

Consolidated Financial Results for the Six Months Ended October 31, 2025 [Japanese GAAP]



December 9, 2025

Company name: Asukanet Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2438
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 Scheduled date of filing semi-annual securities report: December 12, 2025
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on financial results: Available
 Schedule of 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 Six Months Ended October 31, 2025 (May 1, 2025 to October 31, 2025)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2025	3,317	(2.5)	31	97.8	51	166.6	23	943.9
October 31, 2024	3,402	-	15	-	19	-	2	-

(Note) Comprehensive income: For the six months ended October 31, 2025: ¥32 million [-%]
 For the six months ended October 31, 2024: ¥1 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
October 31, 2025	1.50	-
October 31, 2024	0.14	-

(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 October 31, 2025	6,254	5,254	84.0
As of April 30, 2025	6,349	5,386	84.8

(Reference) Equity: As of October 31, 2025: ¥5,254 million
 As of April 30, 2025: ¥5,386 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended April 30, 2025	Yen -	Yen 0.00	Yen -	Yen 7.00	Yen 7.00
Fiscal year ending April 30, 2026	-	0.00			
Fiscal year ending April 30, 2026 (Forecast)			-	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, 2026 (May 1, 2025 to April 30, 2026)

(% 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	7,580	4.4	435	150.5	450	151.4	261	16.60

(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 semi-annual 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):

October 31, 2025: 17,464,000 shares

April 30, 2025: 17,464,000 shares

2) Total number of treasury shares at the end of the period:

October 31, 2025: 1,918,346 shares

April 30, 2025: 1,759,346 shares

3) Average number of shares during the period:

Six months ended October 31, 2025: 15,639,358 shares

Six months ended October 31, 2024: 16,225,753 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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

(1) Overview of Business Results

During the first half of the current fiscal year, Japanese economy was on a moderate recovery track, supported by improvements in the employment and income environment, robust inbound demand, and strong performance by export-oriented companies benefiting from the weaker yen. However, the outlook remains uncertain due to factors such as stagnant consumer sentiment caused by high prices and developments in U.S. trade policy.

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, while we steadily acquired new customers through our own sales efforts, our core image processing revenue decreased compared to the same period last year due to the impact of a nationwide decline in the numbers of funeral services. Consequently, sales of supplies such as frames and paper also faced challenges, while hardware sales, including portrait photo output systems and signage equipment, performed well.

We previously released “tsunagoo”, as a part of “funeral tech” utilizing IT technology in the funeral market, but it has not reached its target for new contract numbers. However, revenue generated through “tsunagoo” usage is steadily increasing. The new service “snapCINEMA”, utilizing the latest AI, is steadily increasing its adoption rate.

In terms of income, segment income fell below the previous year’s results due to a decrease in gross profit stemming from reduced image processing revenue, coupled with increases in cloud usage fees and various software usage fees.

As a result, sales were 1,565,136 thousand yen (99.3% year-on-year), and segment profit was 245,277 thousand yen (80.4% year-on-year).

(Photo book business)

This business operates *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. In this environment, we have steadily increased the numbers of contracts while advancing proposals for BPO-type services handling peripheral photography tasks, primarily for major clients. We have focused on promoting the adoption of retouching software and expanding the use of data delivery services. Additionally, we implemented a price revision for BtoB products in October.

In the consumer market, where conditions remain challenging, we minimized the impact of price revisions on order volume while advancing various initiatives such as new product releases, exhibiting at the Oshikatsu EXPO, and holding fan meetings. We are also developing a new version of the photo book ordering software “MyBookEditor.” Meanwhile, in the virtual business sector, our consolidated subsidiary BET Inc. is advancing initiatives such as marketing in the U.S. market. However, it is facing challenges relative to expectations due to increased costs for acquiring live-streamers and delays in launching a male live-streamer agency.

In terms of income, while affected by rising raw material costs and labor expenses, segment income increased due to price revisions, reductions in fixed costs, and the ongoing results of efforts to improve production efficiency.

