

April 14, 2025

Consolidated Financial Results
for the Fiscal Year Ended February 28, 2025
(Under Japanese GAAP)

Company name: MEDIA DO Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3678
URL: <https://mediado.jp/english/>
Representative: Yasushi Fujita, President and CEO
Inquiries: Hiroshi Kanda, Vice President and CFO
Telephone: +81-3-6212-5111
Scheduled date of the annual general meeting of shareholders: May 29, 2025
Scheduled date to commence dividend payment: May 13, 2025
Scheduled date to file annual securities report: May 30, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefings: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for FYE 2/25 (from March 1, 2024 to February 28, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE 2/25	101,914	8.4	2,475	19.8	2,360	18.6	1,363	—
FYE 2/24	94,036	(7.5)	2,066	(13.7)	1,990	(13.1)	(319)	—

(Note) Comprehensive income: FYE 2/25: ¥1,561 million (-%); FYE 2/24: ¥(180 million) (-%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FYE 2/25	90.08	—	8.1	4.5	2.4
FYE 2/24	(21.08)	—	(1.9)	3.9	2.2

(Reference) Investment profit (loss) on equity method: FYE 2/25 ¥(20 million); FYE 2/24 ¥(28 million)

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FYE 2/25	53,160	17,708	33.1	1,161.59
FYE 2/24	51,612	16,208	31.4	1,070.86

(Reference) Owner's equity: FYE 2/25 ¥17,599 million; FYE 2/24 ¥16,182 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FYE 2/25	3,931	137	(1,534)	13,591
FYE 2/24	3,171	(688)	(1,645)	11,004

2. Cash dividends

	Dividends per share (Yen)					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FYE 2/24	—	0.00	—	22.00	22.00	332	—	2.0
FYE 2/25	—	0.00	—	36.00	36.00	546	40.0	3.2
FYE 2/26 (forecast)	—	0.00	—	40.00	40.00		30.3	

(Notes) For the annual dividend (forecast) for FYE 2/25 and the Company's profit distribution policy, please refer to "1. Overview of operating results (5) Basic policy of profit distribution and dividends for the current and next fiscal year" on page 9 of the attached document.

3. Consolidated financial forecasts for FYE 2/26 (from March 1, 2025 to February 28, 2026)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	106,000	4.0	2,720	9.9	2,700	14.4	2,000	46.7	132.00

(Note) Consolidated financial forecasts for the first half of the fiscal year are omitted because the Company manages its operations on an annual basis. For details, please refer to "1. Overview of operating results (4) Future outlook" on page 9 of the attached document.

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: — companies (Company name) , Excluded: 1 company (Company name) Everystar Co., Ltd.

Note: For details, please refer to “3. Consolidated Financial Statements and Notes (5) Notes to consolidated financial statements ((Notes on changes in the scope of consolidation or equity method))” on page 20 of the attached document.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares outstanding during the period

FYE 2/25	15,172,972shares	FYE 2/24	15,130,911shares
FYE 2/25	21,705shares	FYE 2/24	19,254shares
FYE 2/25	15,137,989shares	FYE 2/24	15,146,347shares

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for FYE 2/25 (from March 1, 2024 to February 28, 2025)

(1) Non-consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit	
Millions of yen	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE 2/25	94,944	8.4	3,139	9.8	3,324	15.3	1,913	209.6
FYE 2/24	87,607	(8.0)	2,860	(5.6)	2,882	(4.7)	618	(54.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FYE 2/25	126.27	—
FYE 2/24	40.76	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FYE 2/25	51,740	18,538	35.8	1,222.12
FYE 2/24	49,982	16,953	33.9	1,120.55

(Reference) Owner's equity: FYE 2/25 ¥18,538 million; FYE 2/24 ¥16,953 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Please refer to “1. Overview of Operating Results” on page 5 of the attached document for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

(How to obtain supplementary information on financial results)

The Company will hold a financial results briefing for institutional investors and analysts on April 14, 2025. The presentation materials will be disclosed via TDnet after the meeting.

