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Consolidated Financial Results for the Fiscal Year Ended April 30, 2026 [Japanese GAAP]



June 9, 2026

Company name: Asukanet Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2438
 URL: <https://www.asukanet.co.jp>
 Representative: Daikichiro Murakami, Representative Director & President
 Contact: Kenya Kono, Managing Director & CFO
 Phone: +81-82-850-1200
 Scheduled date of Annual General Meeting of Shareholders: July 29, 2026
 Scheduled date of commencing dividend payments: July 30, 2026
 Scheduled date of filing annual securities report: July 24, 2026
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended April 30, 2026

(May 1, 2025 to April 30, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2026	7,102	(2.2)	391	125.6	428	139.7	292	-
April 30, 2025	7,263	3.2	173	(61.2)	178	(62.3)	(263)	-

(Note) Comprehensive income: Fiscal year ended April 30, 2026: ¥316 million [-%]

Fiscal year ended April 30, 2025: ¥(269) million [-%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
April 30, 2026	18.95	-	5.5	6.8	5.5
April 30, 2025	(16.30)	-	(4.6)	2.7	2.4

(Reference) Equity in earnings of affiliated companies: Fiscal year ended April 30, 2026: ¥- million

Fiscal year ended April 30, 2025: ¥- million

(Note) Diluted earnings per share is not presented as there were no potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2026	6,223	5,337	85.8	355.82
As of April 30, 2025	6,349	5,386	84.8	342.98

(Reference) Equity: As of April 30, 2026: ¥5,337 million

As of April 30, 2025: ¥5,386 million

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
April 30, 2026	647	(534)	(411)	1,383
April 30, 2025	863	(324)	(516)	1,681

2. Dividends

	Annual dividends					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
April 30, 2025	-	0.00	-	7.00	7.00	109	-	2.0
Fiscal year ended	-	0.00	-	7.00	7.00	105	36.9	2.0
April 30, 2026	-	0.00	-	7.00	7.00			
Fiscal year ending	-	0.00	-	7.00	7.00		33.1	
April 30, 2027 (Forecast)								

3. Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2027 (May 1, 2026 to April 30, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,860	10.7	460	17.4	475	10.8	315	7.6	21.13

(Note) As the Company manages its financial results at an annual base, the financial results forecast for the first half is not disclosed.

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
Newly included: — company (—)
Excluded: — company (—)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
April 30, 2026: 17,464,000 shares
April 30, 2025: 17,464,000 shares
 - 2) Total number of treasury shares at the end of the period:
April 30, 2026: 2,462,747 shares
April 30, 2025: 1,759,346 shares
 - 3) Average number of shares during the period:
Fiscal year ended April 30, 2026: 15,452,208 shares
Fiscal year ended April 30, 2025: 16,138,920 shares

* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

4. Overview of Business Results

Overview of Business Results

During the current fiscal year, the economy has been on a gradual recovery path, supported by solid corporate earnings and improvements in employment and income conditions and strong performance by AI-related companies. In addition to concerns over rising raw material and energy prices driven by the weakening yen and the resulting decline in consumer sentiment, the outlook remains uncertain due to factors such as escalating geopolitical risks in Ukraine and the Middle East.

Under these circumstances, Asukanet operates three business areas, each with different positioning and characteristics. They are (1) the funeral business, which adds digital processing and remote output services for photos of the deceased to a funeral business that is largely unaffected by economic trends, (2) the photo book business, which provides ideas for new photo output methods that allow users to create complete photo collections beginning from just a single book, and (3) the aerial display business, which is utilizing unique, recently-developed technologies aiming to create a new market and achieve dreams.

Following is an overview of the business results for each segment. The result figures for each segment include internal inter-segment sales.

(Funeral business)

In this business segment, we steadily secured new contracts through our in-house sales efforts, however, the nationwide decline in the number of funerals conducted, which began at the start of the current fiscal year, has persisted throughout the year, resulting in an inevitable decline in revenue from our core image processing services. Consequently, sales of supplies such as frames and paper also decreased. On the other hand, sales increased for hardware equipment, such as systems for printing memorial portraits and digital signage devices.

