Consolidated Financial Results

for the Fiscal Year Ended March 31, 2026

May 14, 2026

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

Company name	HAPPINET CORPORATION	
Stock listing	Tokyo Stock Exchange	
Code No.	7552	URL: https://www.happinet.co.jp/
Representative	Toshiyuki Mizutani, Representative Director, President and Chief Operating Officer	
Contact	Hiroshi Ishimaru, Director, Chief Financial Officer	
Date of general meeting of shareholders:		June 18, 2026
Scheduled filing date of the annual security report:		June 17, 2026
Scheduled starting date for dividend payments:		June 19, 2026
The additional materials of the financial results:		Yes
The information session of the financial results:		Yes (For institutional investors and analysts)

(Figures are in millions of yen, rounded down)

Ⅰ. Consolidated Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended March 31,2026	439,052	20.5	15,590	33.5	15,701	31.2	10,096	49.2
Fiscal Year Ended March 31,2025	364,418	4.0	11,677	34.6	11,963	33.3	6,764	2.8

(Note) Comprehensive income: FY2026.3 9,382million yen [12.4%]
FY2025.3 8,350million yen [10.6%]

	Earnings per share	Earnings per share (diluted)
	¥	¥
Fiscal Year Ended March 31,2026	230.91	227.26
Fiscal Year Ended March 31,2025	153.41	151.00

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

	Return on Equity (ROE)	Return on Asset (ROA)	Operating income margin
	%	%	%
Fiscal Year Ended March 31,2026	17.5	11.8	3.6
Fiscal Year Ended March 31,2025	12.7	10.2	3.2

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal Year Ended March 31,2026	144,003	60,285	41.6	1,382.59
Fiscal Year Ended March 31,2025	121,452	55,672	45.5	1,259.24

(Reference)
Equity: As of March 31, 2026 59,883million yen
As of March 31, 2025 55,269million yen

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

(3) Consolidated Statement of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at year-end
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended March 31,2026	15,831	△ 1,184	△ 4,798	50,825
Fiscal Year Ended March 31,2025	18,121	△ 2,802	△ 3,993	40,977

Ⅱ. Dividend

	Dividend per share					Total dividend payment (Full Year)	Payout Ratio (Consolidated)	Dividend / Net Assets (Consolidated)
Dividend record dates	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year Ended March 31,2025	―	25.00	―	105.00	130.00	2,924	42.4	5.4
Fiscal Year Ended March 31, 2026	―	25.00	―	80.00	―	4,161	40.1	7.0
(Projection) Fiscal Year Ending March 31, 2027	―	15.00	―	―	―		―	

(Note) 1. On January 1, 2026, the Company conducted a two-for-one share split of its common shares. The interim dividend for the fiscal year ending March 31, 2026 has been made based on the number of shares before the share split and the year-end dividend for the fiscal year ending March 31, 2026 will be made based on the number of shares after the share split. If the share split is not considered, the annual dividend for the fiscal year ending March 31, 2026 will be 185 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.

Ⅲ. 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		Profit 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

※ Other Information

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: ―
Excluded: 1 company (Happinet Phantom Studios Corporation)

(2) 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

(3) Number of issued shares (common shares)
a) Number of issued shares at the end of the period (including treasury shares)
As of March 31, 2026 48,100,000shares
As of March 31, 2025 48,100,000shares
b) Number of treasury shares at the end of the period
As of March 31, 2026 4,787,411shares
As of March 31, 2025 4,208,724shares
c) Average number of shares during the period
For the fiscal year ended March 31, 2026 43,722,151shares
For the fiscal year ended March 31, 2025 44,095,001shares

(Note) On January 1, 2026, the Company conducted a two-for-one share split of its common shares. Number of issued shares at the end of the period, the Number of treasury shares at the end of the period, and the Average number of shares during the period have been calculated as if the share split had occurred at the start of the previous fiscal year.

