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Consolidated Financial Results for the Three Months Ended July 31, 2026 [Japanese GAAP]

September 8, 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
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Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on financial results: Not available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended July 31, 2026 (May 1, 2026 to July 31, 2026)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
July 31, 2026	1,726	4.8	(65)	-	(62)	-	(46)	-
July 31, 2025	1,646	(3.7)	(17)	-	(1)	-	(6)	-

(Note) Comprehensive income: For the three months ended July 31, 2026: ¥(33) million [- %]
For the three months ended July 31, 2025: ¥(1) million [- %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
July 31, 2026	(3.09)	-
July 31, 2025	(0.43)	-

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2026	5,966	5,198	87.1
As of April 30, 2026	6,223	5,337	85.8

(Reference) Equity: As of July 31, 2026: ¥5,198 million
As of April 30, 2026: ¥5,337 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended April 30, 2026	-	0.00	-	7.00	7.00
Fiscal year ending April 30, 2027	-				
Fiscal year ending April 30, 2027 (Forecast)		0.00	-	7.00	7.00

(Note) Revision to the forecast for dividends announced most recently: No

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) Revision to the financial results forecast announced most recently: No

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: — company (—)
Excluded: — company (—)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
July 31, 2026: 17,464,000 shares
April 30, 2026: 17,464,000 shares

2) Total number of treasury shares at the end of the period:
July 31, 2026: 2,466,747 shares
April 30, 2026: 2,462,747 shares

3) Average number of shares during the period:
Three months ended July 31, 2026: 14,998,095 shares
Three months ended July 31, 2025: 15,679,470 shares

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

* 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 for this Quarter

Overview of Business Results

During the first quarter of the current fiscal year, the Japanese economy continued to show signs of a gradual recovery, as evidenced by robust corporate earnings, improvements in the employment and income environments, and strong inbound tourism demand. However, the outlook remains uncertain due to rising energy prices and consumer prices, as well as instability in 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.

Additionally, effective from the first quarter of the current fiscal year, a consolidated subsidiary has been reclassified from the photo book segment to the aerial display segment. This reclassification is due to a change in the management structure of the consolidated subsidiary.

For year-on-year comparisons, we have adjusted the figures for the same period of the previous year to reflect the revised segment classifications.

(Funeral business)

In this business segment, while our in-house sales team successfully secured new contracts with funeral homes, the nationwide decline in the number of funerals continued, resulting in a year-over-year decrease in revenue from our core business of portrait photo processing. Furthermore, although sales from funeral ceremony content, and our *tsunagoo* digital transformation (DX) service for funeral homes, grew steadily, hardware sales posted poor results.

We participated in the “Funeral Business Fair 2026” exhibition held in June, where we released new products designed to enhance the funeral experience—including the generative AI content *Dear Song*—and announced “Virtual Funeral Training,” a VR educational program for funeral homes. Also in June, we acquired a pet funeral and memorial park business and began operating it.

In terms of profitability, segment profit faced challenges due to a decline in revenue from portrait photo processing, coupled with increases in labor costs and cloud service fees, as well as fees incurred in connection with the acquisition of the pet funeral and memorial park business.

As a result, net sales totaled 764,379 thousand yen (100.5% year-on-year), and segment profit totaled 55,730 thousand yen (56.0% 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 photography market, although conditions remain challenging due to trends such as smaller-scale weddings and the shift toward digital photography, we maintained steady performance thanks to new contracts secured following competitors’ withdrawal from the market and growth in our BPO-style business outsourcing services. As part of our initiatives, we exhibited at *PHOTONEXT 2026* to showcase new products and business efficiency solutions.

Amid ongoing challenges in the consumer market, sales of both our in-house brand *MyBook* and OEM products declined compared to the same quarter of the previous year. As part of our initiatives, we have moved forward with the release of new products, the implementation of various campaigns, and the revamp of *MyBookEditor*, our software for ordering photo books.

We also exhibited at the *5th Oshikatsu EXPO* and presented on-demand merchandise tailored for *oshikatsu* (fan activities).

In terms of profitability, segment profit declined due to rising raw material prices, increased depreciation expenses resulting from the operation of new printing presses, double rent expenses incurred in preparation for the relocation of the Tokyo branch, and higher advertising and promotional expenses.

