the Company may acquire all such shares by resolution of the general meeting of shareholders.

(9) Other terms of the exercise of share options

Determined in accordance with "Terms of exercise of share options" in the table.

(Notes - Additional information)

Matters to be described in I) Employee stock option plans, (2) Share options, 1. Company's shares, etc., [4] Information about reporting company are summarized in notes – stock options, etc.

(2) Scale and Status of Changes of Stock Options

Stock options that existed in the fiscal year under review (ended March 31, 2026) are covered, and the number of stock options is stated by converting to the number of shares.

I) Number of Stock Options

	FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC.) First share options (December 2020)	TSUBURAYA FIELDS HOLDINGS INC. share options	TSUBURAYA FIELDS HOLDINGS INC. 2023 share options
Date of resolution	November 13, 2020	November 25, 2022	July 14, 2023
Before vesting (shares)			
End of previous fiscal year	-	-	-
Granted	-	-	-
Forfeited	-	-	-
Vested	-	-	-
Outstanding	-	-	-
After vesting (shares)			
End of previous fiscal year	20,000	437,200	101,600
Vested	-	-	-
Exercised	-	36,000	-
Forfeited	-	1,400	2,400
Outstanding	20,000	399,800	99,200

* Numbers of shares are converted to the number of shares after the share split on March 22, 2023 (a 2-for-1 split of common stock).

II) Unit Price Information

	FIELDS CORPORATION (currently TSUBURAYA FIELDS HOLDINGS INC.) First share options (December 2020)	TSUBURAYA FIELDS HOLDINGS INC. share options	TSUBURAYA FIELDS HOLDINGS INC. 2023 share options
Date of resolution	November 13, 2020	November 25, 2022	July 14, 2023
Exercise price (yen)	366	2,510	2,952
Average stock price at time of exercise (yen)	-	1,960	-
Fair value per share as of grant date (yen)	106.8	1,007	1,024

4. Method of estimating the number of vested stock options

Fundamentally, since it is difficult to reasonably estimate the future number of forfeitures, the Company adopts a method that reflects only the actual number of forfeitures.

5. Details, scale, and status of changes of restricted share awards

(1) Details of Restricted Share Awards

	Restricted share awards (July 2024)
Categories and numbers of grantees	Directors: 6
Number of restricted share awards (Note 1)	240,000
Grant date	July 10, 2024
Transfer restriction period	(Note 2)
Release conditions	(Note 3)

(Notes) 1. Regarding compensation involving restricted stock, the shares are granted as lump sums to eligible directors at the beginning of the first fiscal year of the three-year service period as consideration for services provided over that period, and accordingly, the effective total number of restricted shares allocated per fiscal year is limited to no more than 80,000 shares.

2. The period from the grant date until the date that the grantee resigns or retires from all positions as a director or corporate officer of the Company and its subsidiaries.

3. The transfer restrictions are released on the date that the grantee resigns or retires from all positions as a director and corporate officer of the Company and its subsidiaries.

(2) Scale and Status of Changes of Restricted Share Awards

I) Number of Shares

	Restricted share awards (July 2024)
Before release of transfer restrictions (shares)	
Balance at end of previous fiscal year	-
Granted	240,000
Forfeiture	-
Release of transfer restrictions	-
Balance at end of fiscal year under review	240,000

II) Unit Price Information

	Restricted share awards (July 2024)
Fair valuation price (grant date) (Yen)	1,648

(Notes - Tax Effect Accounting)

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Deferred tax assets		
Retirement benefit liability	783 millions of yen	787millions of yen
Allowance for doubtful accounts	421 millions of yen	430millions of yen
Provision for bonuses and provision for bonuses for directors (and other officers)	206 millions of yen	263millions of yen
Loss on valuation of investment securities	29 millions of yen	29millions of yen
Long-term deposits received	315millions of yen	315millions of yen
Inventories	573millions of yen	426millions of yen
Loss on valuation of advance payments	78 millions of yen	80millions of yen
Loss on valuation of merchandising rights	116 millions of yen	124millions of yen
Loss on valuation of shares of subsidiaries and associates	-millions of yen	118millions of yen
Loss on valuation of land	638 millions of yen	638millions of yen
Enterprise tax payable	155 millions of yen	227millions of yen
Excess depreciation expense	555 millions of yen	504millions of yen
Asset retirement obligations	421 millions of yen	418millions of yen
Unrealized profit	83 millions of yen	73millions of yen
Loss carryforwards (Note 2)	8,801 millions of yen	7,263millions of yen
Other	836 millions of yen	991millions of yen
Subtotal of deferred tax assets	14,017 millions of yen	12,693millions of yen
Valuation allowance for tax loss carryforwards (Note 2)	(6,072) millions of yen	(4,536)millions of yen
Valuation allowance for total future deductible temporary differences	(3,936) millions of yen	(3,758)millions of yen
Subtotal of valuation allowances (Note 1)	(10,009) millions of yen	(8,294)millions of yen
Total deferred tax assets	4,008 millions of yen	4,398millions of yen
Deferred tax liabilities		
Enterprise tax refund receivable	1 millions of yen	16millions of yen
Valuation difference on available-for-sale securities	31 millions of yen	32millions of yen
Asset retirement costs	141 millions of yen	119millions of yen
Other	594 millions of yen	608millions of yen
Total deferred tax liabilities	769 millions of yen	777millions of yen
Net deferred tax assets (liabilities)	3,239 millions of yen	3,621millions of yen

(Note) 1. Valuation allowances decreased by ¥1,714 million. The decrease is primarily attributable to a ¥1,274 million reduction in valuation allowance for tax loss carryforwards of the Company.

2. Amount of tax loss carryforwards and deferred tax assets by expiration date

Previous fiscal year (As of March 31, 2025)

	Within one year	More than one year Within 2 years	More than 2 years Within 3 years	More than three years Within 4 years	More than four years Within 5 years	More than five years	Total
Tax loss carryforwards (a)	195	1,273	-	1,780	2,007	3,544	8,801millions of yen
Valuation allowance	(175)	(64)	-	(542)	(1,964)	(3,325)	(6,072)millions of yen
Deferred tax assets	20	1,209	-	1,237	43	218	(b) 2,729millions of yen

(a) Tax loss carryforwards are calculated by multiplying by the statutory tax rate.

(b) Regarding the tax loss carryforwards of ¥8,801 million (the amount by which statutory effective tax rate is multiplied), deferred tax assets of ¥2,729 million were recorded. Of this amount, deferred tax assets of ¥2,447 million were recognized after deducting a valuation allowance of ¥2,693 million against the Company's tax loss carryforwards of ¥5,140 million (the amount multiplied by the statutory effective tax rate). The tax loss carryforwards for which the deferred tax assets were recognized are deemed recoverable based on estimated taxable income before adjustments for temporary differences based on future profitability as projected in the business plans for the next and subsequent fiscal years, and accordingly, no valuation allowance is recognized.

Fiscal year under review (March 31, 2026)

	Within one year	More than one year Within 2 years	More than 2 years Within 3 years	More than three years Within 4 years	More than four years Within 5 years	More than five years	Total
Tax loss carryforwards (c)	79	―	1,771	1,946	1,584	1,882	7,263millions of yen
Valuation allowance	(64)	―	(386)	(818)	(1,440)	(1,826)	(4,536)millions of yen
Deferred tax assets	14	―	1,384	1,128	143	56	(d) 2,727millions of yen

(c) Tax loss carryforwards are calculated by multiplying by the statutory effective tax rate.

(d) Regarding the tax loss carryforwards of ¥7,263 million (the amount by which statutory effective tax rate is multiplied), deferred tax assets of ¥2,727 million were recorded. Of this amount, deferred tax assets of ¥2,523 million were recognized after deducting a valuation allowance of ¥1,419 million against the Company's tax loss carryforwards of ¥3,942 million (the amount multiplied by the statutory effective tax rate). The tax loss carryforwards for which the deferred tax assets were recognized are deemed recoverable based on estimated taxable income before adjustments for temporary differences based on future profitability as projected in the business plans for the next and subsequent fiscal years, and accordingly, no valuation allowance is recognized.

