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Consolidated Financial Results for the Three Months Ended July 31, 2025 [Japanese GAAP]



September 9, 2025

Company name: Asukanet Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2438
 URL: <https://www.asukanet.co.jp>
 Representative: Daikichiro Murakami, Representative Director & President
 Contact: Kenya Kono, Managing Director & CFO
 Phone: +81-82-850-1200
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended July 31, 2025

(May 1, 2025 to July 31, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
July 31, 2025	1,646	(3.7)	(17)	-	(1)	-	(6)	-
July 31, 2024	1,710	-	(25)	-	(25)	-	(23)	-

(Note) Comprehensive income: For the three months ended July 31, 2025: ¥(1) million [-%]
 For the three months ended July 31, 2024: ¥(20) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
July 31, 2025	(0.43)	-
July 31, 2024	(1.42)	-

(Note) Diluted earnings per share is not presented as there were no potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2025	6,044	5,250	86.9
As of April 30, 2025	6,349	5,386	84.8

(Reference) Equity: As of July 31, 2025: ¥5,250 million
 As of April 30, 2025: ¥5,386 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended April 30, 2025	Yen -	Yen 0.00	Yen -	Yen 7.00	Yen 7.00
Fiscal year ending April 30, 2026	-				
Fiscal year ending April 30, 2026 (Forecast)		0.00	-	7.00	7.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2026 (May 1, 2025 to April 30, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,580	4.4	435	150.5	450	151.4	261	-	16.60

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - company (-)

Excluded: - company (-)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

July 31, 2025: 17,464,000 shares

April 30, 2025: 17,464,000 shares

2) Total number of treasury shares at the end of the period:

July 31, 2025: 1,838,046 shares

April 30, 2025: 1,759,346 shares

3) Average number of shares during the period:

Three months ended July 31, 2025: 15,679,470 shares

Three months ended July 31, 2024: 16,323,879 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

4. Overview of Business Results

(1) Overview of Business Results

During the first quarter of the current fiscal year, Japan's economy showed resilience, supported by a recovery in personal consumption driven by improvements in employment and income conditions, as well as robust growth in inbound demand. However, the outlook remains uncertain due to concerns about downside risks stemming from overseas developments, including the direction of U.S. trade policy and instability in the Middle East and Ukraine.

Under these circumstances, Asukanet operates three business areas, each with different positioning and characteristics. They are (1) the funeral business, which adds digital processing and remote output services for photos of the deceased to a funeral business that is largely unaffected by economic trends, (2) the photo book business, which provides ideas for new photo output methods that allow users to create complete photo collections beginning from just a single book, and (3) the aerial display business, which is utilizing unique, recently-developed technologies aiming to create a new market and achieve dreams.

Following is an overview of the business results for each segment. The result figures for each segment include internal inter-segment sales.

(Funeral business)

In this business segment, while our direct sales efforts secured a steady number of new contracts with funeral companies, the nationwide decline in funeral services led to an inevitable decrease in revenue from our core portrait photo processing business compared to the same quarter last year. Furthermore, although our DX service for funeral companies “tsunagoo” grew steadily, hardware sales and frame sales fell short of projections.

We exhibited at the “Funeral Business Fair 2025” held in June, introducing our photo organizing-service and memorial photo exhibitions. We also launched “snapCINEMA,” an emotional video service that brings photos to life like scenes from a movie, receiving high praise.

In terms of income, segment income faced challenges due to a decline in portrait photo processing revenue, coupled with increases in personnel expenses and cloud service usage fees.

As a result, Q1 sales were 760,846 thousand yen (97.3% year-on-year), and Q1 segment income was 99,549 thousand yen (75.0% year-on-year).

(Photo book business)

This business operates *AsukaBook* for the professional photography market, and *MyBook* for the general consumer market. We are also engaged in OEM supply of photo albums and photo prints based on photos that were taken with smartphones.

In the professional photographer market, the core wedding segment experienced sluggish growth due to smaller-scale ceremonies and a shift toward digital photography. Our initiatives included strengthening relationships with major clients, conducting online seminars, and exhibiting at “PHOTO NEXT 2025” to introduce new products and AI image processing retouching software.

In the consumer market as well, the slow recovery of overseas travel and the delayed rebound in photo output continued, resulting in a slight year-on-year decrease in sales for both our own brand “*MyBook*” and OEM products. As countermeasures, we implemented price revisions, renovated the *MyBook* website, and planned fan meetings.

