



FuRyu
Precious days, always

Securities code: 6238

Material for Briefing Financial Results

Term ended March 2023



INDEX

03 Corporate Profile

06 Overview of Results for FY3/2023

13 FURYU Medium-term Vision 2027

20 Measures and Earnings Forecast for FY3/2024

29 Reference Material

Corporate Profile



Create quality entertainment that brings happiness and fulfillment to people.

Each of us acts with visions, and aims to grow ourselves and our company by combining “what I will do” and “what I can do” as individuals and “what we must do” as a company.

We will keep pursuing our business and endeavoring to evolve our business, and create quality entertainment that brings happiness and fulfillment to people.

Business Portfolio

Due to the recent rapid growth of Character Merchandising, the business size of SKB has expanded to a size equivalent to that of GTB.

Sekaikan Business (SKB)

Game and Anime Business

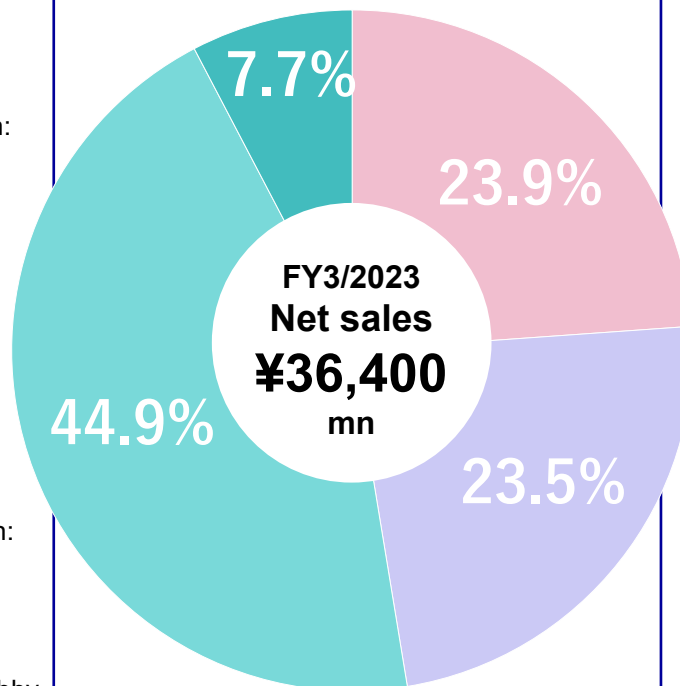
Net sales: **¥2,794 mn** Total sales composition: **7.7%**

- Planning, development, and sale of console game software and game apps
- Planning and production of animation works
- Publication of partworks

Character Merchandizing Business

Net sales: **¥16,347 mn** Total sales composition: **44.9%**

- Planning, development, and sale of arcade prizes, character lotteries, and expensive hobby goods



Girls' Trend Business (GTB)

Photo Sticker Business

Net sales: **¥8,689 mn** Total sales composition: **23.9%**

- Planning, development, and sale of Photo sticker machines
- Operation of photo sticker shops

Content and Media Business

Net sales: **¥8,569 mn** Total sales composition: **23.5%**

- Planning, development, and distribution of mobile content services
- Advertising planning
- Planning, development, and sale of colored contact lenses

Overview of Results for FY3/2023





P/L for FY3/2023

Net sales rose, profit declined YoY.

Sales increased due to solid sales of arcade prizes.

Profit increased due to price hike of photo sticker paper, but the foreign exchange impact reduced profits.

	FY3/2022 actual (¥mn)	FY3/2023 actual	YoY Change		FY3/2023 forecast	Achievement ratio
			Absolute	Ratio		
Net sales	34,058	36,400	2,342	106.9%	36,600	99.5%
Operating profit	3,709	2,134	-1,574	57.5%	2,240	95.3%
Ordinary profit	3,707	2,179	-1,527	58.8%	2,240	97.3%
Extraordinary income	0	0	0	374.1%	—	—
Extraordinary loss	19	11	-7	59.9%	—	—
Profit before income taxes	3,688	2,168	-1,519	58.8%	—	—
Income taxes	1,167	724	-442	62.1%	—	—
Profit attributable to owners of parent	2,544	1,443	-1,101	56.7%	1,555	92.8%



Overview of Results for Each Segment

	FY3/2022 actual	FY3/2023 actual	YoY Change	
			Absolute	Ratio
(¥mn)				
Net sales	34,058	36,400	2,342	106.9%
Photo Sticker	7,576	8,689	1,112	114.7%
Content and Media	8,324	8,569	244	102.9%
Character MD	15,175	16,347	1,172	107.7%
Games and Anime	2,980	2,794	-186	93.8%
Operating profit	3,709	2,134	-1,574	57.5%
Photo Sticker	-252	506	759	-
Content and Media	3,173	3,290	117	103.7%
Character MD	2,408	-155	-2,564	-
Games and Anime	26	196	169	730.5%
Company-wide costs	-1,645	-1,703	-57	-



Results of Each Segment—Photo Sticker Business

Both net sales and profit rose YoY.

Moderate recovery in the number of plays.

Both sales and profits increased due to the significant effect of price hike of sticker paper.

	3Q cumulative (Apr. to Dec.)			4Q (Jan. to Mar.)			Full fiscal year		
	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio
(¥mn)									
Net sales	5,434	6,269	115.4%	2,142	2,419	112.9%	7,576	8,689	114.7%
Revenue from amusement arcades	4,684	5,304	113.2%	1,817	2,032	111.8%	6,502	7,337	112.8%
Revenue from directly managed shops	749	964	128.8%	325	387	118.9%	1,074	1,351	125.8%
Operating profit	-143	531	-	-109	-25	-	-252	506	-
Supplementary information									
Total No. of plays (10,000)	2,329	2,480	106.5%	867	894	103.1%	3,197	3,375	105.6%
No. of plays amusement arcades (10,000)	2,151	2,276	105.8%	795	813	102.3%	2,947	3,090	104.8%
No. of plays at directly managed shops (10,000)	178	204	114.8%	72	80	112.8%	250	285	114.2%
No. of directly managed shops	35	34	97.1%	33	35	106.1%	-	-	-

• The market play ratio of models with increased sticker paper prices is approximately 57%.



Results of Each Segment—Content and Media Business

Both net sales and profit rose YoY.

The number of PiCTLINK paying members recovered moderately.

Profitability improved due to the growth of new high-margin retouching software business and withdrawal from the food and beverage business.

	3Q cumulative (Apr. to Dec.)			4Q (Jan. to Mar.)			Full fiscal year		
	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio
	(¥mn)								
Net sales	6,157	6,395	103.9%	2,166	2,173	100.3%	8,324	8,569	102.9%
Revenue from Pictlink charges	4,510	4,667	103.5%	1,546	1,656	107.1%	6,056	6,323	104.4%
Sales of colored contact lenses	990	802	81.0%	326	223	68.4%	1,316	1,025	77.9%
Other	657	925	140.9%	294	293	99.8%	951	1,219	128.2%
Operating profit	2,471	2,432	98.4%	701	857	122.2%	3,173	3,290	103.7%
Supplementary information									
No. of paid Pictlink members as of the end of the term [10,000]*	146	148	101.2%	146	149	101.9%	-	-	-
No. of premium Pictlink members as of the end of the term [10,000]	15	17	113.4%	16	18	114.8%	-	-	-
Profit/loss from new business development (¥mn)	-184	-123	-	-50	-7	-	-234	-131	-
Profit/loss from Olu. (¥mn)	-109	-144	-	-52	-40	-	-162	-185	-

* Includes number of premium numbers

• Premium Member Ratio 12.1%(end of 3Q 11.8%)

Results of Each Segment—Character MD Business

Net sales rose, profit declined YoY.

Orders are strong due to the acquisition of popular character copyrights.

Losses due to increased procurement costs (-1.7 billion yen) due to the yen depreciation, and the impact of provisions for expensive hobby goods (-0.3 billion yen).

	3Q cumulative (Apr. to Dec.)			4Q (Jan. to Mar.)			Full fiscal year			
	(¥mn)	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio
Net sales		11,790	12,381	105.0%	3,385	3,966	117.2%	15,175	16,347	107.7%
Arcade prizes, etc.		9,186	8,939	97.3%	2,160	2,624	121.4%	11,347	11,563	101.9%
Overseas product sales		1,041	1,489	143.0%	262	406	154.7%	1,304	1,895	145.4%
Expensive hobby goods		1,248	1,625	130.3%	934	857	91.8%	2,182	2,483	113.8%
Other		314	326	103.9%	27	78	288.3%	341	404	118.5%
Operating profit		2,355	259	11.0%	52	-415	-	2,408	-155	-
Average remittance rate at time of purchase (Yen/1 USD)		111	131	-	116	134	-	112	132	-

- As purchases are made in US dollars and sales are made in Japanese yen, the depreciation of the yen affected profits significantly.

(Although overseas product sales have switched to dollar-denominated sales from 4Q, the current impact is negligible.)

- < Arcade prizes >
 - The decrease in profit is due to the impact of exchange rate fluctuations. Impact of approximately -300 million yen for 4Q alone and about -1.1 billion yen for the full year
- < Expensive hobby goods >
 - Profit margins deteriorated due to an increase in the number of products. The impact is expected to continue in FY3/2024. Provision for loss-making orders was recorded in 4Q, with a profit impact of -0.2 bn. Disposal of returned stock returns: Profit impact -100 million yen.
- < Other >
 - In the previous 4Q, books were published on villagebooks. In the current 4Q, Hatsune Miku and Okaimono (Shopping) Panda character lotteries were released.



Results of Each Segment – Game and Anime Business

Net sales decreased, profit increased YoY.

A decrease in revenues due to a decline in the gaming app market.

The movie 'LAID-BACK CAMP' contributed throughout the year, resulting in a significant increase in profit.

	3Q cumulative (Apr. to Dec.)			4Q (Jan. to Mar.)			Full fiscal year		
	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio	FY3/2022	FY3/2023	Ratio
(¥mn)									
Net sales	2,418	2,292	94.8%	562	502	89.4%	2,980	2,794	93.8%
Console game software	883	663	75.1%	202	255	126.2%	1,085	919	84.7%
Game apps	596	448	75.2%	196	112	56.9%	793	560	70.7%
Anime	939	1,180	125.7%	162	134	82.9%	1,101	1,314	119.3%
Operating profit	65	130	200.5%	-38	65	-	26	196	730.5%
Supplementary information									
No. of new console game titles	3	3	100.0%	2	0	0.0%	5	3	60.0%
Sales volume of new console game titles [10,000]	11.2	5.7	50.9%	2.4	0.3	12.4%	13.6	6.0	44.2%

< Console game > · In 4Q, no new titles were launched, but overseas localization of past titles performed well.

< Game apps > · Two titles were closed at the end of February due to a business structure review.

Focused on developing new titles while operating two titles, 'Renai HOTEL' and Renai Bakumatsu Kareshi.'