2. Breakdown of main items causing significant differences between the statutory effective tax rate and the tax burden rate after application of tax-effect accounting

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Statutory effective tax rate	30.6 %	30.6 %
(Adjustment)		
Per capita inhabitant tax	0.4 %	0.4 %
Entertainment expenses and other items that are permanently not deductible	0.6 %	0.8 %
Amortization of goodwill	0.5 %	0.5 %
Increase/decrease in valuation allowance	(3.5) %	(1.0) %
Effects from inclusion of new subsidiaries in consolidation	(1.8) %	― %
Loss carryforwards	(9.5) %	(8.7) %
Impact of tax rate changes	7.5 %	― %
Others	(2.3) %	1.2 %
Tax burden rate of income taxes after application of tax-effect accounting	22.6 %	23.8 %

(Notes - Asset Retirement Obligations)

Asset retirement obligations recorded in the consolidated balance sheet

(1) Summary of Asset Retirement Obligations

These represent obligations to restore properties to their original condition in accordance with the real estate lease agreements for the head office, branches, and stores.

(2) Calculation method of asset retirement obligation amounts

The estimated useful life of each leased property is used as the amortization period for the major fixed assets of each property, and the amount of asset retirement obligations is calculated using the yield on government bonds corresponding to the useful life as the discount rate.

(3) Increase (Decrease) in Total Asset Retirement Obligations

(Unit: millions of yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Balance at beginning of period	1,331	1,334
Increase due to acquisition of property, plant and equipment	12	18
Increase due to inclusion of subsidiaries in consolidation	8	-
Adjustment for accretion	4	4
Decrease due to fulfillment of asset retirement obligations	(22)	(32)
Increase/decrease in others	(0)	0
Balance at end of period	1,334	1,325

(Notes - Real Estate for Lease, etc.)

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

Status of rental real estate and matters relating to market value

Disclosure is omitted because the total amount of rental properties is immaterial.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

Status of rental real estate and matters relating to market value

Disclosure is omitted because the total amount of rental properties is immaterial.

(Notes - Revenue Recognition)

1. Breakdown of revenue from contracts with customers

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

(Unit: millions of yen)

	Reportable segments			Other (Note)	Total
	Content and digital business	Amusement equipment business	Total		
Goods and services transferred at one point in time	12,566	122,402	134,968	1,672	136,640
Goods and services transferred over a period of time	3,442	498	3,941	-	3,941
Revenue from contracts with customers	16,008	122,900	138,909	1,672	140,581
Net sales to external customers	16,008	122,900	138,909	1,672	140,581

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

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

	Reportable segments			Other (Note)	Total
	Content and Digital Business	Amusement Equipment Business	Total		
Goods and services transferred at one point in time	9,979	157,728	167,707	1,773	169,480
Goods and services transferred over a period of time	3,489	1,171	4,661	—	4,661
Revenue from contracts with customers	13,468	158,899	172,368	1,773	174,142
Net sales to external customers	13,468	158,899	172,368	1,773	174,142

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

2. Underlying information for understanding revenue from contracts with customers

The underlying information for understanding revenue from contracts with customers is stated in consolidated financial statements under “Notes - Significant accounting policies for preparation of consolidated financial statements, 4. Matters related to Accounting Policies, (5) Accounting standards for significant revenues and expenses.”

3. Information for understanding the revenue amounts for the fiscal year under review, the following fiscal year and thereafter

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

(1) Balances of contract assets and contract liabilities

	Previous fiscal year	
	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)
Receivables arising from contracts with customers	12,755	16,780
Contract assets	380	371
Contract liabilities	1,249	542

Contract assets relate to rights to consideration for productions in progress as of the end of the fiscal year for planning and development of PS machines and planning and production of video works. Contract assets are reclassified to receivables arising from contracts with customers when delivery of the production is completed and the right to consideration becomes unconditional. Such consideration is billed and received in accordance with the terms of the individual contract.

Contract liabilities relate primarily to advances received from customers for planning and development of PS machines and the planning and production of video works. Contract liabilities are reversed as revenue is recognized.

Of the revenue recognized during the fiscal year under review, the amount included in contract liabilities as of the beginning of the fiscal year was ¥1,234 million.

The change in contract assets was primarily due to revenue recognition (increase in contract assets) and reclassification to trade receivables (decrease in contract assets). The change in contract liabilities was primarily due to advances received (increase in contract liabilities) and revenue recognition (decrease in contract liabilities).

Due to performance obligations satisfied (or partially satisfied) in prior periods, the amount of revenue recognized in the fiscal year under review (primarily transaction price changes) is immaterial.

(2) Transaction prices allocated to remaining performance obligations

The Company and its consolidated subsidiaries applied the practical expedient method in the notes to transaction prices allocated to remaining performance obligations and have not included contracts with an original expected term of one year or less.

The unsatisfied (or partially unsatisfied) performance obligation was ¥205 million at the end of the fiscal year under review.

The Company expects that approximately 78% of such performance obligations will be recognized as revenue within one year from the end of the fiscal year and the remaining 22% within two years after that.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(1) Balances of contract assets and contract liabilities

	Fiscal year under review	
	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)
Receivables arising from contracts with customers	16,780	8,327
Contract assets	371	417
Contract liabilities	542	320

Contract assets relate to rights to consideration for productions in progress as of the end of the fiscal year for planning and development of PS machines and planning and production of video works. Contract assets are reclassified to receivables arising from contracts with customers when delivery of the production is completed and the right to consideration becomes unconditional. Such consideration is billed and received in accordance with the terms of the individual contract.

Contract liabilities relate primarily to advances received from customers for planning and development of PS machines and the planning and production of video works. Contract liabilities are reversed as revenue is recognized.

Of the revenue recognized during the fiscal year under review, the amount included in contract liabilities as of the beginning of the fiscal year was ¥493 million.

The change in contract assets was primarily due to revenue recognition (increase in contract assets) and reclassification to trade receivables (decrease in contract assets). The change in contract liabilities was primarily due to advances received (increase in contract liabilities) and revenue recognition (decrease in contract liabilities).

Due to performance obligations satisfied (or partially satisfied) in prior periods, the amount of revenue recognized in the fiscal year under review (primarily transaction price changes) is immaterial.

(2) Transaction prices allocated to remaining performance obligations

The Company and its consolidated subsidiaries applied the practical expedient method in the notes to transaction prices allocated to remaining performance obligations and have not included contracts with an original expected term of one year or less.

The unsatisfied (or partially unsatisfied) performance obligation was ¥719 million at the end of the fiscal year under review.

The Company expects that approximately 74% of such performance obligations will be recognized as revenue within one year from the end of the fiscal year and the remaining 26% within two years after that.

(Segment Information, etc.)

Segment Information

1. Description of reportable segments

The reportable segments of the Company are those components of the Group for which separate financial data is available and which are subject to regular review by the Board of Directors to determine resource allocation and assess performance.

The Group organizes segments by products and services handled by operating companies. There are two reportable segments: content and digital, and amusement equipment business.

In the content and digital business, the Group plans, produces, and distributes visual products and engages in merchandising and advertisement licensing. In the amusement equipment business, the Group plans, develops, manufactures, and sells PS machines and peripheral equipment and performs construction and other services.

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

2. Methods of calculating net sales, profit or loss, assets, and other items by reportable segments

The accounting methods for the reportable segments are nearly identical to those described in "Notes - Significant accounting policies for preparation of consolidated financial statements."

Profit of reportable segments is based on operating profit.

3. Information on net sales, profit or loss, assets, and other items for each reportable segment

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

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated financial statements (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
Amortization of goodwill	-	280	280	-	280	-	280
Investments in entities accounted for using equity method	-	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

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

2. Adjustments are as follows.

(1) The ¥(2,822) million adjustment to segment profit includes an elimination of inter-segment transactions of ¥30 million and ¥(2,852) million in corporate expenses that are not allocated to individual reportable segments.

(2) The ¥10,560 million adjustment to segment assets includes a ¥(20,558) million elimination of inter-segment transactions and ¥31,118 million for corporate assets not allocated to individual reportable segment.

(3) The ¥114 million adjustment to depreciation related to corporate assets not allocated to reportable segments.

(4) The ¥3 million adjustment for the increase in property, plant and equipment and intangible assets relates to corporate assets not allocated to individual reportable segments.

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

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated financial statements (Note 3)
	Content and digital business	Amusement equipment business	Total				
Net sales							
Net sales to external customers	13,468	158,899	172,368	1,773	174,142	—	174,142
Inter-segment net sales or transfers	405	169	575	10	585	(585)	—
Total	13,874	159,069	172,944	1,783	174,727	(585)	174,142
Segment profit	934	19,881	20,816	39	20,855	(3,399)	17,455
Segment assets	17,775	73,766	91,542	1,191	92,733	10,626	103,360
Other items							
Depreciation	934	768	1,703	44	1,748	103	1,851
Amortization of goodwill	—	280	280	—	280	—	280
Investments in entities accounted for using equity method	—	45	45	380	426	—	426
Increase in property, plant and equipment and intangible assets	1,146	745	1,891	12	1,904	66	1,971

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

2. Adjustments are as follows.

(1) The ¥(3,399) million adjustment to segment profit includes an elimination of inter-segment transactions of ¥3 million and ¥(3,403) million in corporate expenses that are not allocated to individual reportable segments.