In terms of income, segment income recovered as a result of efforts to reduce depreciation expenses and control labor costs through improved production efficiency, despite rising raw material prices.

As a result, Q1 sales were 874,420 thousand yen (98.0% year-on-year), and Q1 segment income reached 128,540 thousand yen (130.1% year-on-year).

(Aerial display business)

This business is aiming to create a market through new image and video expressions utilizing aerial imaging technologies. We are developing, manufacturing, and selling both glass and plastic “ASKA3D plates” that utilize our original technologies to project images in mid-air.

Following changes to our management structure, we strengthened our sales organization and revised our sales strategy, focusing primarily on preparations and groundwork during the first quarter. Regarding domestic sales activities, we merged with the XR team to promote the experiential value of aerial imaging. While advancing the provision of packages encompassing content and hardware, we exhibited at the “17th Content Tokyo Immersive Technology EXPO” in July. There, we proposed cutting-edge communication experiences in the fields of *tourism*, *entertainment*, and *education* as effective solutions for regions and businesses. We have also accumulated installation experience in model rooms and science museums. Overseas, while supporting distributor activities in Southeast Asia and South Korea, we also advanced distributor selection, such as not renewing the contract with a U.S. distributor whose performance was unsatisfactory. In the entertainment sector, to strengthen the service rollout of “*Maple Meet*,” we launched a website, prepared for our self-organized event “The 2nd Orizuru VTuber Festival,” actively disseminated information via SNS, and planned a trial sale of the consumer package product “Floating Live Stage Home.”

As for manufacturing and development, we have been attempting to prototype large-sized glass ASKA3D plates at our in-house technology development center.

In terms of income, although personnel expenses increased due to the integration of the XR team and patent-related costs rose, segment losses narrowed slightly compared to the same period last year. This was achieved by curtailing participation in overseas exhibitions and reducing travel and transportation expenses.

As a result, Q1 sales were 13,894 thousand yen (37.1% year-on-year), and Q1 segment loss was 82,058 thousand yen (compared to a loss of 85,100 thousand yen in the same quarter of the previous year).

As a result, net sales amounted to 1,646,971 thousand yen (96.3% year-on-year). Regarding profits, while the funeral services segment achieved lower profit compared to the same quarter of the previous year, the recovery in gross profit margin for the photo book segment and overall cost control led to an ordinary loss of 1,964 thousand yen (compared to a loss of 25,089 thousand yen in the same quarter of the previous year), and the net loss attributable to owners of the parent for the quarter was 6,700 thousand yen (compared to a loss of 23,248 thousand yen in the same quarter of the previous year).

(2) Overview of the Financial Status during this Consolidated Quarter

Total assets at the end of the first quarter of the current fiscal year decreased by 305,120 thousand yen compared to the end of the previous fiscal year, amounting to 6,044,106 thousand yen. This decrease was primarily due to a reduction of 291,474 thousand yen in cash and deposits.

Liabilities at the end of the first quarter of the current fiscal year decreased by 169,265 thousand yen compared to the end of the previous fiscal year, totaling 793,607 thousand yen. This decrease was primarily due to reductions of 54,921 thousand yen in accounts payable, 49,602 thousand yen in income taxes payable, and 84,645 thousand yen in the provision for bonuses.

Net assets at the end of the first quarter of the current fiscal year decreased by 135,855 thousand yen compared to the end of the previous fiscal year, amounting to 5,250,498 thousand yen. This decrease was primarily due to the payment of dividends from retained earnings totaling 109,932 thousand yen.

(3) Future Outlook

There are no changes at this time to the consolidated earnings forecast for the fiscal year ending April 2026, which was announced on June 10, 2025.

5. Consolidated Financial Statements for the first quarter of the Fiscal Year

(1) Consolidated Balance sheet

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	End of current Q1 (Ended July 31, 2025)
Assets		
Current assets		
Cash and deposits	1,686,873	1,395,399
Accounts receivable-trade	824,760	807,544
Merchandise and products	379,964	379,430
Work in progress	32,350	33,401
Raw materials and supplies	96,893	98,501
Others	62,889	45,917
Allowance for doubtful accounts	(10,166)	(9,671)
Total current assets	3,073,565	2,750,523
Fixed assets		
Tangible fixed assets		
Buildings, net	755,156	749,902
Machinery and equipment, net	398,823	377,142
Land	844,060	844,060
Others net	157,991	169,423
Total tangible fixed assets	2,156,032	2,140,530
Intangible fixed assets		
Goodwill	260,325	250,683
Others	191,325	180,565
Total intangible fixed assets	451,650	431,249
Investments and other assets		
Investment securities	331,602	339,059
Deferred tax assets	226,487	225,140
Others	109,888	157,603
Total investment and others	667,978	721,803
Total fixed assets	3,275,661	3,293,583
Total assets	6,349,226	6,044,106

