



April 18, 2025

Business Results for the Fiscal Year Ended March 31, 2025 (FY2025)



Key Financial Results for FY2025 and Key Points of the Plan for FY2026

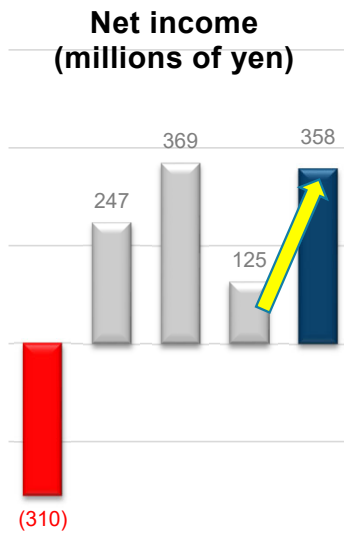
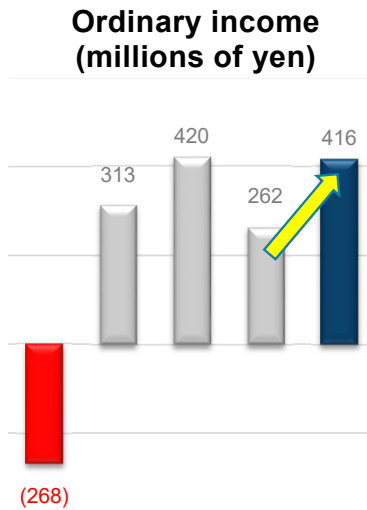
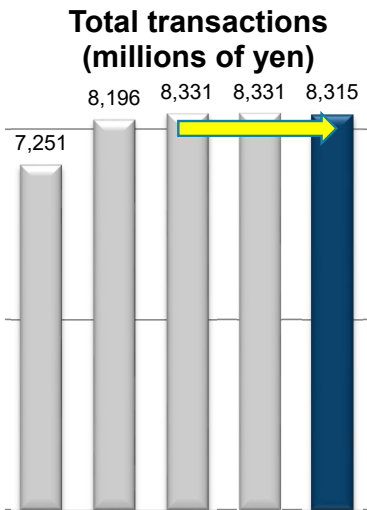
- ◆ Gross profit and various incomes significantly exceeded the previous year
- ◆ Net sales, gross profit and various incomes exceeded the revised forecast announced on January 24, 2025
- ✓ The plan for FY2026 is to increase sales and profits compared with FY2025
- ✓ Dividend forecast for FY2026 is an increase to 21 yen from 20 yen
- ✓ Resolved on matters related to the purchase of treasury stock

Consolidated Earnings Highlights



	FY2021	FY2022	FY2023	FY2024	(millions of yen) FY2025
Net Sales	7,251	7,426	7,545	7,419	7,679
(Ref.) Total transactions*	7,251	8,196	8,331	8,331	8,315
Operating income (loss)	-290	296	401	249	418
Ordinary income (loss)	-268	313	420	262	416
Net income attributable to parent company's shareholders (loss)	-310	247	369	125	358

*Total transactions are the gross amount of agent transactions.



- ◆ Transaction volume remained flat
- ◆ Operating income and ordinary income increased significantly
- ◆ Net income increased significantly due in part to deferred tax assets

FY2025 Business Performance (YoY)

	FY2024		FY2025		(millions of yen) YoY comparison	
	Amount	% of total	Amount	% of total	Change	% of Change
Net Sales	7,419	100.0%	7,679	100.0%	260	+3.5%
(Ref.) Total transactions*	8,331	—	8,315	—	-16	-0.2%
Gross Profit	2,192	29.5%	2,420	31.5%	228	+10.4%
Operating income	249	3.4%	418	5.4%	169	+68.0%
Ordinary income	262	3.5%	416	5.4%	154	+58.7%
Net income attributable to parent company's shareholders	125	1.7%	358	4.7%	233	+184.9%

*Total transactions are the gross amount of agent transactions.

