Consolidated Financial Results

for the Six Months Ended September 30, 2026

November 12, 2026

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Ⅰ. Financial Summary November 12, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

Company name: HAPPINET CORPORATION
Stock listing: Tokyo Stock Exchange
Securities code: 7552 URL: https://www.happinet.co.jp/
Representative: Toshiyuki Mizutani, Representative Director, President and Chief Operating Officer
Inquiries: Hiroshi Ishimaru, Director, Chief Financial Officer
Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 7, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For institutional investors and analysts)

(Figures are in millions of yen, rounded down)

1. Consolidated financial Results for the Six Months Ended September 30, 2026 (April 1, 2026 - September 30, 2026)

(1) Consolidated Operating Results（Cumulative）

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six months ended September 30, 2026	228,666	16.4	13,730	57.6	13,672	53.3	8,832	32.4
Six months ended September 30, 2025	196,435	16.5	8,710	33.5	8,917	33.9	6,671	52.1

(Note) Comprehensive income: Six months ended September 30, 2026 9,912million yen (32.6%)
Six months ended September 30, 2025 7,476million yen (62.0%)

	Earnings per share	Earnings per share (diluted)
	¥	¥
Six months ended September 30, 2026	203.86	200.61
Six months ended September 30, 2025	151.94	149.55

(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.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of September 30, 2026	164,216	66,634	40.3
As of March 31, 2026	144,003	60,285	41.6

(Reference)
Shareholders' equity: As of September 30, 2026 66,232million yen
As of March 31, 2026 59,883million yen

2. Dividend

Dividend record dates	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
Fiscal year ended March 31, 2026	—	25.00	—	80.00	—
Fiscal year ending March 31, 2027	—	15.00			
(Projection) Fiscal year ending March 31, 2027			—	—	—

(Note) Revision to the projections: No

1. On January 1, 2026, the Company conducted a two-for-one share split of its common shares. The end of second quarter dividend for the fiscal year ended March 31, 2026 has been made based on the number of shares before the share split. The annual dividend per share for the fiscal year ended March 31, 2026 is not stated because the amounts cannot be simply combined due to the implementation of the share split. If the share split is considered, the end of second quarter dividend for the fiscal year ended March 31, 2026 is ¥12.5 and the total annual dividend is ¥92.5.
2. 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.

3. 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		Earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	450,000	2.5	15,800	1.3	16,000	1.9	10,500	4.0	240.15

(Note) Revision to the projections: No

※ Other Information

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, 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 estimates: No

d) Restatement: No

(4) Number of issued shares (common shares)

a) Number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026 48,100,000shares

As of March 31, 2026 48,100,000shares

b) Number of treasury shares at the end of the period

As of September 30, 2026 4,765,011shares

As of March 31, 2026 4,787,411shares

c) Average number of shares during the period

Six months ended September 30, 2026 43,326,620shares

Six months ended September 30, 2025 43,908,193shares

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

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

*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 various factors.

*The way to access the Supplementary material

We will post the Supplementary material on the site (https://www.happinet.co.jp/english/) on November 12, 2026.

Ⅱ. Consolidated Financial Statements

(ⅰ) Consolidated Balance Sheets

(¥million)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	50,825	58,261
Notes and accounts receivable - trade	50,860	59,673
Electronically recorded monetary claims - operating	4,065	4,942
Inventories	8,689	11,941
Other	6,451	5,344
Allowance for doubtful accounts	△4	△6
Total current assets	120,888	140,157
Non-current assets		
Property, plant and equipment	5,172	5,044
Intangible assets		
Goodwill	1,460	1,168
Other	1,586	1,474
Total intangible assets	3,046	2,642
Investments and other assets		
Investment securities	7,997	9,612
Other	7,314	7,466
Allowance for doubtful accounts	△416	△707
Total investments and other assets	14,895	16,371
Total non-current assets	23,114	24,059
Total assets	144,003	164,216
Liabilities		
Current liabilities		
Accounts payable - trade	55,154	70,463
Income taxes payable	4,179	4,529
Provision for bonuses	316	361
Other	16,610	13,879
Total current liabilities	76,261	89,234
Non-current liabilities		
Provision for share awards	473	544
Provision for share awards for directors (and other officers)	748	748
Retirement benefit liability	3,502	3,554
Other	2,732	3,500
Total non-current liabilities	7,456	8,348
Total liabilities	83,717	97,582
Net assets		
Shareholders' equity		
Share capital	2,751	2,751
Capital surplus	3,353	3,353
Retained earnings	54,275	59,509
Treasury shares	△4,840	△4,806
Total shareholders' equity	55,539	60,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,336	5,432
Deferred gains or losses on hedges	7	△8
Total accumulated other comprehensive income	4,343	5,424
Share acquisition rights	402	402
Total net assets	60,285	66,634
Total liabilities and net assets	144,003	164,216

