

Business Results for the First Half of the Fiscal Year Ending March 31, 2026 (FY2026)



Key Financial Results for 1H FY2026

- ◆ Gross profit and various incomes were significantly higher YoY due to the success of various measures under the new management structure
- ◆ Online advertising has grown significantly
- ◆ Demand for paper-based advertising, including newspaper flyers, continued to decline
- ✓ Revised the full-year consolidated earnings forecast upward
- ✓ Resolved to increase the interim dividend and year-end dividend forecasts

1H FY2026 Business Performance (YoY)



	1H FY2025		1H FY2026		(millions of yen) YoY comparison	
	Amount	% of total	Amount	% of total	Change	% of Change
Net Sales	3,829	100.0%	3,921	100.0%	92	2.4%
Gross Profit	1,146	30.0%	1,385	35.3%	238	20.8%
Operating income	150	3.9%	398	10.2%	247	164.5%
Ordinary income	146	3.8%	398	10.2%	251	171.1%
Net income attributable to parent company's shareholders	108	2.8%	261	6.7%	153	142.1%

> Result

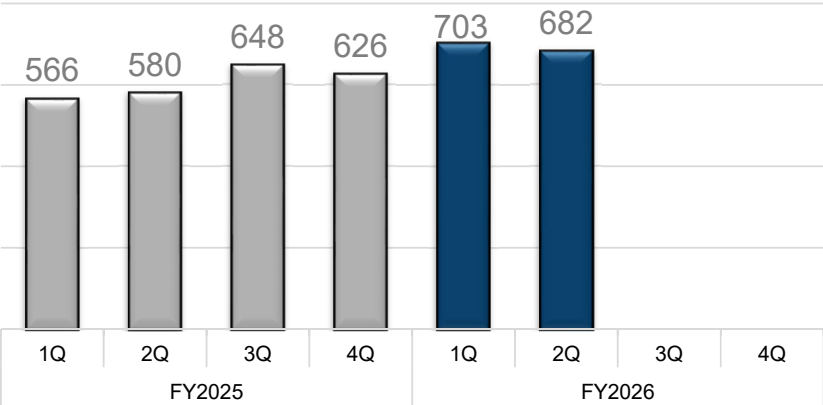
- ◆ Gross profit and various incomes increased significantly YoY

> Factors

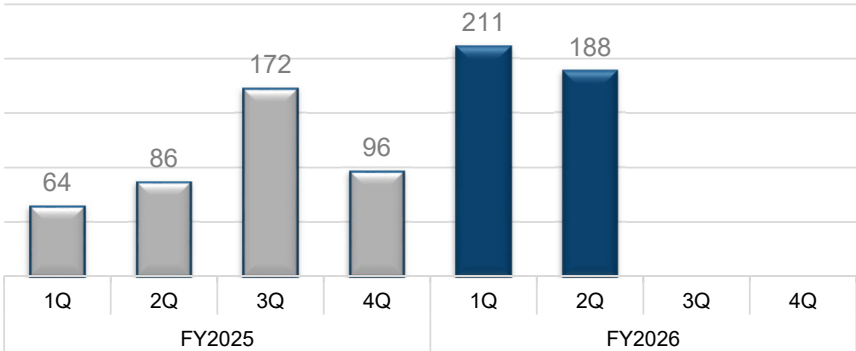
- ◆ Advertising and services that contribute to attracting customers pursuant to the guidelines penetrated the market, resulting in improved margins
- ◆ Advertising fields other than pachinko parlors remained strong

Quarterly Gross Profit and Operating Income (YoY)