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1. Overview of operating results

(1) Overview of operating results for the fiscal year

	Full-Year of FYE 2/24 (From March 1, 2023 to February 29, 2024)	Full-Year of FYE 2/25 (From March 1, 2024 to February 28, 2025)	Year on year change	
			Amount of increase/decrease	Percentage change
Net sales	94,036	101,914	7,877	8.4%
Operating profit	2,066	2,475	408	19.8%
Ordinary profit	1,990	2,360	370	18.6%
Profit attributable to owners of parent	(319)	1,363	1,682	-

The MEDIA DO Group operates with the mission of realizing a “unleashing a virtuous cycle of literary creation,” by distributing such creation as broadly as possible under fair conditions and returning the profits to the creators. The Group uphold the vision of “More Content for More People!,” and are committed to expanding our business operations and enhancing corporate value, thereby contributing to the development of culture and the creation of a rich society in Japan.

Guided by Article 1 of Chapter 1, General Provisions of the Japanese Copyright Act, which states that “literary creation contributes to cultural development” and emphasizes the “balance between the use and protection of creations,” our business is dedicated to delivering a large volume of digitized literary creations to a wide audience, ensuring fair compensation to creators for their usage, and encouraging the creation of new works—thus supporting the cycle of creative content.

For the current consolidated fiscal year, the Group achieved increased revenue and profit year on year, driven by strong sales growth in the eBook Distribution business—including contributions from newly acquired distribution channels in February 2024 and growth in existing channels—and a reduction in operating losses in Strategic Investment businesses, mainly through profitability improvements in the IP Solution business.

In addition, an impairment loss of ¥482 million on goodwill and other assets related to a consolidated subsidiary in the Strategic Investment businesses was recorded as an extraordinary loss in the current consolidated fiscal year. On the other hand, the liquidation of investment securities that were subject to impairment losses in previous years led to a reduction in tax expenses.

As a result, net sales for the consolidated fiscal year were ¥101,914 million (up 8.4% year on year), operating profit was ¥2,475 million (up 19.8%), ordinary profit was ¥2,360 million (up 18.6%) and profit attributable to owners of parent was ¥1,363 million (compared to a loss of ¥319 million in the previous fiscal year).

The operating results of each segment were as follows.

eBook Distribution

In the eBook Distribution business, the Company continued to act as an eBook distributor to major eBook retailers such as 'Comic Cmoa' and 'Amazon Kindle,' and to provide eBook distribution solutions. As of the end of February 2025, the Company worked with more than 2,200 publishers, over 150 eBook retailers, and handled approximately 2.6 million content files, with over 18,000 annual campaign management cases with publishers and eBook retailers. As the largest eBook distributor in Japan, the Group has contributed to the growth of the publishing industry. With the continued expansion of the eBook market, the increase in serialized formats and other diverse distribution methods has led to a surge in the volume of content handled by publishers and eBook retailers. This has also driven

a rise in campaign activity. In response, the Company is committed to supporting the smooth operation of eBook distribution. In addition to integration with the core systems of our partner companies, the Company has developed new solutions such as episode-level distribution management and provide highly tailored support based on our accumulated expertise.

In the current consolidated fiscal year, performance rebounded with solid growth in both new and existing distribution channels. However, segment profit increased at a slower rate due to a decline in capitalized personnel expenses for engineers. As a result, sales were ¥93,767 million (up 8.5% year on year), and segment profit was ¥4,971 million (up 1.2%).

Strategic Investment

The Strategic Investment businesses consist of four businesses—namely, the FanTop business, Imprint business, IP Solution business, and Global business—and the Company has been steadily pursuing profit improvement in each of these businesses.

As for the FanTop business, we aim to vitalize the publishing and content industries by attaching valuable NFT digital content with asset-like qualities to print books and distributing NFT digital content on the NFT marketplace, which we have developed and operate in-house. The total number of copies issued by the end of February 2025 exceeded 2.85 million. In addition, we aim to acquire more members in a wider range of areas through initiatives for non-publication products, such as our first-ever attempt to sell products bundled with NFT digital content through multi-copy machines installed in approximately 60,000 convenience stores throughout Japan from December 2024.