Regarding “tsunagoo,” our digital transformation service for the funeral industry, while the number of new contracts acquired was lower than expected, the contract utilization rate improved. This led to increased usage of services such as floral tributes, memorial offerings, and condolence messages, resulting in higher commission revenue.

In addition, we worked to expand subscriptions for our new AI-powered service, “snapCINEMA,” while also advancing the development of a VR training system for funeral homes and planning an original song production service. Furthermore, we have been preparing to enter the pet funeral market.

In terms of profitability, segment profit declined due to a significant decrease in gross profit resulting from lower image processing revenue, compounded by increases in personnel expenses and cloud service fees.

As a result, net sales amounted to 3,301,875 thousand yen (97.4% year-on-year), and segment profit amounted to 632,515 thousand yen (78.9% year-on-year).

(Photo book business)

In this business segment, we operate *AsukaBook* for the professional photography market, and *MyBook* for the general consumer market. We are also engaged in OEM supply of photo albums and photo prints based on photos that were taken with smartphones.

In the professional photographer market, the core wedding segment faces challenging conditions due to shrinking ceremony sizes and the shift toward digital photography. Under these circumstances, our efforts to secure major clients through factory tours and to strengthen product development and sales initiatives following the withdrawal of competitors proved successful. We also worked to ensure the full implementation of product price increases and to secure orders for BPO-style services that handle peripheral operations related to photo processing.

Although conditions in the domestic consumer market remain challenging, we have implemented various initiatives, such as expanding our lineup of seasonal products, including calendars to attract new customers, and conducting community marketing to build a fan base. We have also developed an upgraded version of our photo book ordering software. Additionally, we have collaborated with IP holders to develop proprietary products tailored to fan activities.

In the virtual business sector, our subsidiary, BET Co., Ltd., has been taking on new challenges, such as expanding overseas and launching an agency for male livestreamers. Furthermore, continuing from last year, we held VTuber festivals in two

locations—Hiroshima and Tokushima—and achieved some success in our efforts to revitalize these regions.

In terms of profitability, although BET Co., Ltd. faced challenges in its profit and loss performance and was impacted by soaring raw material prices and rising labor costs, the gross profit margin improved and segment profit increased due to the full implementation of price revisions, as well as the results of efforts to reduce fixed costs and improve production efficiency.

As a result, net sales amounted to 3,704,662 thousand yen (99.2% year-on-year), and segment profit amounted to 677,772 thousand yen (112.7% year-on-year).

(Aerial display business)

Through this business, we aim to create new markets by utilizing innovative image and video expressions based on aerial imaging technology. We develop, manufacture, and sell both glass and resin versions of the “ASKA3D Plate”—a proprietary technology that enables aerial imaging—while also conducting research and development on new technologies.

Since the start of this fiscal year, we have revised our business strategy and have been working diligently to implement it. On the sales front, we have shifted our focus from the previous model of selling individual panels to offering the experiential value of aerial displays as packaged products that integrate content and hardware. Under this strategy, we developed the “Floating Live Stage Takumi MAX” for the B2B market and have been proposing it to local governments and other entities in the entertainment, tourism, and education sectors; we are beginning to see results in areas such as AI-powered customer service. For the B2C market, we have developed the compact “Floating Live Stage HOME” and are exploring sales opportunities through partnerships with IP holders and in the fan community sector.

In terms of manufacturing and development, we have shifted our strategy from in-house production to one focused on providing our assets, such as proprietary technologies, patents, and know-how to outside partners, such as licensing etc. In line with this strategy, we have decided to close our in-house technology development center. Furthermore, we have been engaged in negotiations with strategic partners, primarily overseas, and have signed a contract to provide a licensing package for our ASKA3D resin plates in the Chinese market. In addition, we have been proceeding with patent applications for active-matrix technologies related to our new naked-eye 3D display technology, as well as the production and verification of prototype units.

In terms of profit and loss, although sales were challenging, we worked to improve profitability on a project-by-project basis, reduced advertising and promotional expenses as well as travel and transportation costs by curbing our participation in trade shows, and controlled costs by focusing our research and development efforts on new technologies.

As a result, net sales amounted to 105,029 thousand yen (72.7% year-on-year), and the segment loss was 283,925 thousand yen (compared to a loss of 533,104 thousand yen in the previous fiscal year).