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	End of current Q1 (Ended July 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	172,395	169,305
Accounts payable-other	293,956	239,035
Income taxes payable	62,602	13,000
Advance payments	16,111	13,618
Provision for bonuses	181,640	96,995
Others	230,625	257,916
Total of current liabilities	957,331	789,871
Fixed liabilities		
Provision for retirement benefits	4,343	2,897
Others	1,197	838
Total fixed liabilities	5,541	3,736
Total liabilities	962,872	793,607
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus	624,759	624,759
Retained earnings	5,247,868	5,131,235
Treasury stock	(1,012,228)	(1,036,738)
Total shareholders' equity	5,350,699	5,209,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,654	40,942
Total accumulated other comprehensive income	35,654	40,942
Total net assets	5,386,354	5,250,498
Total liabilities and net assets	6,349,226	6,044,106

(2) Consolidated Profit and loss statement and consolidated statement of comprehensive income

Consolidated Profit and loss statement

(Units: 1,000s yen)

	First quarter of the previous fiscal year (May 1, 2024 – July 31, 2024)	First quarter of the current fiscal year (May 1, 2025 – July 31, 2025)
Net sales	1,710,415	1,646,971
Cost of sales	991,809	931,795
Gross profit	718,606	715,176
Selling, general, and administrative expenses	744,287	732,998
Operating income (losses)	(25,681)	(17,821)
Non-operating income		
Interest received	991	913
Dividends received	950	1,225
Foreign exchange gains	—	2,141
Insurance gains	—	11,082
Others	539	572
Total non-operating income	2,481	15,935
Non-operating expenses		
Foreign exchange losses	1,335	—
Expense for purchasing treasury stocks	540	73
Others	13	4
Total non-operating expenses	1,889	78
Ordinary income (losses)	(25,089)	(1,964)
Extraordinary losses		
Loss from retirement of fixed assets	0	0
Total extraordinary losses	0	0
Net quarterly income (losses) before taxes	(25,089)	(1,964)
Income taxes etc.	(1,840)	4,736
Total income taxes	(1,840)	4,736
Net quarterly income (losses)	(23,248)	(6,700)
Net quarterly income (losses) attributable to parent company	(23,248)	(6,700)

Consolidated statement of comprehensive income

(Units: 1,000s yen)

	First quarter of the previous fiscal year (May 1, 2024 – July 31, 2024)	First quarter of the current fiscal year (May 1, 2025 – July 31, 2025)
Net quarterly income (losses)	(23,248)	(6,700)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,189	5,287
Total other comprehensive income	3,189	5,287
Quarterly comprehensive income	(20,058)	(1,412)
(Breakdown)		
Quarterly comprehensive income attributable to parent company	(20,058)	(1,412)

[Segment information]

First quarter of the previous consolidated fiscal year (May 1, 2024 – July 31, 2024)

Information related to the amounts of sales, income, and loss for each reporting segment

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	781,837	891,102	37,475	1,710,415	—	1,710,415
Inter-segment internal sales and transfers	—	1,435	—	1,435	(1,435)	—
Total	781,837	892,537	37,475	1,711,850	(1,435)	1,710,415
Segment income (loss)	132,652	98,817	(85,100)	146,369	(172,051)	(25,681)

First quarter of the current consolidated fiscal year (May 1, 2025 – July 31, 2025)

Information related to the amounts of sales, income, and loss for each reporting segment

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	760,846	872,230	13,894	1,646,971	—	1,646,971
Inter-segment internal sales and transfers	—	2,190	—	2,190	(2,190)	—
Total	760,846	874,420	13,894	1,649,162	(2,190)	1,646,971
Segment income (loss)	99,549	128,540	(82,058)	146,032	(163,853)	(17,821)

(Notes to Quarterly consolidated statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the previous fiscal year and the first quarter of the current fiscal year were as follows.

	First quarter of the previous fiscal year (May 1, 2024 – July 31, 2024)	First quarter of the current fiscal year (May 1, 2025 – July 31, 2025)
Depreciation	88,732 thousand yen	68,546 thousand yen
Amortization	9,641 thousand yen	9,641 thousand yen

This is the summarized translation of released report for your reference.
Please refer to the original Japanese financial document.