As for the Imprint business, the Company aims to help further expand the content market by promoting multimedia development, including drama and movie adaptations of influential original works produced by publishers such as NIHONBUNGEISHA. In particular, NIHONBUNGEISHA saw an increase in sales of active content due to the strengthening of its eBook campaigns, and in terms of print book publishing, efforts to improve the profit structure through the optimization of the number of copies delivered have made progress. As a result, business performance bottomed out in Q1 and has been improving since Q2. In the Q4, expenses related to the March 2025 launch of a new website were recorded, and we will continue to promote various initiatives to establish a foundation for growth as we aim for full-year profitability from the fiscal year ending February 28, 2026 and beyond. Everystar Co., Ltd., which operates a web-novel platform, had been making steady progress in its Publishing business through novelizations and comic adaptations of discovered works. However, we determined that greater business growth could be expected for Everystar Co., Ltd. outside of the Group's consolidation scope, and thus transferred all its shares in February 2025 to Amutus Corporation, which operates Mecha Comic. As a result, Everystar Co., Ltd. will no longer be a consolidated subsidiary of the Company from the current consolidated fiscal year. For details, refer to the announcements released on February 14, 2025, "Notice Regarding Change in Consolidated Subsidiary (Everystar Co., Ltd.)" and "Notice Regarding Signing of Basic Agreement on Business Alliance with Amutus Toward Expansion of eBook Wholesale."

In the IP Solutions business, the Company mainly aims to expand the domestic publishing market and capture synergistic revenue opportunities by developing a wide range of eBook services, spanning from publishers to consumers. Flier Inc., which provides book summarization services, has developed a SaaS-type business model and has expanded its customer base, with the cumulative number of corporate contracts exceeding 1,100 companies. As a result, it turned a profit in fiscal 2024. In addition, Flier Inc. was listed on the Tokyo Stock Exchange's Growth Market on February 20, 2025. The Company will maintain the percentage of Flier's shares it holds to ensure that Flier remains a consolidated subsidiary temporarily after the listing; nonetheless, the Company will consider

gradually reducing the percentage of Flier's shares it holds as it respects Flier's independence and supports Flier's autonomous management. For details, refer to the announcement released on January 17, 2025, "Notice regarding Approval of the Listing of a Consolidated Subsidiary (Flier Inc.) and the Sale of a Portion of Shares Held by MEDIA DO Co., Ltd." The operating deficit was significantly reduced as a result of several factors, including sales from work commissioned by NTT DOCOMO, INC. for the release of the North America-focused eComic distribution service "MANGA MIRAI", increased sales from multiple hit titles provided to Audible in the audiobook business, and a temporary impact from the withdrawal from the production of original works in the VSC (Vertical Scrolling Comic) business, which occurred in Q2.

As for the Global business, the Company provides DX services to European and U.S. publishers, including the five major U.S. publishers, with a SaaS-type business model. In addition to building a network with European and U.S. publishers, the Company aims to transfer overseas publishing DX know-how to Japanese publishers in the future. The number of contracts with publishers, who are its customers, has been steadily increasing, and the churn rate of existing customers is low, ranging from 0% to 3%. As a result, revenue has been growing alongside the accumulation of corporate contracts. In North America, against the backdrop of the growing demand for Japanese content, mainly comics, the need for publishers and eBook retailers to enter overseas markets is growing. We will aim to increase our revenue while pursuing personnel optimization by continuing to actively support the distribution of content in overseas markets using our network and know-how.

As described above, in the strategic investment businesses in the current consolidated fiscal year, the IP solution business, FanTop business, and global business contributed to reduce the deficit. On the other hand, as for the Imprint business, despite steady improvement in the management structure and performance at NIHONBUNGEISHA, the recovery has not fully offset the performance deterioration in Q1, resulting in a year on year decline in profits.

As a result, net sales in the strategic investment businesses segment totaled ¥7,697 million (up 3.5% year on year), and the segment loss amounted to ¥994 million (compared with ¥1,291 million in the previous fiscal year).

(2) Analysis of financial position

Assets

As of February 28, 2025, total assets stood at ¥53,160 million, an increase of 3.0% or ¥1,548 million year on year. Current assets totaled ¥39,960 million, an increase of 9.8% or ¥3,563 million.

The main factors were increases in cash and deposits of ¥2,587 million and notes and accounts receivable-trade, and contract assets of ¥739 million, respectively.

Non-current assets stood at ¥13,199 million, a decrease of 13.2% or ¥2,015 million year on year.

The main factors were decreases in goodwill included in intangible assets of ¥1,567 million and investment securities included in investments and other assets of ¥200 million, respectively.

Liabilities

As of February 28, 2025, total liabilities came to ¥35,451 million, an increase of 0.1% or ¥48 million year on year.

Current liabilities totaled ¥32,220 million, an increase of 2.7% or ¥833 million.

The main factors were an increase in notes and accounts payable - trade of ¥2,108 million, while decreases in short-term borrowings and income taxes payable of ¥850 million and ¥729 million, respectively.