As a result, net sales amounted to 7,102,763 thousand yen (97.8% year-on-year). Although the aerial display business recorded a loss from the closure of its in-house technology development center, segment profit in the photo book business recovered, and the inventory valuation losses and impairment losses recorded in the aerial display business in the previous fiscal year were eliminated. Consequently, ordinary profit was 428,614 thousand yen (239.7% year-on-year), and net income attributable to owners of the parent amounted to 292,817 thousand yen (compared to a loss of 263,056 thousand yen in the previous fiscal year).

(2) Overview of financial conditions

(Overall)

Total assets at the end of the current fiscal year decreased by 125,903 thousand yen compared to the previous fiscal year, amounting to 6,223,323 thousand yen. The primary reason for this was a decrease of 298,669 thousand yen in cash and deposits, offset by increases of 76,366 thousand yen in machinery, equipment, and vehicles, and 64,832 thousand yen in investment securities. In addition, the equity ratio increased by 1.0 percentage points compared to the previous fiscal year, reaching 85.8%.

(Current assets)

As of the end of the current fiscal year, current assets decreased by 246,285 thousand yen compared to the previous fiscal year, totaling 2,827,279 thousand yen. This was primarily due to a decrease of 298,669 thousand yen in cash and deposits.

(Fixed assets)

As of the end of the current fiscal year, fixed assets increased by 120,382 thousand yen compared to the previous fiscal year, totaling 3,396,043 thousand yen. This was primarily due to increases of 76,366 thousand yen in machinery, equipment, and vehicles, and 64,832 thousand yen in investment securities.

(Current liabilities)

Current liabilities at the end of the current fiscal year decreased by 74,513 thousand yen compared to the previous fiscal year, totaling 882,817 thousand yen. This was primarily due to a decrease of 79,527 thousand yen in accounts payable.

(Fixed liabilities)

Fixed liabilities at the end of the current fiscal year decreased by 2,765 thousand yen compared to the previous fiscal year, totaling 2,775 thousand yen.

(Net assets)

Net assets at the end of the current fiscal year decreased by 48,624 thousand yen compared to the previous fiscal year, totaling 5,337,729 thousand yen. The primary reasons for this were the recording of net income attributable to owners of the parent company of 292,817 thousand yen, payment of dividends from retained earnings of 109,932 thousand yen, and an increase in treasury stock of 239,305 thousand yen.

(3) Summary of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the current fiscal year decreased by 298,669 thousand yen compared to the previous fiscal year to 1,383,204 thousand yen due to capital expenditures on equipment such as printing presses, the purchase of treasury stock, and dividend payments.

(Cash Flows from Operating Activities)

Net cash provided by operating activities for the current fiscal year was 647,698 thousand yen (compared to 863,027 thousand yen in the previous fiscal year). This was primarily due to an increase in cash resulting from net income before income taxes of 409,816 thousand yen and depreciation and amortization of 312,830 thousand yen, despite a decrease in cash resulting from income tax payments of 95,929 thousand yen and an increase in accounts receivable of 22,853 thousand yen.

(Cash Flows from Investing Activities)

During the current fiscal year, net cash used in investing activities amounted to 534,928 thousand yen (compared to 324,626 thousand yen in the previous fiscal year). This was primarily due to a decrease in cash resulting from expenditures of 404,068 thousand yen for the acquisition of property, plant, and equipment, and 58,185 thousand yen for the acquisition of intangible assets.

(Cash Flows from Financing Activities)

During the current fiscal year, net cash used in financing activities amounted to 411,439 thousand yen (compared to 516,542 thousand yen in the previous fiscal year). This was primarily due to a decrease in cash resulting from expenditures of 299,837 thousand yen for the purchase of treasury stock and dividend payments of 110,404 thousand yen.

(4) Future outlook

Looking ahead to the next fiscal year, while the economy is expected to remain robust, driven by rising stock prices and strong performance from AI-related companies, concerns are growing regarding a potential decline in consumer spending due to rising prices caused by a weak yen, as well as increasing uncertainty about the future stemming from unstable international conditions, such as the situation in Iran.