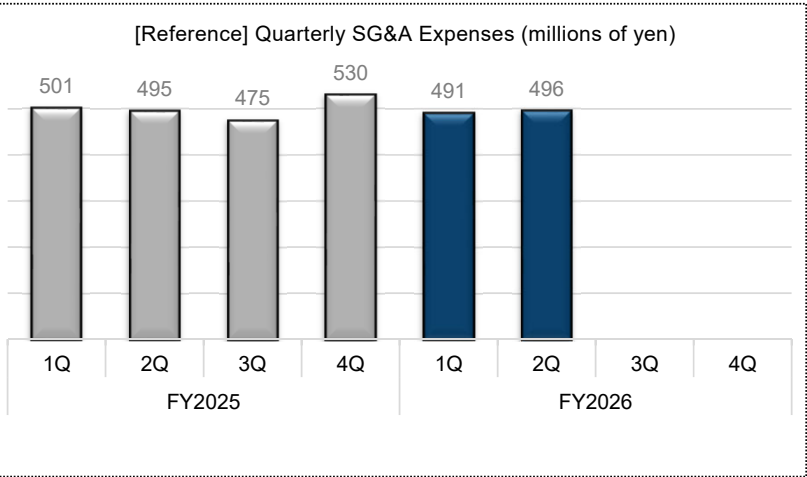
Quarterly Gross Profit (millions of yen)



Quarterly Operating Income (millions of yen)



[Reference] Quarterly SG&A Expenses (millions of yen)



- ◆ Gross profit and operating income have grown significantly
- ◆ SG&A expenses remained steady

Breakdown by Business Segment

[Cumulative Period]

	Advertising	Real Estate	Other	Adjusted Amount	(millions of yen) Consolidated
Net Sales	3,851	70	-	-	3,921
Segment income	501	36	-	-140	398

[YoY comparison]

	Advertising	Real Estate	Other	Adjusted Amount	(millions of yen) Consolidated
Net Sales	+51	+43	-3	-	+92
Segment income	+221	+28	+1	-4	+247

- ◆ Advertising outperformed the previous fiscal year thanks to various initiatives
- ◆ In the Real Estate Business, sales significantly exceeded the previous year, mainly due to the recording of fees for large-scale real estate transactions in the first quarter.

Segment Income (Advertising)

		(millions of yen)	
Advertising		YoY comparison	
	1H FY2025	1H FY2026	
			Change % of Change
Net Sales	3,799	3,851	+51 +1.4%
Segment income	280	501	+221 +78.9%

External Environment >

- ◆ Pachinko parlor facilities:
 - The industry is expected to be revitalized by the wide-spread adoption of smart pachinko machines and diversification of game features.
 - Demand for store promotion plans and Online advertising featuring industry personalities is on the rise
 - Demand for high-volume paper-based advertising, including newspaper flyers, has declined significantly
 - “Advertising and Promotion Guidelines, third edition” issued by four pachinko industry groups in May 2025 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

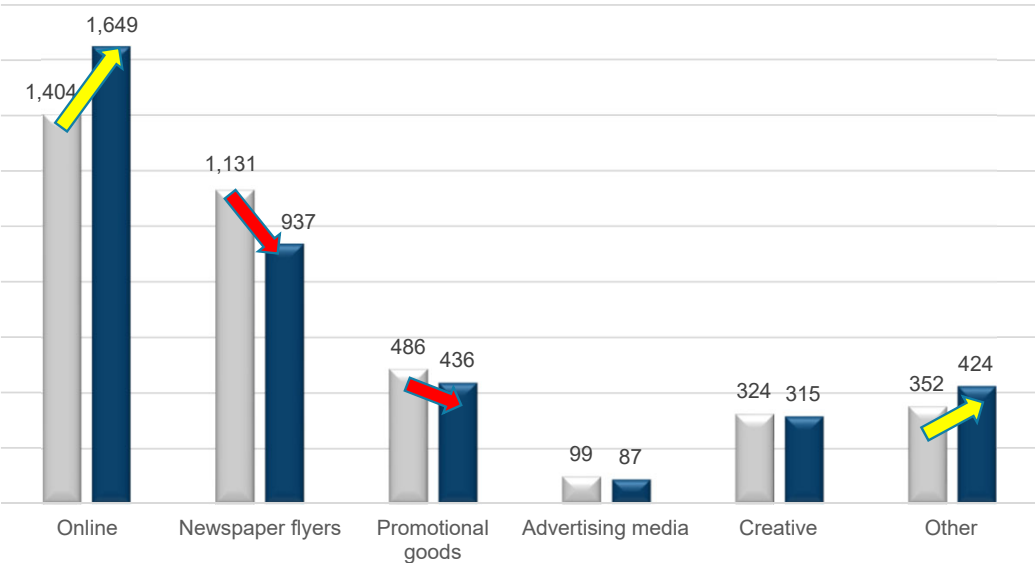
Group Initiatives >

- ◆ Developing advertising and services to attract customers according to the guidelines and expanding sales
- ◆ Focusing on sales of high-margin services such as DSP advertising and original services provided on our own website, “Pachi 7”
- ◆ More actively pursuing the acquisition of new clients in sectors with expected growth in advertising demand

