

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

March 13, 2026

Consolidated Financial Results for the Fiscal Year Ended January 31, 2026 (Under Japanese GAAP)



Company name: YUKE'S Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4334
 URL: <https://www.yukes.co.jp>
 Representative: Yukinori Taniguchi, President and Representative Director
 Inquiries: Kenta Yoshihara, Managing Director and Senior General Manager of Corporate Division
 Telephone: +81-72-224-5155
 Scheduled date of annual general meeting of shareholders: April 28, 2026
 Scheduled date to commence dividend payments: April 30, 2026
 Scheduled date to file annual securities report: April 27, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	4,288	31.7	181	106.2	184	12.6	176	(10.9)
January 31, 2025	3,255	(20.3)	87	(51.1)	163	(42.0)	198	—

Note: Comprehensive income For the fiscal year ended January 31, 2026: ¥191 million [26.1%]
 For the fiscal year ended January 31, 2025: ¥152 million [—%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
January 31, 2026	20.99	—	7.1	5.1	4.2
January 31, 2025	23.59	—	8.3	5.1	2.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended January 31, 2026: ¥— million
 For the fiscal year ended January 31, 2025: ¥— million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	4,044	2,627	63.0	302.84
January 31, 2025	3,143	2,516	77.7	290.05

Reference: Equity
 As of January 31, 2026: ¥2,549 million
 As of January 31, 2025: ¥2,441 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2026	145	(960)	390	1,263
January 31, 2025	791	93	(383)	1,690

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended January 31, 2025	Yen —	Yen 0.00	Yen —	Yen 10.00	Yen 10.00	Millions of yen 84	% 42.4	% 3.5
Fiscal year ended January 31, 2026	—	0.00	—	10.00	10.00	84	47.6	3.4
Fiscal year ending January 31, 2027 (Forecast)	—	0.00	—	10.00	10.00	0	30.1	0

3. Forecast of consolidated earnings for the fiscal year ending January 31, 2027 (from February 1, 2026 to January 31, 2027)

(% indicates year-on-year change)

	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, 2027	5,300	23.6	275	51.8	290	57.2	280	58.5	33.26

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: 2 companies (AQUAPLUS Co., Ltd., FIXRECORDS Co., Ltd.)

Excluded: 0 companies

(2) 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

(3) Number of issued shares (common shares)

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

As of January 31, 2026	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 January 31, 2026	2,677,480 shares
As of January 31, 2025	2,677,480 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended January 31, 2026	8,418,520 shares
Fiscal year ended January 31, 2025	8,410,159 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended January 31, 2026 (from February 1, 2025 to January 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2026	3,103	19.4	198	—	894	—	908	587.9
January 31, 2025	2,600	(23.9)	(13)	—	64	(61.7)	132	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2026	107.90	—
January 31, 2025	15.70	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2026	3,419	2,401	67.9	275.96
January 31, 2025	2,069	1,558	71.7	176.27

Reference: Equity

As of January 31, 2026: ¥2,323 million
As of January 31, 2025: ¥1,483 million

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

* Proper use of earnings forecasts, and other special matters

This summary of financial results includes the forecasts presented above.

These forecasts are based on 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 such assumptions and the possibility of fluctuations due to future business operations and changes in internal and external conditions.

Please refer to "1. General Overview of Operating Results, etc. (1) Analysis of Operating Results" on page 2 of the accompanying materials for the assumptions that form the basis for the forecasts.

○Accompanying Materials – Contents

1. Overview of Operating Results and Financial Position.	2
(1) Analysis of Operating Results.....	2
(2) Analysis of Financial Status.....	2
(3) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year.....	3
2. Basic Approach to Selection of Accounting Standards.....	3
3. Consolidated Financial Statements and Supplementary Notes.....	4
(1) Consolidated balance sheet.....	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	6
Consolidated statement of income.....	6
Consolidated statement of comprehensive income.....	7
(3) Consolidated statement of changes in equity.....	8
(4) Consolidated statement of cash flows.....	10
(5) Notes to Consolidated Financial Statements.....	11
(Notes on Going Concern Assumptions).....	11
(Important Items Forming the Basis for Preparation of Consolidated Financial Statements).....	11
(Notes on Segment Information).....	12
(Per Share Information).....	14
(Significant Subsequent Events).....	14

1. Overview of Operating Results and Financial Position

(1) Analysis of Operating Results

The Group positions the stabilization of its contract development business and the expansion of its proprietary IP as key strategic initiatives and is working to strengthen its development structure and revenue base. As part of these initiatives, in August 2025 the Company made AQUAPLUS Co., Ltd. a wholly owned subsidiary in order to acquire in-house development (publishing) capabilities and expand its portfolio of owned IP, thereby strengthening its business foundation.