FURYU Medium-term Vision 2027

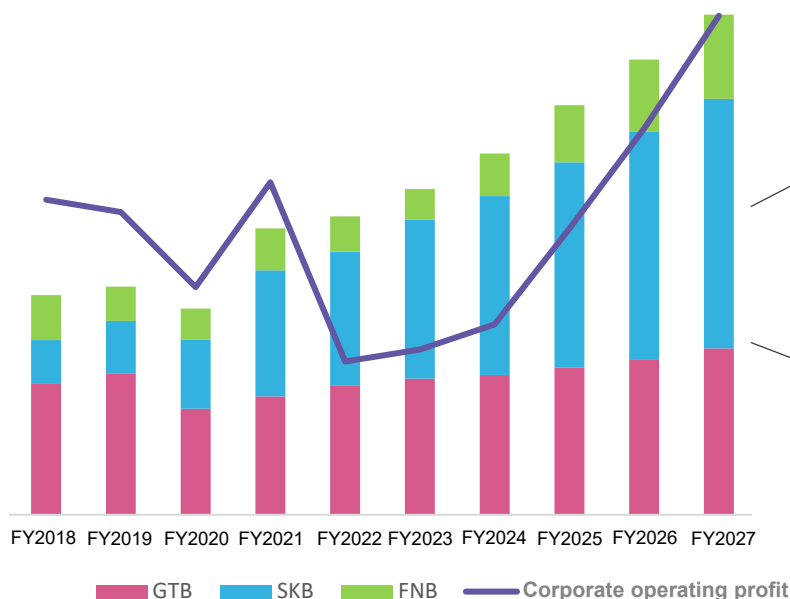


Medium-term vision – Target management indices and quantitative targets

Management strategy	<p>Growth : Sekaikan Business (SKB)</p> <p>Earnings : Girls' Trend Business (GTB)</p> <p>Potential for future : FURYU New Business (FNB)</p>
----------------------------	---

Target management indices	<p>ROE : <u>above 15%</u></p> <p>Operating profit margin: <u>above 10%</u></p>
----------------------------------	--

Growth image



Compared to FY2022 results

FY2027 Net sales	<p>60 billion yen</p> <p>5-year CAGR 10%</p>
-------------------------	--

FY2027 Operating profit	<p>6 billion yen</p> <p>5-year CAGR <u>26%</u></p>
--------------------------------	--



Basic policy

A comprehensive entertainment company that brings smiles to people around the world

Sekaikan Business (SKB)

Growth

- Acquisition of leading copyrights
- Expansion of figures
- Expanding EC sales
- Accelerated overseas development

Growth driver

- Expansion of figures

Girls' Trend Business (GTB)

Earning

- Improving the value of the photo sticker experience
- LTV maximization
- Expanding photo sticker-related business by utilizing our strengths

Growth driver

- LTV maximization

FURYU New Business (FNB)

Potential for future

- Rebuild strategies in new businesses
- Select and focus on new business in 1-2 years
- Invest management resources in businesses that the company focuses on
- Create a future business that earns sales of 10 billion yen

Organizational culture reform

■ Realisation of Dynamic Vision (see note): realization of employee and company growth

- Developing a diverse workforce that can play a role in increasing corporate value
- Promoting a rewarding work environment
- Acquiring versatile and diverse human resources
- Creating mechanisms to encourage challenge and teamwork.

Note: A significant value for people working at FURYU, which aims for the growth of employees and the company by overlapping what individuals "want to do" and "can do" with what the company "must do."

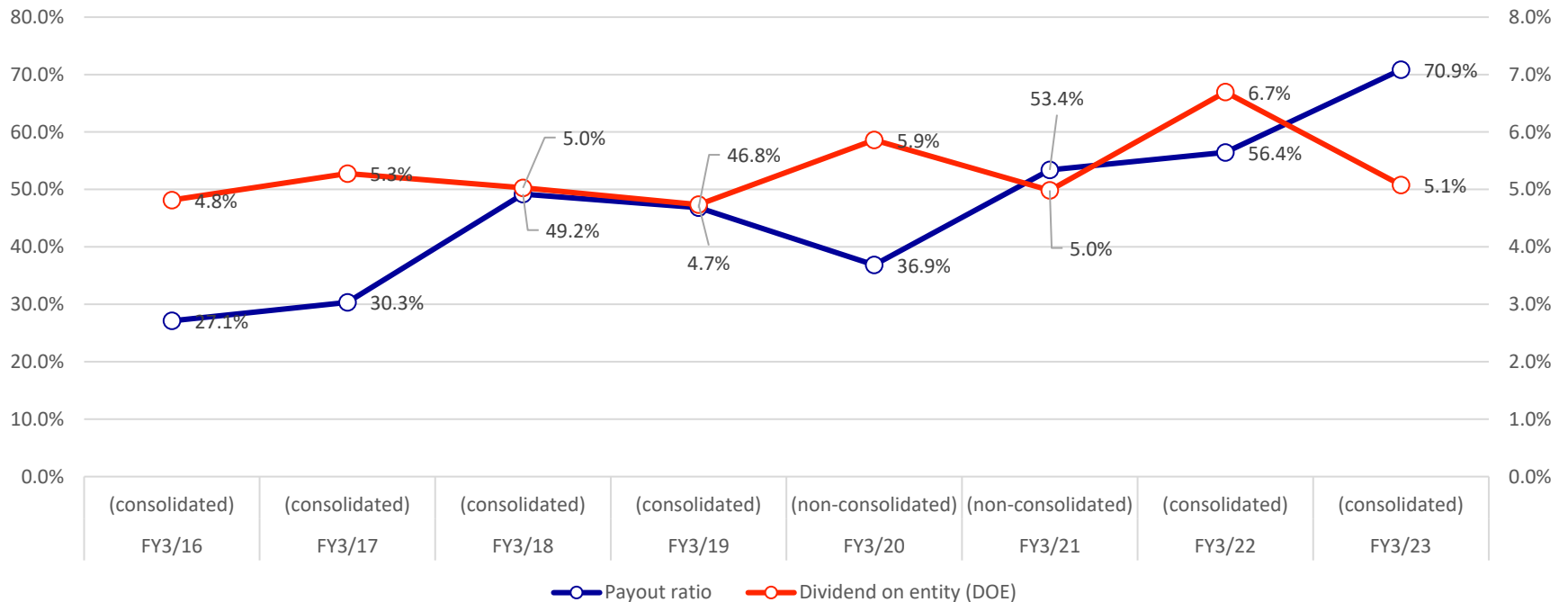
Approach to improving ROE

Aim for ROE above 15% in FY3/2028, with awareness to keep the level above the cost of shareholders' equity.

	FY3/2022 (actual)	FY3/2023 (actual)	2028/03 (Target)	Policy for increasing ROE
	12.3%	7.0%	15.1%	Keep above 15%
Profitability ① Net profit margin on sales Net profit for the year divided by sales	7.4%	4.0%	7.4%	Maintain GTB's high profitability Improve the profitability of SKB
Asset efficiency ② Asset turnover Sales divided by total assets	1.31times	1.35times	1.44times	Reduce unnecessary assets Grow sales
Financial leverage ③ Total assets divided by equity	1.27x	1.31x	1.41x	Maintain the current level of equity ratio

We will pay dividends using a payout ratio of 40% or dividend on equity (DOE) of 5% as reference targets.

$$\text{ROE} \times \text{Payout ratio} = \text{DOE}$$



*Figures for FY3/2020 and FY3/2021 are given as reference figures as they are unconsolidated figures.

Disclosure segments have been changed from FY3/2024

Summary: Change from four to three segments

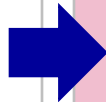
Objective: To make clear the strategy in line with the medium-term vision

Before (to FY3/2023)

Segment	Main Business
Photo Sticker	<ul style="list-style-type: none"> • Amusement arcades • Directly managed shops
Content and Media	<ul style="list-style-type: none"> • PiCTLINK • Colored contact lenses • Advertising planning • Retouching software • Content services • Olu.
Character MD	<ul style="list-style-type: none"> • Arcade prizes • Overseas product sales • Expensive hobby goods • Lottery
Games and Anime	<ul style="list-style-type: none"> • Anime • Console game software • Game apps

After (from FY3/2024)

Segment	Main Business
Sekaikan Business (SKB) → Use of popular character IPs Stuffed toys and figures are sold as arcade prizes and EC merchandise	<ul style="list-style-type: none"> • Arcade prizes • Overseas product sales • Expensive hobby goods • Lottery
Girls' Trend Business (GTB) → Photo sticker-related businesses Sticker paper sales, PiCTLINK billing	<ul style="list-style-type: none"> • Photo sticker (amusement arcades) • Photo sticker (directly managed shops) • PiCTLINK • Content services • Retouching software
FURYU New Business (FNB) → Investment framework for the creation of FURYU's third pillar	<ul style="list-style-type: none"> • Console game software • Anime • Game apps • Colored contact lenses • Advertising planning • Olu.



Disclosure segments have been changed from FY3/2024

Reference: Recalculated FY3/2023 sales by applying the new segments

FY3/2023 Net sales ¥36,400mn

Photo Sticker

- Amusement arcades
- Directly managed shops

Content and Media

- PiCTLINK
- Colored contact lenses
- Advertising planning
- Olu.
- Content services

Character MD

- Arcade prizes
- Overseas product sales
- Expensive hobby goods
- Lottery

Games and Anime

- Anime
- Console game software
- Game apps

Sekaikan Business

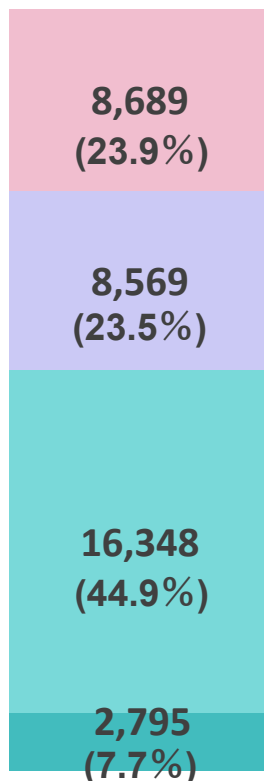
- Arcade prizes
- Overseas product sales
- Expensive hobby goods
- Lottery

Girls' Trend Business

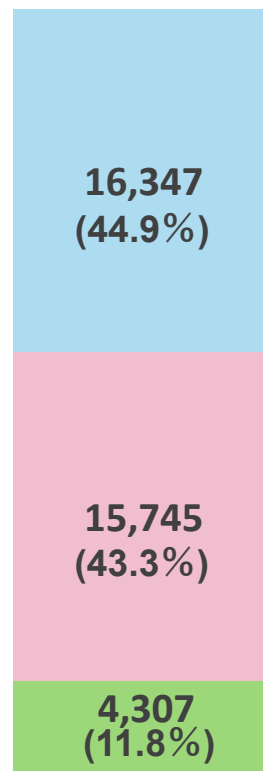
- Photo sticker(amusement arcades)
- Photo sticker(directly managed shops)
- PiCTLINK
- Content services
- Retouching software

FURYU New Business

- Console game software
- Anime
- Game apps
- Colored contact lenses
- Advertising planning
- Olu.



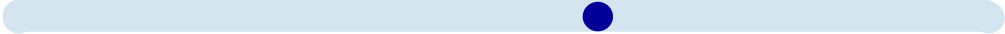
Segments change



(¥mn)

* () Composition

Measures and Earnings Forecast for FY3/2024





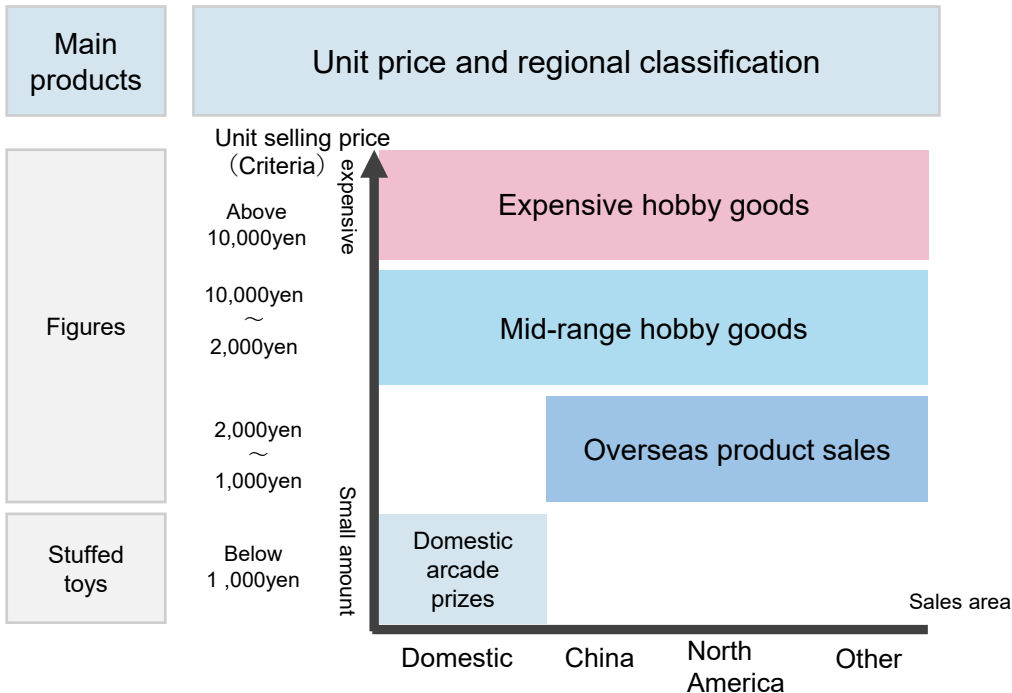
Segment measures – Sekaikan Business

Stable acquisition of popular IPs keeps sales at a high level.