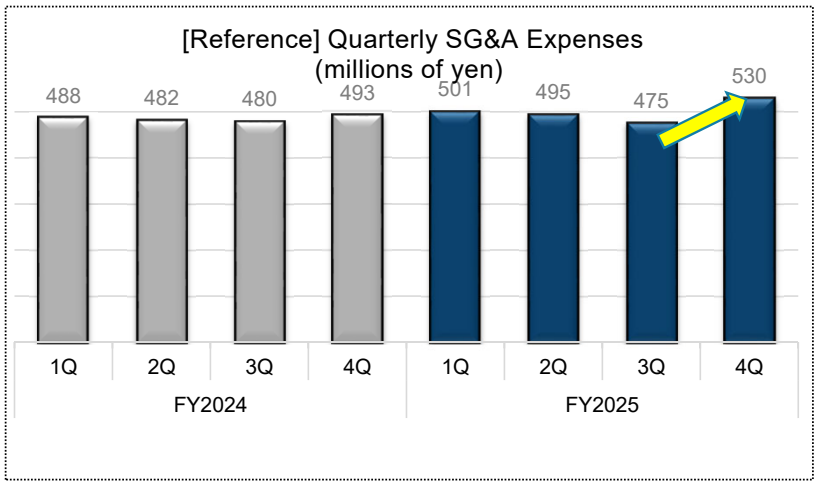
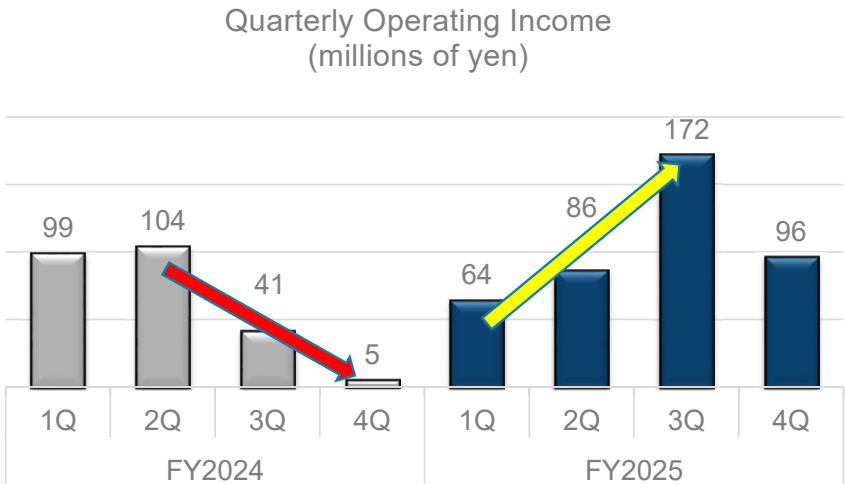
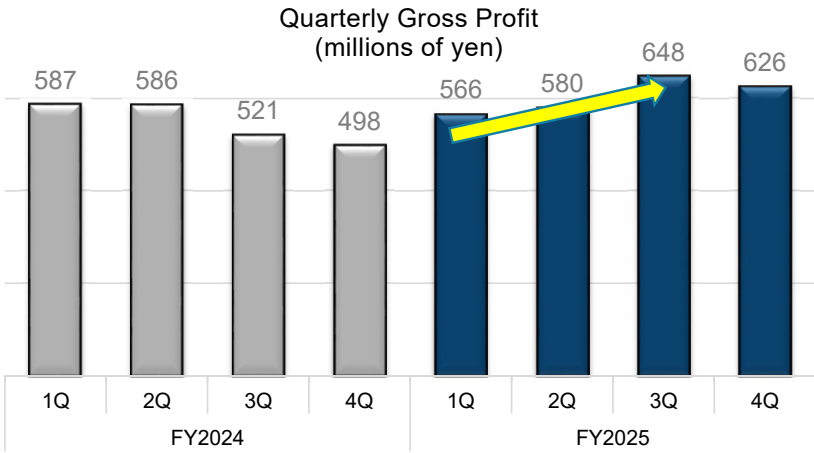
> Result