In the contract development business of the Group, order intake recovered due to enhanced sales activities led by the Business Development Division.

In the game field, although some development projects were discontinued in the third quarter, the utilization rate improved from the fourth quarter onward, and earnings showed a recovery trend. In addition, FULL METAL SCHOOLGIRL (published by D3PUBLISHER INC.), developed by the Company, was released on October 23, 2025. Double Dragon Revive (published by Arc System Works Co., Ltd.), in which the Company participated in development, was also released on the same date. Furthermore, NINJA GAIDEN 4 (published by Xbox Game Studios (Microsoft Japan Co., Ltd.)), for which the Company provided development support for platform compatibility and optimization, was released on October 21, 2025.

In the XR field, the Company utilized its proprietary real-time production technology “ALiS ZERO” to participate in the production and distribution of real-time live performances. The Company also carried out various production activities, including motion capture recording and the production of CG models and animations. In addition, the Company was responsible for producing several official video contents for the original IP project “PolaPoriPosuPo” developed by Bandai Namco Experience Inc. Furthermore, at “HATSUNE MIKU Magical Mirai 2025” (organized by Tokyo Metropolitan Television Broadcasting Corporation and Crypton Future Media, Inc.) held at three locations in Japan in August 2025, the Company produced CG visuals for songs performed on the live stage.

In the amusement machine field, outsourcing costs increased due to an increase in development projects and responses to issues in certain projects. However, net sales increased as a result of the training of project managers and the expansion of development lines. In addition, development efficiency has improved and profitability has been trending upward as a result of internal training initiatives aimed at enhancing technical capabilities and improving the quality of deliverables.

In other fields, development of mobile content projects is also progressing.

In the in-house development (publishing) business, the Company made AQUAPLUS Co., Ltd., a wholly owned subsidiary in August 2025 with the aim of acquiring in-house development capabilities and proprietary IP. While consolidated net sales increased due to the inclusion of the company’s sales, profits were temporarily reduced due to the recording of expenses related to the M&A. Going forward, the Group intends to utilize the IP held by AQUAPLUS Co., Ltd. and establish a collaborative framework with the Company in order to create synergies and enhance profitability across the Group. In addition, as part of initiatives to expand the in-house development business, the Company launched an internal open call system for new business ideas in order to create new content and business opportunities. Furthermore, during the current consolidated fiscal year, the Company executed two strategic investments through production committees, which it has been undertaking since the previous fiscal year.

As a result of the above, for the current consolidated fiscal year, net sales amounted to 4,288,913 thousand yen (increase of 31.7% year-on-year) and operating profit amounted to 181,167 thousand yen (increase of 106.2% year-on-year). This was mainly attributable to the recovery of orders and improved utilization rates in the contract development business, as well as the consolidation effect of AQUAPLUS Co., Ltd. Ordinary profit amounted to 184,484 thousand yen (increase of 12.6% year-on-year). However, due to a decrease in gains on the sale of investment securities recorded in the previous fiscal year, profit attributable to owners of parent amounted to 176,705 thousand yen (decrease of 10.9% year-on-year).

As the Group operates in a single segment of the digital content business, the description of results by segment has been omitted. Regarding the outlook for the next fiscal year, development of multiple projects is progressing in the game, pachinko and pachislot, and mobile fields.

Through these activities, the consolidated earnings forecast for the fiscal year ending January 2027 is as follows: net sales of 5,300 million yen, operating profit of 275 million yen, ordinary profit of 290 million yen, and profit attributable to owners of parent of 280 million yen.

(2) Analysis of Financial Status

① Assets, liabilities and net assets

Total assets as of the end of the current consolidated fiscal year increased by 901,460 thousand yen compared with the end of the previous consolidated fiscal year to 4,044,802 thousand yen. The principal factors were a decrease in cash and deposits of 426,642 thousand yen, an increase in trade receivables and contract assets of 75,848 thousand yen, an increase in work in progress of 654,740 thousand yen, and an increase in goodwill of 523,436 thousand yen.