Our company is pursuing a business model suited to the times, offering customized services for each individual starting from a minimum order of just one unit, with the aim of capturing stable demand. Although we have established solid business models for both our funeral and photobook businesses, we recognize that the environment remains unpredictable due to trends such as the downsizing of life events and the slow recovery of photo printing. Regarding our aerial display business, which we are pursuing as a challenge aimed at creating new markets, we have implemented organizational changes and reviewed our policies for the fiscal year ending April 2026. We are moving toward supplying our proprietary assets, such as patents and know-how to outside partners, and have also decided to close our in-house technology development center.

Under these circumstances, the assumptions and measures for the earnings forecast for the fiscal year ending April 2027 are as follows.

In our funeral services business, the trend toward smaller-scale funerals—as seen in family-only services—continues, and the outlook for the funeral market remains far from optimistic. Furthermore, for the fiscal year ended April 2026, the number of funerals conducted nationwide showed a downward trend, resulting in challenging financial results. On the other hand, there is a growing need among funeral homes for operational efficiency and new revenue streams. New services we are promoting, such as our funeral DX service “tsunagoo” and “snapCINEMA,” which utilizes AI technology, are being steadily adopted, and we will continue to work toward their wider adoption. Furthermore, in the fiscal year ending April 2027, we will launch new services such as educational services utilizing XR technology and funeral ceremony production services featuring original music. We will also expand into the pet funeral sector, a new area of business, to drive growth in the B2C business segment.

In our photo book business, while the wedding photo album segment—our mainstay in the professional photography market—faces a challenging environment due to stagnant growth in the number of weddings and the shift toward digital formats, we are seeing positive results. These include the successful adoption of the price revisions implemented in the fiscal year ended April 2026, as well as the capture of business opportunities arising from the withdrawal of competitors. Furthermore, we are securing contracts for BPO-style services that handle outsourcing in areas related to photo processing driven by customer challenges such as labor shortages and we intend to expand this business. In the consumer market, we will continue community marketing to attract new fans and proceed with the launch of on-demand products in the “oshi-katsu” (idol fandom) sector. Additionally, we will significantly upgrade and launch “MyBook Editor,” our photo album ordering software.

With regard to our consolidated subsidiary, BET Co., Ltd., we will continue to expand its operations as a VTuber agency, while also expanding our male livestreamer agency and advancing our business operations in the United States. Additionally, starting with the fiscal year ending April 2027, we will reclassify the business segment from the photobook business to the aerial display business, thereby further strengthening collaboration between the parent company and its subsidiary.

Regarding our aerial display business, we will expand sales of our “Floating Live Stage” series of packaged products to sectors such as entertainment, tourism, and education, including local governments. Meanwhile, for our resin-based ASKA3D plates, we will seek to secure strategic partners, primarily overseas, to provide licensing packages for our technology, patents, and know-how. We will strengthen our collaboration with the Chinese company with which we signed a contract this year to provide the licensing package and support the early establishment of a manufacturing system. Regarding the XR team, we will deepen collaboration with our subsidiaries to create new business opportunities, while also aiming to develop and provide consumer-oriented products such as “Floating Live Stage HOME.” We will continue to host VTuber festivals and implement initiatives from the perspective of regional revitalization combined with virtual technology. On the development front, we will proceed with obtaining patents, prototyping, and verifying active-type technologies, while also marketing these technologies and seeking strategic partners. Our decision to close the technology development center will result in a reduction in fixed costs.

Currently, our offices are spread across three locations in Tokyo; therefore, we plan to consolidate these locations during the fiscal year ending April 2027, and we have factored the associated costs into our forecast.

Based on the above, our outlook for the fiscal year ending April 2027 is as follows: net sales of 7,860 million yen, operating income of 460 million yen, ordinary income of 475 million yen, and net income attributable to owners of the parent of 315 million yen.

Please note that while the outlook for the fiscal year ending April 2027 is based on the assumptions outlined above, there are many uncertainties, and any changes to these assumptions could affect the earnings forecast. Furthermore, new businesses such as the aerial display business involve unprecedented technological research and marketing efforts, and therefore contain many uncertainties regarding their commercialization.

Note: The above outlook is based on information available as of the date of this document’s release; actual results may differ from the forecast figures due to various factors.