- ◆ Net sales, gross profit and various incomes significantly exceeded the previous year

> Factors

- ◆ Advertising and services that contribute to attracting customers pursuant to the guidelines penetrated the market, resulting in improved margins
- ◆ Advertising fields other than pachinko parlors remained strong

Quarterly Gross Profit and Operating Income (YoY)



- ◆ Gross profit has grown significantly since 3Q
- ◆ SG&A expenses increased for 4Q due to a one-time expense recorded in the year-end results

FY2025 Business Performance (Compared with Forecast)



FY2025	Performance Forecast*		Result		(millions of yen) Change	
	Amount	YoY	Amount	YoY	Amount	% of Change
Net Sales	7,500	+1.1%	7,679	+3.5%	179	+2.4%
Operating income	400	+60.6%	418	+68.0%	18	+4.6%
Ordinary income	400	+52.3%	416	+58.7%	16	+4.2%
Net income attributable to parent company's shareholders	320	+154.2%	358	+184.9%	38	+12.1%

*Revised forecast announced on January 24, 2025

- ◆ Net sales, gross profit and various incomes exceeded the revised forecast announced on January 24, 2025
- ◆ Net income increased significantly due in part to deferred tax assets

Breakdown by Business Segment

[Cumulative Period]

	Advertising	Real Estate	Other	Adjusted Amount	(millions of yen) Consolidated
Net Sales	7,619	56	3	—	7,679
Segment income	695	19	-1	-295	418

[YoY comparison]

	Advertising	Real Estate	Other	Adjusted Amount	(millions of yen) Consolidated
Net Sales	+277	-12	-3	—	+260
Segment income	+191	-10	+4	-16	+169

- ◆ Advertising outperformed the previous fiscal year thanks to various initiatives (*The results for the previous fiscal year have been sluggish since October 2023 due in part to advertising restrictions)
- ◆ The test operations of the RV rental and storage businesses, which are included in Other, were discontinued at the end of 1H

Segment Income (Advertising)

Advertising			(millions of yen)	
			YoY comparison	
	FY2024	FY2025	Change	% of Change
Net Sales	7,342	7,619	+277	+3.8%
(Ref.) Total transactions*	8,254	8,255	+1	+0.0%
Segment income	504	695	+191	+37.9%

*Total transactions are the gross amount of agent transactions.