As a result, sales were 1,707,573 thousand yen (98.2% year-on-year), and segment income reached 231,572 thousand yen (120.8% year-on-year).

(Aerial display business)

This business is aiming to create a market through new image and video expressions utilizing aerial imaging technologies. We are developing, manufacturing, and selling both glass and plastic “ASKA3D plates” that utilize our original technologies to project images in mid-air.

Following changes to our management structure, we have strengthened our sales organization, revised our sales policies, and actively prepared for their implementation. Regarding domestic sales, we merged with the XR team to promote the experiential value of aerial imaging. While providing packages including content and hardware, we followed up with local governments and others regarding the potential for cutting-edge communication experiences in the “tourism,” “entertainment,” and “education” sectors, presented as effective solutions for regions and businesses that we proposed at exhibitions.

In terms of overseas business, we have carried out marketing in the Taiwan market while conducting negotiations for strategic partner alliances. In the entertainment sector, we actively communicated information via social media and commenced trial sales of the B2C packaged product “Floating Live Stage Home.” Alongside the B2B “Floating Live Stage Takumi MAX,” we accelerated activities to expand sales. Furthermore, we held “The 2nd Orizuru VTuber Festival,” on a larger scale. Concurrently, we advanced sales efforts with partner municipalities as part of regional revitalization events.

As for manufacturing and development, we are carrying out prototype production of large-sized plates at our in-house technology development center, though we recognize the prolonged timeline of progress as a challenge. Additionally, alongside patent applications for new technologies such as active systems, we have produced prototypes and carried out preparations for securing strategic partners.

In terms of income, although personnel expenses increased due to the integration of the XR team and patent-related costs rose, primarily for active systems, the profitability of sales projects improved. Combined with reduced participation in overseas exhibitions and lower depreciation expenses resulting from impairment losses recorded in the previous period, the segment loss narrowed slightly compared to the same period of last year.

As a result, sales were 49,282 thousand yen (55.3% year-on-year), and segment loss was 145,294 thousand yen (compared to a loss of 151,865 thousand yen in the same period of the previous year).

As a result, net sales for the interim period amounted to 3,317,357 thousand yen (97.5% year-on-year). Regarding income, primarily due to the recovery in segment income from the photobook business, ordinary income reached 51,421 thousand yen (266.6% year-on-year), and net income attributable to owners of the parent for the interim period was 23,482 thousand yen (1,043.9% year-on-year).

(2) Overview of financial conditions

① Assets, liabilities, and net assets

(Assets)

Total assets at the end of the interim consolidated accounting period decreased 94,529 thousand yen from the end of the previous consolidated fiscal year to 6,254,697 thousand yen. Despite an increase in tangible fixed assets of 165,174 thousand yen, mainly from the purchase of printing equipment, this decrease was primarily due to a decrease in cash and deposits of 370,571 thousand yen, mainly from the acquisition of treasury stock.

(Liabilities)

Total liabilities at the end of the interim consolidated accounting period increased 37,666 thousand yen from the end of the previous consolidated fiscal year to 1,000,538 thousand yen. This was mainly due to an increase of 101,005 thousand yen in accounts payable.

(Net assets)

Net assets at the end of the interim consolidated accounting period decreased by 132,195 thousand yen from the end of the previous consolidated fiscal year to 5,254,158 thousand yen. This was mainly due to the acquisition of 98,973 thousand yen in treasury stock and payment of 109,932 thousand yen in dividends.

② Overview of cash flows

Cash and cash equivalents (“cash”) at the end of the current interim consolidated accounting period decreased by 370,571 thousand yen from the end of the previous consolidated fiscal year to 1,311,301 thousand yen. The status of each cash flow and their influencing factors during the current interim consolidated accounting period are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities amounted to 95,685 thousand yen during the current interim consolidated accounting period. This was mainly due to interim net income of 50,019 thousand yen and depreciation and amortization of 139,881 thousand yen, despite of an increase in accounts receivable of 32,200 thousand yen and a decrease of accrued consumption taxes of 31,907 thousand yen.