Total liabilities increased by 790,849 thousand yen compared with the end of the previous consolidated fiscal year to 1,417,438 thousand yen. The principal factors were an increase in short-term borrowings of 500,000 thousand yen and an increase in other payables of 66,207 thousand yen.

Total net assets increased by 110,610 thousand yen compared with the end of the previous consolidated fiscal year to 2,627,364 thousand yen. The principal factors were profit attributable to owners of parent of 176,705 thousand yen and dividends of surplus of 84,185 thousand yen.

②Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year decreased by 426,642 thousand yen from the end of the previous consolidated fiscal year to 1,263,636 thousand yen.

The status of each cash flow for the current consolidated fiscal year and the principal factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to 145,629 thousand yen (791,459 thousand yen provided in the same period of the previous fiscal year).

This was mainly attributable to profit before income taxes of 193,680 thousand yen, a decrease in trade receivables of 35,116 thousand yen, and an increase in inventories of 86,509 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 960,208 thousand yen (93,772 thousand yen provided in the same period of the previous fiscal year).

This was mainly attributable to payments for acquisition of shares of affiliates of 1,081,982 thousand yen and proceeds from redemption of investment securities of 200,000 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 390,326 thousand yen (383,527 thousand yen used in the same period of the previous fiscal year). This was attributable to an increase in short-term borrowings of 500,000 thousand yen and dividends paid of 83,723 thousand yen.

(3) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year

The Company positions the return of profits to shareholders as one of its important management issues. As its basic policy, the Company aims to provide stable dividends while returning profits to shareholders in accordance with its performance, taking into consideration internal reserves necessary for future business development and the characteristics of its business.

With regard to dividend amounts, the Company determines dividends with a target consolidated payout ratio of 30%, and, unless there is a significant deterioration in business performance due to a sudden change in the business environment, sets a minimum annual dividend of 10 yen per share.

For the current fiscal year, the Company plans to pay a year-end dividend of 10 yen per share of common stock.

2. Basic Approach to Selection of Accounting Standards

The Group’s policy is to proceed with the consideration of the application of International Financial Reporting Standards, taking into account future domestic and international developments.

3. Consolidated Financial Statements and Supplementary Notes

(1) Consolidated balance sheet

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	1,690,278	1,263,636
Accounts receivable - trade, and contract assets	780,197	856,046
Securities	198,554	-
Merchandise	-	11,880
Work in process	56,850	711,590
Prepaid expenses	30,885	43,949
Other	43,060	29,498
Allowance for doubtful accounts	(268)	(745)
Total current assets	2,799,559	2,915,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	122,457	100,188
Accumulated depreciation	(101,625)	(78,458)
Buildings and structures, net	20,832	21,729
Land	2,514	-
Other	507,409	514,739
Accumulated depreciation	(487,212)	(488,381)
Other, net	20,197	26,358
Total property, plant and equipment	43,544	48,088
Intangible assets		
Goodwill	-	523,436
Software	5,530	9,658
Other	1,242	2,297
Total intangible assets	6,772	535,391
Investments and other assets		
Investment securities	119,709	140,822
Long-term prepaid expenses	161	1,090
Distressed receivables	102,052	98,152
Deferred tax assets	68,685	70,544
Retirement benefit asset	-	99,392
Other	104,908	233,617
Allowance for doubtful accounts	(102,052)	(98,152)
Total investments and other assets	293,465	545,467
Total non-current assets	343,783	1,128,946
Total assets	3,143,342	4,044,802

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	-	572
Short-term borrowings	-	500,000
Current portion of long-term borrowings	-	14,280
Current portion of bonds payable	-	10,000
Accounts payable - other	264,896	331,103
Income taxes payable	10,837	13,765
Contract liabilities	23,606	80,704
Provision for bonuses	97,076	117,777
Provision for loss on orders received	210	-
Other	100,227	153,710
Total current liabilities	496,854	1,221,914
Non-current liabilities		
Long-term borrowings	-	25,030
Long-term accounts payable - other	200	200
Retirement benefit liability	129,284	139,901
Deferred tax liabilities	-	30,393
Other	250	-
Total non-current liabilities	129,734	195,524
Total liabilities	626,589	1,417,438
Net assets		
Shareholders' equity		
Share capital	412,902	412,902
Capital surplus	511,590	511,590
Retained earnings	2,552,001	2,644,520
Treasury shares	(1,054,323)	(1,054,323)
Total shareholders' equity	2,422,170	2,514,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,634	34,747
Total accumulated other comprehensive income	19,634	34,747
Share acquisition rights	74,947	77,925
Total net assets	2,516,753	2,627,364
Total liabilities and net assets	3,143,342	4,044,802