5. Basic Approach to the Selection of Accounting Standards

Taking into account the comparability of financial statements and other factors, we currently intend to prepare our financial statements in accordance with Japanese accounting standards. Furthermore, regarding the adoption of IFRS (International Financial Reporting Standards), we intend to respond appropriately in light of domestic and international conditions.

6. Consolidated Financial Statements for the Fiscal Year

(1) Consolidated balance sheets

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	Current fiscal year (Ended April 30, 2026)
Assets		
Current assets		
Cash and deposits	1,686,873	1,388,204
Notes receivable-trade	148	498
Accounts receivable-trade	824,611	845,745
Merchandise and products	379,964	360,499
Work in progress	32,350	39,716
Raw materials and supplies	96,893	107,168
Others	62,889	92,861
Allowance for doubtful accounts	(10,166)	(7,414)
Total current assets	3,073,565	2,827,279
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	755,156	713,607
Machinery and equipment, net	398,823	475,190
Land	844,060	844,060
Construction in progress	—	5,753
Others net	157,991	156,484
Total tangible fixed assets	2,156,032	2,195,095
Intangible fixed assets		
Goodwill	260,325	221,758
Others	191,325	185,945
Total intangible fixed assets	451,650	407,703
Investments and other assets		
Investment securities	331,602	396,434
Deferred tax assets	226,487	221,209
Others	109,888	175,600
Total investments and other assets	667,978	793,244
Total fixed assets	3,275,661	3,396,043
Total assets	6,349,226	6,223,323

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	Current fiscal year (Ended April 30, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	172,395	157,474
Accounts payable-other	293,956	214,428
Income taxes payable	62,602	81,790
Advances received	16,111	6,593
Provision for bonuses	181,640	188,945
Others	230,625	233,585
Total current liabilities	957,331	882,817
Fixed liabilities		
Retirement benefit liabilities	4,343	2,775
Others	1,197	—
Total fixed liabilities	5,541	2,775
Total liabilities	962,872	885,593
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus	624,759	609,018
Retained earnings	5,247,868	5,430,753
Treasury stock	(1,012,228)	(1,251,533)
Total shareholders' equity	5,350,699	5,278,539
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,654	59,190
Total accumulated other comprehensive income	35,654	59,190
Total net assets	5,386,354	5,337,729
Total liabilities and net assets	6,349,226	6,223,323

(2) Consolidated profit and loss statements and consolidated statements of comprehensive income

Consolidated profit and loss statements

(Units: 1,000s yen)

	Previous fiscal year (May 1, 2024-April 30, 2025)	Current fiscal year (May 1, 2025-April 30, 2026)
Net sales	7,263,016	7,102,763
Cost of sales	4,220,363	3,867,213
Gross profit	3,042,653	3,235,549
Selling, general, and administrative expenses	2,868,990	2,843,726
Operating income	173,662	391,822
Non-operating income		
Interest received	2,496	4,450
Dividends received	2,125	2,575
Rent received	996	800
Foreign exchange gain	—	5,161
Insurance gain	—	12,160
Grant received	2,281	9,890
Others	1,845	2,650
Total non-operating income	9,743	37,688
Non-operating expenses		
Loss from investment entity	451	—
Foreign exchange loss	2,999	—
Expense for purchasing treasury stocks	1,136	896
Others	13	—
Total non-operating expenses	4,600	896
Ordinary income	178,805	428,614
Extraordinary income		
Gain on sale of fixed assets	—	5,055
Total extraordinary income	—	5,055
Extraordinary losses		
Loss from retirement of fixed assets	56,682	1,852
Loss on valuation of investment securities	230,492	—
Impairment loss	149,913	—
Loss on closure of a business facility	—	22,001
Total extraordinary losses	437,088	23,853
Net income before taxes	(258,282)	409,816
Income taxes etc.	116,081	122,018
Income tax adjustment	(111,307)	(5,020)
Total income taxes	4,774	116,998
Net income or net loss	(263,056)	292,817
Net income or net loss attributable to owners of the parent	(263,056)	292,817

Cosolidated statements of comprehensive income

(Units: 1,000s yen)

	Previous fiscal year (May 1, 2024-April 30, 2025)	Current fiscal year (May 1, 2025-April 30, 2026)
Net income or net loss	(263,056)	292,817
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,154)	23,536
Total other comprehensive income	(6,154)	23,536
Comprehensive income	(269,211)	316,354
(Breakdown)		
Comprehensive income attributable to owners of the parent	(269,211)	316,354