Sales Breakdown (Advertising)

(millions of yen)

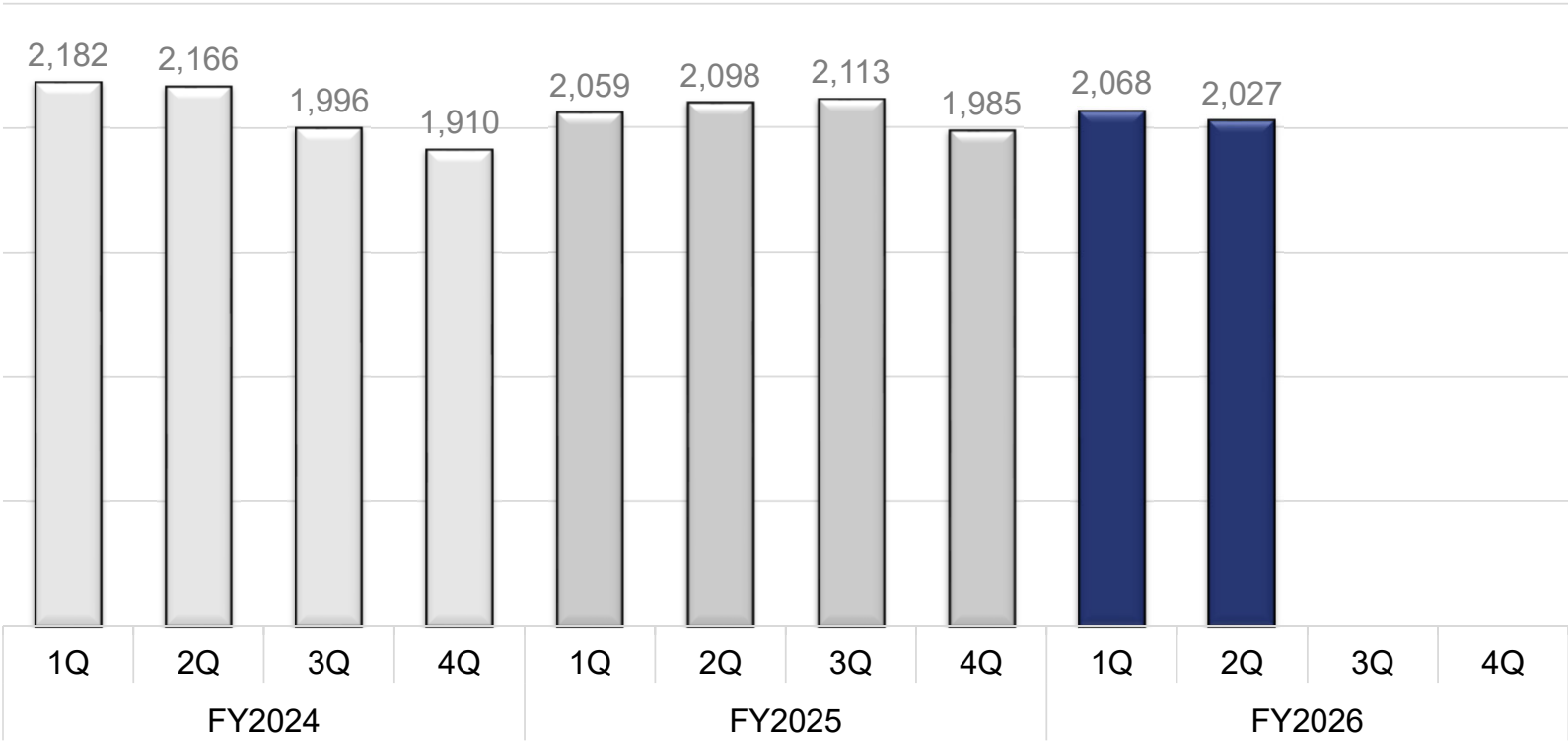
	1H FY2025		1H FY2026		YoY comparison		
	Amount	% of total	Amount	% of total	Change	% of Change	Change in % of total
Online	1,404	37.0%	1,649	42.8%	245	17.5%	5.9 pt
Newspaper flyers	1,131	29.8%	937	24.3%	-194	-17.2%	-5.4 pt
Promotional goods	486	12.8%	436	11.3%	-50	-10.4%	-1.5 pt
Advertising media	99	2.6%	87	2.3%	-11	-12.0%	-0.3 pt
Creative	324	8.5%	315	8.2%	-8	-2.6%	-0.3 pt
Other	352	9.3%	424	11.0%	71	20.4%	1.7 pt
Total	3,799	100.0%	3,851	100.0%	51	1.4%	