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net sales	3,255,738	4,288,913
Cost of sales	2,430,210	3,106,385
Gross profit	825,528	1,182,527
Selling, general and administrative expenses	737,669	1,001,359
Operating profit	87,858	181,167
Non-operating income		
Interest income	7,028	7,852
Dividend income	2,861	2,012
Insurance return	54,554	-
Foreign exchange gains	18,054	-
Recoveries of written off receivables	-	3,900
Other	4,042	2,087
Total non-operating income	86,541	15,852
Non-operating expenses		
Interest expenses	297	3,203
Commitment fees	8,381	6,422
Loss on investments in silent partnerships	1,312	1,320
Foreign exchange losses	-	1,588
Other	515	-
Total non-operating expenses	10,507	12,535
Ordinary profit	163,891	184,484
Extraordinary income		
Gain on sale of investment securities	95,233	-
Gain on sale of non-current assets	-	7,845
Gain on reversal of share acquisition rights	37,871	1,350
Total extraordinary income	133,104	9,195
Profit before income taxes	296,996	193,680
Income taxes - current	33,104	23,367
Income taxes - deferred	65,479	(6,391)
Total income taxes	98,583	16,975
Profit	198,412	176,705
Profit attributable to owners of parent	198,412	176,705

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Profit	198,412	176,705
Other comprehensive income		
Valuation difference on available-for-sale securities	(46,314)	15,112
Total other comprehensive income	(46,314)	15,112
Comprehensive income	152,097	191,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	152,097	191,817

(3) Consolidated statement of changes in equity
Fiscal year ended January 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	412,902	510,822	2,437,623	(1,060,229)	2,301,118
Changes during period					
Dividends of surplus			(84,035)		(84,035)
Profit (loss) attributable to owners of parent			198,412		198,412
Disposal of treasury shares		768		5,906	6,675
Net changes in items other than shareholders' equity					
Total changes during period	-	768	114,377	5,906	121,052
Balance at end of period	412,902	511,590	2,552,001	(1,054,323)	2,422,170

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	65,949	65,949	67,239	2,434,308
Changes during period				
Dividends of surplus				(84,035)
Profit (loss) attributable to owners of parent				198,412
Disposal of treasury shares				6,675
Net changes in items other than shareholders' equity	(46,314)	(46,314)	7,707	(38,607)
Total changes during period	(46,314)	(46,314)	7,707	82,444
Balance at end of period	19,634	19,634	74,947	2,516,753

Fiscal year ended January 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	412,902	511,590	2,552,001	(1,054,323)	2,422,170
Changes during period					
Dividends of surplus			(84,185)		(84,185)
Profit (loss) attributable to owners of parent			176,705		176,705
Net changes in items other than shareholders' equity					
Total changes during period	-	-	92,519	-	92,519
Balance at end of period	412,902	511,590	2,644,520	(1,054,323)	2,514,690

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	19,634	19,634	74,947	2,516,753
Changes during period				
Dividends of surplus				(84,185)
Profit (loss) attributable to owners of parent				176,705
Net changes in items other than shareholders' equity	15,112	15,112	2,978	18,091
Total changes during period	15,112	15,112	2,978	110,610
Balance at end of period	34,747	34,747	77,925	2,627,364