Aiming to increase sales by expanding the range of figures in addition to stuffed toys while developing overseas distribution.

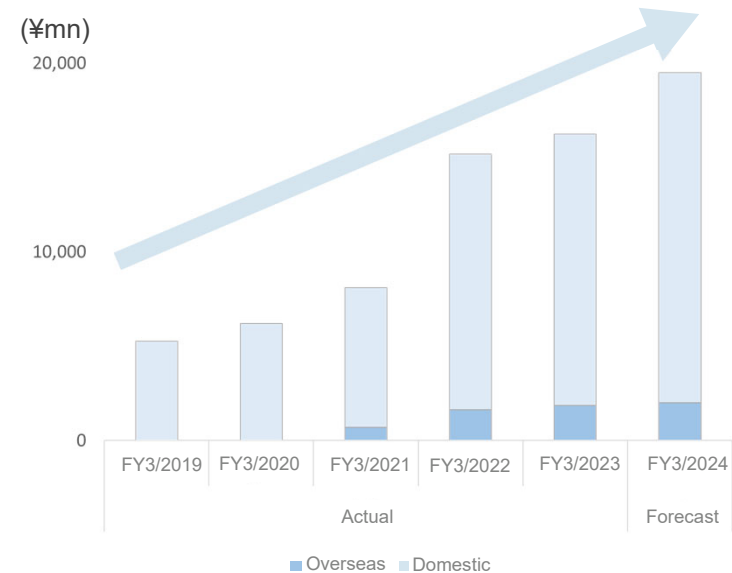
Line-up by unit sales price

- Reinforce figures with a high unit sales price



Sales by region

- Promoting the sale of goods to foreign markets
- Currently, the main focus is on 'overseas merchandise sales.' Modifying domestic products for arcade prizes to overseas specifications.
- Expand not only BtoB wholesale sales but also BtoC EC sales



Segment measures – Girls' Trend Business

To maximize LTV, strengthen the approach to core user groups such as junior high and high school students to revitalize the photo sticker market.

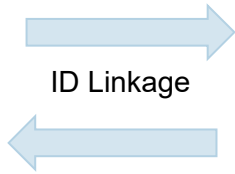
Photo sticker business

- Enhanced linkage between the photo sticker machine and the 'PiCTLINK' application.

App linkage User benefits

- Easy: Easy to save images
- Fun: The behavior of the sticker machine changes during the game
- Value: Benefits according to the number of plays and personal profiles

PiCTLINK



Directly managed shop

- Continue to open directly managed shops and increase the number of machines installed.
 - 35 shops at the end of March 2023
 - 38 shops as a target at the end of March 2024
 - 50 shops as a target at the end of March 2028
- Market revitalization through shop designs adapted to locations.

'girls mignon' Tokyo Solamachi® shop



©TOKYO-SKYTREETOWN



©TOKYO-SKYTREETOWN

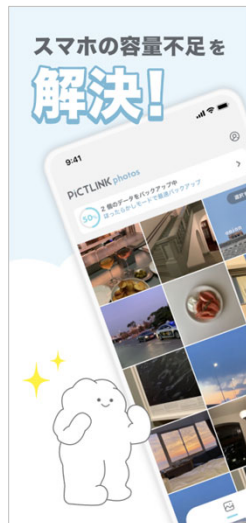
Segment measures – Girls' Trend Business

The 'PiCTLINK photos' photo storage service will be rolled out in stages, starting with premium members. Aiming to increase the number of paying members and increase the unit price per charge to maximize LTV.

PiCTLINK

Photo storage service
The 'PiCTLINK photos'

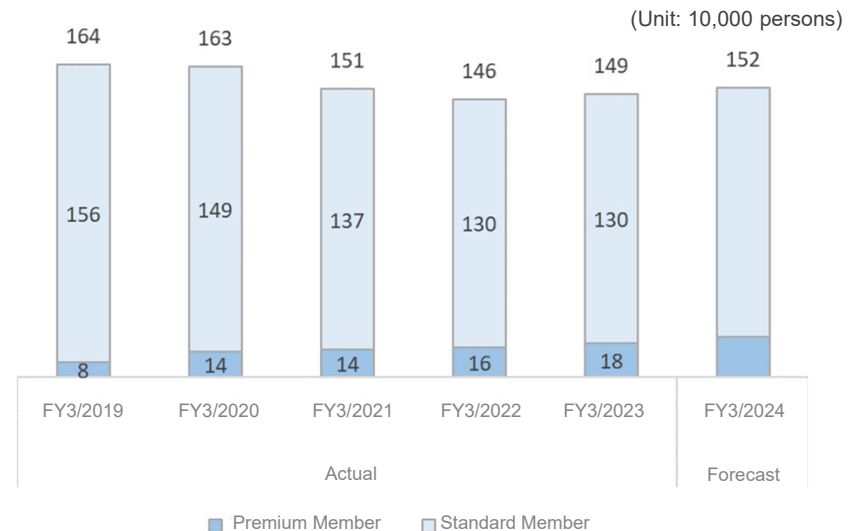
- Stores all image data in the smartphone, not just the images taken with the photo sticker machine.
- Differentiate from the competition by designing UI and UX that capture the hearts and minds of core users.



*Image under development.

No. of members at the end of the fiscal year by category of 'PiCTLINK' service
Changes in results and forecast for FY3/2024

- Monthly fee *1 *2
 - Standard member: 300 yen (excluding tax)
 - Premium member: 500 yen (excluding tax)



*1 'Standard member' and 'Premium member' differ from the actual service names.
*2 Monthly charges vary depending on feature phone billing, smartphone website, and smartphone application billing.

Segment measures – FURYU New Business

- **Console game** Plans to release several titles, including original titles
- **Anime** Develop the popular animation series, LAID-BACK CAMP, into an IP that generates various revenues
- **Game apps** Focus on the development of new titles

Console game software

- Plans to release several titles, including the company-owned title 'CRYMACHINA.'
- Strengthening overseas sales of original titles (low-cost localization)

Planned release



CRYMACHINA
© FURYU Corporation.

Anime

- Adaptation of 'LAID-BACK CAMP' into a series.
 - The movie 'LAID-BACK CAMP' Blu-ray & DVD for sale
 - Production of the third TV animation season
 - Smartphone game 'LAID-BACK CAMP All in ONE' Worldwide simultaneous distribution from enish, Inc.
- Other new titles are also to be aired.



TV animation series 'LAID-BACK CAMP'
© Afro, Houbunsha Co., Ltd / Yagai Katsudo linkai

Game apps

- Closed two of the four existing titles in FY2022
- Focus on new title development while operating existing ones



Game application 'Renai Bakumatsu Kareshi-Flowering with Love.'
©FURYU Corporation

Segment measures – FURYU New Business

- **Colored contact lenses** Focus on developing own brands and e-commerce
- **Olu.** Strengthening the development of original products
- **Advertising planning** Win new large-scale projects by building on our strengths

Colored contact lenses

- Create a second axis brand to follow the mainstay “LuMia’ brand.
- Renewal of own e-commerce site 'Mew contact' completed on October 2022. Continue to focus on strengthening SEO and CRM.



Olu.

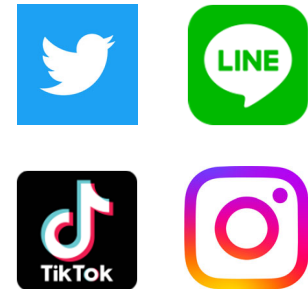
- Focus on planning and selling original products and increasing the number of hot-selling products.
- Reinforce SNS advertising using official SNS accounts, which have gained over 120,000 followers.



Advertising planning

- Execute land-and-expand strategy to win large new projects.
- Our strengths
 - Knowledge and data on girls accumulated through photo sticker machines and PiCTLINK marketing.

Examples of Media where advertising is developed





Full-year Earnings Forecasts

Both net sales and profit rose

(¥mn)	FY3/2023 actual	FY3/2024 forecast	Compared to FY3/2023
Net Sales	36,400	39,000	107.1%
Operating profit	2,134	2,500	117.1%
Ordinary profit	2,179	2,500	114.7%
Profit attributable to owners of parent	1,443	1,735	120.2%

Segment	Net sales	Operating profit	Assumptions for FY3/2024 consolidated earnings forecasts
Sekaikan Business	19,000 (+2,652)	600 (+789)	<ul style="list-style-type: none"> The sales growth trend continues due to robust orders in the domestic market. Orders are softening in the US and China but are expected to pick up in the second half of the year. Part of overseas sales is settled in US dollars, calculated at ¥135 per USD.
Girls' Trend Business	16,400 (+654)	4,150 (-4)	<ul style="list-style-type: none"> The total number of games played per year: approx. 36 million (Estimated 81% of the market play ratio for price increase models). The number of paying PiCTLINK members as of the end of March 2024: about 1.52 million. Incorporates PiCTLINK server migration costs.
FURYU New Business	3,600 (-707)	-550 (-309)	<ul style="list-style-type: none"> Continue investment of approx. 500 million yen per year. Focus on determining whether each business is a candidate for the third pillar.
Company-wide costs	-	-1,700 (-111)	



Forecast of the Number of Plays and the Number of Paid PiCTLINK Members

Number of plays and members calculated based on recent results

(Reference) Before COVID-19 (FY3/2020)
1.63 million paying members
Played 45 million times

No. of paid members at the end of March 2022

Approx. **1.46** million

total no. of plays per year

Approx. **32.00** million

No. of paid members at the end of March 2023

Approx. **1.49** million

total no. of plays per year

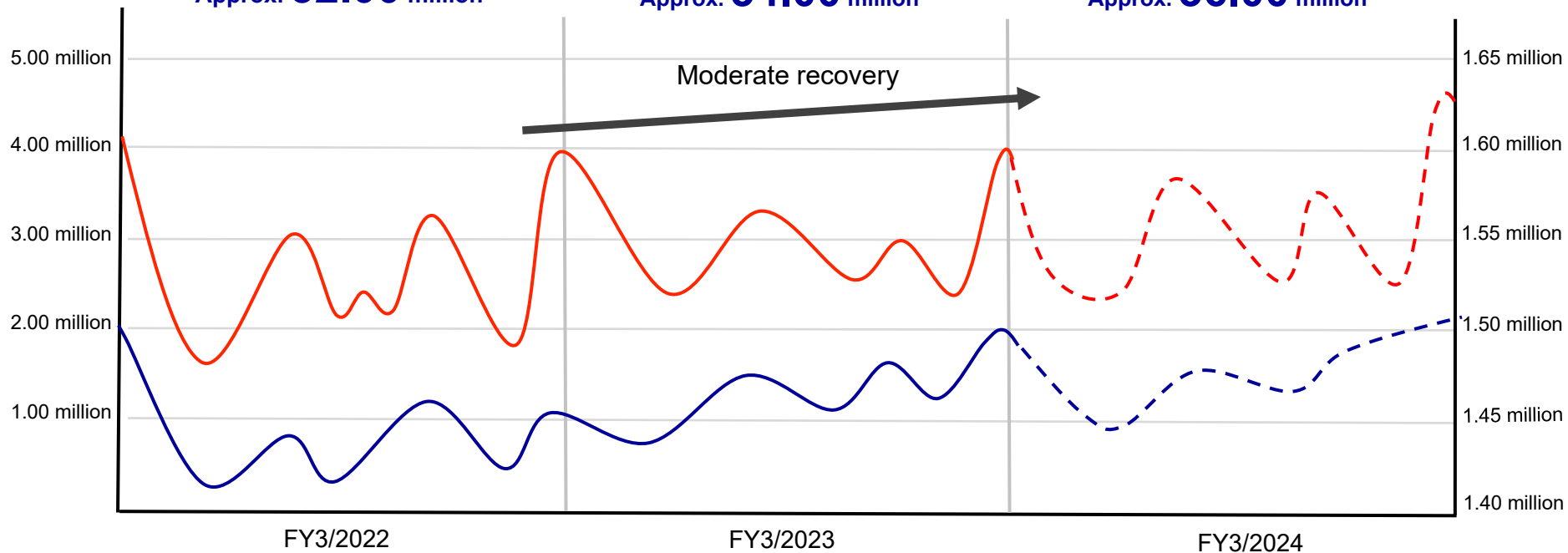
Approx. **34.00** million

No. of paid members at end of March 2024 (forecast)

Approx. **1.52** million

total no. of plays per year (forecast)

Approx. **36.00** million



— PiCTLINK paid members

— Photo sticker monthly no. of plays



Shareholder Return and Financial Policy

We aim to increase shareholder return by paying stable dividends and flexibly acquiring treasury shares and to achieve ROE of 15.0% or higher in FY3/2028.