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (May 1, 2024 – April 30, 2025)

(Units: 1,000s yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance for the period	490,300	626,380	5,626,124	(627,799)	6,115,005
Changes during the period					
Distribution of surplus			(115,198)		(115,198)
Net loss attributable to shareholders of the parent company			(263,056)		(263,056)
Acquisition of treasury stock				(398,936)	(398,936)
Disposal of treasury stock		(1,621)		14,507	12,885
Changes in items other than shareholders' equity during the period (net)					
Total changes for the period	—	(1,621)	(378,255)	(384,428)	(764,305)
Balance at the end of the period	490,300	624,759	5,247,868	(1,012,228)	5,350,699

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Opening balance for the period	41,808	41,808	6,156,814
Changes during the period			
Distribution of surplus			(115,198)
Net loss attributable to shareholders of the parent company			(263,056)
Acquisition of treasury stock			(398,936)
Disposal of treasury stock			12,885
Changes in items other than shareholders' equity during the period (net)	(6,154)	(6,154)	(6,154)
Total changes for the period	(6,154)	(6,154)	(770,460)
Balance at the end of the period	35,654	35,654	5,386,354

Current consolidated fiscal year (May 1, 2025 – April 30, 2026)

(Units: 1,000s yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance for the period	490,300	624,759	5,247,868	(1,012,228)	5,350,699
Changes during the period					
Distribution of surplus			(109,932)		(109,932)
Net income attributable to shareholders of the parent company			292,817		292,817
Acquisition of treasury stock				(298,940)	(298,940)
Disposal of treasury stock		(15,740)		59,635	43,894
Changes in items other than shareholders' equity during the period (net)					
Total changes for the period	—	(15,740)	182,885	(239,305)	(72,160)
Balance at the end of the period	490,300	609,018	5,430,753	(1,251,533)	5,278,539

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Opening balance for the period	35,654	35,654	5,386,354
Changes during the period			
Distribution of surplus			(109,932)
Net income attributable to shareholders of the parent company			292,817
Acquisition of treasury stock			(298,940)
Disposal of treasury stock			43,894
Changes in items other than shareholders' equity during the period (net)	23,536	23,536	23,536
Total changes for the period	23,536	23,536	(48,624)
Balance at the end of the period	59,190	59,190	5,337,729

(4) Consolidated statements of cash flows

(Units: 1,000s yen)

	Previous fiscal year (May 1, 2024-April 30, 2025)	Current fiscal year (May 1, 2025-April 30, 2026)
Cash flows resulting from operating activities		
Net income or net loss before taxes	(258,282)	409,816
Depreciation expenses	375,855	312,830
Impairment loss	149,913	—
Amortization of goodwill	38,566	38,566
Increase (decrease) in allowance for doubtful accounts	1,317	(1,506)
Increase (decrease) in provision for bonuses	(3,310)	7,305
Interest and dividends received	(4,621)	(7,025)
Revenue from grant	(2,281)	(9,890)
Impairment loss of investment securities	230,492	—
Revenue from investment partnership (gains)	451	—
Revenue from insurance	—	(12,160)
Loss on sales of fixed assets	—	(5,055)
Loss on disposal of fixed assets	56,682	1,852
Loss on closure of business facility	—	22,001
Decrease (increase) in notes and accounts receivable-trade	76,783	(22,853)
Decrease (increase) in inventory assets	310,948	1,824
Increase (decrease) in accounts payable-trade	(2,738)	(14,920)
Increase (decrease) in accounts payable	(34,978)	12,870
Increase (decrease) in accrued consumption taxes	19,623	(16,796)
Increase (decrease) in retirement benefit obligation	(361)	(1,567)
Others	48,455	14,113
Subtotal	1,002,516	729,404
Interest and dividends received	3,794	6,190
Amount of grant received	2,281	8,034
Income taxes paid	(145,564)	(95,929)
Cash flows due to operating activities	863,027	647,698
Cash flows due to investing activities		
Purchase of tangible fixed assets	(201,690)	(404,068)
Purchase of intangible fixed assets	(105,599)	(58,185)
Purchase of investment securities	—	(30,000)
Expenditures for loans	—	(700)
Collection of loans receivable	650	37
Payments into time deposits	(5,000)	(5,000)
Proceeds from withdrawal of time deposits	5,000	5,000
Proceeds from the surrender of insurance reserves	—	27,274
Others	(17,987)	(69,286)
Cash flows due to investing activities	(324,626)	(534,928)
Cash flows due to financing activities		
Purchase of treasury stock	(400,072)	(299,837)
Cash dividends paid	(115,032)	(110,404)
Others	(1,437)	(1,197)
Cash flows due to financing activities	(516,542)	(411,439)
Net increase (decrease) in cash and cash equivalents	21,858	(298,669)
Balance of cash and cash equivalents at beginning of year	1,660,015	1,681,873
Balance of cash and cash equivalents at end of year	1,681,873	1,383,204