- ◆ Online advertising is on the rebound, significantly outperforming the same period of the previous year
- ◆ Paper-based advertising remained on a downward trend
- ◆ The Other segment increased due to sales of AI tools for design generation and the recording of large-scale one-time projects

[Reference] Total Quarterly Transactions (Advertising)

Advertising Business Total Quarterly Transactions (millions of yen)

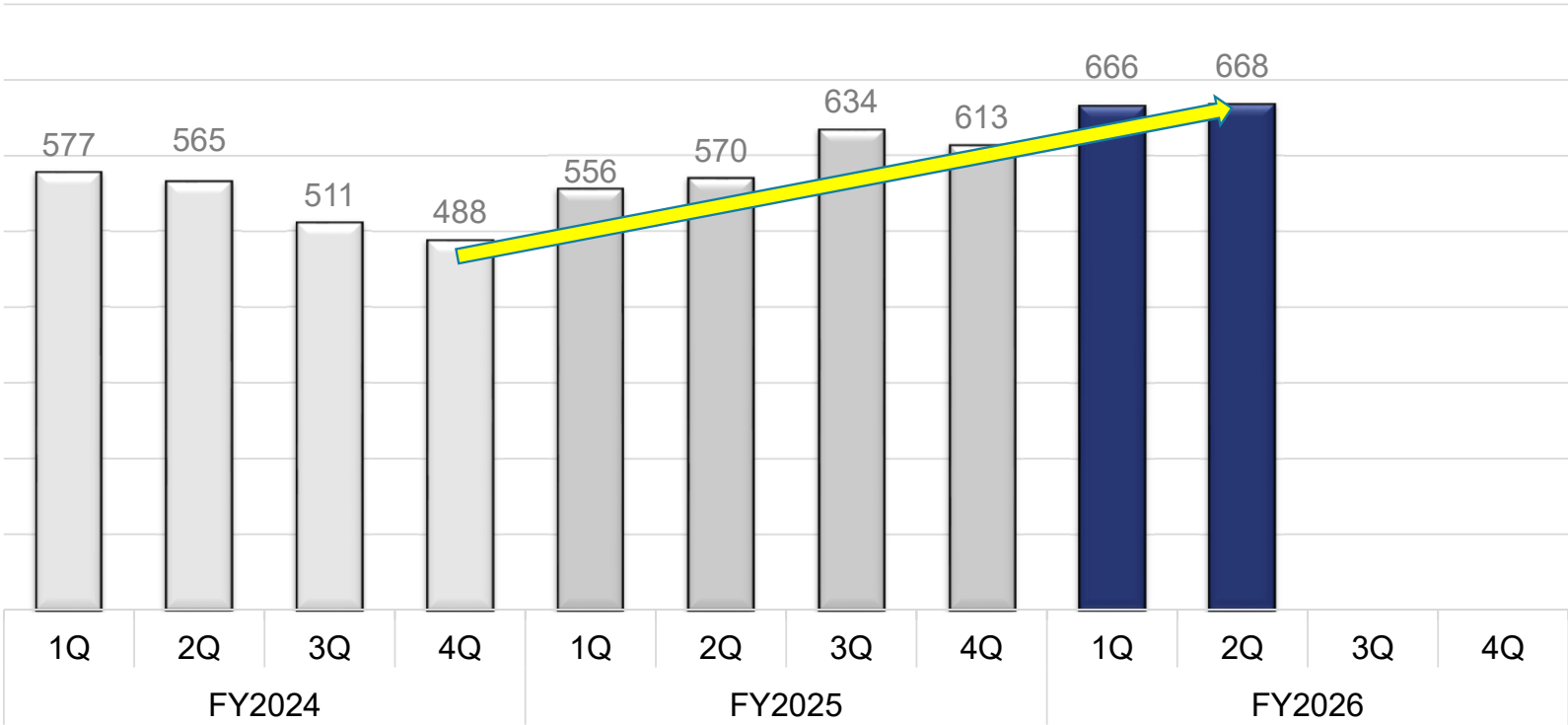


* Total transactions are the gross amount of agent transactions.

- ◆ Total transactions decreased slightly from the same period of the previous year due to a decline in agent transactions, including for media.