As a result, net sales totaled 863,110 thousand yen (107.5% year-on-year), and segment profit totaled 111,761 thousand yen (79.7% 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 sell and license the *ASKA3D Plate*—a proprietary technology that enables aerial imaging. In addition, in the entertainment sector, our consolidated subsidiary, BET Co., Ltd., operates a VTuber agency and hosts events utilizing XR technology.

Regarding glass ASKA3D plates, we continued to promote them as high-value-added packages—such as the "Floating Live Series"—to tourism, entertainment, and educational institutions, resulting in sales that exceeded those of the same quarter last year. As for resin ASKA3D plates, the Chinese licensee is currently in the process of preparing to establish a production system. Regarding new technologies, such as active systems, we are proceeding with patent applications and verification while also seeking potential licensees. At BET Co., Ltd., we have been promoting initiatives to revitalize our existing streamers while also taking on new challenges, such as establishing an office in the United States and operating an agency for male streamers. In addition, we have been regularly hosting the XR event *Marine de Meet*, and making preparations for our in-house event, the *3rd Orizuru VTuber Festival*.

In terms of profit and loss, the segment loss narrowed due to a reduction in fixed costs resulting from the closure of the Technology Development Center at the end of May, as well as efforts to secure gross profit margins through strengthened project management and a decrease in advertising and promotional expenses resulting from a reduction in trade show participation.

As a result, net sales totaled 101,075 thousand yen (118.6% year-on-year), and the segment loss was 72,026 thousand yen (compared to a loss of 93,762 thousand yen in the same quarter of the previous year).

As a result of the above, net sales totaled 1,726,064 thousand yen (104.8% year-on-year). Profits were significantly impacted by the decline in earnings in the funeral and photobook segments. Additionally, there were double rent expenses associated with preparations for the relocation of the Tokyo branch, as well as unexpected increases in raw material prices stemming from risks in the Middle East, resulting in an ordinary loss of 62,806 thousand yen (compared to a loss of 1,964 thousand yen in the same quarter of the previous year) and a net loss attributable to owners of the parent of 46,353 thousand yen (compared to a loss of 6,700 thousand yen in the same quarter of the previous year).

(2) Explanation of Financial Conditions

Total assets at the end of the first quarter of the current fiscal year decreased by 256,890 thousand yen compared to the end of the previous fiscal year, totaling 5,966,432 thousand yen. This was primarily due to a decrease of 271,137 thousand yen in cash and deposits.

Liabilities at the end of the first quarter of the current fiscal year decreased by 117,902 thousand yen compared to the end of the previous fiscal year, totaling 767,690 thousand yen. This was primarily due to decreases of 73,589 thousand yen in accrued income taxes and 90,142 thousand yen in the provision for bonuses.

Net assets at the end of the first quarter of the current fiscal year decreased by 138,987 thousand yen compared to the end of the previous fiscal year, totaling 5,198,742 thousand yen. This was primarily due to a dividend payment of 105,008 thousand yen from retained earnings.

(3) Explanation regarding Forward-Looking Information, Such as Consolidated Earnings Forecasts

There are currently no changes to the consolidated earnings forecast for the fiscal year ending April 2027, which we announced on June 9, 2026.

5. Consolidated Financial Statements for the First Quarter of the Fiscal Year

(1) Consolidated Balance Sheets

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2026)	End of current Q1 (Ended July 31, 2026)
Assets		
Current assets		
Cash and deposits	1,388,204	1,117,066
Accounts receivable-trade	846,243	805,329
Merchandise and products	360,499	354,064
Work in progress	39,716	41,469
Raw materials and supplies	107,168	113,793
Others	92,861	77,327
Allowance for doubtful accounts	(7,414)	(7,260)
Total current assets	2,827,279	2,501,789
Fixed assets		
Tangible fixed assets		
Buildings, net	713,607	711,667
Machinery and equipment, net	475,190	477,928
Land	844,060	850,395
Construction in progress	5,753	8,200
Others net	156,484	153,838
Total tangible fixed assets	2,195,095	2,202,031
Intangible fixed assets		
Goodwill	221,758	225,611
Others	185,945	220,577
Total intangible fixed assets	407,703	446,189
Investments and other assets		
Investment securities	396,434	414,671
Deferred tax assets	221,209	230,670
Others	175,600	171,079
Total investments and others	793,244	816,421
Total fixed assets	3,396,043	3,464,642
Total assets	6,223,323	5,966,432