(2) The ¥10,626 million adjustment to segment assets includes a ¥(22,835) million elimination of inter-segment transactions and ¥33,462 million for corporate assets not allocated to individual reportable segment.

(3) The ¥103 million adjustment to depreciation related to corporate assets not allocated to reportable segments.

(4) The ¥66 million adjustment for the increase in property, plant and equipment and intangible assets relates to corporate assets not allocated to individual reportable segments.

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

Notes - Information associated with reportable segments

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

1. Information for each product or service

Disclosure is omitted as the same information is provided in the segment information.

2. Information for each region

(1) Net sales

Disclosure is omitted as net sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

Disclosure is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information for main customers

Disclosure is omitted as there are no external customers that account for 10% of net sales in the consolidated statements of income.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

1. Information for each product or service

Disclosure is omitted as the same information is provided in the segment information.

2. Information for each region

(1) Net sales

Disclosure is omitted as net sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

Disclosure is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information for main customers

Disclosure is omitted as there are no external customers that account for 10% of net sales in the consolidated statements of income.

Disclosure of impairment losses on non-current assets for each reportable segment

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

(Unit: millions of yen)

	Reportable segments			Other	Unallocated amounts and elimination	Total
	Content and digital business	Amusement equipment business	Total			
Impairment loss	-	-	-	-	50	50

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

	Reportable segments			Other	Unallocated amounts and elimination	Total
	Content and digital business	Amusement equipment business	Total			
Impairment loss	-	-	-	-	161	161

Amortization and unamortized balance of goodwill for each reportable segment

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

(Unit: millions of yen)

	Reportable segments			Other	Unallocated amounts and elimination	Total
	Content and digital business	Amusement equipment business	Total			
Balance at end of period	-	1,115	1,115	-	-	1,115

(Note) Amortization of goodwill is omitted as the same information is provided in the segment information.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

	Reportable segments			Other	Unallocated amounts and elimination	Total
	Content and digital business	Amusement equipment business	Total			
Balance at end of period	-	834	834	-	-	834

(Note) Amortization of goodwill is omitted as the same information is provided in the segment information.

Information on gain on bargain purchase for each reportable segment

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

Not applicable.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

Not applicable.

Notes - Related Parties

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

1. Related party transactions

(1) Transactions between the reporting company and related parties

(a) Parent Company and Major Shareholders (Limited to Corporate Entities), etc. of the Reporting Company

Not applicable.

(b) Unconsolidated Subsidiaries and Affiliates of the Reporting Company

Type	Company's or individual's name	Address	Share capital or investments in capital (millions of yen)	Description of business or occupation	Voting rights ownership ratio (%)	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Item	Balance at end of period (millions of yen)
-	Daikoku Denki Co., Ltd.	Nagoya-shi, Aichi	700	PS machine related business	(Ownership) Direct 13.4%	Transfer of shares	Sale of shares (Note)	2,416	-	-

Transaction terms and policy on determination of transaction terms

(Note) Regarding the sale of shares, a share supply and demand buffer trust scheme was adopted for the sale of the shares of Daikoku Denki Co., Ltd., and therefore, the effective counterparty to the transaction is deemed to be Daikoku Denki Co., Ltd. and the transaction is disclosed as a related party transaction. Also, as a result of the sale of shares through this transaction, it has been excluded from affiliated companies accounted for using the equity method.

(c) Companies, etc. that have the same parent company as the Reporting Company and Subsidiaries, etc. of Other Affiliated Companies, etc. of the Reporting Company

Not applicable.

(d) Officers and Major Shareholders (Limited to Individuals) of the Reporting Company

Type	Company's or individual's name	Address	Share capital or investments in capital (millions of yen)	Description of business or occupation	Voting rights ownership ratio (%)	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Item	Balance at end of period (millions of yen)
Officers and major shareholders	Hidetoshi Yamamoto	-	-	Officers of the Company	(Ownership) Direct 24.5%	Directors and major shareholders of the Company	Purchase of treasury shares (Note)	4,507	-	-

Transaction terms and policy on determination of transaction terms

(Note) The purchase of treasury shares was performed through acquisition on the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and the acquisition price was based on the closing price on the day before the day of the transaction.

(2) Transactions Between Consolidated Subsidiaries of the Reporting Company and Related Parties

(a) Parent Company and Major Shareholders (Limited to Corporate Entities), etc. of the Reporting Company

Not applicable.

(b) Subsidiaries and Affiliated Companies of the Reporting Company

Type	Company's or individual's name	Address	Share capital or investments in capital (millions of yen)	Description of business or occupation	Voting rights ownership ratio (%)	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Item	Balance at end of period (millions of yen)
-	Nishijin Co., Ltd.	Chiyoda-ku, Tokyo	83	- (Note 1)	(Ownership) Indirect 51.0%	Borrowing of funds	Repayment of funds (Note 2)	1,080	-	-

Transaction terms and policy on determination of transaction terms

(Notes) 1. Nishijin Co., Ltd. completed liquidation in the fiscal year under review.
2. The transaction is conducted through an in-kind dividend.

(c) Companies, etc. that Have the Same Parent Company as the Reporting Company and Subsidiaries, etc. of Other Affiliated Companies, etc. of the Reporting Company

Not applicable.

(d) Officers and Major Shareholders (Limited to Individuals) of the Reporting Company

Not applicable.

2. Notes relating to the parent company and significant affiliated companies

Not applicable.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

1. Related party transactions

(1) Transactions between the reporting company and related parties

(a) Parent Company and Major Shareholders (Limited to Corporate Entities), etc. of the Reporting Company

Not applicable.

(b) Unconsolidated Subsidiaries and Affiliates of the Reporting Company

Not applicable.

(c) Companies, etc. That Have the Same Parent Company as the Reporting Company and Subsidiaries, etc. of other Affiliated Companies, etc. of the Reporting Company

Not applicable.

(d) Officers and Major Shareholders (Limited to Individuals) of the Reporting Company

Not applicable.

(2) Transactions between consolidated subsidiaries of the reporting company and related parties

(a) Parent Company and Major Shareholders (Limited to Corporate Entities), etc. of the Reporting Company

Not applicable.

(b) Subsidiaries and Affiliated Companies of the Reporting Company

(c) Companies, etc. that Have the Same Parent Company as the Reporting Company and Subsidiaries, etc. of other Affiliated Companies, etc. of the Reporting Company

Not applicable.

(d) Officers and Major Shareholders (Limited to Individuals) of the Reporting Company

Not applicable.

2. Notes Relating to the Parent Company and Significant Affiliated Companies

Not applicable.

(Notes - Per Share Information)

Item	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Net assets per share (yen)	820.43	977.58
Basic earnings per share (yen)	178.78	209.70
Diluted earnings per share (yen)	178.30	209.13

(Notes) The basis for calculating basic earnings per share is as follows.

Item	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Fiscal year under review (from April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	11,158	13,050
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	11,158	13,050
Average number of shares of common stock outstanding during the period (shares)	62,412,733	62,233,765
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in common shares (shares)	167,041	170,019
The shares have no dilutive effect, and therefore, a summary of dilutive shares not included in the calculation of diluted earnings per share is omitted	—	

(Significant Subsequent Events)

Not applicable.

V. Annexed consolidated detailed schedules

Annexed Detailed Schedule of Corporate Bonds

Company Name	Issue	Date of publication	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Interest rate (%)	Collateral	Maturity date
Digital Frontier Inc.	Digital Frontier Inc. 1st unsecured bonds	November 30, 2020	66	45 (21)	0.31	Unsecured bonds	November 30, 2027
Total	—	—	66	45 (21)	—	—	—

(Notes) 1. Figures in parentheses in the "Balance at end of period" column represent the amount scheduled to be redeemed within one year.

2. Aggregated amounts of redemption scheduled for each year within five years after the closing date

Due within one year (millions of yen)	Due in more than 1 and within 2 years (millions of yen)	Due in more than 2 and within 3 years (millions of yen)	Due in more than 3 and within 4 years (millions of yen)	Due in more than 4 and within 5 years (millions of yen)
21	24	—	—	—

Annexed Consolidated Detailed Schedule of Borrowings

Classification	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%)	Due date
Short-term borrowings	900	1,059	1.40	-
Current portion of long-term borrowings planned to be repaid within one year	2,207	3,380	1.79	-
Long-term borrowings (excluding current portion planned to be repaid within one year)	8,033	4,653	1.79	From April 30, 2026 to May 31, 2043
Total	11,140	9,092	-	-

(Notes) 1. "Average interest rate" is the weighted average interest rate of borrowings and other obligations outstanding at the end of the period.