*Consolidated financial results reports are exempt from review conducted by certified public accountants or an audit corporation.
*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://happinet.co.jp/english/) on May 14, 2026.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(¥million)

	Prior Fiscal Year (As of March 31, 2025)	Current Fiscal Year (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	41,005	50,825
Notes receivable - trade	128	38
Electronically recorded monetary claims - operating	2,821	4,065
Accounts receivable - trade	37,887	50,822
Inventories	8,160	8,689
Other	6,939	6,451
Allowance for doubtful accounts	△4	△4
Total current assets	96,938	120,888
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,883	4,071
Accumulated depreciation	△1,868	△2,206
Buildings and structures, net	2,015	1,865
Machinery, equipment and vehicles	2,087	2,079
Accumulated depreciation	△310	△590
Machinery, equipment and vehicles, net	1,776	1,488
Tools, furniture and fixtures	1,388	1,305
Accumulated depreciation	△1,115	△1,064
Tools, furniture and fixtures, net	273	240
Land	1,564	1,564
Construction in progress	―	13
Total property, plant and equipment	5,629	5,172
Intangible assets		
Goodwill	2,044	1,460
Other	1,867	1,586
Total intangible assets	3,911	3,046
Investments and other assets		
Investment securities	9,136	7,997
Deferred tax assets	1,338	1,696
Other	4,501	5,617
Allowance for doubtful accounts	△3	△416
Total investments and other assets	14,972	14,895
Total non-current assets	24,514	23,114
Total assets	121,452	144,003
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,814	55,154
Accounts payable - other	10,684	12,876
Income taxes payable	2,767	4,179
Contract liabilities	924	1,086
Provision for bonuses	338	316
Other	1,992	2,647
Total current liabilities	58,522	76,261
Non-current liabilities		
Provision for share awards	315	473
Provision for share awards for directors (and other officers)	343	748
Retirement benefit liability	3,434	3,502
Deferred tax liabilities	593	197
Asset retirement obligations	921	969
Other	1,649	1,565
Total non-current liabilities	7,257	7,456
Total liabilities	65,780	83,717
Net assets		
Shareholders' equity		
Share capital	2,751	2,751
Capital surplus	3,353	3,353
Retained earnings	47,103	54,275
Treasury shares	△2,996	△4,840
Total shareholders' equity	50,212	55,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,066	4,336
Deferred gains or losses on hedges	△8	7
Total accumulated other comprehensive income	5,057	4,343
Share acquisition rights	402	402
Total net assets	55,672	60,285
Total liabilities and net assets	121,452	144,003

2. Consolidated Financial Statements

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

Consolidated Statements of Income (¥ million)

	Prior Fiscal Year (April 1, 2024 - March 31, 2025)	Current Fiscal Year (April 1, 2025 - March 31, 2026)
Net sales	364,418	439,052
Cost of sales	319,489	386,422
Gross profit	44,928	52,630
Selling, general and administrative expenses		
Warehouse deposit expenses	4,654	5,826
Freight costs	2,699	2,883
Promotion expenses	1,603	2,686
Remuneration, salaries and allowances for directors (and other officers)	10,168	10,538
Provision for bonuses	282	261
Provision for share awards	53	186
Provision for share awards for directors (and other officers)	150	404
Retirement benefit expenses	145	460
Supplies expenses	2,071	1,888
Rent expenses on land and buildings	2,625	2,900
Depreciation	1,288	1,245
Amortization of goodwill	584	584
Other	6,924	7,174
Total selling, general and administrative expenses	33,250	37,040
Operating profit	11,677	15,590
Non-operating income		
Interest income	21	82
Dividend income	149	170
Foreign exchange gains	—	104
Gain on sales of machinery	59	80
Rental income from real estate	63	66
Other	97	44
Total non-operating income	391	547
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	34	—
Provision of allowance for doubtful accounts	—	381
Rental expenses on real estate	63	47
Other	7	6
Total non-operating expenses	105	436
Ordinary profit	11,963	15,701
Extraordinary income		
Gain on sale of non-current assets	10	2
Gain on sale of investment securities	—	13
Gain on liquidation of subsidiaries and associates	95	—
Total extraordinary income	106	16
Extraordinary losses		
Loss on sale of non-current assets	0	—
Impairment losses	1,356	22
Loss on retirement of non-current assets	46	21
Loss on valuation of investment securities	81	—
Loss on valuation of shares of subsidiaries and associates	—	14
Loss on liquidation of subsidiaries and associates	—	4
Total extraordinary losses	1,485	62
Profit before income taxes	10,584	15,655
Income taxes - current	4,414	5,987
Income taxes - deferred	△593	△427
Total income taxes	3,820	5,559
Profit	6,764	10,096
Profit attributable to owners of parent	6,764	10,096