(Cash flow from investing activities)

Net cash used in investing activities amounted to 256,231 thousand yen during the current interim consolidated accounting period. This was mainly due to expenditures of 191,542 thousand yen for the purchase of tangible fixed assets, including the purchase of production equipment, and 71,187 thousand yen for the payment of security deposits.

(Cash flow from financing activities)

Net cash used in financing activities amounted to 210,025 thousand yen during the interim consolidated accounting period. This was mainly due to cash dividends paid of 110,037 thousand yen and purchase of treasury stock of 99,269 thousand yen.

(3) Future Outlook

There are no changes to the future outlook for the consolidated fiscal year ending April 2026 that was announced on June 10, 2025.

5. Consolidated Financial Statements for the interim of the Fiscal Year

(1) Consolidated Balance sheets

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	End of current Q2 (Ended Oct 31, 2025)
Assets		
Current assets		
Cash and deposits	1,686,873	1,316,301
Accounts receivable-trade	824,760	856,961
Merchandise and products	379,964	380,864
Work in progress	32,350	35,134
Raw materials and supplies	96,893	96,484
Others	62,889	68,478
Allowance for doubtful accounts	(10,166)	(9,275)
Total current assets	3,073,565	2,744,950
Fixed assets		
Tangible fixed assets		
Buildings, net	755,156	738,349
Machinery and equipment, net	398,823	359,696
Land	844,060	844,060
Others net	157,991	379,100
Total tangible fixed assets	2,156,032	2,321,207
Intangible fixed assets		
Goodwill	260,325	241,041
Others	191,325	191,049
Total intangible fixed assets	451,650	432,091
Investments and other assets		
Investment securities	331,602	344,888
Deferred tax assets	226,487	225,546
Others	109,888	186,012
Total investments and other assets	667,978	756,448
Total fixed assets	3,275,661	3,509,747
Total assets	6,349,226	6,254,697

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2025)	End of current Q2 (Ended Oct 31, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	172,395	158,405
Accounts payable-other	293,956	394,961
Income taxes payable	62,602	43,800
Advance payments	16,111	11,568
Provision for bonuses	181,640	189,640
Others	230,625	198,907
Total current liabilities	957,331	997,283
Fixed liabilities		
Retirement benefit liability	4,343	2,775
Others	1,197	479
Total fixed liabilities	5,541	3,255
Total liabilities	962,872	1,000,538
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus	624,759	609,018
Retained earnings	5,247,868	5,161,418
Treasury stock	(1,012,228)	(1,051,565)
Total shareholders' equity	5,350,699	5,209,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,654	44,987
Total accumulated other comprehensive income	35,654	44,987
Total net assets	5,386,354	5,254,158
Total liabilities and net assets	6,349,226	6,254,697

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

Consolidated Profit and loss statements

(Units: 1,000s yen)

	Interim of the previous fiscal year (May 1, 2024 – Oct 31, 2024)	Interim of the current fiscal year (May 1, 2025 – Oct 31, 2025)
Net sales	3,402,169	3,317,357
Cost of sales	1,958,453	1,879,651
Gross profit	1,443,715	1,437,705
Selling, general, and administrative expenses	1,427,837	1,406,297
Operating income	15,877	31,407
Non-operating income		
Interest received	1,511	2,311
Dividends received	950	1,225
Foreign exchange gains	436	3,528
Insurance gains	—	11,082
Others	1,319	2,411
Total non-operating income	4,217	20,558
Non-operating expenses		
Expense for purchasing treasury stocks	540	296
Loss on investments in investment partnerships	249	247
Others	13	—
Total non-operating expenses	803	544
Ordinary income	19,291	51,421
Extraordinary losses		
Loss from retirement of fixed assets	4	1,402
Total extraordinary losses	4	1,402
Net income before taxes	19,286	50,019
Income taxes etc.	17,037	26,537
Total income taxes	17,037	26,537
Net income	2,249	23,482
Net income attributable to parent company	2,249	23,482