2. Aggregated amounts of scheduled repayment of long-term borrowings (excluding the current portion planned to be repaid within one year) for each of the five years after the closing date

Classification	More than one year Within 2 years (millions of yen)	More than 2 years Within 3 years (millions of yen)	More than three years Within 4 years (millions of yen)	More than four years Within 5 years (millions of yen)
Long-term borrowings	1,403	1,403	1,241	114

Annexed Detailed Schedule of Asset Retirement Obligations

This information is omitted as the items to be included in the detailed statements are included in the notes as set forth in Article 15-23 of the *Regulation on Terminology*, Forms and Preparation Methods of Consolidated Financial Statements.

(2) Others

Semi-annual information for the fiscal year under review

	First half of fiscal year under review	Fiscal year under review
Net sales (millions of yen)	95,953	174,142
(Interim) profit before income taxes (millions of yen)	13,785	17,303
(Interim) profit attributable to owners of parent (millions of yen)	9,552	13,050
(Interim) basic earnings per share (yen)	153.52	209.70

2. Financial Statements, etc.

(1) Financial Statements

I) Balance Sheet

(Unit: millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current fiscal year (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	*2 19,923	*2 21,736
Trade accounts receivable	*1 2,513	*1 2,327
Raw materials and supplies	46	17
Short-term loans receivable from subsidiaries and associates	732	3,078
Prepaid expenses	251	415
Other	*1 289	*1 249
Total current assets	23,756	27,824
Non-current assets		
Property, plant and equipment		
Buildings	305	236
Vehicles	-	20
Tools, furniture and fixtures	24	37
Land	0	0
Construction in progress	-	10
Total property, plant and equipment	330	305
Intangible assets		
Software	1	1
Other	190	18
Total intangible assets	192	19
Investments and other assets		
Investment securities	5,491	5,203
Shares of subsidiaries and associates	29,930	29,544
Investments in capital	-	349
Long-term loans receivable from subsidiaries and affiliates	3,714	3,519
Long-term prepaid expenses	164	34
Deferred tax assets	2,661	3,069
Leasehold and guarantee deposits	739	895
Other	100	100
Allowance for doubtful accounts	(518)	(634)
Total investments and other assets	42,284	42,081
Total non-current assets	42,807	42,406
Total assets	66,564	70,231

(Unit: millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current fiscal year (As of March 31, 2026)
Liabilities		
Current liabilities		
Short-term borrowings from subsidiaries and associates	21,561	23,976
Current portion of long-term borrowings	1,993	1,626
Accounts payable - other	*1 210	*1 219
Accrued expenses	5	7
Income taxes payable	488	844
Accrued consumption taxes	72	298
Deposits received	15	16
Unearned revenue	17	*1 19
Provision for bonuses	32	62
Provision for bonuses for directors (and other officers)	72	61
Lease liabilities	2	4
Provision for loss on business of subsidiaries and associates	-	84
Other	11	5
Total current liabilities	24,484	27,228
Non-current liabilities		
Long-term borrowings	5,256	3,629
Lease liabilities	0	5
Provision for retirement benefits	126	125
Long-term guarantee deposits	*1 27	*1 23
Asset retirement obligations	426	428
Total non-current liabilities	5,837	4,212
Total liabilities	30,321	31,440
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus		
Legal capital surplus	7,994	7,994
Other capital surplus	-	25
Total capital surplus	7,994	8,019
Retained earnings		
Legal retained earnings	9	9
Other retained earnings		
General reserve	20,000	20,000
Retained earnings brought forward	3,805	6,557
Total retained earnings	23,815	26,566
Treasury shares	(3,415)	(3,377)
Total shareholders' equity	36,342	39,157
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(406)	(670)
Total valuation and translation adjustments	(406)	(670)
Share options	306	303
Total net assets	36,242	38,790
Total liabilities and net assets	66,564	70,231

II) Statement of Income

(Unit: millions of yen)

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Current fiscal year (from April 1, 2025 to March 31, 2026)
Operating revenue		
Management fee income	*1 8,698	*1 11,259
Outsourcing service income	*1 403	*1 426
Dividend income	*1 295	-
Total operating revenue	9,398	11,686
Operating expenses	*2 3,253	*2 3,830
Operating profit	6,145	7,856
Non-operating income		
Interest income	*1 36	*1 85
Dividend income	120	221
Distributions from investments	-	49
Other	29	49
Total non-operating income	185	406
Non-operating expenses		
Interest expenses	*1 204	*1 459
Amortization of investments	-	150
Provision of allowance for doubtful accounts for subsidiaries and associates	80	152
Financing expenses	22	2
Depreciation	27	10
Distribution loss	66	-
Other	5	11
Total non-operating expenses	407	785
Ordinary profit	5,923	7,476
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	*3 277	-
Gain on sale of investment securities	34	-
Gain on reversal of share acquisition rights	-	2
Other	0	-
Total extraordinary income	312	2
Extraordinary losses		
Loss on retirement of non-current assets	0	21
Loss on valuation of shares of subsidiaries and associates	10	386
Provision for loss on business of subsidiaries and affiliates	-	84
Impairment losses	50	161
Other	0	-
Total extraordinary losses	60	652
Profit before income taxes	6,175	6,826
Income taxes - current	1,014	1,242
Income taxes - deferred	(281)	(278)
Total income taxes	732	964
Profit	5,443	5,862

III) Statement of Changes in Shareholders' Equity

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

(Unit: millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	7,948	7,994	7,994	9	20,000	4,800	24,810
Change during the year							
Dividends of surplus						(2,617)	(2,617)
Profit						5,443	5,443
Purchase of treasury shares							
Cancellation of treasury shares			(400)			(3,820)	(3,820)
Disposal of treasury shares			400				
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	-	(994)	(994)
Balance at end of period	7,948	7,994	7,994	9	20,000	3,805	23,815

	Shareholders' equity		Valuation and translation adjustments		Share options	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(1,631)	39,121	0	0	203	39,325
Change during the year						
Dividends of surplus		(2,617)				(2,617)
Profit		5,443				5,443
Purchase of treasury shares	(6,310)	(6,310)				(6,310)
Cancellation of treasury shares	4,221	-				-
Disposal of treasury shares	305	705				705
Net changes in items other than shareholders' equity			(406)	(406)	102	(303)
Total changes during period	(1,784)	(2,779)	(406)	(406)	102	(3,082)
Balance at end of period	(3,415)	36,342	(406)	(406)	306	36,242

Current fiscal year (from April 1, 2025 to March 31, 2026)

(Unit: millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	7,948	7,994	-	7,994	9	20,000	3,805	23,815
Change during the year								
Dividends of surplus							(3,110)	(3,110)
Profit							5,862	5,862
Purchase of treasury shares								
Cancellation of treasury shares								
Disposal of treasury shares			25	25				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	25	25	-	-	2,751	2,751
Balance at end of period	7,948	7,994	25	8,019	9	20,000	6,557	26,566

	Shareholders' equity		Valuation and translation adjustments		Share options	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(3,415)	36,342	(406)	(406)	306	36,242
Change during the year						
Dividends of surplus		(3,110)				(3,110)
Profit		5,862				5,862
Purchase of treasury shares	(0)	(0)				(0)
Cancellation of treasury shares		-				-
Disposal of treasury shares	38	63				63
Net changes in items other than shareholders' equity			(264)	(264)	(2)	(266)
Total changes during period	38	2,814	(264)	(264)	(2)	2,548
Balance at end of period	(3,377)	39,157	(670)	(670)	303	38,790

[Notes]

(Significant Accounting Policies)

1. Valuation standards and methods for assets

(1) Securities

I) Shares of subsidiaries and affiliates

Stated at cost using moving-average method

II) Available-for-sale securities

Securities other than shares, etc. without market prices

Stated at market value (all valuation differences are directly included in net assets, and the cost of securities sold is calculated using the moving-average method)

Shares, etc. without market prices

Stated at cost using moving-average method

Investments in investment partnerships are accounted for by incorporating the Company's proportionate share of the net amount based on the most recent financial statements of the partnerships.

