

Translation

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Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 14, 2025

Company name: FURYU CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6238 URL <https://www.furyu.jp/>
 Representative: President Takashi Mishima
 General Manager of Finance & Accounting
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 Department
 Scheduled date of ordinary general meeting of shareholders: June 24, 2025
 Scheduled date to file Securities Report: June 24, 2025
 Scheduled date to commence dividend payments: June 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

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

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	44,305	3.6	2,239	(40.6)	2,280	(38.9)	1,627	(34.7)
Year ended March 31, 2024	42,768	17.5	3,771	76.6	3,735	71.4	2,491	72.6

Note: Comprehensive income Year ended March 31, 2025 ¥1,550 million [(42.9)%]
 Year ended March 31, 2024 ¥2,714 million [105.0%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	61.50	—	7.3	8.1	5.1
Year ended March 31, 2024	94.22	—	11.9	13.8	8.8

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

Year ended March 31, 2025 ¥— million
 Year ended March 31, 2024 ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	28,110	22,424	79.8	846.87
As of March 31, 2024	28,346	21,862	77.1	826.88

(Reference) Equity As of March 31, 2025 ¥22,424 million
 As of March 31, 2024 ¥21,862 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	3,856	(2,603)	(1,036)	11,728
Year ended March 31, 2024	3,942	(2,251)	(1,009)	11,489

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	0.00	—	39.00	39.00	1,031	41.4	4.9
Year ended March 31, 2025	—	0.00	—	39.00	39.00	1,037	63.4	4.7
Year ending March 31, 2026 (Forecast)	—	0.00	—	39.00	39.00		48.0	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	45,000	1.6	3,000	34.0	3,000	31.5	2,150	32.1	81.25

*Notes

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

Yes

Newly included: one company (FURYU of America, Inc.) Excluded: None

Note: For details, please see “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes on significant matters forming the basis for preparing consolidated financial statements) on page 14 of the attached material.”

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

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

Note: For details, please see “3. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Notes on changes in accounting policies) on page 14 of the attached material.”

(3) Number of issued shares (common shares)

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

As of March 31, 2025	28,296,000 shares	As of March 31, 2024	28,296,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	1,817,325 shares	As of March 31, 2024	1,855,989 shares
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Average number of shares during the period

Year ended March 31, 2025	26,460,549 shares	Year ended March 31, 2024	26,440,020 shares
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Note: The Company introduced a “Board Benefit Trust-Restricted Stock (BBT-RS)” from the fiscal year ended March 31, 2025, and the Company’s shares held by the Trust are included in the treasury shares deducted in the calculation of the number of treasury shares at the end of the period and the average number of shares during the period (120,000 shares in the fiscal year ended March 31, 2025).

(Reference) Summary of non-consolidated financial results

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

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	43,984	3.7	2,369	(39.7)	2,427	(37.7)	1,774	(3.0)
Year ended March 31, 2024	42,395	17.4	3,927	69.5	3,899	64.7	1,829	11.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2025	67.07	—
Year ended March 31, 2024	69.21	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	27,914	22,192	79.5	838.12
As of March 31, 2024	28,013	21,530	76.9	814.33

(Reference) Equity As of March 31, 2025 ¥22,192 million

As of March 31, 2024 ¥21,530 million

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

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

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1. Overview of operating results and others

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

During the fiscal year under review, the Japanese economy has been on a gradual recovery trend, according to the March Economic Watchers Survey released by the Cabinet Office. However, some signs of weakness have been observed, and regarding the outlook, in addition to the effects of continuing price hikes, concerns about U.S. trade policy are also said to exist. Most recently, the financial markets have been extremely volatile due to President Trump's sudden changes in U.S. tariff policy, and the exchange rate has been fluctuating wildly. In addition, geopolitical risks such as the situation in Russia and Ukraine and the Israel-Hamas conflict continue to exist, and economic trends remain uncertain.

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

As a result, regarding the operating results for the fiscal year under review, the Group saw net sales of ¥44,305 million (103.6% of the previous fiscal year), operating profit of ¥2,239 million (59.4% of the previous fiscal year), ordinary profit of ¥2,280 million (61.1% of the previous fiscal year), and profit attributable to owners of parent of ¥1,627 million (65.3% of the previous fiscal year).