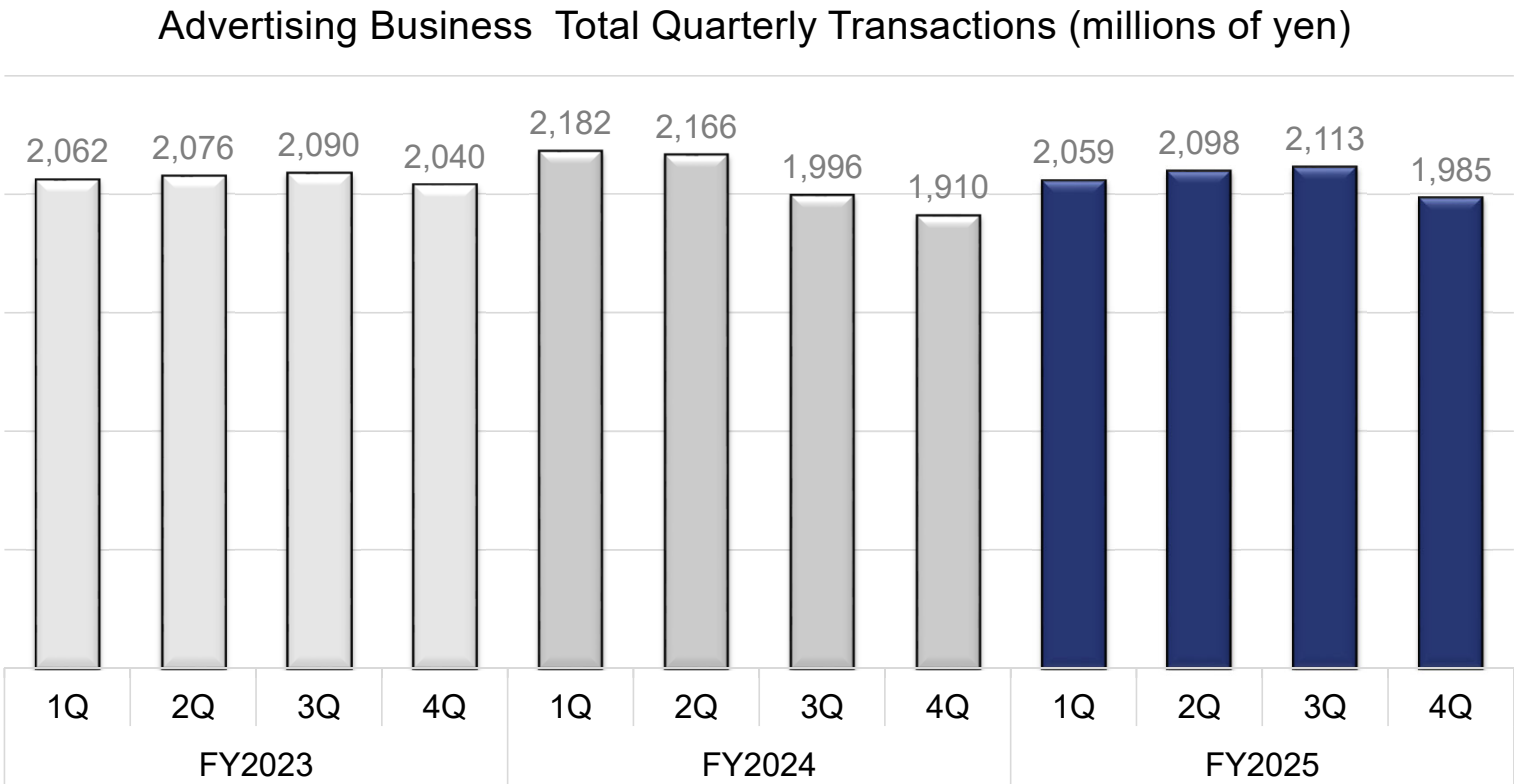
External Environment >

- ◆ Pachinko parlor facilities:
 - Smart pachinko machines are becoming more prevalent, and machines with new playing potentiality are being introduced, raising hopes for the industry’s revitalization
 - “Advertising and Promotion Guidelines, second edition” have clarified the scope of advertising methods and customer attraction support that can be implemented
- ◆ Advertising fields other than pachinko parlors:
 - Demand for advertising is growing

Group Initiatives >

- ◆ Pachinko parlor advertising field: Developing advertising to attract customers according to the guidelines and expanding sales of services with large margins
- ◆ Advertising fields other than pachinko parlors: More actively pursuing the acquisition of new clients in sectors with expected growth in advertising demand

[Reference] Total Quarterly Transactions (Advertising)