Non-current liabilities totaled ¥3,231 million, a decrease of 19.6% or ¥785 million year on year.

The main factor was a decrease in long-term borrowings of ¥769 million.

Net assets

As of February 28, 2025, total net assets stood at ¥17,708 million, an increase of 9.3% or ¥1,499 million year on year.

This was mainly due to increases in retained earnings of ¥1,030 million and accumulated other comprehensive income of ¥191 million.

(3) Cash flows

Cash and cash equivalents as of February 28, 2025 (“cash”) was ¥13,591 million.

The status of cash flows during the FYE 2/25 was as follows.

Cash flows from operating activities

Net cash provided by operating activities was ¥3,931 million (up 23.9% year on year).

The main cash inflows were profit before income taxes of ¥1,882 million, depreciation of ¥657 million, impairment losses of ¥482 million, amortization of goodwill of ¥657 million, and an increase in trade payables of ¥2,098 million. Main cash outflows included an increase in trade receivables of ¥794 million and income taxes paid of ¥1,222 million.

Cash flows from investing activities

Net cash provided by investing activities was ¥137 million, compared to net cash used of ¥688 million in the previous fiscal year.

The main cash inflow was proceeds from sale of investment in subsidiaries resulting in change in scope of consolidation of ¥683 million, while the main cash outflow was purchase of intangible fixed assets of ¥475 million.

Cash flows from financing activities

Net cash used in financing activities was ¥1,534 million, compared to net cash used of ¥1,645 million in the previous fiscal year.

The main cash outflows were proceeds from long-term borrowings of ¥798 million and proceeds from payments from noncontrolling interests of ¥172 million, while cash outflows included a net decrease in short-term borrowings of ¥851 million, repayment of long-term borrowings of ¥1,426 million, and cash dividends paid of ¥332 million.

(Reference) Trends in cash flow-related indicators

	FYE 2/21	FYE 2/22	FYE 2/23	FYE 2/24	FYE 2/25
Equity ratio (%)	28.0	32.0	32.8	31.4	33.1
Equity ratio based on market value (%)	197.1	75.3	45.2	39.2	45.2
Interest-bearing debt to cash flow ratio (years)	2.6	1.2	3.5	1.7	1.0
Interest coverage ratio (times)	70.7	143.8	58.6	100.5	111.1

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expense

(Notes) 1. Cash flows use operating cash flows.

2. Interest-bearing debt includes all debt appearing on the balance sheet on which interest is being paid.

(4) Future outlook

The size of the domestic eBook market continued to expand after growing significantly due to the special demand for stay-at-home activities during the COVID-19 pandemic, expanding to approximately ¥640 billion in 2023. Although the growth rate is expected to moderate compared to previous years, the market is projected to continue expanding, reaching approximately 800 billion yen by 2028 (Source: Impress Research Institute, “eBook Marketing Report 2024 on Japanese Market”)

Globally, the eBook market surpassed 2 trillion yen in 2023 and is expected to maintain its expansion (Source: Ministry of Internal Affairs and Communications, “2024 White Paper Information and Communications in Japan”). Unlike Japan, where manga dominates the eBook market, overseas markets feature a higher proportion of text-based content, and in some regions, the audiobook market has grown to a scale comparable to eBooks. Furthermore, the widespread use of video streaming platforms has led to simultaneous global distribution of Japanese animations and other media content in multiple languages, increasing global interest in the original manga and novels.

In response to this environment, the Group will continue to pursue its vision of “More Content for More People!,” As a growth driver, we will leverage these changes to enhance corporate value. We have released a new five-year Medium-Term Management Plan beginning with FYE 2/26. While manga remains the leading force in the domestic market, we will further evolve our content distribution solutions to encompass text-based content and audiobooks both in Japan and internationally, aiming to lead the global growth of Japan’s publishing industry.

As Japan’s largest eBook distributor, the Company have built a solid foundation of transactions with more than 2,200 publishers and over 150 eBook retailers. We aim to strengthen our top market position by further enhancing client-focused services and system integration, securing new distribution channels, expanding our market share, and contributing to the growth of the eBook market.