	FY3/2022 Actual	FY3/2023 Actual	FY3/2024 Forecast
Total number of issued shares	28,296,000	28,296,000	28,296,000
No. of treasury shares as of the end of the term	935,766	1,855,966	1,855,966
Earnings per share (EPS)	93.01yen	53.62yen	64.45yen
Dividend per share (DPS)	52.00yen	38.00yen	38.00yen
ROE	55.9%	70.9%	59.0%
Amount of acquired treasury shares	-	-	-
Net assets	¥21,250 mn	¥20,167 mn	-
Book-value per share (BPS)	776.71	762.75	-
Return on equity (ROE)	12.0%	7.0%	About 9%

Reference Material



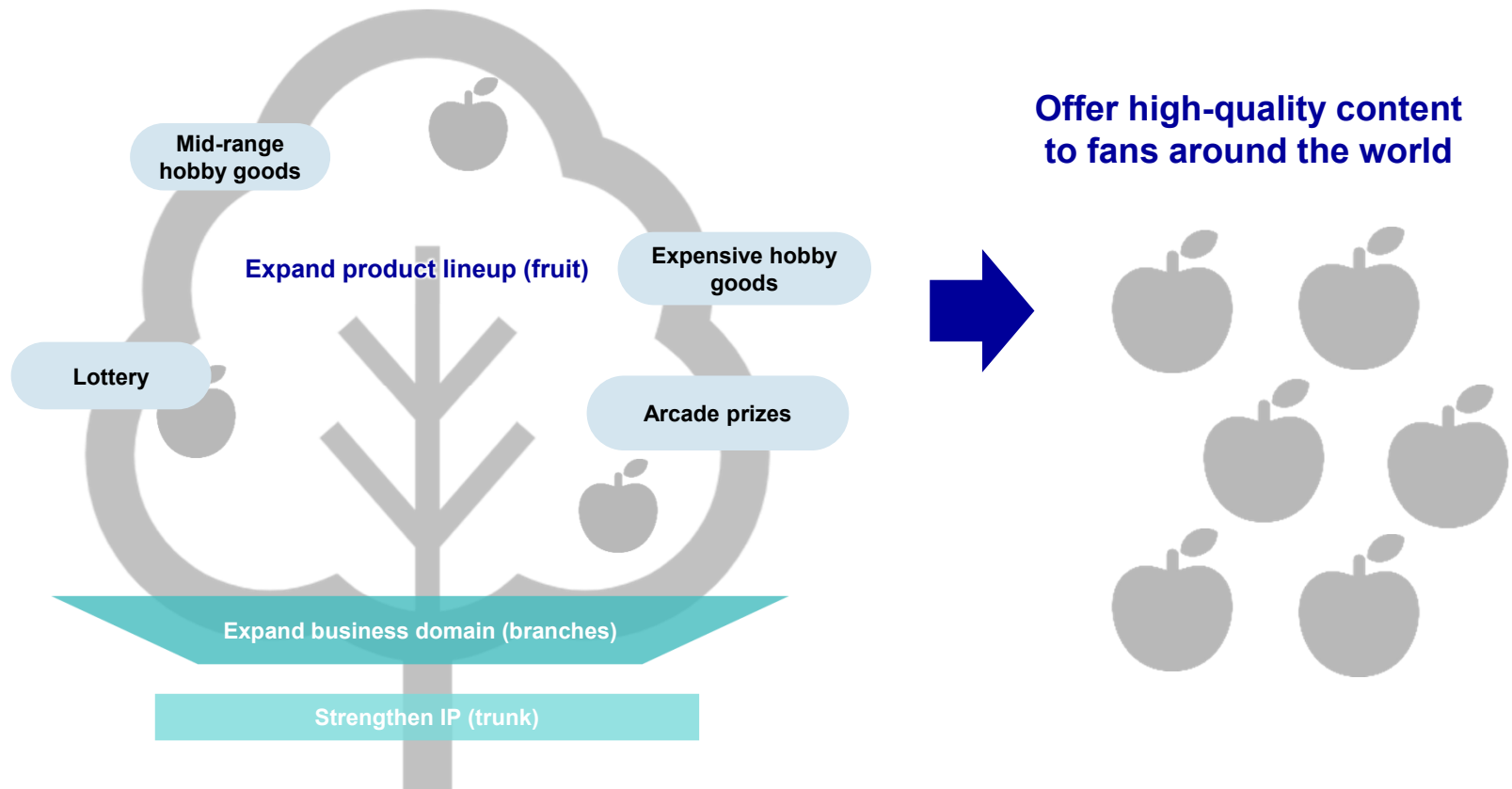
Sekaikan Business

—To satisfy fans around the world with IP—



FuRyu
Precious days, always

We plan products utilizing the intellectual property (IP) of popular characters.
We develop and manufacture a broad range of products and provide fans around the world with them.



We sell stuffed toys and figures as arcade prizes and EC products.

Our strength is the design skill to create three-dimensional products from flat characters.

Characteristic of this business

Harnessing the appeal of character

Product sales utilizing the world views of characters

Production after receiving orders

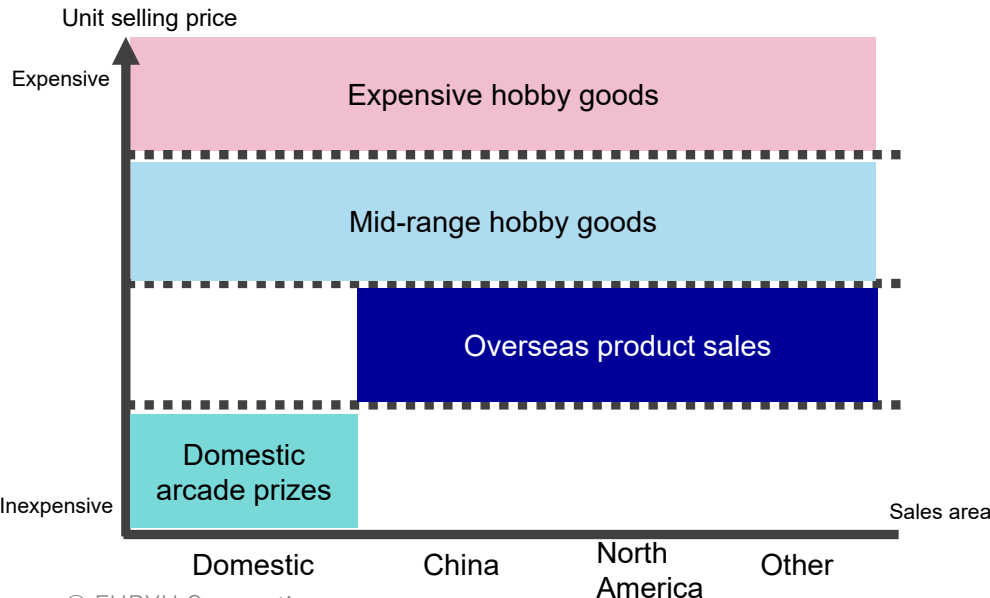
Business model free of inventory risk

Third largest market share

Arcade prize business
 • No. of products: over 1,000 per year
 • 3rd largest sales in the field* (surveyed by our company)

Wide range of unit sales prices and sales areas

Product line-up



Arcade prizes



Chi-kawa


Expensive hobby goods



Hatsune Miku

Girls' Trend Business

— To make all girls happy —



FuRyu
Precious days, always

Girls' Trend Business (Photo Sticker Business 1)

We operate a Photo Sticker Business targeted at young women.

Photo sticker machines have taken root as part of Japanese culture for women in their 10s and 20s.



Percentage of female high school students in Japan who have used a photo sticker machine:

97.9%

• Survey outsourced to: MACROMILL, INC. (survey in June 2020)

Total number of plays per year

Results for FY3/2020

45.00 million

* Actual for before COVID pandemic

Results for FY3/2023

34.00 million

How to use a photo sticker machine

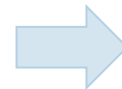


We install photo shooting equipment that can record memories with your beloved ones in enjoyable and adorable fashions like a photo studio in amusement arcades nationwide.

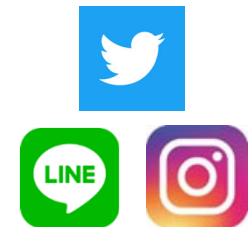


Take photo*, add scribbling (decorations)
• Get sticker

* Normally, more than one customer takes photo.



Download image data



Post on SNS



Girls' Trend Business (Photo Sticker Business 2)

We have the largest share of the photo sticker market in Japan.
Our strengths are marketing and technology capabilities.

Strength 1 Marketing capabilities

Qualitative Group interview
(product evaluation, trend surveys, etc.)



Quantitative Quantitative analysis
(no. of plays, no. of machines in service, age, etc.)



Strength 2 Technological capabilities

Manufacturing capabilities inherited from OMRON

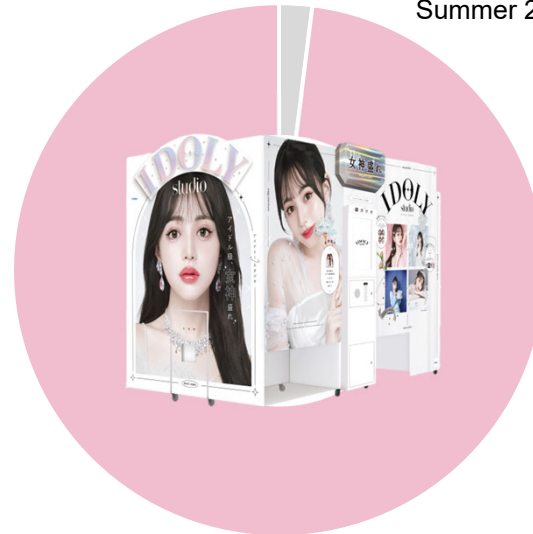


FURYU's original technologies
(AI image processing, etc.)

