



Consolidated Financial Results

for the 1st Quarter of the Fiscal Year Ending March 31, 2026

August 7, 2025

I . Financial Summary

II . Consolidated Quarterly Financial Statements

(i) Consolidated Quarterly Balance Sheets

(ii) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

III . Consolidated Quarterly Financial Results by Business Segments

DISCLAIMER

This document is a translation of the cover page of the original “Kessan Tanshin ” in Japanese.

HAPPINET CORPORATION provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the original “Kessan Tanshin” in Japanese shall prevail. This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectation.

Consolidated Financial Results
for the 1st Quarter of the Fiscal Year Ending March 31, 2026 [Japanese GAAP]

Company name	HAPPINET CORPORATION		
Stock listing	Tokyo Stock Exchange		
Code No.	7552	URL:	https://happinet.co.jp/
Representative	Toshiyuki Mizutani, Representative Director, President and COO		
Contact	Hiroshi Ishimaru, Director, Chief Financial Officer		
Scheduled starting date for dividend payments:	-		
The additional materials of the financial results:	Yes		
The information session of the financial results:	No		

(Figures are in millions of yen, rounded down)

1. Consolidated Results for the 1st Quarter of the Fiscal Year Ending March 31, 2026

(April 1, 2025 - June 30, 2025)

(1) Consolidated Operating Results (For the three months Ended June 30, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Quarterly Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
1st Quarter of the Fiscal Year Ending March 31, 2026	95,927	16.5	3,943	20.3	4,068	17.1	3,319	39.0
1st Quarter of the Fiscal Year Ended March 31, 2025	82,358	0.1	3,278	50.3	3,474	48.6	2,388	63.6

(Note)	Comprehensive income:	FY2026.3 1st Quarter	4,383million yen	(61.3%)
		FY2025.3 1st Quarter	2,718million yen	(29.8%)

	Quarterly Earnings per share	Quarterly Earnings per share (diluted)
	¥	¥
1st Quarter of the Fiscal Year Ending March 31, 2026	151.21	148.82
1st Quarter of the Fiscal Year Ended March 31, 2025	107.24	105.58

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2025	129,887	57,707	44.1
As of March 31, 2025	121,452	55,672	45.5

(Reference)

Shareholder's equity:	As of June 30, 2025	57,304million yen
	As of March 31, 2025	55,269million yen

2. Dividend

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
Fiscal Year Ended March 31, 2025	—	25.00	—	105.00	130.00
Fiscal Year Ending March 31, 2026	—				
(Projection) Fiscal Year Ending March 31, 2026		25.00	—	25.00	50.00

(Note) Revision to the projections: No

Concerning the projected amounts of the end of second quarter and year-end dividends for the fiscal year ending March 31, 2026, the stable dividend is stated based on the Company's basic policy on the distribution of profits. The year-end dividend for the fiscal year ending March 31, 2026, will be considered by the Company based on the basic policy on the distribution of profits.

3. Consolidated Projections for the Fiscal Year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim Year	180,000	6.8	5,800	△ 11.1	6,000	△ 9.9	3,600	△ 17.9	163.28
Full Year	390,000	7.0	11,800	1.0	12,000	0.3	7,200	6.4	326.57

(Note) Revision to the projections: No

※ Other Information

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

Newly included: —

Excluded: 1 company (Happinet Phantom Studios Corporation)

(2) Application of special accounting methods for quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimation and restatement

a) Changes in accounting policies due to revisions to accounting standards and other regulations: No

b) Changes in accounting policies due to revisions to other reasons: No

c) Changes in accounting estimation: No

d) Restatement: No

(4) Number of issued shares (common shares)

a) Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025 24,050,000shares

As of March 31, 2025 24,050,000shares

b) Number of treasury shares at the end of the period

As of June 30, 2025 2,096,162shares

As of March 31, 2025 2,104,362shares

c) Average number of shares during the period

For the 1st quarter of the fiscal year ending March 31, 2026 21,951,675shares

For the 1st quarter of the fiscal year ended March 31, 2025 22,268,651shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

*Proper use of earnings projections, and other special matters

The above projections are based on information available to the Company as of the date of the announcement of these materials. Actual business results may differ from the projections due to a number of factors in the future.

*The way to access the Supplement material

We will post the Supplement material in the site (<https://www.happinet.co.jp/english/>) on Aug 7, 2025.