Furthermore, the Company will extend our efforts beyond Japan to deliver Japanese content to more global users. Many Japanese works remain untranslated, and challenges such as translation costs and securing international distribution channels persist. Through our U.S. subsidiary Media Do International, Inc., established in 2016, we support the global expansion of Japanese publishers, including translation. In addition, through the Firebrand Group, we have built a strong network with over 300 foreign publishers, including the five major U.S. publishers. By combining these strengths with cutting-edge technology to develop and offer new products and services, we will continue to support the global expansion of Japanese content both in terms of quantity and quality.

For further details on strategies and goals under the “Medium-Term Management Plan (FYE 2/26–FYE2/30)”, please refer to our separate announcement released today.

Based on this outlook, our forecasts for the fiscal year ending February 2026 are as follows: net sales of ¥106,000 million (up 4.0% year on year), operating profit of ¥2,720 million (up 9.9%), ordinary profit of ¥2,700 million (up 14.4%), and net profit attributable to owners of parent of ¥2,000 million (up 46.7%).

(5) Basic policy on profit distribution and dividends for the current and next fiscal year

Recognizing that returning profits to shareholders is an important management priority, the Company also regards capital investment and the reinforcement of the management foundation required for sustainable growth in the future as key management goals. Accordingly, the Company’s basic policy is to distribute profits through dividends based on a comprehensive assessment of the overall management condition, including financial health and performance trends, while maintaining an appropriate level of retained earnings.

Based on this policy, the Company’s shareholder return policy has set a total return ratio*¹ of 30% or more as a benchmark through dividend payments and share buybacks. Regarding the year-end dividend for the fiscal year ended February 28, 2025, initially, the Company planned an increase of ¥5 per share compared to the previous fiscal year,

to ¥27 per share. However, on January 10, 2025, the Company announced an upward revision adding an ¥8 commemorative dividend for our 30th anniversary of foundation, making the dividend ¥35 per share (ordinary dividend: ¥27, commemorative dividend: ¥8). (For details, refer to the announcements released on January 10, 2025, “Notice regarding Upward Revision of Dividend Forecast for the Fiscal Year Ending February 28, 2025 (Commemorative Dividend for the 30th Anniversary of the Foundation).”) In addition, based on the Company’s performance for the current fiscal year, the dividend per share was revised upward from ¥35 to ¥36 per share, an increase of ¥1 (total amount of dividends: ¥546 million). As a result, the total return ratio is expected to be 40%. The year-end dividend amount for the current fiscal year is scheduled to be resolved at the Board of Directors meeting to be held on April 24, 2025.

Regarding the return of profit, including annual dividends, for the next fiscal year ending February 28, 2026, the Company will continue to make comprehensive decisions based on its financial position and performance trends, keeping in mind that the total return ratio of 30% or more.

As for the annual dividend forecast, the Company will increase the dividend by ¥4 to ¥40 per share, and will consider further increases depending on future profit conditions. The Company will also flexibly determine share buybacks in accordance with stock price trends and other factors.

(Reference)

	FYE 2/23	FYE 2/24	FYE 2/25	FYE 2/26 (forecast)
Dividends per share Fiscal year-end (Yen)	—	22	36 ^{*2}	40
Acquisition of Treasury Shares (Millions of yen)	1,000	500	—	TBD
Total return ratio ^{*1}	94.6%	— ^{*3}	40.0%	30.0% or more

(Notes)

*1. Total return ratio = (Total amount of dividends paid + Total amount of treasury shares acquired) / Profit attributable to owners of parent. Since FYE 2/23, the basic policy for shareholder returns was changed from "Total return ratio of 20% or more" to "Total return ratio of 30% or more."

*2. The year-end dividend amount for the current fiscal year is scheduled to be resolved at the Board of Directors meeting to be held on April 24, 2025.

*3. Shown with a hyphen because net profit attributable to owners of parent is in the red and the total return ratio is negative. The total return ratio is 75.7% based on the forecast amount of net profit attributable to owners of parents of ¥1,100 million at the beginning of FYE 2/24.