Photo sticker machine market share

about **94.0%**

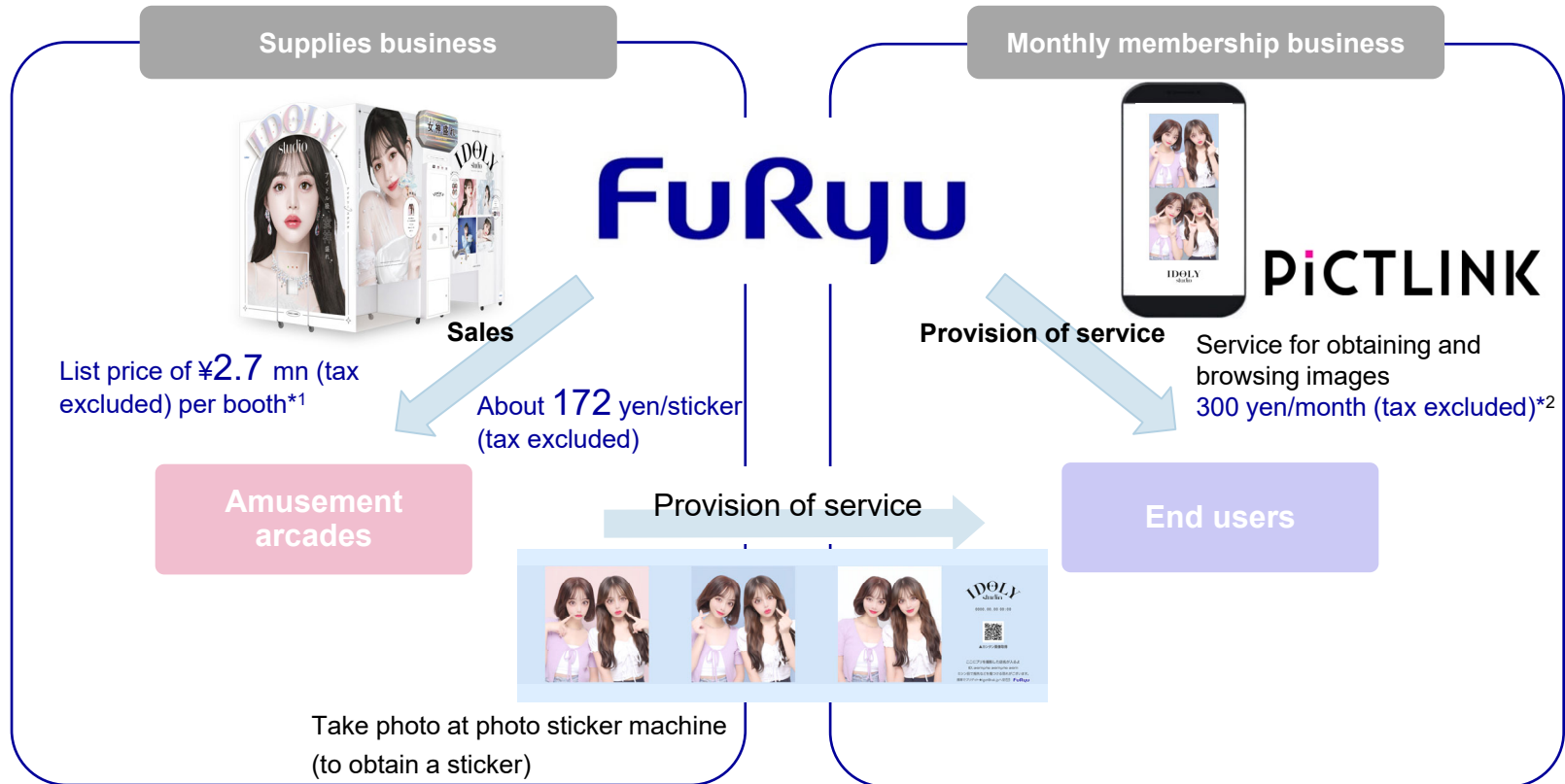
Summer 2022 FURYU survey





Structure of the Photo Sticker Business

We earn revenue from supplies and monthly membership charges.



*1. This is the price for our IDOLY studio model. Rolls of stickers for the IDOLY studio model cost 120,400 yen per roll (tax excluded) (700 stickers per roll).

*2. Monthly fee depends on the feature phone, smartphone website, and smartphone app.



Girls' Trend Business (PiCTLINK)

We operate “PiCTLINK,” a service for obtaining and browsing photo sticker images.

The number of paid members is nearly equal to the population of female high school students in Japan.*1



No. of users*2

About **21.00** million

As of the end of March 2023

No. of paid members

(It is possible to obtain multiple stickers from one photo-shooting.)

About **1.49** million

As of the end of March 2023

*1. This means that the population of female high school students based on the 2021 basic school survey is nearly equal to the number of paid members of PiCTLINK. The actual age structure of PiCTLINK paid members include women in their 20s and older in addition to ones in their 10s.

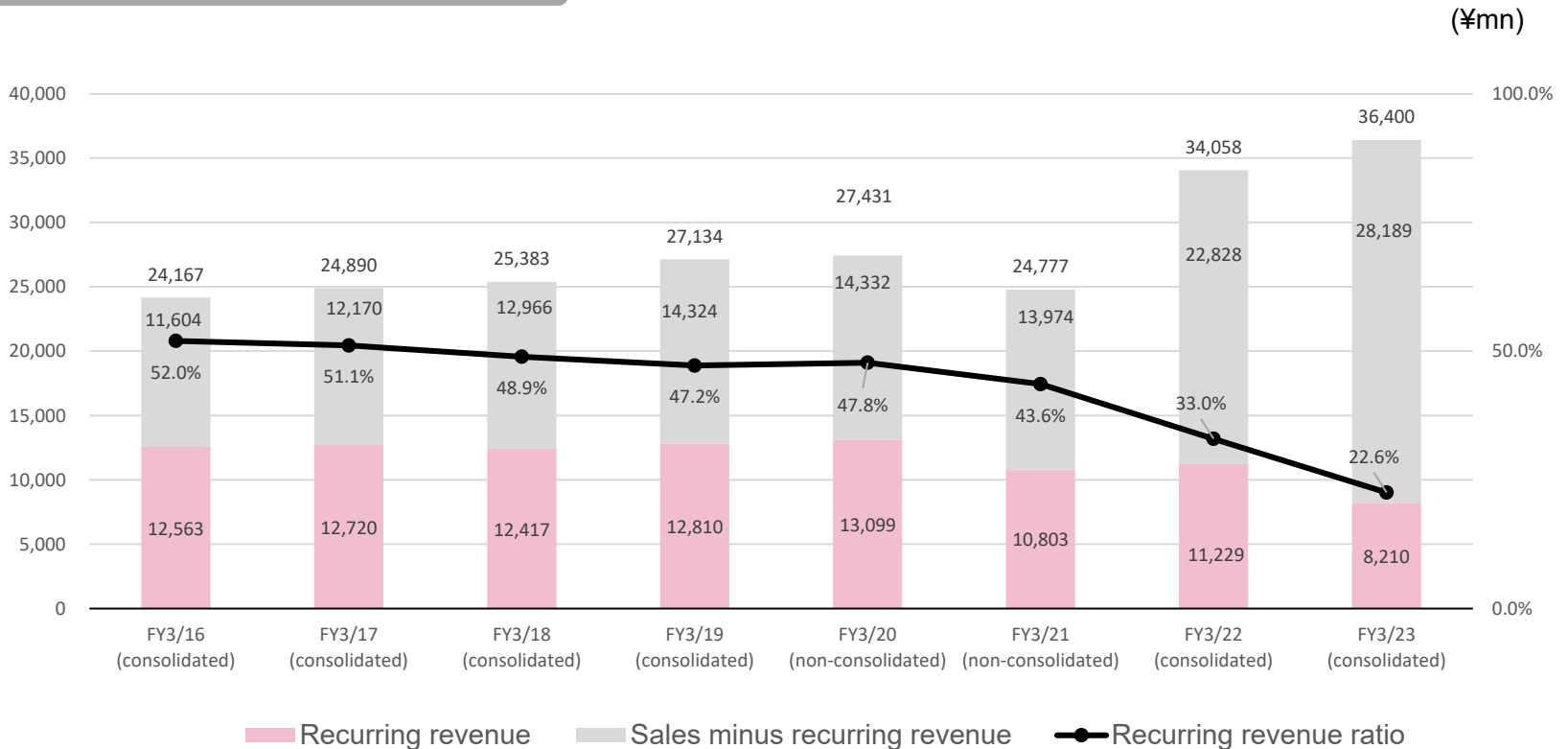
*2. No. of registered addresses of PiCTLINK users, including free trial members.



Revenue Stability of Our Business

We have developed a stable revenue model based on sales of photo stickers and PiCTLINK charges.

Variation in Recurring Revenue



* Recurring revenue includes sales from Photo sticker machines, PiCTLINK charges, and feature phone content.

Introduction to FURYU New Business

- Creation of the third pillar of FURYU -





Introduction to FURYU New Business

We aim to create hit titles by utilizing other companies' IP and our original IP.

Video games Steadily expand the business using our own original and other companies' IP.

Console game software



Game Doraemon:
Nobita's Little Star Wars
2021



Battle Spirits
CONNECTED
BATTLEERS



TRINITY TRIGGER



Monark

Use of other company's IP

Original IP

Anime Establish a track record by investing in handpicked titles and serializing hit titles

Representative works

LAID-BACK CAMP Series



LAID-BACK CAMP Season 2



The movie 'LAID-BACK CAMP'

LAID-BACK CAMP Series BD and DVD

Cumulative sales volume: over **120,000**

As of end of March 2023

Game Doraemon: Nobita's Little Star Wars 2021
© Fujiko-Pro, Shogakukan, TV-Asahi, Shin-ei, and ADK
2021
© FURYU Corporation.

TRINITY TRIGGER
© FURYU Corporation.

Battle Spirits CONNECTED BATTLEERS
©BNP/BANDAI
©BNP
© FURYU Corporation.

Monark
© FURYU Corporation. / Developed by LANCARSE Ltd

LAID-BACK CAMP Series
© Afro, Houbunsha Co., Ltd / Yagai Katsudo linkai



Introduction to FURYU New Business

Continue investment of about 500 million yen per year and search for further new businesses to see if they become third pillar candidates over the next few years
Aim to reduce losses in FY3/2025

Game apps

Renai game app management

'Renai Bakumaku Kareshi'
'Renai Hotel'
Operates two titles.

New game application development

Develop new titles and aim to create hits to follow the two existing titles.

Aiming to increase sales and profits by increasing the charging rate for scenarios and items.

Colored contact lenses

Operation of our own EC 'Mewcontact.'

Selling our own and other companies' colored contacts on our e-commerce site.

Development and sale of original colored contacts

Develop and sell our original color contacts with particular attention to detail.

Aiming for a high-profit structure by selling original color contacts through in-house e-commerce

Advertising planning

Developing girls-focused commercial products

- Develop operational advertising, branding of overall corporate advertising, and tie-up advertising.
- The ads are created to appeal to girls based on the 'Girls Trend Leaders' opinions, FURYU's community of approximately 500 girls.

Leveraging FURYU's strengths to increase sales through girls-focused advertising planning

Olu.

Lifestyle D2C 'Olu.' operation

- Planning and selling original products on our e-commerce site 'Olu.', as well as carefully selected products bought by buyers.
- Product development involves a series of user interviews to develop products with high user satisfaction.

Provide high-quality products at low prices through online sales without having physical stores.

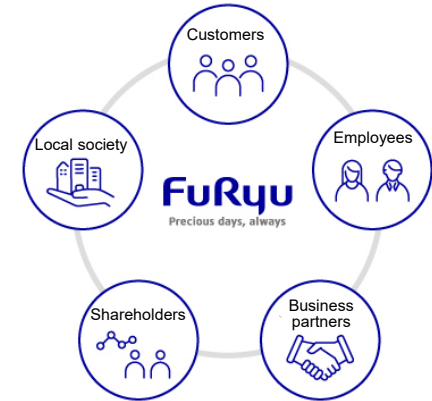
Explore new businesses further

Initiatives for Sustainability



Initiatives for Sustainability

We will strive for both business sustainability and social sustainability.



FURYU's materialities



1 Create quality entertainment

- Provide customers with safety and peace of mind while improving quality
- Give consideration to the environment through business

2 Implement Dynamic Vision

- Promote the creation of a satisfying work environment
- Develop diverse human resources essential to the improvement of corporate value

3 Support the next generation that will create the future

- Support challenges of future generations
- Help youth grow in a healthy manner
- Contribute to local communities

4 Proper management foundation

- Ensure information security and privacy
- Conduct fair, impartial deals and proper procurement
- Protect intellectual property and undertake educational activities

Bring happiness and fulfillment to customers

Bring happiness and fulfillment to business partners

Bring happiness and fulfillment to employees

Management

Strong employee motivation is essential for creating new entertainment.