Operating results by segment are as follows:

(SEKAIKAN Business)

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

Although goods manufactured in China are settled in U.S. dollars, the impact of exchange rate fluctuations on operating profit is mitigated through the implementation of forward exchange contracts for purchase cost payments and the expansion of dollar-denominated sales with overseas business partners.

Sales of Amusement Prizes grew favorably, as a result of the expansion of the crane game market and the commercialization of several popular IPs, as well as the boost from inbound demand.

Turning to products for overseas merchandise, increased orders from the major markets of China, the U.S. and Europe resulted in a big sales growth. We are focusing on expanding new sales channels and acquiring merchandising rights for overseas markets, as well as expanding our product lineup in collaboration with local e-commerce sites in markets such as China.

For high-end hobby items, we promoted the commercialization of popular IPs with an emphasis on profitability, and continuously focused on sales promotion through the "FURYU HOBBY MALL," a hobby e-commerce site.

As a result, for the fiscal year under review, the SEKAIKAN Business saw net sales of ¥25,338 million (108.7% of the previous fiscal year), and operating profit of ¥1,768 million (103.4% of the previous fiscal year).

(GIRLS Trend Business)

In the Photo Sticker Business, in order to meet the changes to the external environment characterized by diversification of lifestyles and consumer needs that were brought about by the COVID-19 pandemic, we developed new models of photo sticker machines that users can experience "+α value" more than before and tried to expand the number of plays, such as by implementing collaboration with classic popular characters. In October 2024, the Company launched the new "EVERFILM" model,

which allows users to experience the joy of photography with projector-based visual effects, and in January 2025, the Company also released the new “Bloomit” model, offering an enhanced “moreu” (beautiful-looking effect) photography experience for groups of two or more people. In addition, with the cooperation of amusement arcades nationwide, the Company conducted play promotion campaigns to revitalize the market. Although the measures were effective individually, they were not sufficient to uplift the overall market, and the number of play counts in the fiscal year under review was 29.57 million (33.3 million in the previous fiscal year), down from the previous fiscal year. Sales and profits have also declined in line with the number of play counts.

For the photo sticker image acquisition and viewing service “PICTLINK,” the number of paying members, which we consider an important KPI for the service, was 1.37 million as of the end of March 2025, down from 1.47 million at the end of March 2024, in spite of measures to strengthen the inflow of new members in order to maintain the membership scale. As a strategy to further grow this service, we released the “PICTLINK photos” photo storage application in the previous fiscal year, and since then we had been working to reduce membership cancellations in order to expand the number of users of the service going forward, and in November, we started offering the calendar app “PICTLINK calendar” to increase opportunities to view PICTLINK and stimulate motivation to play photo sticker machines, for the purpose of strengthening this strategy.

As a result, for the fiscal year under review, the GIRLS Trend Business saw net sales of ¥14,818 million (93.1% of the previous fiscal year), and operating profit of ¥3,147 million (71.2% of the previous fiscal year).

(FURYU New Business)

In the home video game software business, sales of new original title “REYNATIS” in July and new titles “Battle Spirits CROSS OVER” and “BEYBLADE X XONE” in November were steady, and together with downloadable versions of existing titles and overseas sales, sales increased from the previous fiscal year.

In the animation business, sales exceeded those of the previous fiscal year level due to the start of broadcasting of several titles for which we are the organizer of production committees, including the third season of the TV animation “LAID-BACK CAMP” in April.

In the colored contact lens business, we transferred the business to Colorcon Works Inc. on March 31, in order to concentrate management resources on businesses with higher growth potential.

As a result, for the fiscal year under review, the FURYU New Business saw net sales of ¥4,148 million (117.2% of the previous fiscal year), and operating loss of ¥430 million (operating loss of ¥574 million in the previous fiscal year).