(2) Inventories

Supplies

Last purchase cost method

2. Depreciation method for non-current assets

(1) Property, plant and equipment

Declining balance method

However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

The useful lives of major assets are as follows.

Buildings 3 - 15 years

Vehicles 6 years

Tools, furniture and fixtures 3 to 20 years

(2) Intangible assets

Straight-line method

Software for internal use is amortized using the straight-line method over its useful life (not exceeding 5 years).

(3) Long-term prepaid expenses

Straight-line method

3. Accounting standards for allowances

(1) Allowance for doubtful accounts

To provide for losses from uncollectible receivables, the Company records estimated uncollectible amounts for general receivables based on historical bad debt ratios, and for specific receivables with some concerns regarding collectability after considering individual collectability.

(2) Provision for bonuses

To provide for payment of bonuses to employees, the amounts to be borne in the current fiscal year are recorded as part of the expected amounts to be paid.

(3) Provision for bonuses for directors (and other officers)

To provide for payment of bonuses to officers, amounts corresponding to the current fiscal year based on the expected amounts to be paid in the current fiscal year are recorded.

(4) Provision for retirement benefits

To provide for the payment of retirement benefits to employees, amounts based on the expected amounts of retirement benefit liability at the end of the current fiscal year are recorded.

Actuarial differences are allocated using the straight-line method over a certain number of years (five years), which is within the

average remaining years of service of employees at the time of occurrence and are expensed starting in the following fiscal year after occurrence.

(5) Provision for Loss on Business of Affiliates

To provide for losses arising from the business operations of affiliates, the estimated amount of loss to be borne by the Company is recorded, taking into consideration the financial condition of the respective affiliates.

4. Accounting standards for revenues and expenses

Details of major performance obligations in major businesses and the usual timing at which revenue is recognized are as follows.

(1) Revenue from business management

The revenue is from management and planning guidance provided to the Company's subsidiaries, and the Company has a performance obligation to provide management guidance to subsidiaries over the contract period pursuant to the contracts with the subsidiaries.

Therefore, the Company has determined that the performance obligation is satisfied over the contract period and recognizes revenue over the contract period.

(2) Revenue from outsourcing services

The revenue is from the provision of administrative, legal, accounting and finance, and other services to the Company's subsidiaries and others. The Company has a performance obligation to provide services over the contract period pursuant to the contracts with the subsidiaries and others. Therefore, the Company has determined that the performance obligation is satisfied over the contract period and recognizes revenue over the contract period.

(3) Revenue from dividend income

The revenue is from dividends received by the Company from its affiliated companies. Dividend income is recognized as income on the effective date of the dividends.

5. Other significant matters forming the basis for preparation of financial statements

(1) Accounting for retirement benefits

The method of accounting for unrecognized actuarial gains and losses related to retirement benefits differs from the methods of accounting applied in the consolidated financial statements.

(2) Accounting for non-deductible consumption taxes on assets

Non-deductible consumption taxes and local consumption taxes related to assets are accounted for as expenses in the current fiscal year.

(Significant accounting estimates)

1. Recoverability of deferred tax assets

(1) Amounts recorded in the financial statements for the current fiscal year

(Unit: millions of yen)

	Previous fiscal year	Current fiscal year
Deferred tax assets	2,661	3,069
Amount before setting off deferred tax liabilities	2,710	3,105

(2) Information on the details of significant accounting estimates for identified items

I) Method of calculating amounts

The Company records deferred tax assets to the extent it is considered likely that they will reduce future tax liabilities arising from future deductible temporary differences and tax loss carryforwards. The recoverability of such deferred tax assets is assessed based on the classifications of companies and other criteria set forth in the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26) including the sufficiency of future taxable income before the addition or subtraction of temporary differences based on earning capacity and the scheduling of the expected reversal period of future deductible temporary differences.

II) Assumptions used in significant accounting estimates

The recorded amount of deferred tax assets is calculated based on estimated taxable income derived from the Company's business plans for subsequent fiscal years and the results of future recovery scheduling.

The Company's business plans include operating revenue estimates for management and planning guidance (business management) provided to each subsidiary in accordance with the business plans of those subsidiaries. Such estimates include assumptions made regarding revenue collection policies and the methods and scope of collection of such operating revenue.

In addition, the most important aspect in the business plan for amusement equipment business subsidiaries is the sales plan for PS machines (unit sales and sales prices), and this plan includes estimates based on assumptions established using historical sales results and available information.

III) Effect of significant accounting estimates on the financial statements for the following fiscal year

The Company's business plans may be affected by changes in operating revenue estimation policies and other factors, and the business plans of amusement equipment business subsidiaries may be affected by consumer preferences, environment of the PS machine industry, and the spread of smart PS machines. The business plans of individual Group companies may have a significant impact on the determination of recoverability of deferred tax assets if there are any changes in the assumptions made, which may affect the financial statements for the following fiscal year.

(Notes - Balance Sheet)

*1. Assets and liabilities to affiliated companies

The amounts of monetary receivables or payables to such affiliated companies other than those stated separately are as follows.

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Short-term monetary claims	2,604 million yen	2,441million yen
Short-term monetary liabilities	30 million yen	24million yen
Long-term monetary liabilities	12 million yen	7million yen

*2. Assets pledged as collateral

Assets pledged as collateral for loans of other companies

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Time deposits	¥100 million	¥100 million
Total	¥100 million	¥100 million

3. Contingent liabilities

The Company provides guarantees on the loans from financial institutions of other companies as follows.

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
LUCENT, INC.	¥1,690 million	¥1,610 million
Total	¥1,690 million	¥1,610 million

4. Overdraft facility agreements

The Company enters into overdraft facility agreements with banks with which we do business to ensure efficient procurement of working capital. The balances of undrawn lines of credit under these agreements are as follows.

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Maximum overdraft amount	16,000 million yen	16,000 million yen
Loan balance	-million yen	-million yen
Net amount	16,000 million yen	16,000 million yen

・ (Notes - Statement of Income)

*1. Operating transactions and non-operating transactions with affiliated companies are as follows.

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Amount of transactions from operating transactions		
Operating revenue	9,396 million yen	11,685 million yen
Other	145 million yen	226 million yen
Amount of transactions from non-operating transactions	175 million yen	443 million yen

*2. The major items and amounts of selling, general and administrative expenses are as follows. Also, as the Company transitioned to a holding company structure, all of the expenses are all recorded as “general and administrative expenses.”

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	Current fiscal year (from April 1, 2025 to March 31, 2026)
Advertising expenses	206 million yen	352 million yen
Salaries	713 million yen	754 million yen
Provision for bonuses	31 million yen	62 million yen
Provision for bonuses for directors (and other officers)	52 million yen	61 million yen
Rent expenses on land and buildings	253 million yen	246 million yen
Outsourcing expenses	460 million yen	705 million yen
Depreciation	87 million yen	93 million yen
Retirement benefit expenses	13 million yen	12 million yen

*3 Gain on sale of shares of subsidiaries and associates

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

In connection with the sale of all shares of Daikoku Denki Co., Ltd., the Company recorded gain on sale of shares of affiliated companies of ¥277 million as extraordinary income.

Fiscal year under review (from April 1, 2025 to March 31, 2026)

Not applicable.

・ (Notes - Securities)

Previous fiscal year (March 31, 2025)

Since shares of subsidiaries and affiliates are unlisted shares and others with no market price, their fair value is not disclosed. The balance sheet amounts of these shares of subsidiaries and affiliates with no market price are as follows.

Classification	Previous fiscal year (millions of yen)
Shares of subsidiaries	29,927
Shares of affiliated companies	2
Total	29,930

Current fiscal year (March 31, 2026)

Since shares of subsidiaries and affiliates are unlisted shares and others with no market price, their fair value is not disclosed. The balance sheet amounts of these shares of subsidiaries and affiliates with no market price are as follows.