(5) Notes to Consolidated Financial Statements
(Segment Information, etc.)

1 Overview of business segment

Our group's reportable segments are components of the group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

Our three main businesses are the funeral business, the photobook business, and the aerial display business, and business plans are formulated and developed for the products and services handled by each of these businesses. As a result, the group has three reporting segments: the funeral business, the photobook business, and the aerial display business.

The funeral business is mainly engaged in the digital processing and output of images such as portrait photographs for the funeral service market. The photobook business is mainly engaged in the creation and sales of photo books for individuals, targeting both general consumers and professional photographers, with the aim of integrating digital photography and on-demand printing. In the aerial display business, we are researching and developing aerial imaging technology as a new method of image/video expression and are promoting its commercialization. As a new field in the photobook business, consolidated subsidiary BET Inc. operates a VTuber office.

2 Methods of calculating sales, income or loss, assets, liabilities, and other items by reportable segment

Reported business segments are accounted for in accordance with the accounting policies used to prepare the consolidated financial statements. Inter-segment sales are based on third-party transaction prices.

3 Information related to the amounts of sales, income or loss, assets, liabilities, and other items for each reporting segment is provided.

Previous consolidated fiscal year (May 1, 2024 – April 30, 2025)

(Units:1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	3,389,901	3,728,726	144,387	7,263,016	—	7,263,016
Inter-segment transactions and eliminations	—	5,763	—	5,763	(5,763)	—
Total	3,389,901	3,734,489	144,387	7,268,779	(5,763)	7,263,016
Segment income (loss)	801,799	601,542	(533,104)	870,236	(696,573)	173,662
Others						
Depreciation	51,633	258,591	32,363	342,588	33,266	375,855

Current consolidated fiscal year (May 1, 2025 – April 30, 2026)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	3,301,875	3,695,858	105,029	7,102,763	—	7,102,763
Inter-segment transactions and eliminations	—	8,803	—	8,803	(8,803)	—
Total	3,301,875	3,704,662	105,029	7,111,567	(8,803)	7,102,763
Segment income (loss)	632,515	677,772	(283,925)	1,026,361	(634,538)	391,822
Others						
Depreciation	55,842	219,903	1,936	277,683	35,147	312,830

(Impairment loss)

Previous consolidated fiscal year (May 1, 2024 – April 30, 2025)

(Units: 1,000s yen)

	Funeral business	Photo book business	Aerial display business	Eliminations	Total
Impairment loss	—	—	149,913	—	149,913

Current consolidated fiscal year (May 1, 2025 – April 30, 2026)

(Units: 1,000s yen)

	Funeral business	Photo book business	Aerial display business	Eliminations	Total
Impairment loss	—	—	—	—	—

(Depreciation and year-end balance of goodwill)

Previous consolidated fiscal year (May 1, 2024 – April 30, 2025)

(Units: 1,000s yen)

	Funeral business	Photo book business	Aerial display business	Eliminations	Total
Depreciation during this period	—	38,566	—	—	38,566
Year-end balance	—	260,325	—	—	260,325

Current consolidated fiscal year (May 1, 2025 – April 30, 2026)

(Units: 1,000s yen)

	Funeral business	Photo book business	Aerial display business	Eliminations	Total
Depreciation during this period	—	38,566	—	—	38,566
Year-end balance	—	221,758	—	—	221,758