2. Basic policy on the selection of accounting standards

Considering the comparability of financial statements over time and between companies, the Group plans to prepare financial statements based on Japanese GAAP for the time being. Going forward, we will consider adopting International Financial Reporting Standards (IFRS) based on the trends in foreign shareholder ratios and the application of IFRS by domestic peers.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	FYE 2/24 (As of February 29, 2024)	FYE 2/25 (As of February 28, 2025)
Assets		
Current assets		
Cash and deposits	11,004	13,591
Notes and accounts receivable - trade, and contract assets	23,294	24,033
Other	2,098	2,335
Allowance for doubtful accounts	(0)	(0)
Total current assets	36,396	39,960
Non-current assets		
Property, plant and equipment		
Buildings	701	737
Tools, furniture and fixtures	309	286
Other	121	60
Accumulated depreciation	(460)	(502)
Total property, plant and equipment	672	582
Intangible assets		
Goodwill	5,765	4,198
Software	590	624
Software in progress	74	9
Other	1,162	1,207
Total intangible assets	7,592	6,039
Investments and other assets		
Investment securities	5,870	5,669
Deferred tax assets	494	310
Guarantee deposits	471	468
Other	122	135
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	6,951	6,577
Total non-current assets	15,215	13,199
Total assets	51,612	53,160

(Millions of yen)

	FYE 2/24 (As of February 29, 2024)	FYE 2/25 (As of February 28, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,165	28,273
Short-term borrowings	902	52
Current portion of long-term borrowings	1,314	1,455
Income taxes payable	756	27
Provision for bonuses	42	42
Other	2,205	2,369
Total current liabilities	31,386	32,220
Non-current liabilities		
Long-term borrowings	3,128	2,358
Deferred tax liabilities	120	81
Retirement benefit liability	615	621
Other	153	169
Total non-current liabilities	4,017	3,231
Total liabilities	35,403	35,451
Net assets		
Shareholders' equity		
Share capital	5,959	5,990
Capital surplus	5,737	5,901
Retained earnings	3,614	4,645
Treasury shares	(48)	(48)
Total shareholders' equity	15,262	16,488
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	195	127
Foreign currency translation adjustment	725	984
Total accumulated other comprehensive income	920	1,111
Non-controlling interests	25	108
Total net assets	16,208	17,708
Total liabilities and net assets	51,612	53,160

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Millions of yen)

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Net sales	94,036	101,914
Cost of sales	83,182	90,827
Gross profit	10,854	11,086
Selling, general and administrative expenses	8,788	8,611
Operating profit	2,066	2,475
Non-operating income		
Interest and dividend income	26	37
Foreign exchange gains	18	—
Other	6	14
Total non-operating income	52	51
Non-operating expenses		
Interest expenses	31	35
Share issuance costs	0	3
Foreign exchange losses	—	3
Loss on investments in investment partnerships	12	33
Share of loss of entities accounted for using equity method	28	20
Donations	40	54
Other	15	16
Total non-operating expenses	127	166
Ordinary profit	1,990	2,360
Extraordinary income		
Gain on sale of non-current assets	—	2
Gain on sale of investment securities	106	31
Gain on sale of shares of subsidiaries and associates	—	21
Gain on sale of businesses	—	18
Gain on reversal of share acquisition rights	0	—
Gain on change in equity	110	—
Total extraordinary income	217	72
Extraordinary losses		
Loss on retirement of non-current assets	1	—
Impairment losses	1,015	482
Loss on valuation of investment securities	716	45
Loss on sale of shares of subsidiaries and associates	6	—
Loss on liquidation of business	—	23
Other	29	—
Total extraordinary losses	1,769	551
Profit before income taxes	438	1,882
Income taxes - current	1,000	355
Income taxes - deferred	(177)	157
Total income taxes	823	512
Profit (loss)	(384)	1,370
Profit (loss) attributable to non-controlling interests	(65)	6
Profit (loss) attributable to owners of parent	(319)	1,363

(Consolidated statements of comprehensive income)

(Millions of yen)

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Profit (loss)	(384)	1,370
Other comprehensive income		
Valuation difference on available-for-sale securities	76	(65)
Foreign currency translation adjustment	128	259
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Total other comprehensive income	204	191
Comprehensive income	(180)	1,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(114)	1,554
Comprehensive income attributable to non-controlling interests	(65)	6

(3) Consolidated statements of change in net assets

FYE 2/24 (March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,934	6,159	3,933	(48)	15,979
Changes during period					
The issuance of shares certain transfer restrictions	24	24			49
Loss attributable to owners of parent			(319)		(319)
Purchase of treasury shares				(499)	(499)
Cancellation of treasury shares		(499)		499	—
Capital increase of consolidated subsidiaries		51			51
Net changes in items other than shareholders' equity					—
Total changes during period	24	(422)	(319)	(0)	(717)
Balance at end of period	5,959	5,737	3,614	(48)	15,262