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash flows from operating activities		
Profit before income taxes	296,996	193,680
Depreciation	10,444	16,417
Share-based payment expenses	60,560	6,551
Amortization of goodwill	-	22,758
Increase (decrease) in retirement benefit liability	5,397	10,616
Decrease (increase) in retirement benefit asset	-	(19,627)
Increase (decrease) in provision for bonuses	4,437	6,359
Increase (decrease) in provision for loss on orders received	(2,490)	(210)
Increase (decrease) in allowance for doubtful accounts	33	(4,060)
Interest and dividend income	(9,889)	(9,865)
Gain on maturity of insurance contract	(54,554)	-
Interest expenses	297	3,203
Foreign exchange losses (gains)	(4,639)	2,389
Loss (gain) on sale of non-current assets	-	(7,845)
Gain on reversal of share acquisition rights	(37,871)	(1,350)
Loss (gain) on sale of investment securities	(95,233)	-
Decrease (increase) in trade receivables	335,188	35,116
Decrease (increase) in inventories	(44,977)	(86,509)
Increase (decrease) in accounts payable - other	19,924	(17,562)
Other, net	49,871	30,979
Subtotal	533,496	181,044
Interest and dividends received	7,966	9,626
Interest paid	(297)	(3,235)
Payments for commitmentline expense	(8,381)	(6,422)
Proceeds from insurance income	257,075	-
Income taxes paid	(36,124)	(44,096)
Income taxes refund	37,725	8,712
Net cash provided by (used in) operating activities	791,459	145,629
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,609)	(21,411)
Purchase of intangible assets	(5,749)	(2,772)
Proceeds from sale of property, plant and equipment	-	14,912
Proceeds from sale of investment securities	115,147	-
Proceeds from redemption of investment securities	-	200,000
Payments for investments in capital	-	(44,500)
Payments of guarantee deposits	(2,000)	(26,641)
Proceeds from refund of guarantee deposits	-	2,200
Purchase of shares of subsidiaries and associates	-	(1,081,982)
Other, net	(15)	(12)
Net cash provided by (used in) investing activities	93,772	(960,208)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(300,000)	500,000
Repayments of long-term borrowings	-	(5,950)
Redemption of bonds	-	(20,000)
Dividends paid	(83,527)	(83,723)
Net cash provided by (used in) financing activities	(383,527)	390,326
Effect of exchange rate change on cash and cash equivalents	4,639	(2,389)
Net increase (decrease) in cash and cash equivalents	506,344	(426,642)
Cash and cash equivalents at beginning of period	1,183,933	1,690,278
Cash and cash equivalents at end of period	1,690,278	1,263,636

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Important Items Forming the Basis for Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

Number of consolidated subsidiaries: 4

Names of consolidated subsidiaries:

FINE Co., Ltd.

YUKE'S Music Co., Ltd.

AQUAPLUS Co., Ltd.

FIXRECORDS Co., Ltd.

AQUAPLUS Co., Ltd. and its subsidiary, FIXRECORDS Co., Ltd., became consolidated subsidiaries from the current consolidated fiscal year due to the acquisition of their shares on August 29, 2025.

2. Application of the Equity Method

Not applicable.

3. Accounting periods of consolidated subsidiaries

The last day of the fiscal year of consolidated subsidiaries is the same as the consolidated closing date.

4. Matters concerning accounting policies

(1) Valuation of principal assets

① Securities

Held-to-maturity debt securities

Measured using the amortized cost method (straight-line method).

Available-for-sale securities

Other than shares, etc. without market price

Stated at fair value (all unrealized gains and losses are included in net assets and the cost of securities sold is determined by the moving-average method).

Shares, etc. without market price

Measured at cost using the moving-average method.

② Inventories

Work in process

Stated at cost determined by the specific identification method. (The carrying amount on the balance sheet is written down to reflect the decline in profitability.)

Merchandise

Stated at cost determined by the last purchase cost method. (The carrying amount on the balance sheet is written down to reflect the decline in profitability.)

Supplies

Stated at cost determined by the last purchase cost method. (The carrying amount on the balance sheet is written down to reflect the decline in profitability.)

(2) Description methods for major depreciable assets

① Tangible fixed assets

We and our consolidated subsidiaries use the declining-balance method.

The principal ranges of useful lives are as follows:

Buildings and structures

8 to 15 years

② Intangible fixed assets

Software (for internal use) is amortized using the straight-line method over its estimated useful life (5 years).

(3) Accounting for allowances

① Allowance for doubtful accounts

To provide for losses due to bad debts, an allowance is recorded based on the historical bad debt ratio for general receivables and, for specific receivables such as doubtful receivables, based on an individual assessment of collectability.

② Provision for bonuses

In preparation for the payment of bonuses to employees, a provision is recorded based on the estimated amount to be paid.

③ Provision for loss on orders received

To provide for future losses on contract orders, the Company records the estimated amount of losses on contract orders at the end of the current consolidated fiscal year.

(4) Retirement benefit accounting method

In calculating retirement benefit liabilities and retirement benefit expenses, our Group applies the simplified method in which retirement benefit obligations are calculated based on the amount that would be required if all employees voluntarily terminated their employment at the end of the fiscal year.