II. Consolidated Quarterly Financial Statements
(i) Consolidated Quarterly Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2025)	Current 1st Quarter (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	41,005	26,363
Notes and accounts receivable - trade	38,016	57,020
Electronically recorded monetary claims - operating	2,821	2,475
Inventories	8,160	10,826
Other	6,939	7,148
Allowance for doubtful accounts	△4	△6
Total current assets	96,938	103,828
Non-current assets		
Property, plant and equipment	5,629	5,481
Intangible assets		
Goodwill	2,044	1,898
Other	1,867	1,720
Total intangible assets	3,911	3,618
Investments and other assets		
Investment securities	9,136	10,698
Other	5,839	6,263
Allowance for doubtful accounts	△3	△3
Total investments and other assets	14,972	16,957
Total non-current assets	24,514	26,058
Total assets	121,452	129,887
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,814	51,766
Income taxes payable	2,767	935
Provision for bonuses	338	476
Other	13,601	11,240
Total current liabilities	58,522	64,419
Non-current liabilities		
Provision for share awards	315	316
Provision for share awards for directors (and other officers)	343	343
Retirement benefit liability	3,434	3,501
Other	3,163	3,598
Total non-current liabilities	7,257	7,760
Total liabilities	65,780	72,179
Net assets		
Shareholders' equity		
Share capital	2,751	2,751
Capital surplus	3,353	3,353
Retained earnings	47,103	48,061
Treasury shares	△2,996	△2,983
Total shareholders' equity	50,212	51,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,066	6,132
Deferred gains or losses on hedges	△8	△10
Total accumulated other comprehensive income	5,057	6,122
Share acquisition rights	402	402
Total net assets	55,672	57,707
Total liabilities and net assets	121,452	129,887

(ii) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
(Consolidated Quarterly Statements of Income) (¥ million)

	Prior Fiscal Year (April 1, 2024 - June 30, 2024)	Current Fiscal Year (April 1, 2025 - June 30, 2025)
Net sales	82,358	95,927
Cost of sales	71,655	84,077
Gross profit	10,702	11,849
Selling, general and administrative expenses	7,423	7,906
Operating profit	3,278	3,943
Non-operating income		
Interest income	0	2
Dividend income	116	111
Other	91	43
Total non-operating income	207	157
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	—	19
Other	12	12
Total non-operating expenses	12	31
Ordinary profit	3,474	4,068
Extraordinary income		
Gain on sale of non-current assets	10	2
Gain on liquidation of subsidiaries and associates	95	—
Total extraordinary income	106	2
Extraordinary losses		
Loss on retirement of non-current assets	5	3
Total extraordinary losses	5	3
Profit before income taxes	3,575	4,067
Income taxes - current	696	903
Income taxes - deferred	490	△154
Total income taxes	1,187	748
Profit	2,388	3,319
Profit attributable to owners of parent	2,388	3,319

(Consolidated Quarterly Statements of Comprehensive Income)

(¥ million)

	Prior Fiscal Year (April 1, 2024 - June 30, 2024)	Current Fiscal Year (April 1, 2025 - June 30, 2025)
Profit	2,388	3,319
Other comprehensive income		
Valuation difference on available-for-sale securities	315	1,066
Deferred gains or losses on hedges	15	△2
Total other comprehensive income	330	1,064
Comprehensive income	2,718	4,383
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,718	4,383
Comprehensive income attributable to non-controlling interests	—	—

Ⅲ. Consolidated Quarterly Financial Results by Business Segments

(1) 1st Quarter of the Fiscal Year Ended March 31, 2025 (April 1, 2024 - June 30, 2024)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	37,829	13,923	18,547	12,057	82,358	—	82,358
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	37,829	13,923	18,547	12,057	82,358	—	82,358
Segment income	2,099	431	355	743	3,629	△ 351	3,278

*1 The △351million yen adjustment to segment income includes unallocated operating expenses.

The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of the HAPPINET CORPORATION.

*2 Segment income is adjusted to be consistent with operating profit shown on the consolidated quarterly statements of income.

(2) 1st Quarter of the Fiscal Year Ending March 31, 2026 (April 1, 2025 - June 30, 2025)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	41,151	15,679	24,523	14,572	95,927	—	95,927
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	41,151	15,679	24,523	14,572	95,927	—	95,927
Segment income	2,308	256	585	1,169	4,320	△ 377	3,943

*1 The △377million yen adjustment to segment income includes unallocated operating expenses.

The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of the HAPPINET CORPORATION.

*2 Segment income is adjusted to be consistent with operating profit shown on the consolidated quarterly statements of income.