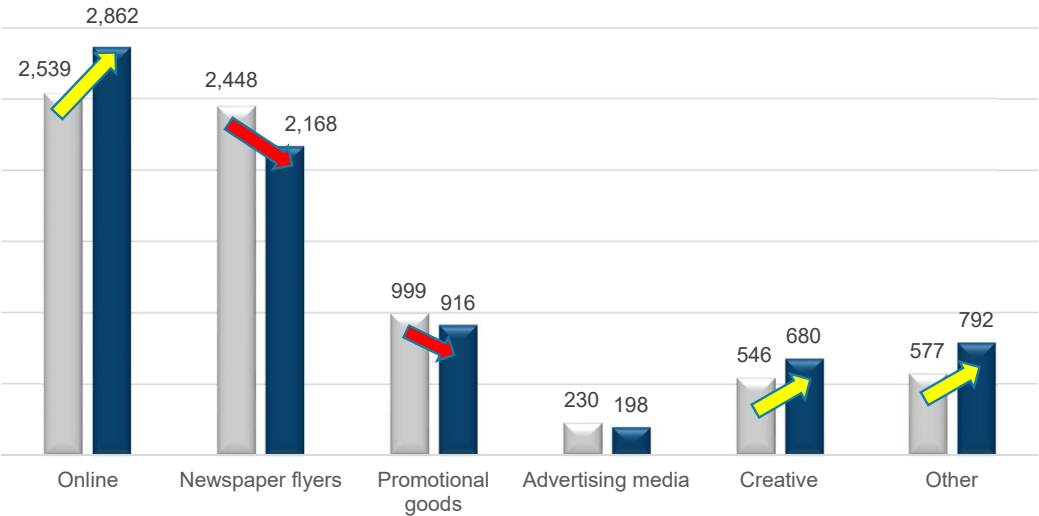


*Total transactions are the gross amount of agent transactions.

- ◆ Recovery in FY2025 from the sluggish 3Q and 4Q FY2024, which are the bottom
- ◆ Total transactions regained the level of two years ago (FY2023)

Sales Breakdown (Advertising)

	FY2024		FY2025		(millions of yen)		
	Amount	% of total	Amount	% of total	YoY comparison		
					Change	% of Change	Change in % of total
Online	2,539	34.6%	2,862	37.6%	322	12.7%	3.0 pt
Newspaper flyers	2,448	33.3%	2,168	28.5%	-279	-11.4%	-4.8 pt
Promotional goods	999	13.6%	916	12.0%	-82	-8.2%	-1.6 pt
Advertising media	230	3.1%	198	2.6%	-32	-13.9%	-0.5 pt
Creative	546	7.4%	680	8.9%	133	24.4%	1.5 pt
Other	577	7.9%	792	10.4%	217	37.2%	2.5 pt
Total	7,342	100.0%	7,619	100.0%	277	3.8%	

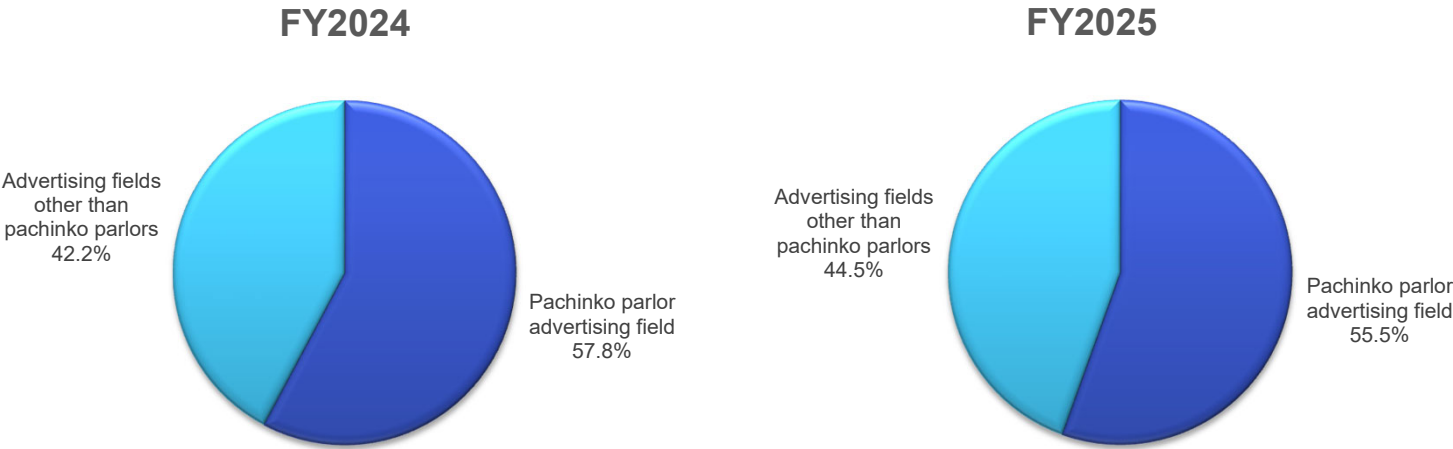


- ◆ Online advertising is on the rebound, significantly outperforming the same period of the previous year
- ◆ Paper-based advertising remained on a downward trend