Consolidated statements of comprehensive income

(Units: 1,000s yen)

	Interim of the previous fiscal year (May 1, 2024 – Oct 31, 2024)	Interim of the current fiscal year (May 1, 2025 – Oct 31, 2025)
Net income	2,249	23,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(983)	9,332
Total other comprehensive income	(983)	9,332
Comprehensive income	1,266	32,815
(Breakdown)		
Comprehensive income attributable to parent company	1,266	32,815

(3) Consolidated statements of cash flows

(Units: 1,000s yen)

	Interim of the previous fiscal year (May 1, 2024 – Oct 31, 2024)	Interim of the current fiscal year (May 1, 2025 – Oct 31, 2025)
Cash flows resulting from operating activities		
Net income before taxes	19,286	50,019
Depreciation expenses	180,627	139,881
Amortization of goodwill	19,283	19,283
Increase (decrease) in allowance for doubtful accounts	1,066	(891)
Increase (decrease) in provision for bonuses	2,620	8,000
Interest and dividends received	(2,461)	(3,536)
Income from insurance	—	(11,082)
Loss (gain) on investments in investment partnerships	249	247
Loss on disposal of fixed assets	4	1,402
Decrease (increase) in notes and accounts receivable-trade	32,113	(32,200)
Decrease (increase) in inventory assets	34,398	(3,275)
Increase (decrease) in accounts payable-trade	(17,035)	(13,990)
Increase (decrease) in accounts payable	(21,188)	8,464
Increase (decrease) in accrued consumption taxes	(2,655)	(31,907)
Increase (decrease) in retirement benefit liability	(361)	(1,567)
Others	63,130	3,313
Subtotal	309,079	132,161
Interest and dividends received	1,472	3,126
Income taxes paid	(69,670)	(39,601)
Cash flows due to operating activities	240,881	95,685
Cash flows due to investing activities		
Purchase of tangible fixed assets	(124,283)	(191,542)
Purchase of intangible fixed assets	(60,521)	(21,975)
Collection of loans receivable	106	—
Payments into time deposits	(5,000)	(5,000)
Proceeds from withdrawal of time deposits	5,000	5,000
Collection from the cancellation of insurance	—	27,274
Others	(17,219)	(69,988)
Cash flows due to investing activities	(201,918)	(256,231)
Cash flows due to financing activities		
Purchase of treasury stock	(200,857)	(99,269)
Cash dividends paid	(114,893)	(110,037)
Others	(718)	(718)
Cash flows due to financing activities	(316,469)	(210,025)
Net increase (decrease) in cash and cash equivalents	(277,506)	(370,571)
Cash and cash equivalents at beginning of the year	1,660,015	1,681,873
Cash and cash equivalents at end of the year	1,382,508	1,311,301

[Segment information]

Interim of the previous consolidated fiscal year (May 1, 2024 – Oct 31, 2024)

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	1,576,417	1,736,568	89,183	3,402,169	—	3,402,169
Inter-segment internal sales and transfers	—	2,755	—	2,755	(2,755)	—
Total	1,576,417	1,739,324	89,183	3,404,925	(2,755)	3,402,169
Segment income (loss)	304,893	191,766	(151,865)	344,793	(328,915)	15,877

Interim of the current consolidated fiscal year (May 1, 2025 – Oct 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	1,565,136	1,702,938	49,282	3,317,357	—	3,317,357
Inter-segment internal sales and transfers	—	4,635	—	4,635	(4,635)	—
Total	1,565,136	1,707,573	49,282	3,321,992	(4,635)	3,317,357
Segment income (loss)	245,277	231,572	(145,294)	331,554	(300,147)	31,407

This is the summarized translation of released report for your reference.
Please refer to the original Japanese financial document.