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	118	596	715	0	77	16,772
Changes during period						
The issuance of shares certain transfer restrictions			—			49
Loss attributable to owners of parent			—			(319)
Purchase of treasury shares			—			(499)
Cancellation of treasury shares			—			—
Capital increase of consolidated subsidiaries			—			51
Net changes in items other than shareholders' equity	76	128	204	(0)	(51)	152
Total changes during period	76	128	204	(0)	(51)	(564)
Balance at end of period	195	725	920	—	25	16,208

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,959	5,737	3,614	△48	15,262
Changes during period					
The issuance of shares certain transfer restrictions	30	30			61
Dividends of surplus			(332)		(332)
Profit attributable to owners of parent			1,363		1,363
Capital increase of consolidated subsidiaries		96			96
Sale of shares of consolidated subsidiaries		36			36
Net changes in items other than shareholders' equity					—
Total changes during period	30	163	1,030	—	1,225
Balance at end of period	5,990	5,901	4,645	(48)	16,488

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	195	725	920	25	16,208
Changes during period					
The issuance of shares certain transfer restrictions			—		61
Dividends of surplus			—		(332)
Profit attributable to owners of parent			—		1,363
Capital increase of consolidated subsidiaries			—		96
Sale of shares of consolidated subsidiaries			—		36
Net changes in items other than shareholders' equity	(67)	259	191	82	274
Total changes during period	(67)	259	191	82	1,499
Balance at end of period	127	984	1,111	108	17,708

(4) Consolidated statements of cash flows

(Millions of yen)

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Cash flows from operating activities		
Profit before income taxes	438	1,882
Depreciation	625	657
Impairment losses	1,015	482
Amortization of goodwill	702	657
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	1	(0)
Increase (decrease) in retirement benefit liability	(32)	(7)
Interest and dividend income	(26)	(37)
Interest expenses	31	35
Loss (gain) on valuation of investment securities	716	45
Loss (gain) on investments in investment partnerships	12	33
Loss (gain) on sale of investment securities	(106)	(31)
Loss (gain) on sale of shares of subsidiaries and associates	6	(21)
Share of loss (profit) of entities accounted for using equity method	28	20
Loss (gain) on change in equity	(110)	—
Decrease (increase) in trade receivables	(1,580)	(794)
Increase (decrease) in advances received	152	(15)
Decrease (increase) in inventories	9	23
Decrease (increase) in prepaid expenses	(56)	(59)
Increase (decrease) in trade payables	1,651	2,098
Increase (decrease) in accounts payable - other	(111)	163
Increase (decrease) in deposits received	108	(11)
Increase (decrease) in accrued consumption taxes	16	23
Decrease (increase) in consumption taxes refund receivable	(130)	(71)
Other, net	87	(18)
Subtotal	3,450	5,054
Interest and dividends received	30	41
Interest paid	(31)	(35)
Income taxes paid	(344)	(1,222)
Income taxes refund	66	93
Net cash provided by (used in) operating activities	3,171	3,931
Cash flows from investing activities		
Purchase of property, plant and equipment	(113)	(84)
Purchase of intangible assets	(686)	(475)
Purchase of investment securities	(6)	(8)
Proceeds from sale of investment securities	138	40
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	683
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(17)	—
Payments of guarantee deposits	(24)	(1)
Proceeds from refund of guarantee deposits	41	2
Other, net	(19)	(19)
Net cash provided by (used in) investing activities	(688)	137

(Millions of yen)

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1)	(851)
Proceeds from long-term borrowings	—	798
Repayments of long-term borrowings	(1,274)	(1,426)
Proceeds from issuance of shares with restriction of transfer	49	61
Proceeds from share issuance to non-controlling shareholders	79	172
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	44
Dividends paid	—	(332)
Purchase of treasury shares	(499)	—
Net cash provided by (used in) financing activities	(1,645)	(1,534)
Effect of exchange rate change on cash and cash equivalents	39	52
Net increase (decrease) in cash and cash equivalents	877	2,587
Cash and cash equivalents at beginning of period	10,127	11,004
Cash and cash equivalents at end of period	11,004	13,591

(5) Notes on consolidated financial statements

(Notes on the going concern assumption)

There are no applicable items.

(Notes on changes in the scope of consolidation or equity method)

(1) Significant changes in the scope of consolidation:

In the current consolidated fiscal year, Everystar Co., Ltd. was excluded from the scope of consolidation as all shares held by the Company were transferred.