Total Transaction Breakdown (Advertising)

	FY2024		FY2025		(millions of yen) Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
Pachinko parlor advertising field	4,769	57.8%	4,579	55.5%	-190	-4.0%
Advertising fields other than pachinko parlors	3,484	42.2%	3,675	44.5%	191	5.5%
Total	8,254	100.0%	8,255	100.0%	1	0.0%

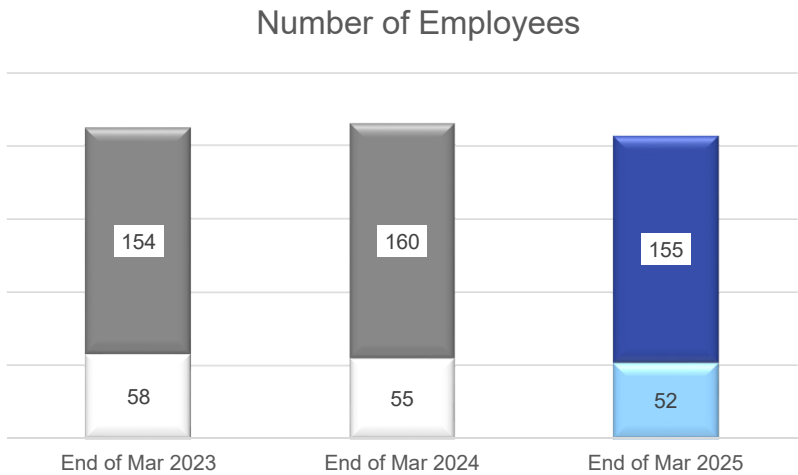
*Total transactions are the gross amount of agent transactions.



- ◆ The pachinko parlor advertising field experienced a YoY decline after the high demand generated by the release of highly anticipated models last year
- ◆ Advertising fields other than pachinko parlors remained steady

Employees

	End of Mar 2023	End of Mar 2024	End of Mar 2025	(people) YoY Change
Sales, administration (SG&A)	154	160	155	-5
Creative (cost of sales)	58	55	52	-3
Subtotal for advertising	212	215	207	-8



- ◆ Sales, administration: Hiring of new recruits was curbed
- ◆ Creative: Hiring of recruits was curbed due to declining demand for paper-based advertising

Segment Income (Real Estate)

Real Estate	FY2024	FY2025	(millions of yen)	
			YoY comparison	
			Change	% of Change
Net Sales	69	56	-12	-18.4%
Operating expense	39	37	-2	-5.1%
Segment income	30	19	-10	-34.1%

- ◆ In addition to rental income from the land it owns in Kashiwa, Chiba Prefecture, the segment recorded ¥4 million in commission revenue from the delivery of rental brokerage properties
- ◆ As a result, net sales were ¥56 million (down 18.4% YoY), and segment income came to ¥19 million (down 34.1% YoY)

Balance Sheet (Consolidated)

	End of Mar 2024	End of Mar 2025	(millions of yen) Change
	(A)	(B)	(B)-(A)
Cash and cash equivalents	3,438	3,693	255
Accounts receivable	976	972	-3
Other current assets	75	55	-20
Tangible/intangible fixed assets	720	695	-24
Deferred tax assets	4	44	40
Investments and other assets	213	284	71
Total assets	5,428	5,746	318
Accounts payable	534	496	-38
Short-term/long-term borrowings	562	675	112
Accrued income taxes	42	67	25
Other liabilities	203	306	103
Total liabilities	1,342	1,545	202
Shareholders' equity	4,080	4,205	125
Other	5	-3	8
Total net assets	4,085	4,201	116
Total liabilities and net assets	5,428	5,746	318