[Reference] Quarterly Gross Profit (Advertising)

Advertising Business Quarterly Gross Profit (millions of yen)

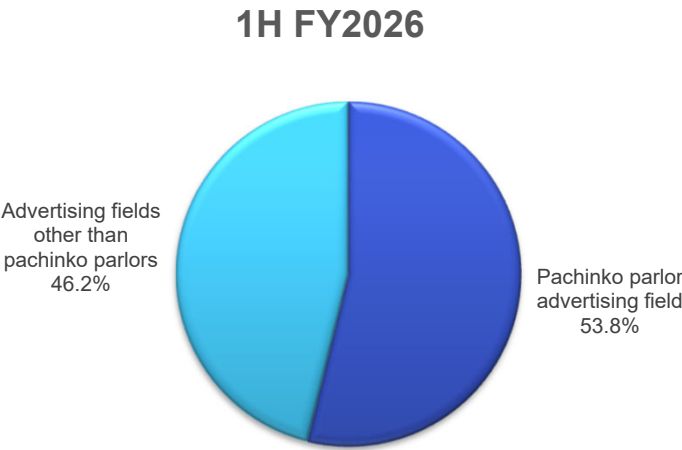
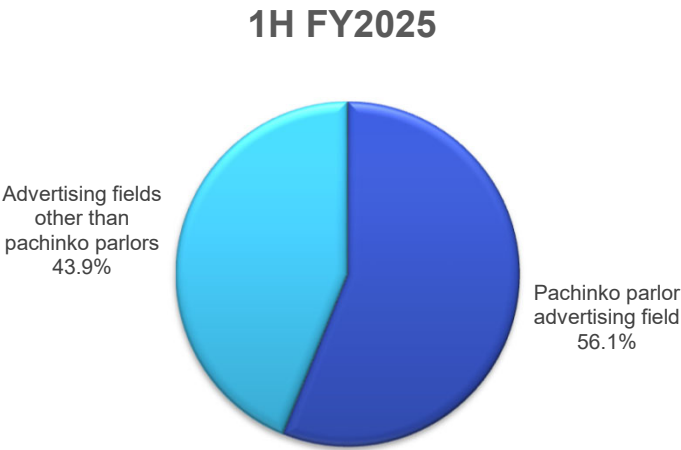


◆ The shift from paper-based advertising to online advertising led to a rise in gross profit

[Reference] Total Transaction Breakdown (Advertising)

	1H FY2025		1H FY2026		(millions of yen) Change	
	Amount	% of total	Amount	% of total	Amount	% of Change
Pachinko parlor advertising field	2,334	56.1%	2,204	53.8%	-130	-5.6%
Advertising fields other than pachinko parlors	1,823	43.9%	1,891	46.2%	68	3.7%
Total	4,157	100.0%	4,095	100.0%	-62	-1.5%

