Consolidated Financial Results

for the 1st Quarter of the Fiscal Year Ending March 31, 2027

August 10, 2026

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Company name	HAPPINET CORPORATION	
Stock listing	Tokyo Stock Exchange	
Code No.	7552	URL: https://happinet.co.jp/
Representative	Toshiyuki Mizutani, Representative Director, President and Chief Operating Officer	
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, 2027
(April 1, 2026 - June 30, 2026)

(1) Consolidated Operating Results（For the three months Ended June 30, 2026）

(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, 2027	105,281	9.8	4,534	15.0	4,571	12.3	2,746	△ 17.3
1st Quarter of the Fiscal Year Ended March 31, 2026	95,927	16.5	3,943	20.3	4,068	17.1	3,319	39.0

(Note) Comprehensive income: FY2027.3 1st Quarter 2,437million yen (△44.4%)
FY2026.3 1st Quarter 4,383million yen (61.3%)

	Quarterly Earnings	Quarterly per share Earnings (diluted)
	¥	¥
1st Quarter of the Fiscal Year Ending March 31, 2027	63.40	62.39
1st Quarter of the Fiscal Year Ended March 31, 2026	75.60	74.41

(Note) On January 1, 2026, the Company conducted a two-for-one share split of its common shares. The calculation of quarterly earnings per share and diluted quarterly earnings per share is done under the assumption that the share split occurred at the start of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2026	138,776	59,149	42.3
As of March 31, 2026	144,003	60,285	41.6

(Reference)
Shareholder's equity: As of June 30, 2026 58,746million yen
As of March 31, 2026 59,883million yen

2. Dividend

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
Fiscal Year Ended March 31, 2026	―	25.00	―	80.00	―
Fiscal Year Ending March 31, 2027	―				
(Projection) Fiscal Year Ending March 31, 2027		15.00	―	―	―

(Note) Revision to the projections: No

1. On January 1, 2026, the Company conducted a two-for-one share split of its common shares. The end of second quarter dividend for the fiscal year ended March 31, 2026 has been made based on the number of shares before the share split. The annual dividend per share for the fiscal year ended March 31, 2026 is not stated because the amounts cannot be simply combined due to the implementation of the share split. If the share split is considered, the annual dividend for the fiscal year ending March 31, 2026 is 92.5 yen.
2. Concerning the projected amounts of the end of second quarter dividends for the fiscal year ending March 31, 2027, 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, 2027, 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, 2027 (April 1, 2026 - March 31, 2027)

(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	200,000	1.8	7,800	△ 10.5	8,000	△ 10.3	5,000	△ 25.1	114.36
Full Year	450,000	2.5	15,800	1.3	16,000	1.9	10,500	4.0	240.15

(Note) Revision to the projections: No

※ Other Information

(1) Significant changes in the scope of consolidation during the period: No

(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, 2026	48,100,000shares
As of March 31, 2026	48,100,000shares

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

As of June 30, 2026	4,771,611shares
As of March 31, 2026	4,787,411shares

c) Average number of shares during the period

For the 1st quarter of the fiscal year ending March 31, 2027	43,324,396shares
For the 1st quarter of the fiscal year ended March 31, 2026	43,903,351shares

*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 on the site (https://www.happinet.co.jp/english/) on August 10, 2026.

Ⅱ. Consolidated Quarterly Financial Statements

(ⅰ) Consolidated Quarterly Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2026)	Current 1st Quarter (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	50,825	41,830
Notes and accounts receivable - trade	50,860	52,135
Electronically recorded monetary claims - operating	4,065	5,722
Inventories	8,689	11,227
Other	6,451	5,735
Allowance for doubtful accounts	△4	△4
Total current assets	120,888	116,647
Non-current assets		
Property, plant and equipment	5,172	5,163
Intangible assets		
Goodwill	1,460	1,314
Other	1,586	1,570
Total intangible assets	3,046	2,884
Investments and other assets		
Investment securities	7,997	7,557
Other	7,314	7,079
Allowance for doubtful accounts	△416	△555
Total investments and other assets	14,895	14,081
Total non-current assets	23,114	22,128
Total assets	144,003	138,776
Liabilities		
Current liabilities		
Accounts payable - trade	55,154	56,857
Income taxes payable	4,179	1,262
Provision for bonuses	316	418
Other	16,610	13,357
Total current liabilities	76,261	71,896
Non-current liabilities		
Provision for share awards	473	506
Provision for share awards for directors (and other officers)	748	748
Retirement benefit liability	3,502	3,527
Other	2,732	2,948
Total non-current liabilities	7,456	7,730
Total liabilities	83,717	79,627
Net assets		
Shareholders' equity		
Share capital	2,751	2,751
Capital surplus	3,353	3,353
Retained earnings	54,275	53,423
Treasury shares	△4,840	△4,816
Total shareholders' equity	55,539	54,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,336	4,028
Deferred gains or losses on hedges	7	6
Total accumulated other comprehensive income	4,343	4,034
Share acquisition rights	402	402
Total net assets	60,285	59,149
Total liabilities and net assets	144,003	138,776

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

(Consolidated Quarterly Statements of Income)

(￥million)

	Prior Fiscal Year (April 1, 2025 - June 30, 2025)	Current Fiscal Year (April 1, 2026 - June 30, 2026)
Net sales	95,927	105,281
Cost of sales	84,077	92,170
Gross profit	11,849	13,111
Selling, general and administrative expenses	7,906	8,577
Operating profit	3,943	4,534
Non-operating income		
Interest income	2	11
Dividend income	111	125
Other	43	69
Total non-operating income	157	205
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	19	—
Provision of allowance for doubtful accounts	0	140
Other	12	27
Total non-operating expenses	31	168
Ordinary profit	4,068	4,571
Extraordinary income		
Gain on sale of non-current assets	2	—
Total extraordinary income	2	—
Extraordinary losses		
Loss on retirement of non-current assets	3	1
Total extraordinary losses	3	1
Profit before income taxes	4,067	4,569
Income taxes - current	903	1,226
Income taxes - deferred	△154	596
Total income taxes	748	1,822
Profit	3,319	2,746
Profit attributable to owners of parent	3,319	2,746

(Consolidated Quarterly Statements of Comprehensive Income)

(￥million)

	Prior Fiscal Year (April 1, 2025 - June 30, 2025)	Current Fiscal Year (April 1, 2026 - June 30, 2026)
Profit	3,319	2,746
Other comprehensive income		
Valuation difference on available-for-sale securities	1,066	△307
Deferred gains or losses on hedges	△2	△1
Total other comprehensive income	1,064	△309
Comprehensive income	4,383	2,437
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,383	2,437
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, 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.

(2) 1st Quarter of the Fiscal Year Ending March 31, 2027 (April 1, 2026 - June 30, 2026)

(￥million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	46,834	14,297	25,191	18,958	105,281	—	105,281
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	46,834	14,297	25,191	18,958	105,281	—	105,281
Segment income or loss(△)	2,636	△ 571	786	2,042	4,894	△ 360	4,534

*1 The △360million 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.