Classification	Current fiscal year (millions of yen)
Shares of subsidiaries	29,531
Shares of affiliated companies	12
Total	29,544

・(Notes - Tax Effect Accounting)

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Deferred tax assets		
Provision for retirement benefits	39million yen	39million yen
Allowance for doubtful accounts	163million yen	200million yen
Provision for bonuses	10million yen	19million yen
Provision for bonuses for directors (and other officers)	22million yen	19million yen
Loss on valuation of investment securities	27million yen	27million yen
Loss on valuation of shares of subsidiaries and associates	223million yen	345million yen
Assets for capital gain or loss adjustment	388million yen	388million yen
Shares of subsidiaries relating to corporate divisions	1,295million yen	1,295million yen
Excess depreciation expense	3million yen	63million yen
Asset retirement obligations	134million yen	135million yen
Valuation difference on available-for-sale securities	179million yen	308 million yen
Enterprise tax payable	42million yen	62million yen
Loss carryforwards	5,140million yen	3,942million yen
Other	61million yen	120million yen
Subtotal of deferred tax assets	7,734million yen	6,969million yen
Valuation allowance for tax loss carryforwards	(2,693) million yen	(1,419)million yen
Valuation allowance for total future deductible temporary differences	(2,329) million yen	(2,444)million yen
Subtotal of valuation allowances	(5,023) million yen	(3,863)million yen
Total deferred tax assets	2,710 million yen	3,105million yen
Deferred tax liabilities		
Asset retirement costs	48 million yen	35million yen
Total deferred tax liabilities	48 million yen	35million yen
Net deferred tax assets (liabilities)	2,661 million yen	3,069million yen

2. Breakdown of main items causing significant differences between the statutory effective tax rate and the tax burden rate after application of tax-effect accounting

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Statutory effective tax rate	30.6 %	30.6 %
(Adjustment)		
Per capita inhabitant tax	0.1 %	0.1 %
Entertainment expenses and other items that are permanently not deductible	0.9 %	1.1 %
Increase/decrease in valuation allowance	1.1 %	1.6 %
Loss carryforwards	(20.3) %	(18.1) %
Others	(0.7) %	(1.1) %
Tax burden rate of income taxes after application of tax-effect accounting	11.9 %	14.1 %

・(Notes - Revenue Recognition)

Underlying information to understand revenue

As described in 4. Accounting standards for revenues and expenses, Notes - Significant accounting policies of the financial statements.

・(Significant Subsequent Events)

Not applicable.

IV. Annexed Detailed Schedules

・ Annexed Detailed Schedule of Property, Plant and Equipment, etc.

(Unit: millions of yen)

Asset classes	Balance at beginning of period	Increase during period	Decrease during period	Amortization during period	Balance at end of period	Accumulated amortization
Property, plant and equipment						
Buildings	305	25	20	74	236	626
Vehicles	-	21	-	0	20	0
Tools, furniture and fixtures	24	30	0	17	37	264
Land	0	-	-	-	0	-
Construction in progress	-	10	-	-	10	-
Total property, plant and equipment	330	88	21	92	305	891
Intangible assets						
Software	1	-	-	0	1	-
Other	190	-	161 (161)	10	18	-
Total intangible assets	192	-	161 (161)	11	19	-

(Note) Figures in parentheses for the decrease during the period represent impairment losses recorded.

・ Annexed Detailed Schedule of Provisions

(Unit: millions of yen)

Classification	Balance at beginning of period	Increase during period	Decrease during period	Balance at end of period
Allowance for doubtful accounts	518	152	36	634
Provision for bonuses	32	62	32	62
Provision for bonuses for directors (and other officers)	72	61	72	61
Provision for retirement benefits	126	13	14	125
Provision for loss on business of subsidiaries and associates	—	84	—	84

(2) Components of Major Assets and Liabilities

This information is omitted as consolidated financial statements have been prepared.

(3) Others

Not applicable.

[6] Outline of Share-Related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Annual General Meeting of Shareholders	June
Record date	March 31
Record date for dividends of surplus	September 30 and March 31
Number of shares constituting one unit	100 shares
Purchase of shares less than one unit	
Handling office	(Special account) Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited, 2-8-4, Izumi, Suginami-ku, Tokyo
Shareholder Registry Administrator	(Special account) Sumitomo Mitsui Trust Bank, Limited, 2-8-4, Izumi, Suginami-ku, Tokyo
Forwarding office	-
Purchase commission	The amount separately specified as the amount equivalent to the commission for the entrustment of the sale or purchase of shares
Method of public notices	Electronic public notice However, if the company is unable to publish an electronic public notice due to an accident or other unavoidable reason, it will publish a notice in Nikkei Keizai Shimbun. Our website is (https://www.fields.biz/ir/e/).
Benefits to shareholders	None.

(Note) Shareholders of the reporting company holding shares less than one unit may not exercise rights other than the following rights with respect to the shares less than one unit held by the shareholder:
Rights set forth in the items of Article 189, Paragraph (2) of the *Companies Act*
Right to file a claim in accordance with the provision of Article 166, Paragraph (1) of the *Companies Act*
Right to receive an allotment of shares offered or share purchase rights offered in proportion to the number of shares held by the shareholder

[7] Reference Information of Reporting Company

1. Information About Parent of Reporting Company

The company has no parent company, etc.

2. Other Reference Information

The following documents have been submitted between the start date of the current fiscal year and the filing date of the annual securities report.

(1) Annual securities report, its attached documents, and confirmation documents

Fiscal year 37th fiscal period (from April 1, 2024 to March 31, 2025) submitted to the Director-General of the Kanto Local Finance Bureau on June 17, 2025.

(2) Internal control report

Fiscal year 37th fiscal period (from April 1, 2024 to March 31, 2025) submitted to the Director-General of the Kanto Local Finance Bureau on June 17, 2025.

(3) Semi-annual report and confirmation report

During the 38th fiscal period (from April 1, 2025 to September 30, 2025), submitted to Director, Kanto Local Finance Bureau on November 7, 2025.

(4) Extraordinary report

Extraordinary report pursuant to Article 19, Paragraph (2), Item 9-2 (Results of exercising voting rights in annual general meeting of shareholders) of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

Submitted to the Director-General of the Kanto Local Finance Bureau on June 19, 2025.

Part II Information About Reporting Company's Guarantor, etc.

None.

Independent Auditor's Audit Report and Internal Control Audit Report

June 16, 2026

TSUBURAYA FIELDS HOLDINGS INC.

To the Board of Directors

BDO Sanyu & Co.

Tokyo Office

Designated Partner Engagement Partner	Certified Public Accountant	Suzue Masuda
Designated Partner Engagement Partner	Certified Public Accountant	Koichiro Nakanishi

<Audit of Consolidated Financial Statements>

Audit opinion

In order to perform the audit certification pursuant to the provisions of Article 193-2, Paragraph (1) of the *Financial Instruments and Exchange Act*, we have audited the consolidated financial statements of TSUBURAYA FIELDS HOLDINGS INC. for the fiscal year from April 1, 2025 to March 31, 2026, which are comprised of the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, material matters that serve as the basis for preparation of consolidated financial statements, other notes and consolidated supplementary schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TSUBURAYA FIELDS HOLDINGS INC. and its consolidated subsidiaries as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for the audit opinion

We conducted our audit in accordance with auditing standards that are generally accepted in Japan. Our responsibilities under those auditing standards are described in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including the provisions applicable to the financial statement audits of entities with a significant social impact), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year under review. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters individually.

<table>
<tr><td colspan="2">Application of accounting standards for revenue recognition, etc. to agency sales</td></tr>
<tr><td>Details of key audit matters and reasons for determining them as key audit matters</td><td>Audit response</td></tr>
<tr><td>As stated in [the Notes] (Segment Information, etc.), net sales of the Amusement Equipment Business were ¥159,069 million, which accounted for a significant percentage of 90% or more in the consolidated statement of income for the fiscal year under review. Net sales of the Amusement Equipment Business consist mainly of distributor and agency sales of PS machines.

As stated in [the Notes] (Material Matters that Serve as the Basis for Preparation of Consolidated Financial Statements) 4. Matters related to Accounting Policies, (5) Accounting standards for significant revenues and expenses, with regard to transactions in which some consolidated subsidiaries are sole distributor, i.e., transactions in which some consolidated subsidiaries exclusively sell PS machines manufactured by PS machine manufacturers, it was determined that those consolidated subsidiaries are obligated to provide the PS machines and they are the principal, so those consolidated subsidiaries' sales proceeds from sales of PS machines to pachinko parlors are recognized as revenue when PS machines are shipped to pachinko parlors who are clients. In addition, for merchandising rights of PS machines of which some consolidated subsidiaries are sole distributor, it was determined as a buy-sell transaction with PS machine manufacturers, which is deemed as a repurchase agreement, so such buy-sell transaction amount was deducted from the purchase price at the time of sale of the PS machines.

Some consolidated subsidiaries exercise the following significant judgment in applying accounting standards for revenue recognition, etc. to PS machine's agency sales, which have a significant impact on the identification of contracts, timing of revenue recognition, etc.
・ Judgment regarding the identification of contracts (customers) concerning agency sales
・ Judgment regarding the principal/agent with regard to agency sales
・ Judgment regarding performance obligations of agencies and the timing of satisfaction of those performance obligations
・ Judgment regarding whether or not a license agreement of merchandising rights is deemed as a buy-sell transaction

In making these judgments, some consolidated subsidiaries not only reviewed the wording of agency sales agreements but also considered a wide range of matters, including industry practices of PS machine sales, business relationships with PS machine manufacturers and pachinko parlors, including appearance, the roles of those consolidated subsidiaries in these transactions and their changes, as well as their workflows.