2. Consolidated Financial Statements

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

Consolidated Statements of Comprehensive Income

(¥ million)

	Prior Fiscal Year (April 1, 2024 - March 31, 2025)	Current Fiscal Year (April 1, 2025 - March 31, 2026)
Profit	6,764	10,096
Other comprehensive income		
Valuation difference on available-for-sale securities	1,595	△729
Deferred gains or losses on hedges	△10	16
Total other comprehensive income	1,585	△713
Comprehensive income	8,350	9,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,350	9,382
Comprehensive income attributable to non-controlling interests	—	—

2. Consolidated Financial Statements
(3) Consolidated Statements of Changes in Equity

Prior Fiscal Year (April 1, 2024 - March 31, 2025)

(¥million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,751	3,353	43,187	△1,866	47,425
Changes during period					
Dividends of surplus			△2,848		△2,848
Profit attributable to owners of parent			6,764		6,764
Purchase of treasury shares				△1,142	△1,142
Disposal of treasury shares				13	13
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,916	△1,129	2,786
Balance at end of period	2,751	3,353	47,103	△2,996	50,212

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	3,470	1	3,471	402	51,299
Changes during period					
Dividends of surplus					△2,848
Profit attributable to owners of parent					6,764
Purchase of treasury shares					△1,142
Disposal of treasury shares					13
Net changes in items other than shareholders' equity	1,595	△10	1,585	—	1,585
Total changes during period	1,595	△10	1,585	—	4,372
Balance at end of period	5,066	△8	5,057	402	55,672

2. Consolidated Financial Statements
(3) Consolidated Statements of Changes in Equity

Current Fiscal Year (April 1, 2025- March 31, 2026) (¥million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,751	3,353	47,103	△2,996	50,212
Changes during period					
Dividends of surplus			△2,924		△2,924
Profit attributable to owners of parent			10,096		10,096
Purchase of treasury shares				△1,872	△1,872
Disposal of treasury shares				28	28
Net changes in items other than shareholders' equity					
Total changes during period	—	—	7,171	△1,844	5,327
Balance at end of period	2,751	3,353	54,275	△4,840	55,539

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	5,066	△8	5,057	402	55,672
Changes during period					
Dividends of surplus					△2,924
Profit attributable to owners of parent					10,096
Purchase of treasury shares					△1,872
Disposal of treasury shares					28
Net changes in items other than shareholders' equity	△729	16	△713	—	△713
Total changes during period	△729	16	△713	—	4,613
Balance at end of period	4,336	7	4,343	402	60,285

2. Consolidated Financial Statements
(4) Consolidated Statements of Cash Flows

(¥million)