We have created a variety of new businesses from the photo sticker business since the founding of the company.

Motivate employees

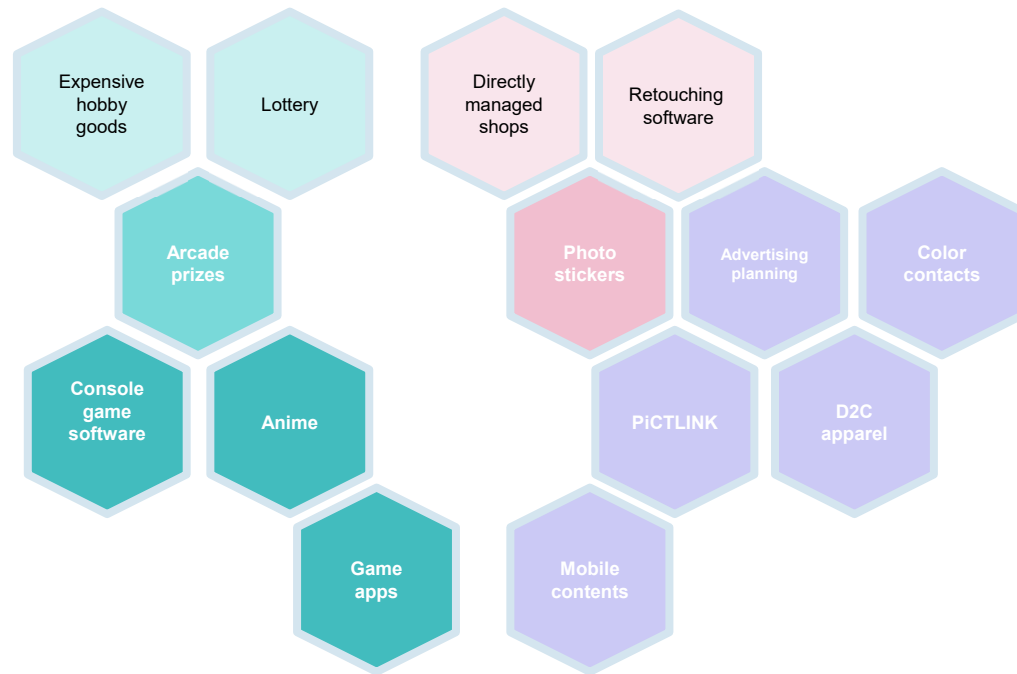
Promote self-realization



Promote comfortable working environment and diversity



Create new businesses



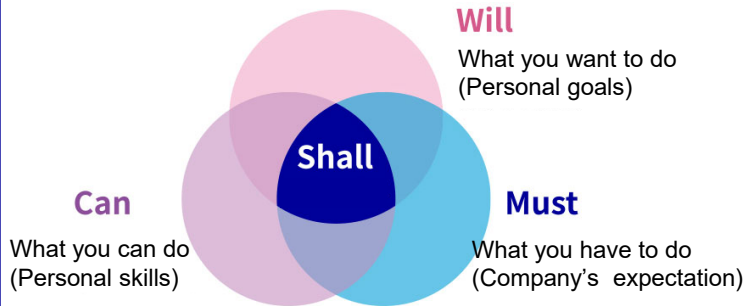


By respecting the individuality of each employee, we aim to maintain a workplace where a diverse workforce can maximize their abilities in a variety of work styles.

Self-realization promotion

Dynamic Vision

- FURYU's unique value shared by all employees
- Diffuse it among employees through company-wide meetings and dialogues



Comfortable working environment, diversity

Percentage of paid days off taken

90%
FY3/2022 actual

Percentage of childcare leave for eligible women taken

100%
FY3/2022 actual

Composition of female managers (manager or higher)

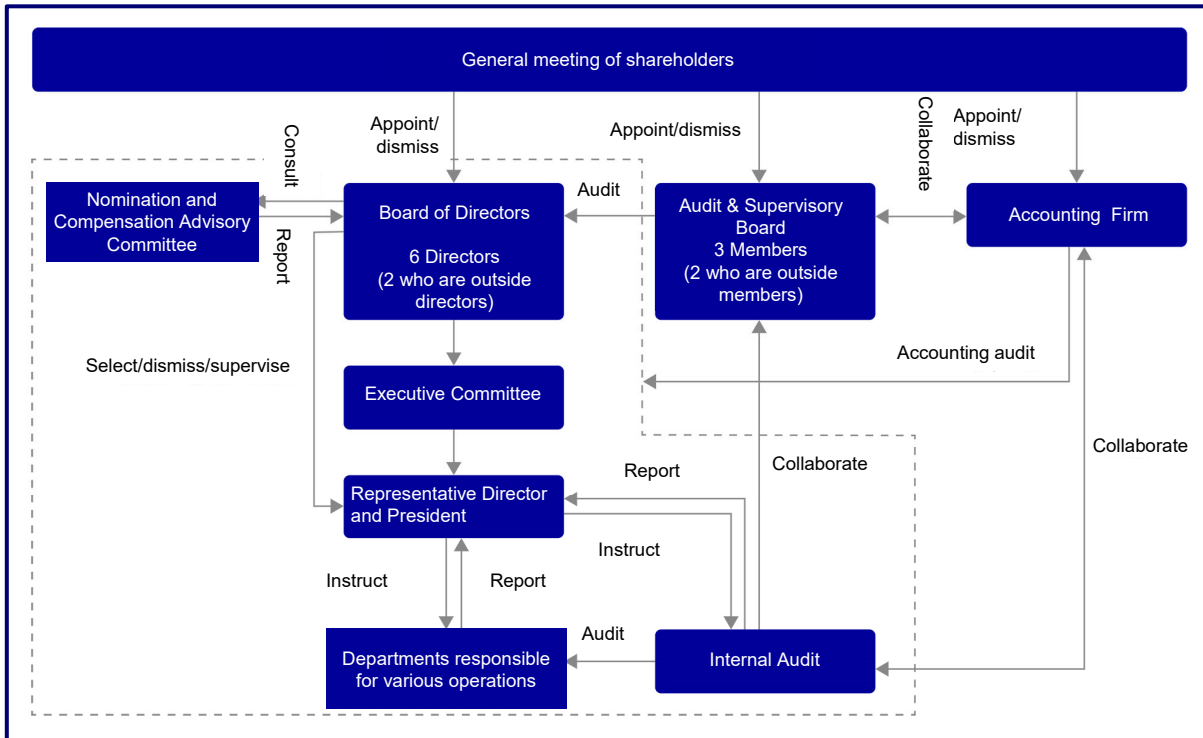
24%
FY3/2023 current



Obtained the third "Eruboshi" mark Certified by the Minister of Health, Labour and Welfare on Apr. 14, 2020

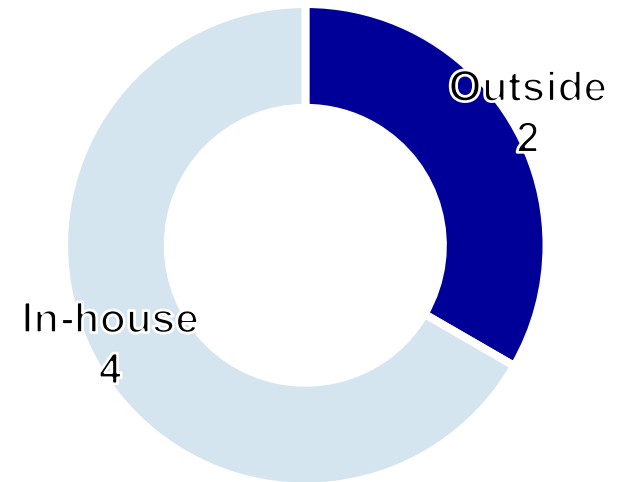
We established a nomination and remuneration committee, a majority of whose members are independent outside directors.

We will strength the Board of Director’s supervising function by raising the weight of independent outside directors to at least 1/3.



As of the end of March 2023

Composition of Directors

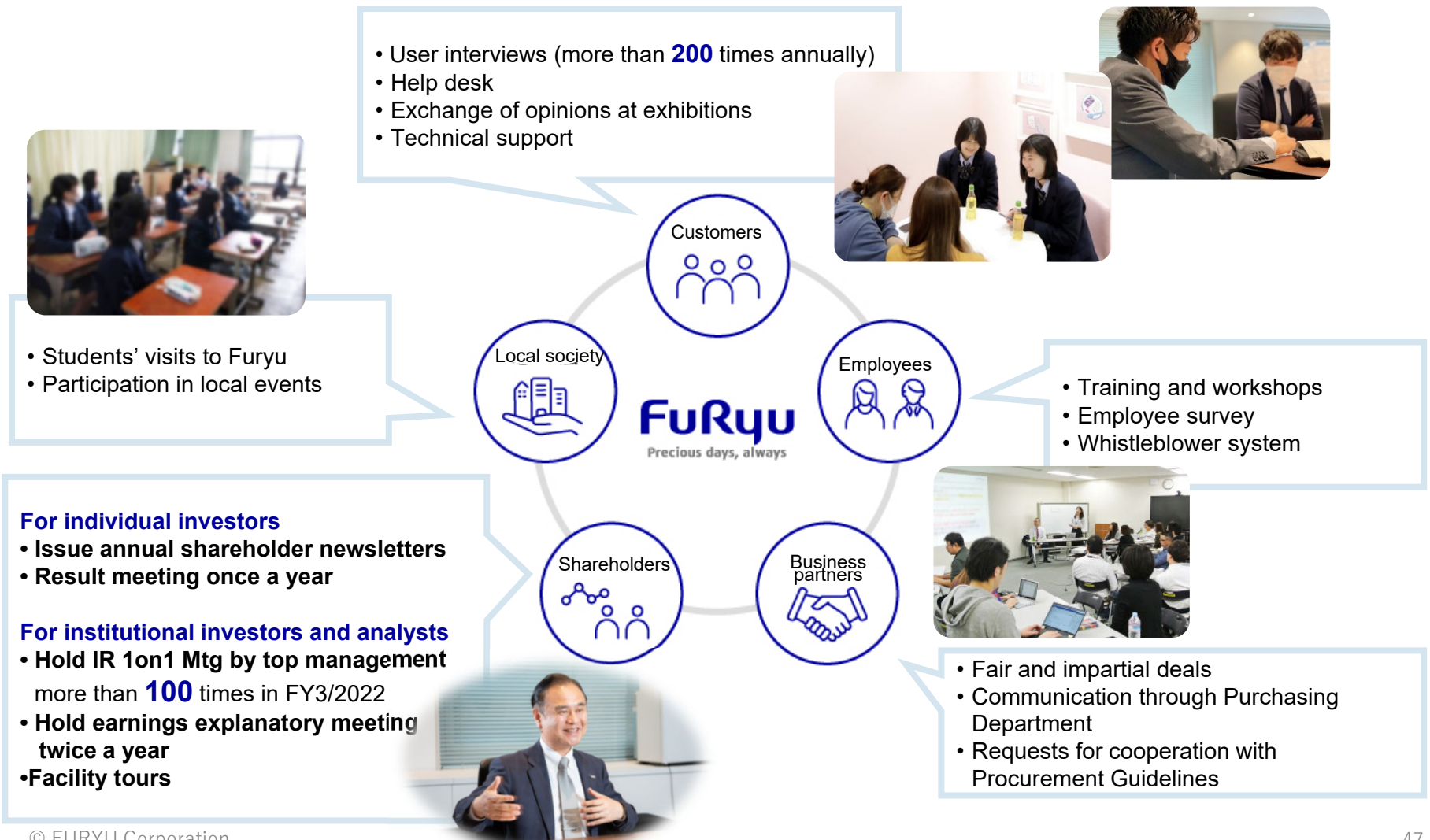


Notes:

- 1 Female director (outside)
- 2 Outside directors with management experience

Dialogue with Stakeholders

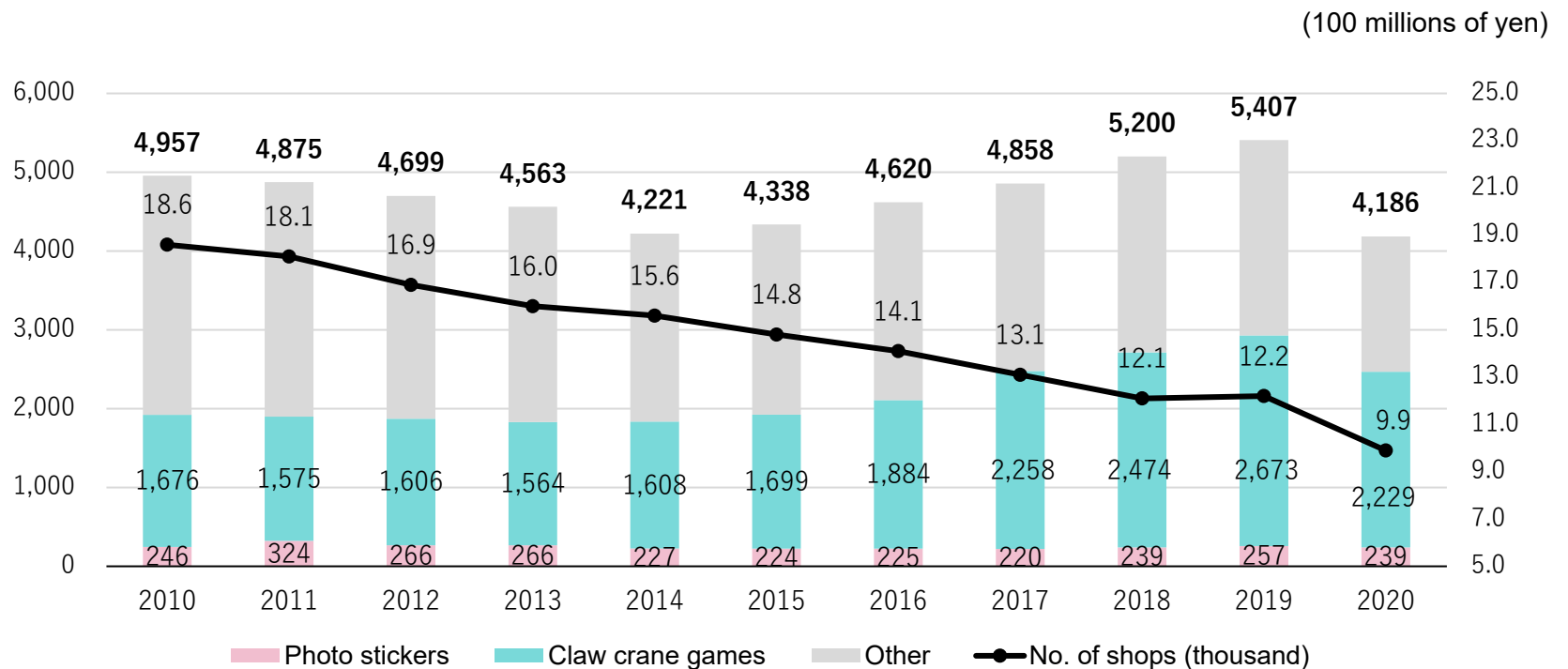
We stress dialogue with stakeholders to realize our sustainable growth.





Market Environment (Overall Amusement Market)

Trend in the amusement market (operation sales)

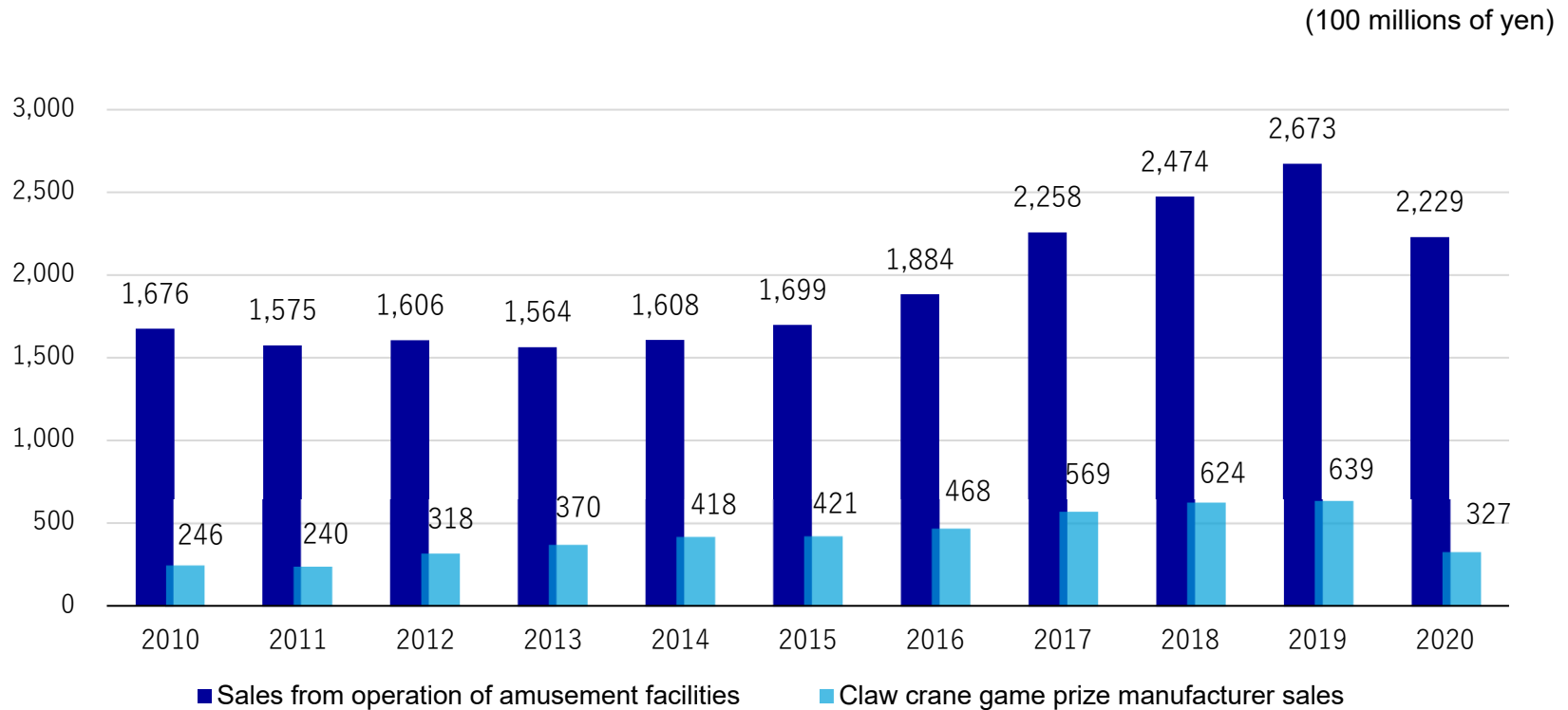


Source: Japan Amusement Industry Association "Amusement Industry Survey 2020"



Market Environment (Claw Crane Game Market)

Trend in the claw crane game market



Source: Japan Amusement Industry Association "Amusement Industry Survey 2020"



Trend in Major Financial Indicators

(¥mn)	FY3/2017 (consolidated)	FY3/2018 (consolidated)	FY3/2019 (consolidated)	FY3/2020 (non-consolidated)	FY3/2021 (non-consolidated)	FY3/2022 (consolidated)	FY3/2023 (consolidated)
Net sales	24,890	25,383	27,134	27,431	24,777	34,058	36,400
Operating profit	3,920	2,453	3,543	3,637	2,736	3,709	2,134
Ordinary profit	3,921	2,474	3,531	3,656	2,716	3,707	2,179
Profit attributable to owners of parent*	2,798	1,725	1,882	3,020	1,844	2,544	1,443
Earnings per share (EPS) (yen)	98.89	60.99	66.53	108.54	67.42	93.01	53.62
Total number of issued shares	28,296,000	28,296,000	28,296,000	28,296,000	28,296,000	28,296,000	28,296,000
Total amount of dividends	848	848	848	1,094	984	1,422	1,004
Payout ratio (%)	31.7	49.2	45.1	36.9	53.4	55.9	70.9
Dividends per share (DPS) (yen)	30	30	30	40	36	52	38
Net assets	16,089	16,883	17,948	18,994	19,764	21,250	20,152
Equity ratio (%)	72.1	73.9	71.6	79.1	82.3	75.5	77.7
Book value per share (BPS) (yen)	568.63	596.67	633.39	694.22	722.38	776.71	762.20
Return on equity (ROE) (%)	18.7	10.5	10.8	16.4	9.5	12.0	7.0
Employees	398	421	482	453	453	488	507

*For FY2020 to FY2021, figures for 'net income' are used.



Earnings By Segment (by fiscal year)

(¥mn)	FY3/2017 (consolidated)	FY3/2018 (consolidated)	FY3/2019 (consolidated)*2	FY3/2020 (non-consolidated)	FY3/2021 (non-consolidated)	FY3/2022 (Consolidated)	FY3/2023 (Consolidated)
Net sales	24,890	25,383	27,134	27,431	24,777	34,058	36,400
Photo Sticker	9,090	9,075	9,602	9,913	5,952	7,576	8,689
Content and Media	7,950	8,396	8,616	9,020	8,602	8,324	8,569
Character MD*1	5,750	5,268	5,598	6,364	8,332	15,175	16,347
Games and Anime	2,101	2,641	3,318	2,132	1,889	2,980	2,794
Operating profit	3,920	2,453	3,543	3,637	2,736	3,709	2,134
Photo Sticker	1,284	1,097	1,488	1,493	-512	-252	506
Content and Media	4,304	4,150	4,070	3,913	3,608	3,173	3,290
Character MD	498	165	372	59	1,092	2,408	-155
Games and Anime	-876	-1,556	-782	-117	-81	26	196
Company-wide costs	-1,290	-1,403	-1,605	-1,711	-1,369	-1,645	-1,703

*1. As we conducted an absorption-type merger of the subsidiary We've Inc. on July 1, 2019, the book publication business, etc., which had been included in "Other" is now included in "Character MD Business." For FY3/2019 and before, figures have been reclassified into the new segments.

The non-consolidated results for FY3/2020 include the results of the publication business, etc. from the second quarter in which an absorption-type merger was conducted.

*2. The figures for FY3/2019 include the results of the consolidated subsidiary Coreedge, which was sold during FY3/2020.