Since the net sales amount of the Amusement Equipment Business is significant and the impact of management's judgment when applying accounting standards for revenue recognition, etc. is extremely significant, it is necessary to continue to pay attention to whether there are any significant changes in the facts, etc. that serve as a basis for making judgments, and how those accounting standards are applied to new customers or commercial distribution.

Based on the above, we determined that application of the accounting standards for revenue recognition, etc. to agency sales is particularly important in the audit of the consolidated financial statements for the fiscal year under review and falls under the category of "Key Audit Matters."</td><td>In reviewing whether significant judgments made by some consolidated subsidiaries comply with the accounting standards for revenue recognition, etc. when applying those accounting standards to agent sales, we mainly performed the following audit procedures.
・ Regarding industry practices of PS machine sales, business relationships with PS machine manufacturers and pachinko parlors, including appearance, and the roles of consolidated subsidiaries involving in the Amusement Equipment Business in the transaction and their changes, we reviewed changes from prior years in the fiscal year under review by asking the management, examining related materials, etc.
・ We inspected the contracts and related documents regarding agency sales contracts and related contracts to confirm the contractual relationships and to check if there had been any changes in the facts.
・ Regarding the regulations and practices in the industry of PS machine sales, we reviewed the latest status of revisions to laws and regulations to comply with, self-regulations of regulatory authorities or industry groups, etc.
We also reviewed workflows in the transaction, transaction evidence, etc. to check if there were any significant changes in the facts.
・ Based on the above understanding and review of the contractual relationships, business relationships, and roles played by some consolidated subsidiaries in transactions, we reviewed if the Company's judgments continue to be rational, including judgment regarding the identification of contracts (customers), judgment regarding the principal/agent, judgment regarding performance obligations and the timing of satisfaction of those performance obligations, and judgment regarding whether or not a license agreement of merchandising rights deemed as a buy-sell transaction.
・ Regarding PS machine sales, we reviewed if there were any new customers and commercial distributions. We also reviewed if the management's judgment to apply the accounting standards for revenue recognition, etc. complies with these accounting standards, etc.</td></tr>
</table>

Recoverability of deferred tax assets of TSUBURAYA FIELDS HOLDINGS INC.	
Details of key audit matters and reasons for determining them as key audit matters	Audit response
The Group recorded deferred tax assets of ¥4,241 million in the consolidated balance sheet for the fiscal year under review. Out of the amount, the deferred tax assets recorded by TSUBURAYA FIELDS HOLDINGS INC. is significant, and as stated in [the Notes] (Tax Effect Accounting), deferred tax assets of ¥2,523 million, which is tax loss carried forward of ¥3,942 million minus valuation allowance of ¥1,419 million, was recorded. The Company determines the recoverability of deferred tax assets based on, among other things, its consideration of company classification, consideration of the sufficiency of future taxable income, and scheduling of the expected future fiscal years for reversal of deductible temporary differences, which are described in the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26).The judgment on the recoverability of deferred tax assets for deductible temporary differences and tax loss carried forward is made based on estimates of taxable income before deductible/taxable temporary differences based on future earning power. The estimate of taxable income before deductible/taxable temporary differences based on future earning power is based on the business plans for the following fiscal years. However, as TSUBURAYA FIELDS HOLDINGS INC. is a pure holding company, the main assumption is the amount of operating revenue from the guidance (business management) on management, planning, etc. provided to respective subsidiaries. Operating revenue from such business management depends on the business plans of respective subsidiaries, and the business plans having a major impact are those plans of some consolidated subsidiaries related to the Amusement Equipment business (hereinafter referred to as “Amusement Equipment business subsidiaries”).The plan which has a most significant impact on the business plans of Amusement Equipment business subsidiaries is the sales plan of PS machines, in which sales volume and sales prices are critical assumptions and data. The operating revenue is affected by the approach taken for the business management, and management’s significant determination and ability to get things done with respect to the method of receiving such operating revenue and the scope of operating revenue to be received. In addition, business plans of Amusement Equipment business subsidiaries are affected by consumer preferences, the PS machine industry environment, and dissemination of smart PS machines, so those business plans are subject to subjective judgment by management and entail uncertainties. Based on the above, we concluded that the assessment of the recoverability of deferred tax assets for TSUBURAYA FIELDS HOLDINGS INC. is particularly important in the audit of the consolidated financial statements for the fiscal year under review, and falls under the category of “Key Audit Matters.”	In evaluating the recoverability of deferred tax assets of TSUBURAYA FIELDS HOLDINGS INC., we mainly performed the following audit procedures: ・ We discussed with management the approach taken for operating revenue (business management), the method of receiving operating revenue and the scope of operating revenue to be received, and reviewed relevant minutes of meetings of the Board of Directors, contracts, etc. We asked management and understood the market trend in the Amusement Equipment business, the method used to estimate the business plan which is a basis for estimating the taxable income before deductible/taxable temporary differences based on the Company’s future earning power, and critical assumptions and data used for the plan. ・ We confirmed that the Group’s business plan which is a basis for recording deferred tax assets was reasonably consistent with the published budget approved by the Board of Directors to a reasonably supportable extent. ・ To assess the effectiveness of management's estimation process, we made comparison between business plans and actual results in past fiscal years for major Amusement Equipment business subsidiaries. ・ Regarding management’s outlook on market trends in the Amusement Equipment business, we compared it with the outlook by external research organizations, etc. and confirmed that the outlook on the trend in the industry environment was realistic. ・ Based on the past business performance of the Group and the market trends in the Amusement Equipment business, we reviewed the Company’s judgment on company classification in accordance with the “Implementation Guidance on Recoverability of Deferred Tax Assets.” ・ Regarding the sales plan of PS machines, which is of most significance in the business plan of the Amusement Equipment business, we compared the sales volume and sales prices, which are critical assumptions, with actual sales results in past fiscal years. In addition, we reviewed whether the sales volume was consistent with the market trend in the Amusement Equipment business, including the expected sales volume of smart PS machines. ・ We examined the completeness and accuracy of the sales results in prior fiscal years (sales and units sold), which are critical data prepared by management, by reconciling them to the financial statements and, on a sample basis, agreeing them to sales and purchase agreements. In addition, we examined the historical unit sales prices by recalculating them through dividing sales by units sold. ・ We reviewed whether descriptions in [the Notes] (Significant Accounting Estimates) are exhaustive and appropriate.

Other information

Other information is information in the Annual Securities Report other than the consolidated financial statements and the financial statements, as well as the Audit Report for these statements. Management is responsible for preparing and disclosing other information. In addition, Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the development and operation of the reporting process for the other information.

The subject of our audit opinion on the consolidated financial statements does not include the other information, and we do not express an opinion on the other information.

Our responsibilities in the audit of the consolidated financial statements are to read through the other information, review whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to be reported by us regarding the other information.

Responsibilities of management and Audit and Supervisory Committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with business accounting standards that are generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the going concern assumption, and disclosing matters related to going concern as applicable in accordance with business accounting standards that are generally accepted in Japan.

Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the design and operation of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Auditor's responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on our audit performed, and to express our opinion on the consolidated financial statements in the audit report from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the decisions of users of the consolidated financial statements.

In accordance with auditing standards that are generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit process.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures depend on the auditor's judgment. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal controls, but in making risk assessments, the auditor reviews internal controls related to the audit to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Conclude whether it is appropriate for management to prepare the consolidated financial statements based on the going concern assumption and, based on the audit evidence obtained, whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If there is a significant uncertainty regarding the Company's ability to continue as a going concern, we are required to draw attention in the audit report to the related notes to the consolidated financial statements or, if such notes are inappropriate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but

future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with business accounting standards that are generally accepted in Japan, the presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor is solely responsible for the audit opinion.

The auditor reports to Audit and Supervisory Committee on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal controls that the auditor identify during the audit process, and other matters required by auditing standards.

The auditor reports to Audit and Supervisory Committee Board on a statement that the auditor has complied with the provisions related to professional ethics in Japan regarding independence, and matters that may reasonably be thought to bear on the auditor's independence, and where applicable, measures to eliminate obstruction factors or safeguards to reduce such obstruction factors to an acceptable level.