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

(Consolidated Statements of Income)

(￥million)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	196,435	228,666
Cost of sales	171,396	196,262
Gross profit	25,039	32,403
Selling, general and administrative expenses	16,328	18,673
Operating profit	8,710	13,730
Non-operating income		
Interest income	36	83
Dividend income	113	126
Other	82	95
Total non-operating income	233	304
Non-operating expenses		
Interest expenses	0	0
Provision of allowance for doubtful accounts	1	292
Other	24	68
Total non-operating expenses	26	361
Ordinary profit	8,917	13,672
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	10	―
Total extraordinary income	12	0
Extraordinary losses		
Loss on retirement of non-current assets	4	27
Total extraordinary losses	4	27
Profit before income taxes	8,925	13,645
Income taxes - current	2,469	4,399
Income taxes - deferred	△215	412
Total income taxes	2,254	4,812
Profit	6,671	8,832
Profit attributable to owners of parent	6,671	8,832

(Consolidated Statements of Comprehensive Income)

(￥million)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	6,671	8,832
Other comprehensive income		
Valuation difference on available-for-sale securities	792	1,096
Deferred gains or losses on hedges	12	△16
Total other comprehensive income	804	1,080
Comprehensive income	7,476	9,912
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,476	9,912
Comprehensive income attributable to non-controlling interests	―	―

(iii) Consolidated Statements of Cash Flows

(¥million)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,925	13,645
Depreciation	692	554
Amortization of goodwill	292	292
Increase (decrease) in allowance for doubtful accounts	2	292
Increase (decrease) in provision for bonuses	61	44
Increase (decrease) in retirement benefit liability	118	52
Interest and dividend income	△150	△209
Interest expenses	0	0
Loss (gain) on sale and retirement of non-current assets	1	27
Loss (gain) on sale of investment securities	△10	―
Foreign exchange losses (gains)	6	24
Decrease (increase) in trade receivables	△11,238	△9,688
Decrease (increase) in inventories	△2,407	△3,252
Increase (decrease) in trade payables	8,434	15,309
Other, net	△3,737	△1,352
Subtotal	990	15,741
Interest and dividends received	153	212
Interest paid	△0	△0
Income taxes paid	△2,661	△4,048
Income taxes refund	29	0
Net cash provided by (used in) operating activities	△1,488	11,905
Cash flows from investing activities		
Purchase of property, plant and equipment	△192	△194
Proceeds from sale of property, plant and equipment	3	0
Purchase of intangible assets	△79	△121
Purchase of investment securities	△4	△4
Proceeds from sale of investment securities	67	―
Loan advances	△377	△534
Other, net	△3	△16
Net cash provided by (used in) investing activities	△585	△871
Cash flows from financing activities		
Purchase of treasury shares	△0	―
Dividends paid	△2,362	△3,598
Net cash provided by (used in) financing activities	△2,362	△3,598
Effect of exchange rate change on cash and cash equivalents	△0	0
Net increase (decrease) in cash and cash equivalents	△4,436	7,435
Cash and cash equivalents at beginning of period	40,977	50,825
Cash and cash equivalents at end of period	36,540	58,261

Ⅲ. Consolidated Financial Results by Business Segments

(1) Six months ended September 30, 2025 (April 1, 2025 - September 30, 2025)
Information on net sales and profits or losses by reported segment

(¥million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	86,007	30,492	48,783	31,152	196,435	—	196,435
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	86,007	30,492	48,783	31,152	196,435	—	196,435
Segment income	5,046	434	1,109	2,808	9,399	△ 689	8,710

*1 The △689 million yen adjustment to segment income includes unallocated operating expenses.
The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of HAPPINET CORPORATION.
*2 Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.

(2) Six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Information on net sales and profits or losses by reported segment

(¥million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	109,061	29,601	43,957	46,044	228,666	—	228,666
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	109,061	29,601	43,957	46,044	228,666	—	228,666
Segment income or loss(△)	7,329	△ 222	1,704	5,600	14,412	△ 681	13,730

*1 The △681 million yen adjustment to segment income includes unallocated operating expenses.
The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of HAPPINET CORPORATION.
*2 Segment income is adjusted to be consistent with operating income shown on the consolidated statements of income.