(5) The standards for recognition of significant revenues and expenses

The following summarizes the major performance obligations related to order-made software, which is our primary business with respect to revenue arising from contracts with our Group customers, and the normal point at which such performance obligations are satisfied (the normal point at which revenue is recognized):

The performance obligation to transfer deliverables, such as the development of order-made software, arises from assets that cannot be diverted to other uses by fulfilling the obligations under the contract with the customer. Therefore, the Company determines that the performance obligation is satisfied over a certain period of time and estimates the progress toward completion of the performance obligation. The Company recognizes revenue over a certain period of time based on such progress. This measure of progress is based primarily on the input method using costs incurred.

However, for contracts with a very short term, revenue is not recognized over a certain period of time and is recognized when the performance obligations are fully satisfied (upon acceptance by the customer).

(6) Standards for the conversion of important foreign currency-denominated assets and liabilities into yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the end of the current consolidated fiscal year, and translation differences are recognized in profit or loss.

(7) Amortization method and period of goodwill

Goodwill is amortized using the straight-line method over a period of 10 years.

(8) Fund scope in consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand, readily available deposits and short-term investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and present insignificant risk of changes in value.

(Notes on Segment Information)

【Segment Information】

Fiscal year ended January 31, 2025

Since the business of our group is a single segment of the digital content business, the description is omitted.

Fiscal year ended January 31, 2026

Since the business of our group is a single segment of the digital content business, the description is omitted.

【Related Information】

Fiscal year ended January 31, 2025

1. Information by product and service

Since the business of our group is a single segment of the digital content business, the description is omitted.

2. Information for each region

(1) Net sales

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

(2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheets.

3. Information for each major customer

(Thousands of yen)

Name of customer	Net sales	Related segment name
Arc System Works Co., Ltd.	393,117	Digital Content Business
IREM SOFTWARE ENGINEERING INC.	353,206	Digital Content Business

Fiscal year ended January 31, 2026

1. Information by product and service

Since the business of our group is a single segment of the digital content business, the description is omitted.

2. Information for each region

(1) Net sales

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

(2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheets.

3. Information for each major customer

(Thousands of yen)

Name of customer	Net sales	Related segment name
SEGA CORPORATION	716,047	Digital Content business

【Information on impairment loss of fixed assets by reportable segment】

Fiscal year ended January 31, 2025

Not applicable.

Fiscal year ended January 31, 2026

Not applicable.

【Information on amortization of goodwill and unamortized balance by reportable segment】

Fiscal year ended January 31, 2025

Not applicable.

Fiscal year ended January 31, 2026

Since the business of our group is a single segment of the digital content business, the description is omitted.

【Information on gain on negative goodwill by reportable segment】

Not applicable.

(Per Share Information)

Fiscal year ended January 31, 2025		Fiscal year ended January 31, 2026	
Net assets per share	290.05yen	Net assets per share	302.84yen
Basic earnings per share	23.59yen	Basic earnings per share	20.99yen
Diluted earnings per share is not presented because there are no potential shares with dilutive effect.		Diluted earnings per share is not presented because there are no potential shares with dilutive effect.	

(Note) The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	198,412	176,705
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common shares (thousand yen)	198,412	176,705
Weighted-average number of common shares outstanding (shares)	8,410,159	8,418,520
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (thousand yen)	—	—
Increase in number of common shares (shares)	—	—
(of which stock acquisition rights (shares))	(—)	(—)
Outline of potential shares not included in the calculation of diluted earnings per share because they have no dilutive effect	2020 First Stock Acquisition Rights (7,400 shares) 2022 First Stock Acquisition Rights (110,000 shares) 2023 First Stock Acquisition Rights (34,000 shares) 2023 Second Stock Acquisition Rights (300,000 shares) 2023 Third Stock Acquisition Rights (400,000 shares) For details, please refer to "Part IV: Information on the Company, 1. Status of Shares, (2) Status of Stock Acquisition Rights, etc."	2020 First Stock Acquisition Rights (7,400 shares) 2022 First Stock Acquisition Rights (107,000 shares) 2023 First Stock Acquisition Rights (34,000 shares) 2023 Second Stock Acquisition Rights (300,000 shares) 2023 Third Stock Acquisition Rights (400,000 shares) For details, please refer to "Part IV: Information on the Company, 1. Status of Shares, (2) Status of Stock Acquisition Rights, etc."

(Note) Diluted earnings per share for the previous consolidated fiscal year and the current consolidated fiscal year is not presented because there are no potential shares with dilutive effect.

(Significant Subsequent Events)

Not applicable.