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2026)	End of current Q1 (Ended July 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	157,474	142,815
Accounts payable-other	214,428	229,541
Income taxes payable	81,790	8,200
Advance payment	6,593	3,345
Provision for bonuses	188,945	98,802
Others	233,585	269,679
Total of current liabilities	882,817	752,385
Fixed liabilities		
Provision for retirement benefits	2,775	2,129
Others	—	13,176
Total fixed liabilities	2,775	15,305
Total liabilities	885,593	767,690
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus	609,018	609,018
Retained earnings	5,430,753	5,279,391
Treasury stock	(1,251,533)	(1,251,533)
Total shareholders' equity	5,278,539	5,127,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,190	71,565
Total accumulated other comprehensive income	59,190	71,565
Total net assets	5,337,729	5,198,742
Total liabilities and net assets	6,223,323	5,966,432

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

Consolidated Profit and Loss Statements

(Units: 1,000s yen)

	First quarter of the previous fiscal year (May 1, 2025 – July 31, 2025)	First quarter of the current fiscal year (May 1, 2026 – July 31, 2026)
Net sales	1,646,971	1,726,064
Cost of sales	931,795	998,988
Gross profit	715,176	727,076
Selling, general, and administrative expenses	732,998	792,566
Operating income (losses)	(17,821)	(65,490)
Non-operating income		
Interest received	913	1,050
Dividends received	1,225	1,550
Foreign exchange gain	2,141	38
Insurance gain	11,082	—
Others	572	64
Total non-operating income	15,935	2,703
Non-operating expenses		
Expense for purchasing treasury stocks	73	—
Others	4	19
Total non-operating expenses	78	19
Ordinary income (losses)	(1,964)	(62,806)
Extraordinary income		
Income from sales of fixed assets	—	4,434
Total extraordinary income	—	4,434
Extraordinary losses		
Loss from sales of fixed assets	—	936
Loss from retirement of fixed assets	0	0
Total extraordinary losses	0	936
Net quarterly income (losses) before taxes	(1,964)	(59,309)
Income taxes etc.	4,736	(12,955)
Total income taxes	4,736	(12,955)
Net quarterly income (losses)	(6,700)	(46,353)
Net quarterly income (losses) attributable to parent company	(6,700)	(46,353)

Consolidated Statements of Comprehensive Income

(Units: 1,000s yen)

	First quarter of the previous fiscal year (May 1, 2025 – July 31, 2025)	First quarter of the current fiscal year (May 1, 2026 – July 31, 2026)
Net quarterly income (losses)	(6,700)	(46,353)
Other comprehensive income		
Valuation difference on available-for sale securities	5,287	12,374
Total other comprehensive income	5,287	12,374
Quarterly comprehensive income (losses)	(1,412)	(33,979)
(Breakdown)		
Quarterly comprehensive income (losses) attributable to parent company	(1,412)	(33,979)

(3) Notes to the Quarterly Consolidated Financial Statements

[Segment information]

First quarter of the previous consolidated fiscal year (May 1, 2025 – July 31, 2025)

Information related to the amounts of sales, income, and loss for each reporting segment

(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	760,846	800,920	85,204	1,646,971	—	1,646,971
Inter-segment internal sales and transfers	—	2,190	—	2,190	(2,190)	—
Total	760,846	803,110	85,204	1,649,162	(2,190)	1,646,971
Segment income (loss)	99,549	140,245	(93,762)	146,032	(163,853)	(17,821)

First quarter of the current consolidated fiscal year (May 1, 2026 – July 31, 2026)

1. Information related to the amounts of sales, income, and loss for each reporting segment

(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	764,379	860,608	101,075	1,726,064	—	1,726,064
Inter-segment internal sales and transfers	—	2,501	—	2,501	(2,501)	—
Total	764,379	863,110	101,075	1,728,565	(2,501)	1,726,064
Segment income (loss)	55,730	111,761	(72,026)	95,465	(160,956)	(65,490)

2. Matters Concerning Changes to Reporting Segments, etc.

Effective from the first quarter of the current fiscal year, we have transferred a consolidated subsidiary from the photo book segment to the aerial display segment. This transfer is a result of changes to the management structure of the consolidated subsidiary.

Please note that the segment information for the prior first quarter consolidated period is presented based on the revised reporting segment classifications.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows.

	First quarter of the previous fiscal year (May 1, 2025 – July 31, 2025)	First quarter of the current fiscal year (May 1, 2026 – July 31, 2026)
Depreciation	68,546 thousand yen	83,623 thousand yen
Amortization	9,641 thousand yen	10,107 thousand yen