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

(i) Assets

Assets stood at ¥28,110 million, a decrease of ¥235 million from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of ¥243 million, an increase in accounts receivable - other of ¥232 million, and an increase in property, plant and equipment of ¥307 million, despite a decrease in electronically recorded monetary claims - operating of ¥808 million and a decrease in advance payments to suppliers of ¥290 million.

(ii) Liabilities

Liabilities stood at ¥5,686 million, a decrease of ¥797 million from the end of the previous fiscal year. This was mainly due to an increase in lease liabilities of ¥105 million, an increase in contract liabilities of ¥207 million and an increase in other current liabilities of ¥153 million, despite a decrease in income taxes payable of ¥901 million, a decrease in accrued consumption taxes of ¥189 million, and a decrease in provision for loss on orders received of ¥228 million.

(iii) Net assets

Net assets stood at ¥22,424 million, an increase of ¥561 million from the end of the previous fiscal year. This was mainly due to an increase in retained earnings of ¥1,627 million resulting from the recording of profit attributable to owners of parent, despite a decrease in retained earnings of ¥1,031 million as result of dividends paid.

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

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥11,728 million, up by ¥239 million, compared to the end of the previous fiscal year. This was the result of ¥3,856 million provided by operating activities, ¥2,603 million used in investing activities, and ¥1,036 million used in financing activities.

(i) (Cash flows from operating activities)

In operating activities, profit before income taxes amounted to ¥2,265 million and depreciation amounted to ¥2,297 million. In addition, there were a decrease in trade receivables of ¥937 million, a decrease in advance payments to suppliers of ¥290 million, a decrease in trade payables of ¥100 million, a decrease in accounts payable - other of ¥103 million, and income taxes paid of ¥1,489 million. As a result, net cash provided by operating activities was ¥3,856 million, compared with ¥3,942 million provided in the previous fiscal year.

(ii) (Cash flows from investing activities)

In investing activities, there were outflows of ¥2,073 million for the purchase of property, plant and equipment, ¥632 million for the purchase of intangible assets, ¥88 million for the payments of guarantee deposits, and ¥160 million yen in proceeds from sale of businesses. As a result, net cash used in investing activities was ¥2,603 million, compared with ¥2,251 million used in the previous fiscal year.

(iii) (Cash flows from financing activities)

In financing activities, there was ¥1,747 million in proceeds from sale and leaseback transactions, ¥1,752 million due to repayments of lease liabilities, and ¥1,031 million due to dividends paid. As a result, net cash used in financing activities was ¥1,036 million, compared with ¥1,009 million used in the previous fiscal year.

(4) Future outlook

Concerning the future outlook, while the economy is expected to continue its gradual recovery mainly through consumer spending and inbound demand, it is projected to remain uncertain mainly due to the concerns over U.S. trade policy and turmoil in financial markets, the geopolitical risks such as Russia-Ukraine situations.

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

As for products for overseas merchandise, while being affected by the U.S. tariff policy, sales are expected to grow and exceed those of the fiscal year under review through the development of new sales channels and the acquisition of IPs specialized for each sales-target country.

For high-end hobbies, the shift to more profitable products is on track, and both sales and profits are expected to increase.

In the Photo Sticker Business, we will develop photo sticker machines and implement various marketing and branding measures to enhance the attractiveness of the photo sticker machines as a gateway to the customer experience, as well as to create additional value for “PICTLINK,” a service for acquiring and viewing the photo sticker image used by customers after the play of photo sticker

machines. As a result, the annual total play count for photo sticker machines in the fiscal year ending March 31, 2026 is expected to turn to increase at approximately 31.00 million plays (104.8% of the previous fiscal year). In addition, although the number of PICTLINK paying members at the end of March 2026 is expected to decrease to 1.24 million (1.37 million at the end of the previous year), we will continue to focus on maintaining profitability.

In the home video game software business, we will continue to release new original titles and focus on their overseas sales. In the animation business, in parallel with the start of broadcasting of several titles for which we are the organizer of production committees, we plan to implement a spin-off and establish a subsidiary to respond to changes in the industry, build production functions, and improve management efficiency.