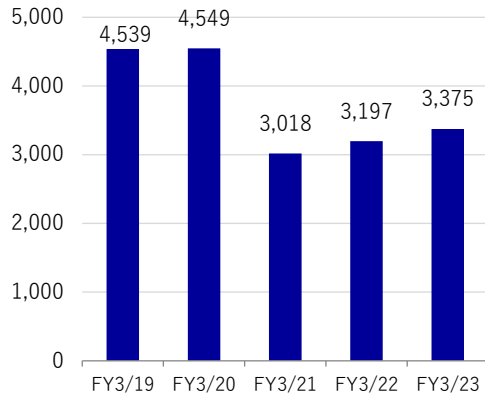


Earnings By Segment (by quarter)

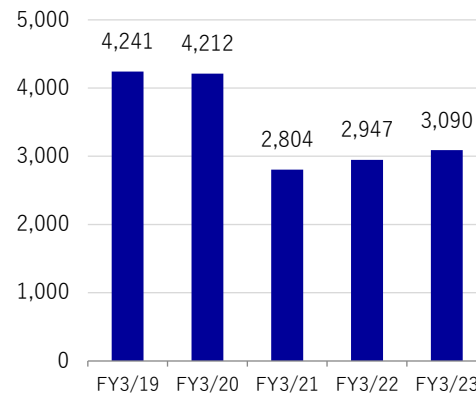
	(¥mn)	FY3/2022				FY3/2023			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales		7,999	8,729	9,073	8,256	8,142	9,845	9,351	9,061
Photo Sticker		1,500	1,715	2,217	2,142	1,660	2,215	2,393	2,419
Revenue from amusement arcades		1,296	1,466	1,921	1,817	1,371	1,877	2,056	2,032
Revenue from directly managed shops		204	249	295	325	289	338	337	387
Content and media		2,024	2,031	2,102	2,166	2,114	2,139	2,142	2,173
Revenue from Pictlink charges		1,499	1,494	1,516	1,546	1,532	1,558	1,576	1,656
Sales of colored contact lenses		311	317	362	326	299	272	231	223
Other		213	220	223	294	282	308	334	293
Character MD		3,574	4,342	3,873	3,385	3,705	4,286	4,389	3,966
Arcade prizes, etc.		2,759	3,677	2,748	2,160	2,441	3,115	3,382	2,624
Overseas product sales		129	380	531	262	673	370	446	406
Expensive hobby goods		459	264	523	934	567	524	533	857
Other		225	19	69	27	23	275	27	78
Game and anime		899	639	880	562	661	1,204	425	502
Console and game software		288	127	466	202	286	271	105	255
Game apps		186	210	199	196	165	159	123	112
Anime		424	300	214	162	209	773	197	134
Operating profit		1,190	1,497	896	126	679	904	510	39
Photo Sticker		-211	133	-64	-109	70	260	200	-25
Contents and media		872	813	785	701	803	798	831	857
Character MD		829	946	579	52	237	93	-72	-415
Game and anime		102	-28	-8	-38	1	162	-33	65
Company-wide expenses		-402	-368	-394	-479	-432	-411	-416	-443

Trend in KPI (FY)

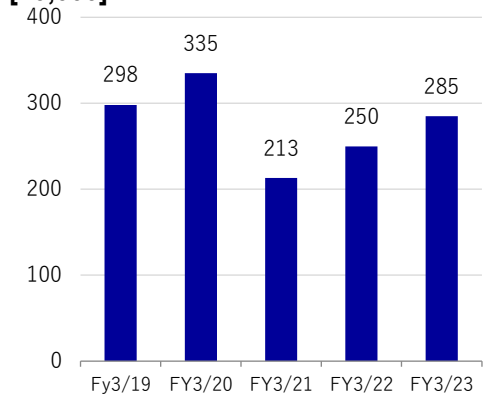
■ Total number of plays [10,000]



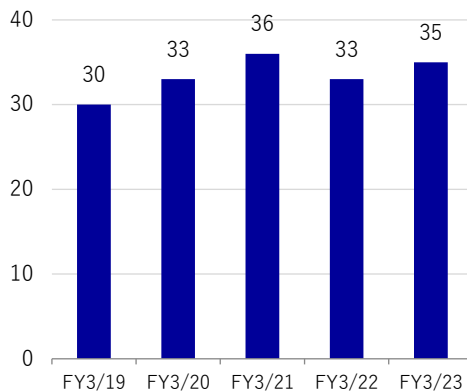
■ No. of plays amusement arcades [10,000]



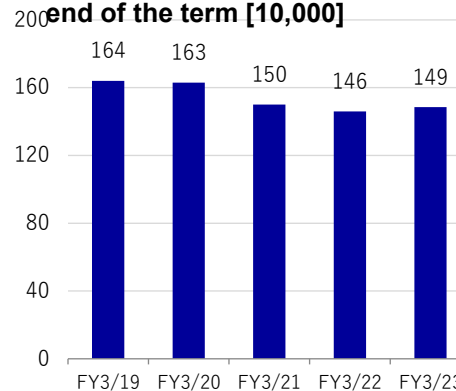
■ No. of plays at directly managed shops [10,000]



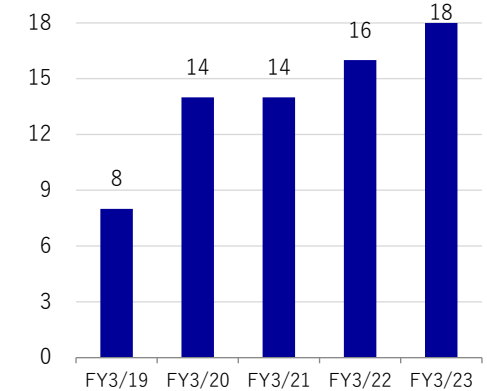
■ No. of directly managed shops



■ No. of paid PiCTLINK members as of the end of the term [10,000]



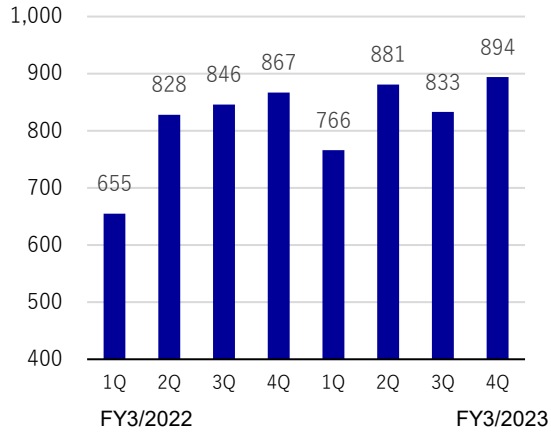
■ No. of premium PiCTLINK members as of the end of the term [10,000]



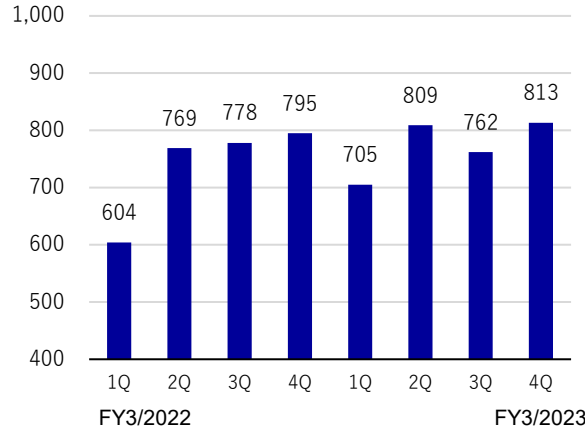


Trend in KPIs (Quarterly)

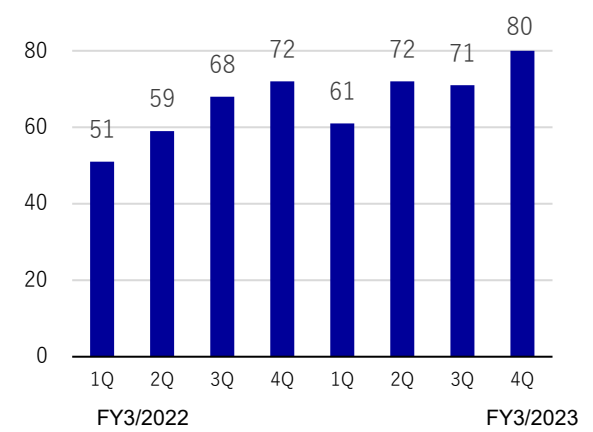
■ Total number of plays [10,000]



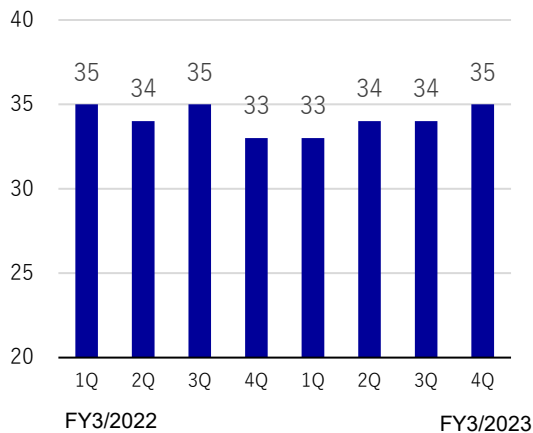
■ No. of plays amusement arcades [10,000]



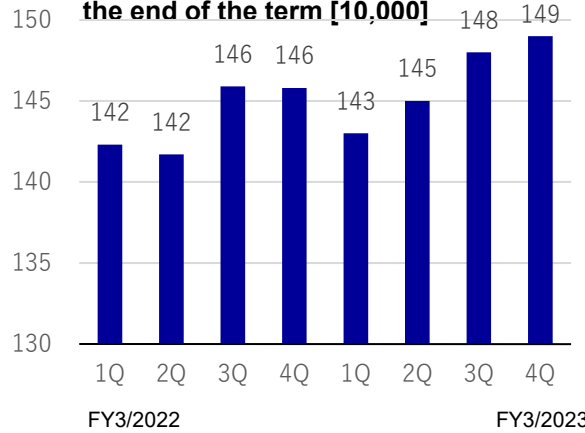
■ No. of plays at directly managed shops [10,000]



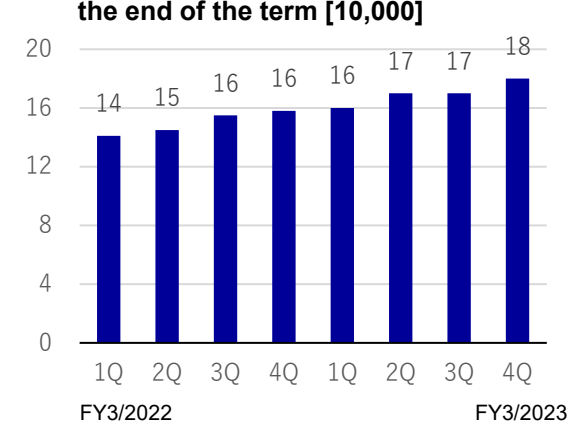
■ No. of directly managed shops



■ No. of paid PiCTLINK members as of the end of the term [10,000]



■ No. of premium PiCTLINK members as of the end of the term [10,000]





Console game software game apps - Main Titles Released

Type	Original or other company's IP	Console	Release date	Title
FY3/2023 Release Titles	other company's IP	PlayStation®4 Nintendo Switch™	2022/4/14	<i>Battle Spirits CONNECTED BATTLERS</i>
	Original	PlayStation®4 PlayStation®5 Nintendo Switch™	2022/9/15	<i>TRINITY TRIGGER</i>
	other company's IP	Nintendo Switch™	2022/12/15	<i>LogiKing</i>



Share Information (as of Mar. 31, 2023)

Total no. of authorized shares	104,400,000
Total number of issued shares	28,296,000
No. of shareholders	9,419

Shareholders	No. of shares held	Shareholding ratio (%)
FURYU Shoji Corporation	4,340,000	16.41
The Master Trust Bank of Japan (trust account)	2,252,800	8.52
Custody Bank of Japan, Ltd. (Trust account)	2,150,700	8.13
TM Corporation	1,415,000	5.35
FURYU Employee Shareholding Association	912,300	3.45
Yoshiro Tasaka	840,000	3.17
Masato Yoshida	840,000	3.17
Katsuyuki Inage	750,000	2.83
Shinji Nakamura	525,800	1.98
Koshi Mizoue	467,900	1.76

*1. The company owns 1,855,966 treasury shares, but they are not included as a major shareholder.

*2. Shareholding ratio was calculated after subtracting the number of treasury shares.

Please fill in the survey

We are collecting opinions and requests on sustainability from various stakeholders.

Therefore, we would like to ask our shareholders and investors to fill in the questionnaire.

Survey page



<https://furyu.svy.ooo/ng/answers/sustainability/?sh=sh>

Please access the above URL and answer the questions on the survey website that appears. It takes about 3 minutes.



You can also participate via smartphones and other devices!

The survey can be accessed via the QR code on the right.



Survey page opening period : 19 May 2023 to 31 August 2023



For inquiries about this material

IR officer

Finance/accounting Division

Management Dept

TEL 03-5728-1761

Email info-ir@furyu.jp

The disclosed outlook for business performance, including that in this material, was produced based on information available as of the time of announcement.

Actual business performance may be different, according to various risks and uncertainties, such as economic situations and market trends. We would appreciate your understanding

FuRyu
Precious days, always