The auditor determines, among the matters discussed with Audit and Supervisory Board Members and the Audit and Supervisory Board, such matters considered to be particularly important in the audit of the consolidated financial statements for the fiscal year under review as key audit matters, and states them in the audit report. However, in cases where the disclosure of such matters is prohibited by laws and regulations, etc. or, although it is extremely limited, in cases where the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in the audit report exceeds the public interest, such matters are not stated.

<Internal Control Audit>

Audit opinion

In order to provide an audit certification pursuant to the provisions of Article 193-2, Paragraph (2) of the *Financial Instruments and Exchange Act*, we audited the internal control report of TSUBURAYA FIELDS HOLDINGS INC. as of March 31, 2026.

In our opinion, the aforesaid internal control report in which TSUBURAYA FIELDS HOLDINGS INC. states that its internal control over financial reporting as of March 31, 2026 is effective, presents fairly, in all material respects, the results of assessment of internal control over financial reporting in accordance with the assessment standards for internal control over financial reporting that are generally accepted in Japan.

Basis for the audit opinion

We conducted the internal control audit in accordance with auditing standards for internal control over financial reporting that are generally accepted in Japan. Our responsibilities under the auditing standards for internal control over financial reporting are described in "Auditor's Responsibilities for the Internal Control Audit." We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including the provisions applicable to the financial statement audits of entities with a significant social impact), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Audit and Supervisory Committee for the internal control report

Management is responsible for designing and operating internal control over financial reporting, and preparing and fairly presenting the internal control report in accordance with the assessment standards for internal control over financial reporting that are generally accepted as fair and appropriate in Japan.

Audit and Supervisory Committee is responsible for monitoring and verification of the design and operation of internal control over financial reporting.

It is possible that internal control over financial reporting may not be able to completely prevent or detect misstatements in financial reporting.

Auditor's responsibilities for the internal control audit

Auditor's responsibilities are to obtain reasonable assurance about whether the internal control report is free from material misstatement and to express an opinion on the internal control report from an independent standpoint in the internal control audit report, based on the internal control audit performed by the auditor.

In accordance with auditing standards for internal control over financial reporting that are generally accepted in Japan, we perform the following by exercising professional judgment and maintaining professional skepticism throughout the audit process.

- Perform audit procedures to obtain audit evidence regarding the results of assessment of internal control over financial reporting in the internal control report. The audit procedures for the internal control audit are selected and applied, in the judgment of the auditor, based on the materiality of impact on the reliability of financial reporting.
- Review the presentation of the internal control report as a whole, including statements made by management regarding the scope, procedures and results of assessment of internal control over financial reporting.
- Plan and perform the audit of the internal control report to obtain sufficient and appropriate audit evidence regarding the evaluation results of internal control over financial reporting in the internal control report. The auditor is solely responsible for the audit opinion.

The auditor reports to Audit and Supervisory Committee on the scope and timing of the planned internal control audit, results of the internal control audit performed, significant deficiencies in internal control identified that should be disclosed and results of remediation, and other matters required by the auditing standards for internal control.

The auditor reports to Audit and Supervisory Committee on a statement that the auditor has complied with the provisions related to professional ethics in Japan regarding independence, and matters that may reasonably be thought to bear on the auditor's independence, and where applicable, measures to eliminate obstruction factors or safeguards to reduce such obstruction factors to an acceptable level.

<Compensation-related information>

The amounts of fees for audit certification services and non-audit services provided to the Company and its subsidiaries for the fiscal year under review by the audit firm and entities belonging to the same network as the audit firm are stated in "Status of the Filing Company," Corporate Governance, (3) Audits.

Conflicts of Interest

Our firm or engagement partners have no interests in the Company and its consolidated subsidiaries requiring disclosure pursuant to the provisions of the Certified Public Accountants Act.

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*1. The above is an electronic version of the text contained in the original copy of the audit report, which is stored separately by the company submitting the annual securities report.

2. XBRL data is not included in the scope of the audit.

Independent Auditors' Report

June 16, 2026

TSUBURAYA FIELDS HOLDINGS INC.

To the Board of Directors

BDO Sanyu & Co.

Tokyo Office

Designated member Engagement Partner	Certified Public Accountant	Suzue Masuda
Designated member Engagement Partner	Certified Public Accountant	Koichiro Nakanishi

<Audit of financial statements>

Audit opinion

We have audited the financial statements (i.e., balance sheet, statement of income, statement of changes in equity, significant accounting policies, and other notes and schedules) for the 38th fiscal year from April 1, 2025 to March 31, 2026 of TSUBURAYA FIELDS HOLDINGS INC. contained in "Financial information" in order to provide audit certification pursuant to the provisions of Article 193-2, Paragraph (1) of the *Financial Instruments and Exchange Act.*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TSUBURAYA FIELDS HOLDINGS INC. as of March 31, 2026, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis of Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those auditing standards are described in "Auditor's Responsibility for the Audit of the Financial Statements." We are independent from the reporting company in accordance with the Code on Professional Ethics in Japan (including the provisions applicable to the financial statement audits of entities with a significant social impact). We have also fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those that, in the auditor's professional judgement, were of most significance in our audit of the financial statements for the fiscal year under review. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets
The reasons why the auditor decided this matter as a key audit matter and the response in the audit are the same as the key audit matter “Recoverability of deferred tax assets in TSUBURAYA FIELDS HOLDINGS INC.” in the audit report of the consolidated financial statements, and therefore the description is omitted.

Other information

Other information is information in the Annual Securities Report other than the consolidated financial statements and the financial statements, as well as the audit report for these statements. Management is responsible for preparing and disclosing other information. In addition, Audit and Supervisory Committee are responsible for overseeing the execution of duties by directors in the development and operation of the reporting process for the other information.

The subject of our audit opinion on the consolidated financial statements does not include the other information, and we do not express an opinion on the other information.

Our responsibilities in the audit of the consolidated financial statements are to read through the other information, review whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to be reported by us regarding other information.

Responsibility of management, Audit and Supervisory Committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements based on the going concern assumption, and disclosing matters related to going concern as applicable in accordance with business accounting standards that are generally accepted in Japan.

Audit and Supervisory Committee are responsible for overseeing the execution of duties by directors in the design and operation of the financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Auditor’s responsibilities are to obtain are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on our audit performed, and to express our opinion on the financial statements in the audit report from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the decisions of users of the consolidated financial statements.

In accordance with auditing standards that are generally accepted in Japan, we perform the following by exercising professional judgement and maintain professional skepticism throughout the audit process.

- Identify and assess the risks of material misstatement, whether due to fraud or error. We will also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures depend on the auditor’s judgment. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the internal controls, but in making risk assessments, the auditor reviews internal controls related to the audit to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the

reasonableness of accounting estimates made by management and the adequacy of related notes.

- Conclude whether it is appropriate for management to prepare the financial statements on the going concern assumption and, based on the audit evidence obtained, whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If there is a significant uncertainty regarding the Company's ability to continue as a going concern, we are required to draw attention in the audit report to the related notes to the consolidated financial statements or, if such notes are inappropriate, to express a qualified opinion with exceptions on the financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements and the notes thereto are in accordance with business accounting standards that are generally accepted in Japan, the presentation, structure and content of the financial statements, including the related notes thereto, and whether the financial statements fairly present the underlying transactions and accounting events.

The auditor reports to Audit and Supervisory Committee on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal controls that the auditor identify during the audit process, and other matters required by auditing standards.

The auditor reports to Audit and Supervisory Committee on compliance with the provisions of our professional ethics on independence and on matters that are reasonably likely to affect the auditor's independence, and if countermeasures are in place to eliminate impediments or if safeguards are applied to reduce the impediments to an acceptable level.

The auditor determines, among the matters discussed with Audit and Supervisory Committee, such matters considered to be particularly important in the audit of the financial statements for the fiscal year under review as key audit matters, and states them in the audit report. However, in cases where the disclosure of such matters is prohibited by laws and regulations, etc. or, although it is extremely limited, in cases where the auditor determines that the matter should not be reported since it is reasonably expected that the disadvantage arising from reporting in the audit report exceeds the public interest, such matters are not stated.

<Fee-related information>

Fee-related information is described in the audit report of consolidated financial statements.

Conflicts of Interest

Our firm or engagement partners have no interests in the Company requiring disclosure pursuant to the provisions of the *Certified Public Accountants Act*.

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*1. The above is an electronic version of the text contained in the original copy of the audit report, which is stored separately by the company submitting the annual securities report.

2. XBRL data is not included in the scope of audit.