In light of the above, for the Group's financial forecasts for fiscal year ending March 31, 2026, the third year of the "Medium-term Vision," the Group expects net sales of ¥45,000 million (101.6% of the fiscal year under review), operating profit of ¥3,000 million (134.0% of the fiscal year under review), ordinary profit of ¥3,000 million (131.5% of the fiscal year under review), and profit attributable to owners of parent of ¥2,150 million (132.1% of the fiscal year under review).

As the Group, sales are expected to exceed those of the fiscal year under review, and profits are also projected to increase in proportion to the sales growth.

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

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

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

In accordance with this basic policy, the Company proposes to pay a year-end dividend for the fiscal year under review of ¥39 per share. As a result, the dividend payout ratio for the fiscal year under review became 63.4%, with a DOE of 4.7%. Regarding a dividend for the next fiscal year, a year-end dividend of ¥39 per share is envisaged.

2. Basic rationale for selecting the accounting standard

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

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,489,282	11,733,051
Accounts receivable - trade	4,232,502	4,103,294
Electronically recorded monetary claims - operating	1,853,170	1,044,899
Merchandise and finished goods	2,368,368	2,264,597
Work in process	16,094	37,568
Raw materials and supplies	685,252	610,175
Advance payments to suppliers	1,119,929	829,039
Prepaid expenses	422,000	368,545
Accounts receivable - other	253,981	486,113
Other	703,349	921,140
Allowance for doubtful accounts	(1,152)	(5,246)
Total current assets	23,142,780	22,393,180
Non-current assets		
Property, plant and equipment		
Buildings, net	221,843	328,281
Tools, furniture and fixtures, net	167,462	184,765
Leased assets, net	2,137,469	2,320,057
Other	106,827	107,821
Total property, plant and equipment	2,633,603	2,940,927
Intangible assets		
Software	395,002	416,375
Other	412,638	554,673
Total intangible assets	807,641	971,048
Investments and other assets		
Investment securities	18,612	14,477
Distressed receivables	13,325	16,650
Long-term prepaid expenses	51,987	70,562
Leasehold and guarantee deposits	589,641	615,230
Deferred tax assets	1,091,133	1,097,574
Other	10,975	7,475
Allowance for doubtful accounts	(13,325)	(16,650)
Total investments and other assets	1,762,350	1,805,319
Total non-current assets	5,203,595	5,717,295
Total assets	28,346,375	28,110,476

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	778,609	659,006
Electronically recorded obligations - operating	695,539	714,657
Lease liabilities	173,136	278,403
Accounts payable - other	865,809	884,505
Accrued expenses	1,313,869	1,401,041
Income taxes payable	964,180	62,306
Accrued consumption taxes	240,144	50,699
Contract liabilities	669,274	876,705
Provision for loss on orders received	272,914	44,319
Other	237,129	390,435
Total current liabilities	6,210,607	5,362,082
Non-current liabilities		
Provision for share awards for directors (and other officers)	—	8,686
Retirement benefit liability	266,310	309,728
Other	6,845	5,945
Total non-current liabilities	273,155	324,360
Total liabilities	6,483,762	5,686,442
Net assets		
Shareholders' equity		
Share capital	1,639,216	1,639,216
Capital surplus	1,614,716	1,614,716
Retained earnings	20,511,058	21,098,548
Treasury shares	(2,000,402)	(1,949,562)
Total shareholders' equity	21,764,587	22,402,918
Accumulated other comprehensive income		
Deferred gains or losses on hedges	75,554	(48,656)
Foreign currency translation adjustment	—	23,972
Remeasurements of defined benefit plans	22,470	45,798
Total accumulated other comprehensive income	98,025	21,115
Total net assets	21,862,612	22,424,034
Total liabilities and net assets	28,346,375	28,110,476