	Prior Fiscal Year (April 1, 2024 - March 31, 2025)	Current Fiscal Year (April 1, 2025 - March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	10,584	15,655
Depreciation	1,817	1,311
Impairment losses	1,356	22
Amortization of goodwill	584	584
Increase (decrease) in allowance for doubtful accounts	△26	413
Increase (decrease) in provision for bonuses	11	△21
Increase (decrease) in retirement benefit liability	△206	67
Interest and dividend income	△171	△252
Interest expenses	0	0
Foreign exchange losses (gains)	△7	△43
Loss (gain) on sale and retirement of non-current assets	36	18
Loss (gain) on sale of investment securities	―	△13
Loss (gain) on valuation of investment securities	81	―
Loss on valuation of shares of subsidiaries and associates	―	14
Decrease (increase) in trade receivables	5,762	△14,120
Decrease (increase) in inventories	△454	△529
Increase (decrease) in trade payables	1,792	13,339
Increase (decrease) in accounts payable - other	1,908	2,293
Decrease (increase) in guarantee deposits	△161	△438
Increase (decrease) in accrued consumption taxes	△353	697
Decrease (increase) in other assets	△526	540
Increase (decrease) in other liabilities	423	629
Subtotal	22,451	20,170
Interest and dividends received	165	238
Interest paid	△0	△0
Income taxes paid	△4,495	△4,605
Income taxes refund	0	29
Net cash provided by (used in) operating activities	18,121	15,831
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	―	28
Purchase of property, plant and equipment	△2,135	△370
Proceeds from sale of property, plant and equipment	14	3
Purchase of intangible assets	△412	△278
Purchase of investment securities	△8	△8
Proceeds from sale of investment securities	―	70
Loan advances	△241	△613
Purchase of shares of subsidiaries	△14	―
Other, net	△3	△15
Net cash provided by (used in) investing activities	△2,802	△1,184
Cash flows from financing activities		
Purchase of treasury shares	△1,142	△1,872
Dividends paid	△2,850	△2,925
Net cash provided by (used in) financing activities	△3,993	△4,798
Effect of exchange rate change on cash and cash equivalents	△0	0
Net increase (decrease) in cash and cash equivalents	11,324	9,848
Cash and cash equivalents at beginning of period	29,652	40,977
Cash and cash equivalents at end of period	40,977	50,825

3. Consolidated Financial Results by Business Segments

(1) Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 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	169,465	64,524	78,070	52,358	364,418	—	364,418
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	169,465	64,524	78,070	52,358	364,418	—	364,418
Segment income	9,118	976	252	3,023	13,370	△ 1,692	11,677
Segment assets	34,909	16,924	14,776	10,914	77,526	43,926	121,452
Others							
Depreciation*3	562	147	578	424	1,713	84	1,797
Amortization of goodwill	382	64	136	—	584	—	584
Increase in Property, plant and equipment and Intangible assets	1,401	122	467	641	2,633	27	2,660

*1 (1) The △1,692million yen adjustment to segment income or loss(△) 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) The 43,926million yen adjustment to segment assets includes unallocated operating assets.
The assets cannot be assigned to any particular segment and are mostly administrative assets incurred by the administration sector of the HAPPINET CORPORATION.
*2 Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.
*3 Depreciation includes amortization of long-term prepaid expenses.

(2) Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 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	192,417	62,216	119,019	65,398	439,052	—	439,052
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	192,417	62,216	119,019	65,398	439,052	—	439,052
Segment income or loss(△)	11,317	△ 1,115	2,201	5,192	17,595	△ 2,005	15,590
Segment assets	39,815	14,558	24,078	13,468	91,921	52,081	144,003
Others							
Depreciation*3	563	128	130	407	1,229	61	1,291
Amortization of goodwill	382	64	136	—	584	—	584
Increase in Property, plant and equipment and Intangible assets	105	10	22	439	577	32	609

*1 (1) The △2,005million yen adjustment to segment income or loss(△) 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) The 52,081million yen adjustment to segment assets includes unallocated operating assets.
The assets cannot be assigned to any particular segment and are mostly administrative assets incurred by the administration sector of the HAPPINET CORPORATION.
*2 Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.
*3 Depreciation includes amortization of long-term prepaid expenses.