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Consolidated Financial Results for the Three Months Ended April 30, 2025 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 4334
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended April 30, 2025 (from February 1, 2025 to April 30, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended April 30, 2025	921	10.5	39	9.7	41	(33.4)	30	(26.0)
April 30, 2024	833	(17.0)	36	(79.5)	61	(68.0)	40	(71.3)

Note: Comprehensive income For the three months ended April 30, 2025: ¥31 million (28.5%)
 For the three months ended April 30, 2024: ¥44 million (69.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended April 30, 2025	3.60	3.60
April 30, 2024	4.88	4.88

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
April 30, 2025	3,133	2,466	76.3
January 31, 2025	3,143	2,516	77.7

Reference: Equity
 As of April 30, 2025: ¥2,389 million
 As of January 31, 2025: ¥2,441 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2025	—	0.00	—	10.00	10.00
Fiscal year ending January 31, 2026	—				
Fiscal year ending January 31, 2026 (Forecast)		0.00	—	13.00	13.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated earnings for the fiscal year ending January 31, 2026 (from February 1, 2025 to January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending January 31, 2026	3,800	16.7	350	298.4	338	106.2	332	67.3	39.44

Note: Revisions to the forecast of cash dividends most recently announced: None

***Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:
Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of April 30, 2025	11,096,000 shares
As of January 31, 2025	11,096,000 shares

- (ii) Number of treasury shares at the end of the period

As of April 30, 2025	2,677,480 shares
As of January 31, 2025	2,677,480 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended April 30, 2025	8,418,520 shares
Three months ended April 30, 2024	8,403,520 shares

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

- * Proper use of earnings forecasts, and other special matters

This summary of financial results includes forward-looking statements such as our forecasts.

These forward-looking statements are based on judgments and assumptions that are based on information currently available to us, and may differ materially from our actual results in the future in light of the uncertainties inherent in judgments and assumptions and the possibility of fluctuations due to future business operations and changes in internal and external conditions.

Please refer to "Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information" on page 2 of the accompanying materials for the judgments and assumptions that form the basis for the forecasts

○Accompanying Materials – Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1) Explanation of Results of Operations	2
(2) Description of Financial Position	2
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information	2
2. Quarterly Consolidated Financial Statements and Major Notes	3
(1) Quarterly consolidated balance sheet	3
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	4
Quarterly consolidated statement of income	
(First Quarter Consolidated Cumulative Period)	4
Quarterly consolidated statement of comprehensive income	
(First Quarter Consolidated Cumulative Period)	5
(3) Notes to Quarterly Consolidated Financial Statements	6
(Notes on Going Concern Assumptions)	6
(Notes on Substantial Changes in the Amount of Shareholders' Equity)	6
(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)	6
(Notes on the Quarterly Consolidated Statement of Cash Flows)	6
(Segment Information)	6

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Results of Operations

During the first quarter consolidated cumulative period, the Japanese economy showed signs of moderate recovery supported by improvements in employment and income environments as well as various policy effects. However, downside risks from U.S. trade policies remain high. In addition, ongoing inflation is impacting consumer sentiment, posing further risks to personal consumption and the overall economy. Attention must also be paid to fluctuations in financial and capital markets.

In the entertainment industry relevant to our Group, the announcement of "Nintendo Switch 2" is expected to invigorate the gaming market. To strengthen development of existing businesses and promote new ventures, we implemented an organizational restructure in October 2024 under the slogan "ONE YUKE'S." This initiative represents a foundational step for future growth, embodying a return to our roots: the spirit of "challenge" and "creating exciting things." To achieve this, we positioned "establishing an organization with a stable profit structure" as our top priority and proactively promoted sales activities centered around the Business Development Division. As a result, order conditions are trending positively.

In our contract development business, our game division delivered a presentation at the GAME CREATORS CONFERENCE'25 held on March 28, 2025. The topic was "Square Earth is under attack again!? EARTH DEFENSE FORCE: WORLD BROTHERS 2." We also continued participating in the development of "DOUBLE DRAGON REVIVE" scheduled for release by Arc System Works Co., Ltd. on October 23, 2025.

In our XR field, we utilized our proprietary real-time production technology "ALiS ZERO®" to support the production and streaming of real-time live events, as well as motion capture recording, CG model creation, and animation production. Furthermore, for the original IP project "PolaPoriPosuPo" developed by Bandai Namco Experience Inc., we created several official video contents using "ZERO Edit Motion Capture."

In our Pachinko and Pachislot field, although some projects experienced delays due to last year's troubles, those issues have already been resolved. Currently, several video development projects are progressing smoothly.

In other field, we are also making progress with mobile content development projects.

In our publishing business, we executed a strategic investment through a production committee aimed at generating future publishing titles, thereby strengthening our foundation for proprietary content creation.

As a result of the above, for the first quarter consolidated cumulative period, net sales were 921 million yen (10.5% increase year-on-year), ordinary profit was 41 million yen (33.4% decrease year-on-year), and profit attributable to owners of parent was 30 million yen (26.0% decrease year-on-year).

Since our Group is a single segment of the digital content business, the disclosure of business results by segment is omitted.