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

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	42,768,993	44,305,986
Cost of sales	25,969,121	27,413,829
Gross profit	16,799,872	16,892,156
Selling, general and administrative expenses	13,028,830	14,652,666
Operating profit	3,771,042	2,239,490
Non-operating income		
Interest income	11	177
Foreign exchange gains	–	17,909
Gain on adjustment of accounts payable	977	1,888
Subsidy income	1,068	3,813
Gain on investments in investment partnerships	2,583	14,355
Consumption taxes refund	1,614	9
Compensation income	–	7,581
Other	393	4,167
Total non-operating income	6,649	49,903
Non-operating expenses		
Interest expenses	128	385
Foreign exchange losses	28,646	–
Commission expenses	1,000	–
Compensation expenses	–	4,089
Consumption tax difference	743	3,077
Loss on extinguishment of share-based payment expenses	–	865
Cancellation penalty	11,845	87
Other	62	74
Total non-operating expenses	42,426	8,579
Ordinary profit	3,735,265	2,280,814
Extraordinary income		
Gain on sale of non-current assets	64	1,581
Gain on sale of businesses	–	1,115
Total extraordinary income	64	2,696
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,436	17,823
Impairment losses	24,103	–
Total extraordinary losses	26,539	17,823
Profit before income taxes	3,708,790	2,265,687
Income taxes - current	1,271,923	601,139
Income taxes - deferred	(54,220)	37,206
Total income taxes	1,217,702	638,345
Profit	2,491,087	1,627,341
Profit attributable to owners of parent	2,491,087	1,627,341

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	2,491,087	1,627,341
Other comprehensive income		
Deferred gains or losses on hedges	134,671	(124,210)
Foreign currency translation adjustment	—	23,972
Remeasurements of defined benefit plans, net of tax	89,067	23,328
Total other comprehensive income	223,738	(76,909)
Comprehensive income	2,714,826	1,550,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,714,826	1,550,431

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,639,216	1,614,716	19,024,692	(2,000,368)	20,278,255
Changes during period					
Dividends of surplus			(1,004,721)		(1,004,721)
Profit attributable to owners of parent			2,491,087		2,491,087
Purchase of treasury shares				(34)	(34)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,486,366	(34)	1,486,332
Balance at end of period	1,639,216	1,614,716	20,511,058	(2,000,402)	21,764,587

	Accumulated other comprehensive income			Total net assets
	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(59,116)	(66,597)	(125,713)	20,152,541
Changes during period				
Dividends of surplus				(1,004,721)
Profit attributable to owners of parent				2,491,087
Purchase of treasury shares				(34)
Net changes in items other than shareholders' equity	134,671	89,067	223,738	223,738
Total changes during period	134,671	89,067	223,738	1,710,070
Balance at end of period	75,554	22,470	98,025	21,862,612

Fiscal year ended March 31, 2025

(Thousands of yen)

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

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

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,708,790	2,265,687
Depreciation	2,024,633	2,297,326
Impairment losses	24,103	–
Increase (decrease) in allowance for doubtful accounts	(9,277)	7,418
Increase (decrease) in retirement benefit liability	112,904	76,914
Interest and dividend income	(11)	(177)
Interest expenses	128	385
Foreign exchange losses (gains)	(7,459)	1,152
Cancellation penalty	11,845	–
Loss (gain) on sale and retirement of non-current assets	2,371	16,242
Loss (gain) on sale of businesses	–	(1,115)
Compensation income	–	(7,581)
Compensation expenses	–	4,089
Decrease (increase) in trade receivables	(541,731)	937,479
Decrease (increase) in inventories	(647,249)	26,499
Decrease (increase) in accounts receivable - other	131,651	(88,203)
Decrease (increase) in advance payments to suppliers	135,826	290,889
Increase (decrease) in trade payables	(825,490)	(100,535)
Increase (decrease) in accounts payable - other	127,427	(103,625)
Increase (decrease) in accrued expenses	(130,514)	97,311
Other, net	264,759	(374,472)
Subtotal	4,382,708	5,345,684
Interest and dividends received	11	177
Interest paid	(128)	(385)
Income taxes paid	(447,460)	(1,489,868)
Income taxes refund	7,043	16,062
Cancellation penalty paid	–	(11,845)
Proceeds from compensation	–	581
Compensation paid	–	(4,089)
Net cash provided by (used in) operating activities	3,942,174	3,856,317
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,639,741)	(2,073,782)
Proceeds from sale of property, plant and equipment	1,053	1,817
Purchase of intangible assets	(526,030)	(632,146)
Payments of guarantee deposits	(98,811)	(88,671)
Proceeds from sale of businesses	–	160,000
Other, net	11,905	29,722
Net cash provided by (used in) investing activities	(2,251,624)	(2,603,059)
Cash flows from financing activities		
Proceeds from sale and leaseback transactions	1,395,985	1,747,249
Repayments of lease liabilities	(1,400,309)	(1,752,761)
Purchase of treasury shares	(34)	(38)
Dividends paid	(1,004,721)	(1,031,160)
Net cash provided by (used in) financing activities	(1,009,079)	(1,036,711)
Effect of exchange rate change on cash and cash equivalents	7,459	22,557
Net increase (decrease) in cash and cash equivalents	688,929	239,103
Cash and cash equivalents at beginning of period	10,800,352	11,489,282
Cash and cash equivalents at end of period	11,489,282	11,728,385