.....→ Deferred tax assets were recorded in anticipation of elimination of loss carried forward

No significant changes in liabilities

-→
- Net income: +¥358 million
 - Dividends: -¥233 million

Cash Flow Statement (Consolidated)

	FY2024	(millions of yen) FY2025
Net income before income taxes	265	416
Cash flow from operations	260	510
Cash flow from investing activities	156	-132
Cash flow from financing activities	-719	-121
Cash and cash equivalents at end of period	3,431	3,687

◆ Cash and cash equivalents increased by ¥255 million in FY2025

+ Net income before income taxes	416	
+ Depreciation and amortization	83	
+ Change in accounts receivable	9	
+ Other	134	
		- Change in accounts payable 38
		- Gain (loss) on sale of tangible/intangible fixed assets 12
		- Income taxes paid 70
		- Other 12
Cash flow from operations	510	
+ Proceeds from sale of tangible/intangible fixed assets	19	
+ Other	5	
		- Payment for purchase of tangible/intangible assets 52
		- Payment for purchase of investment securities 103
		- Other 0
Cash flow from investing activities	132	
+ Net change in short-term borrowings	100	
+ Proceeds from long-term borrowings	300	
		- Repayment of borrowings 287
		- Dividends paid 233
Cash flow from financing activities	121	

FY2026 Consolidated Earnings Forecast

	FY2025 result	FY2026 forecast	(millions of yen) (%)
Net Sales	7,679	7,800	1.6%
Operating income	418	550	31.5%
Ordinary income	416	550	32.0%
Net income attributable to parent company's shareholders	358	370	3.2%

- ◆ Pachinko parlor advertising field
 - The Company expects that services that contribute to attracting customers and DSP advertising, which the Company focused on in FY2025, will remain strong
 - Further improve profitability by starting to sell design generative AI tools
- ◆ Advertising fields other than pachinko parlors
 - Promote the acquisition of clients in sectors with promising demand
- ◆ Plan to increase sales and profits compared with FY2025

* Net income attributable to parent company's shareholders will increase only slightly, because the Company will eliminate loss carried forward and pay tax in FY2026

◆ Pursuing sustainable growth under the new structure

- Shift to a new management structure step by step to make prompt and appropriate management decisions and promote decision results
- Under the new structure, create a corporate culture that dispels existing stereotypes and takes on challenges
- Continue to actively promote the next generation of talented people who will be in charge of the Group's future as senior management

◆ Improving the profitability of pachinko parlor advertising

- Sustainably develop and offer advertising and services that contribute to attracting customers, pursuant to the "Advertising and Promotion Guidelines"
- Continue to expand sales of services and DSP advertising, which the Company focused on in FY2025
- Improve profitability by selling design generative AI tools

◆ Pursuing the acquisition of clients in sectors with expected growth in demand

- Further expand sales for and deepen transactions with tutoring schools, secondhand shop businesses, public professional sports, etc., in addition to the mainstay fitness facility and housing-related fields

◆ Human resource development for sustainable growth

- Shift from the performance-based compensation human resource system to a human resource system that supports medium- to long-term career development with the aim of creating a company where employees can work with peace of mind
- Plan to appoint a new director in charge of human resources to promote investment in human capital