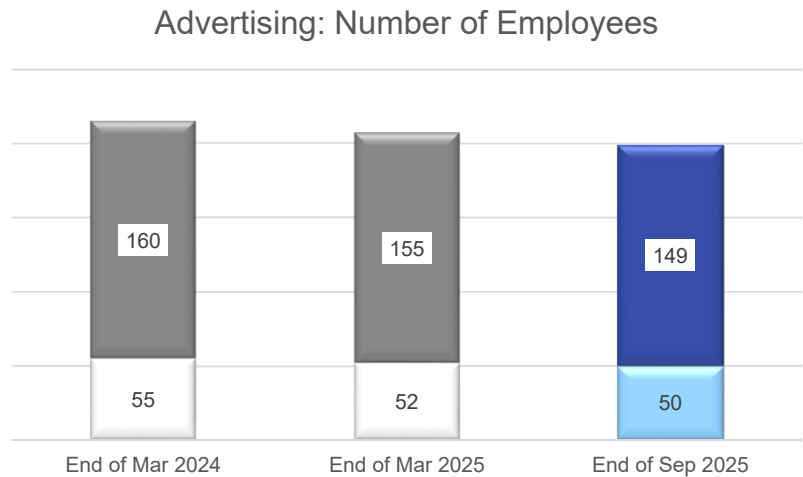
* Total transactions are the gross amount of agent transactions.



- ◆ Transactions decreased due to the shift from paper-based advertising to online advertising
- ◆ Advertising fields other than pachinko parlors continued to grow steadily

Employees

	End of Mar 2024	End of Mar 2025	End of Sep 2025	(people) YoY Change
Sales, administration (SG&A)	160	155	149	-6
Creative (cost of sales)	55	52	50	-2
Subtotal for advertising	215	207	199	-8



- ◆ Sales, administration: Hiring of new recruits was curbed
- ◆ Creative: Hiring of recruits was curbed due to declining demand for paper-based advertising
- ◆ Aggressive hiring planned in the second half and beyond

Segment Income (Real Estate)

Real Estate	(millions of yen)			
	1H FY2025	1H FY2026	YoY comparison	
			Change	% of Change
Net Sales	26	70	+43	+168.4%
Segment income	7	36	+28	+374.8%

- ◆ In addition to rental income from the land it owns in Kashiwa, Chiba Prefecture, the segment recorded ¥44 million in commission revenue from large-scale real estate transactions and brokerage of leased properties
- ◆ As a result, net sales were ¥70 million (up 168.4% YoY), and segment income came to ¥36 million (up 374.8% YoY)

Balance Sheet (Consolidated)

	End of Mar 2025 (A)	End of Sep 2025 (B)	(millions of yen) Change (B)-(A)
Cash and cash equivalents	3,693	3,122	-570
Accounts receivable	972	923	-48
Other current assets	55	61	5
Tangible/intangible fixed assets	695	682	-13
Deferred tax assets	44	18	-26
Investments and other assets	284	386	101
Total assets	5,746	5,194	-551
Accounts payable	496	454	-41
Short-term/long-term borrowings	675	593	-81
Accrued income taxes	67	121	54
Other liabilities	306	208	-97
Total liabilities	1,545	1,378	-166
Shareholders' equity	4,205	3,817	-387
Other	-3	-1	1
Total net assets	4,201	3,816	-385
Total liabilities and net assets	5,746	5,194	-551

Decrease due to dividends and the purchase of treasury stock

- Net income: +¥261 million
- Year-end dividend for the previous fiscal year: -¥123 million
- Purchase of treasury stock: -¥526 million

Cash Flow Statement (Consolidated)

	1H FY2025	(millions of yen) 1H FY2026
Net income before income taxes	146	400
Cash flow from operations	195	289
Cash flow from investing activities	-11	-129
Cash flow from financing activities	-104	-730
Cash and cash equivalents at beginning of period	3,431	3,687
Cash and cash equivalents at end of quarter	3,510	3,116

◆ Cash and cash equivalents decreased by ¥570 million in 1H FY2026

+ Net income before income taxes	400	
+ Depreciation and amortization	25	
+ Change in accounts receivable	47	
+ Other	23	
		- Change in accounts payable 41
		- Income taxes paid 59
		- Other 106
Cash flow from operations	289	
+ Other earnings	5	
		- Payment for purchase of tangible/intangible assets 32
		- Payment for purchase of investment securities 102
		Cash flow from investing activities 129
+ Proceeds from long-term borrowings	200	
		- Repayment of borrowings 281
		- Purchase of treasury stock 526
		- Dividends paid 123
		Cash flow from financing activities 730