(5) Notes to consolidated financial statements**(Notes on premise of going concern)**

Not applicable.

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

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries: 2

(2) Name of consolidated subsidiary

Olu.Inc.

FURYU of America, Inc.

(3) Significant changes in scope of consolidation

From the fiscal year under review, the newly established FURYU of America, Inc. is included in the scope of consolidation.

2. Disclosure about application of equity method

Not applicable.

3. Disclosure about fiscal years of consolidated subsidiaries

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

Consolidated subsidiary's fiscal year-end of Olu.Inc. is the same as the consolidated balance sheet date.

(Notes on changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxes on other comprehensive income) conform to the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policy has no impact on the consolidated financial statements.

(Notes on segment information)

[Segment information]

1. Overview of reportable segments

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

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

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

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

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

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

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

Fiscal year ended March 31, 2024

(Thousands of yen)

	Reportable segments				Adjustments	Amount recorded in the consolidated financial statements
	SEKAIKAN Business	GIRLS Trend Business	FURYU New Business	Total		
Net sales						
Sales to external customers	23,317,239	15,910,999	3,540,754	42,768,993	—	42,768,993
Inter-segment sales or transfers	—	—	—	—	—	—
Total	23,317,239	15,910,999	3,540,754	42,768,993	—	42,768,993
Segment profit (loss)	1,710,860	4,421,598	(574,205)	5,558,253	(1,787,211)	3,771,042
Segment assets	1,214,937	4,162,296	1,796,911	7,174,144	21,172,230	28,346,375
Other items						
Depreciation	32,409	1,475,828	415,963	1,924,201	100,432	2,024,633
Increase in property, plant and equipment and intangible assets	31,684	1,394,732	641,939	2,068,356	112,912	2,181,269

Notes: 1. Adjustments are as follows:

The adjustment amount of negative ¥1,787,211 thousand for segment profit or loss includes ¥4,835 thousand in inter-segment transactions, and negative ¥1,792,046 thousand in corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

The adjustment amount of ¥21,172,230 thousand for segment assets is corporate assets that are not allocated to each reportable segment. Corporate assets mainly consist of cash and deposits.

The adjustment amount of ¥112,912 thousand for increase in property, plant and equipment and intangible assets is corporate capital investments that are not allocated to each reportable segment.

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

Fiscal year ended March 31, 2025

(Thousands of yen)

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

Notes: 1. Adjustments are as follows:

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

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

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

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

[Related information]

Fiscal year ended March 31, 2024

1. Information about products and services

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

2. Information about geographical areas

(1) Net sales

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

(2) Property, plant and equipment

This information is omitted because there are no subsidiaries or branch offices in countries or regions other than Japan.

3. Information about main customers

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

Fiscal year ended March 31, 2025

1. Information about products and services

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

2. Information about geographical areas

(1) Net sales

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

(2) Property, plant and equipment

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

3. Information about main customers

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

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

Fiscal year ended March 31, 2024

In the “FURYU New Business” segment, impairment losses on non-current assets were recorded. The amount of the impairment losses was ¥24,103 thousand.

Fiscal year ended March 31, 2025

Not applicable.