(2) Description of Financial Position

As of the end of the first quarter consolidated accounting period, total assets decreased by 10 million yen from the previous fiscal year-end, amounting to 3,133 million yen. This was primarily due to a 174 million yen increase in cash and deposits, a 174 million yen decrease in accounts receivable and contract assets, and a 32 million yen decrease in work in process.

Liabilities increased by 40 million yen from the previous fiscal year-end, totaling 667 million yen. The main factors were a 75 million yen increase in accounts payable and a 43 million yen decrease in bonus provisions.

Net assets decreased by 50 million yen from the previous fiscal year-end, amounting to 2,466 million yen. This was primarily due to a 30 million yen profit attributable to owners of parent and 84 million yen in dividend payments.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

There are no revisions to the full-year earnings forecast from those announced in the financial results summary for the fiscal year ending January 2025, which was released on March 12, 2025.

The earnings forecast is based on information currently available and may differ from actual results due to changes in business conditions and other factors.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of January 31, 2025	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	1,690,278	1,864,302
Accounts receivable - trade, and contract assets	780,197	606,050
Securities	198,554	199,036
Work in process	56,850	24,674
Prepaid expenses	30,885	41,799
Other	43,060	19,621
Allowance for doubtful accounts	(268)	(246)
Total current assets	2,799,559	2,755,238
Non-current assets		
Property, plant and equipment	43,544	41,874
Intangible assets	6,772	6,452
Investments and other assets	395,517	431,798
Allowance for doubtful accounts	(102,052)	(102,052)
Total non-current assets	343,783	378,073
Total assets	3,143,342	3,133,312
Liabilities		
Current liabilities		
Accounts payable - other	264,896	340,657
Income taxes payable	10,837	11,500
Contract liabilities	23,606	18,346
Provision for bonuses	97,076	53,686
Provision for loss on orders received	210	-
Other	100,227	110,954
Total current liabilities	496,854	535,145
Non-current liabilities		
Long-term accounts payable - other	200	200
Retirement benefit liability	129,284	131,927
Other	250	-
Total non-current liabilities	129,734	132,127
Total liabilities	626,589	667,272
Net assets		
Shareholders' equity		
Share capital	412,902	412,902
Capital surplus	511,590	511,590
Retained earnings	2,552,001	2,498,141
Treasury shares	(1,054,323)	(1,054,323)
Total shareholders' equity	2,422,170	2,368,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,634	20,885
Total accumulated other comprehensive income	19,634	20,885
Share acquisition rights	74,947	76,843
Total net assets	2,516,753	2,466,039
Total liabilities and net assets	3,143,342	3,133,312

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

Quarterly consolidated statement of income

(First Quarter Consolidated Cumulative Period)

(Thousands of yen)

	Three months ended April 30, 2024	Three months ended April 30, 2025
Net sales	833,326	921,051
Cost of sales	606,747	674,527
Gross profit	226,579	246,523
Selling, general and administrative expenses	190,307	206,732
Operating profit	36,271	39,791
Non-operating income		
Interest income	1,705	2,647
Dividend income	2	16
Foreign exchange gains	23,097	-
Other	814	541
Total non-operating income	25,620	3,204
Non-operating expenses		
Interest expenses	125	176
Foreign exchange losses	-	1,706
Total non-operating expenses	125	1,883
Ordinary profit	61,765	41,112
Extraordinary income		
Gain on reversal of share acquisition rights	-	1,350
Total extraordinary income	-	1,350
Profit before income taxes	61,765	42,462
Income taxes	20,777	12,137
Profit	40,987	30,325
Profit attributable to owners of parent	40,987	30,325

(Quarterly consolidated statement of comprehensive income)

(First Quarter Consolidated Cumulative Period)

(Thousands of yen)

	Three months ended April 30, 2024	Three months ended April 30, 2025
Profit	40,987	30,325
Other comprehensive income		
Valuation difference on available-for-sale securities	3,202	1,250
Total other comprehensive income	3,202	1,250
Comprehensive income	44,190	31,575
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,190	31,575
Comprehensive income attributable to non-controlling interests	-	-

(3)Notes to Quarterly Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Tax Expense Calculation)

With regard to tax expenses, a reasonable estimate of the effective tax rate after applying tax effect accounting to the profit before income taxes for the consolidated fiscal year (including the first quarter consolidated accounting period) is applied to the quarterly profit before income taxes to calculate the tax expenses. However, if applying the estimated effective tax rate leads to significantly unreasonable results, the statutory effective tax rate is used instead. (Notes on the Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter consolidated cumulative period has not been prepared. However, depreciation expenses for the first quarter consolidated cumulative period (including amortization of intangible non-current assets) are as follows.

	Previous First Quarter Cumulative Period (February 1, 2024 To April 30,2024)	Current First Quarter Cumulative Period (February 1, 2025 To April 30,2025)
Depreciation Expenses	1,867 thousand yen	3,149 thousand yen

(Segment Information)

[Segment Information]

For the previous first quarter consolidated cumulative period (from February 1, 2024 to April 30, 2024) and the current first quarter consolidated cumulative period (from February 1, 2025 to April 30, 2025), our Group operates under a single segment: the digital content business. Therefore, segment-specific information has been omitted.