Revision and Progress Toward Consolidated Forecast Levels

(millions of yen)

	Performance for 1H FY2026 (A)	Full-year forecast (B) *Announced on April 18, 2025	Full-year forecast (C) *Announced on October 17, 2025	Change (D) (C)-(B)	% of Change (D)/(B)	Progress (A)/(C)
Net Sales	3,921	7,800	7,800	—	—	50.3%
Operating income	398	550	750	200	36.4%	53.1%
Ordinary income	398	550	750	200	36.4%	53.1%
Net income attributable to parent company's shareholders	261	370	500	130	35.1%	52.4%

- ◆ Net sales are expected to remain in line with the initial forecast, mainly due to online advertising, which outperformed the initial forecast, although sales of high-volume paper-based advertising declined significantly from the initial forecast.
- ◆ Operating income, ordinary income and net income attributable to parent company's shareholders have been revised upward due to an increase in gross profit, which was driven by strong sales of high-margin services and online advertising compared with paper-based advertising.

Shareholder Returns

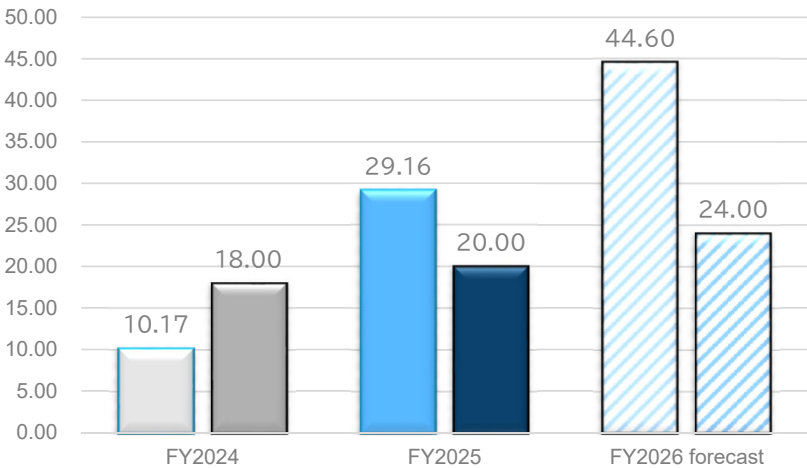
		FY2024	FY2025	FY2026 forecast
Consolidated EPS	yen	10.17	29.16	44.60
Annual dividends	yen	18.00	20.00	24.00
(of which, interim dividend)	yen	(9.00)	(10.00)	(12.00)
Dividend payout ratio	%	177.0%	68.6%	53.8%
DOE (Dividend on equity ratio)	%	5.2%	5.9%	About 6.7% (forecast)
Total dividend amount	millions of yen	213	233	255
* Total dividend amount is the amount paid during the period				
Amount of treasury stock purchased during the period	millions of yen	218	—	526
Number of treasury stock purchased during the period	shares	499,700	—	1,300,000
Total number of shares issued at the end of the period	shares	12,300,000	12,300,000	12,300,000

* EPS, dividends, and the total number of shares issued at the end of the period take into account the impact of the purchase of treasury stock.

[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



◆ Resolved to increase the interim dividend and year-end dividend forecast

As a result of the revision of the earnings forecast for FY2026, the dividend calculated based on a year-end dividend payout ratio of 50% is expected to exceed that calculated based on a year-end DOE of 6%. Accordingly, an expected dividend payout ratio of 50% will be used as a general guideline in paying dividends. Therefore, the interim dividend and the year-end dividend forecast have each been increased to ¥12.
(Previous forecast: interim dividend of ¥10, year-end dividend of ¥11, total ¥21)

As a result, the annual dividend will be ¥24 per share (representing an expected dividend payout ratio of 53.8%).

Status and Conclusion of Share Repurchase

- ◆ 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, and has completed the purchase. As the maximum number of shares to be repurchased was reached on September 8, 2025, the share repurchase based on this resolution was concluded.

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 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

3. Cumulative total of treasury stock repurchased based on the above resolution (as of September 30, 2025)

- Number of shares to be purchased 1,300,000 shares
- Total purchase price ¥526,155,200

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>

Tel. 03-5358-3334