Shareholder Returns

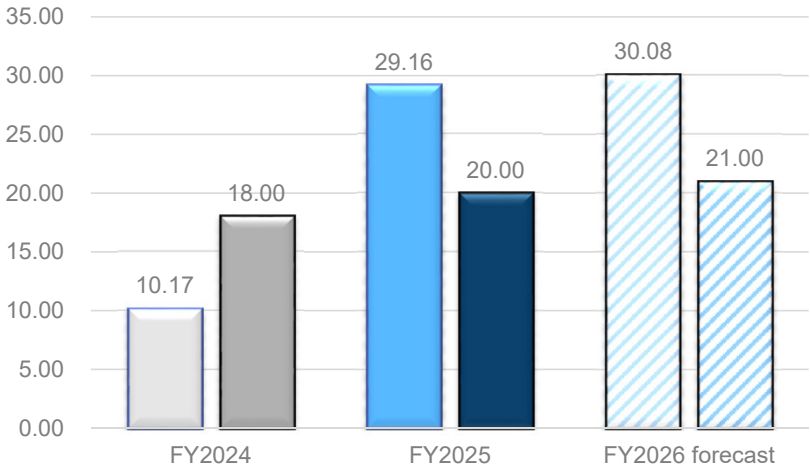
		FY2024	FY2025	FY2026 forecast
Consolidated EPS	yen	10.17	29.16	30.08
Annual dividends	yen	18.00	20.00	21.00
(of which, interim dividend)	yen	(9.00)	(10.00)	(10.00)
Dividend payout ratio	%	177.0%	68.6%	69.8%
DOE (Dividend on equity ratio)	%	5.2%	5.9%	About 6.0% (forecast)
Total dividend amount*1 *2	millions of yen	213	233	246
*1 Total dividend amount is the amount paid during the period				
Amount of treasury stock purchased during the period	millions of yen	218	—	—
Number of treasury stock purchased during the period	shares	499,700	—	—
Total number of shares issued at the end of the period*2	shares	12,300,000	12,300,000	12,300,000

*2 Dividends and the total number of shares issued at the end of the period do not take into account the impact of the purchase of treasury stock described on the next page

[Basic Policy on Shareholder Returns]

- Pay dividends in an amount as determined based on the higher of DOE of 6% and dividend payout ratio of 50%
- Focus on improving capital efficiency and purchase treasury stock at the right time

Changes in EPS and Dividends



- Shareholder returns for FY2025
Dividends at the end of Mar 2025: ¥10 (¥20 annually) DOE 5.9%
Dividend payout ratio 68.6%
- Dividend forecast for next fiscal year (FY2026):
¥21 annually
DOE forecast: About 6.0%

Purchase of treasury stock

- ◆ At the Board of Directors meeting held on April 18, 2025, the Company resolved on matters related to the purchase of treasury stock in accordance with the provisions of the Articles of Incorporation of the Company based on Article 459, paragraph 1 of the Companies Act
- 1. Reason for the purchase of treasury stock
The Company decided to purchase treasury stock because it believes that improving capital efficiency will contribute to increasing shareholder value.
- 2. Details of the matters related to the purchase
 - (1) Class of shares to be purchased Common stock of the Company
 - (2) Total number of shares that can be purchased
1,300,000 (maximum)
(10.57% of the total number of shares issued (excluding treasury stock))
 - (3) Total purchase cost of shares ¥550,000,000 (maximum)
 - (4) Purchase period From April 21, 2025, to March 19, 2026
 - (5) Purchase method Market purchase, including Off-Auction Own Share Repurchase Transaction (ToSTNeT-3) of the Tokyo Stock Exchange

- (Reference)
- Ownership status of treasury stock as of April 18, 2025
- Total number of shares issued 12,300,000
 - Number of treasury stock - shares

Change of Representative Director

- ◆ We tentatively decided on a change of Representative Director at the Board of Directors meeting held on April 18, 2025, as follows.

1. Details of the change (scheduled to take effect on June 25, 2025)

Retiring Representative Director

New title	Current title	Name
-	Representative Director Chief Operating Officer (COO)	Yuzuru Kamikawana

(Note) Current Representative Director and CEO Katsutoshi Oshima is planned to be reappointed as Director (Representative Director).

- ◆ Reason for the change:
To adapt to changes in the business environment surrounding the Group and make prompt and appropriate management decisions and act on decisions, under the new structure

These materials, which contain earnings forecasts and other forward-looking statements, are based on information available to the Company at the time of preparation and on certain other information the Company believes to be reasonable. Actual business results may differ materially from those expressed or implied herein due to a range of factors.

Investor relations contact:

URL. <https://www.gendai-a.co.jp/eng/inquiry/index.php>

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