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

Not applicable.

[Information about gain on bargain purchase by reportable segment]

Not applicable.

(Notes on per share information)

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	826.88	846.87
Earnings per share	94.22	61.50

- Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.
2. The Company introduced a “Board Benefit Trust-Restricted Stock (BBT-RS)” in the fiscal year ended March 31, 2025, and when calculating net assets and earnings per share, shares of the Company remaining in the “Board Benefit Trust-Restricted Stock (BBT-RS)” recorded as treasury shares in shareholders’ equity are included in treasury shares deducted from the calculation of the number of issued shares at the end of the period and the average number of shares during the period (120,000 shares in the fiscal year ended March 31, 2025).
3. The basis for calculation of net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (Thousands of yen)	21,862,612	22,424,034
Amounts deducted from total net assets (Thousands of yen)	—	—
Net assets related to common shares at the end of the period (Thousands of yen)	21,862,612	22,424,034
Number of shares of common shares used for calculation of net assets per share at the end of the period (Shares)	26,440,011	26,478,675

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	2,491,087	1,627,341
Profit not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Thousands of yen)	2,491,087	1,627,341
Average number of outstanding common shares during the period (Shares)	26,440,020	26,460,549

(Notes on subsequent events)**(Incorporation-Type Company Split)**

At the Board of Directors meeting held on April 21, 2025, the Company resolved to transfer the rights and obligations related to its animation business (hereinafter, the “Business”) to a newly established company, FURYU Pictures Corporation (hereinafter, the “New Company”), through an incorporation-type company split (hereinafter, the “Company Split”), with an effective date scheduled for June 20, 2025.

1. Purpose of the Company Split

Through this Company Split, the Company aims to concentrate management resources, enhance operational efficiency and quality, and further develop the Business by targeting the creation of hit titles.

2. Overview of the Company Split

(1) Schedule of the Company Split

Resolution of the Board of Directors approving the incorporation-type company split: April 21, 2025

Scheduled effective date (date of incorporation): June 20, 2025

*Note: As the Company Split falls under the simplified incorporation-type company split defined in Article 805 of the Companies Act, shareholder approval is not required.

(2) Method of the Company Split

The Company will be the splitting company, and the newly established successor company will be wholly owned by the Company. The Company Split will be conducted as a simplified incorporation type company split.

(3) Details of share allotment in the Company Split

The New Company will issue 100 shares of common stock upon incorporation, all of which will be allotted to the Company.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

The Company has not issued any stock acquisition rights or bonds with stock acquisition rights.

(5) Increase or decrease in capital due to the Company Split

The Company Split will not result in any increase or decrease in the Company's capital.

(6) Rights and obligations to be assumed by the New Company

The New Company will succeed in the assets, liabilities, contracts, and other rights and obligations related to the Business, as specified in the Company Split plan as of April 21, 2025.

(7) Outlook for debt fulfilment

The Company has determined that there will be no issues with the New Company's ability to fulfill the obligations it will assume following the effective date of the Company Split.

3. Company overview before and after the Company Split

	Splitting Company (As of March 31, 2025)	New Company (Scheduled for June 20, 2025)
Name	FURYU Corporation	FURYU Pictures Corporation
Address	2-3 Uguisudani-cho, Shibuya-ku, Tokyo	3F, Bien Quad Bldg., 9-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
Representative	President: Takashi Mishima	President: Seiji Ando
Business description	Development, manufacturing, and sales of photo sticker machines, home video games, mobile content, and prizes; internet mail-order sales; planning and production of video content and packaged software	Production, sales, and distribution of various animations and related products; copyright management, enforcement, and licensing, etc.
Capital	¥1,639 million	¥25 million
Establishment date	April 1, 2007	June 20, 2025 (scheduled)
Number of shares issued	28,296 thousand shares	100 shares (scheduled)
Fiscal year end	March	March

4. Overview of the business segment to be transferred

Production, sales, and distribution of various animations and related products; copyright management, enforcement, and licensing, etc.

5. Overview of accounting procedures to be implemented

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction will be treated as a transaction under common control.