(2) Significant changes in the scope of equity method:

There are no applicable items.

(Notes on Segment Information)

【Segment Information】

1. Overview of reportable segments

Reportable segments of the Group are units for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of allocating management resources and evaluating performance.

The Group has identified two reportable segments: the eBook Distribution Business, which is responsible for expanding the eBook distribution network via distribution systems and partnerships with eBook retailers, and the Strategic Investment Businesses, which aims to establish a second revenue stream leveraging our strong network in the publishing industry.

2. Basis for calculation of revenue, profit or loss, assets, liabilities, and other items by segment

The accounting policies for the reportable business segments are generally the same as those described in “Significant Matters Serving as the Basis for the Preparation of Consolidated Financial Statements.”

Segment profit is based on operating profit.

3. Information on sales, profit or loss, assets, liabilities, and other items by segment

FYE 2/24 (March 1, 2023 to February 29, 2024)

	Reportable segments			Reconciling items ^{*2}	Per consolidated financial statements ^{*3}
	eBook distribution business	Strategic Investment businesses	Total		
Sales					
Revenues from external customers	86,402	7,435	93,838	198	94,036
Transactions with other segments	46	1,178	1,224	(1,224)	—
Net sales	86,448	8,613	95,062	(1,025)	94,036
Segment profit or loss	4,910	(1,291)	3,619	(1,553)	2,066
Other items					
Amortization of goodwill	253	448	702	—	702
Depreciation	306	291	597	28	625

(Notes) *1. Assets and liabilities by reportable segment are not disclosed as they are not allocated for internal management purposes.

*2. Adjustments to segment profit or loss represent general administrative expenses not attributable to reportable segments.

*3. Segment profit or loss corresponds to operating profit in the consolidated statements of income.

FYE 2/25 (March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segments			Reconciling items ^{*2}	Per consolidated financial statements ^{*3}
	eBook Distribution business	Strategic Investment businesses	Reportable segments		
Sales					
Revenues from external customers	93,767	7,697	101,464	450	101,914
Transactions with other segments	51	1,256	1,307	(1,307)	—
Net sales	93,818	8,953	102,771	(857)	101,914
Segment profit or loss	4,971	(994)	3,977	(1,502)	2,475
Other items					
Amortization of goodwill	253	403	657	—	657
Depreciation	295	330	625	31	657

(Notes) *1. Assets and liabilities by reportable segment are not disclosed as they are not allocated for internal management purposes.

*2. Adjustments to segment profit or loss represent general administrative expenses not attributable to reportable segments.

*3. Segment profit or loss corresponds to operating profit in the consolidated statements of income.

【Related Information】

FYE 2/24 (March 1, 2023 to February 29, 2024)

1. Information by Product and Service:

Omitted since similar information is disclosed in segment information.

2. Information by Region:

(1) Net Sales: Omitted because sales to external customers in Japan exceed 90% of consolidated net sales.

(Note: Net sales are categorized by the location of end users.)

(2) Property, Plant and Equipment: Omitted because tangible fixed assets located in Japan exceed 90% of the total amount on the consolidated balance sheet.

2. Information by Major Customers:

(Millions of yen)

Name or Designation of Customer	Net Sales	Related Segment
NTT Solmare Corporation	24,196	eBook Distribution business
Amazon Services International LLC	14,880	eBook Distribution business

FYE 2/25 (March 1, 2024 to February 28, 2025)

1. Information by Product and Service:

Omitted since similar information is disclosed in segment information.

2. Information by Region:

(1) Net Sales: Omitted because sales to external customers in Japan exceed 90% of consolidated net sales.

(Note: Net sales are categorized by the location of end users.)

(2) Property, Plant and Equipment: Omitted because tangible fixed assets located in Japan exceed 90% of the total amount on the consolidated balance sheet.

2. Information by Major Customers:

(Millions of yen)

Name or Designation of Customer	Net Sales	Related Segment
NTT Solmare Corporation	26,825	eBook Distribution business
Amazon Services International LLC	16,031	eBook Distribution business

【Impairment losses on fixed assets by reportable segment】

FYE 2/24 (March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reportable segments			Unallocated amounts and elimination	Total
	eBook Distribution business	Strategic Investment businesses	Total		
Impairment losses	—	1,015	1,015	—	1,015

FYE 2/25 (March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segments			Unallocated amounts and elimination	Total
	eBook Distribution business	Strategic Investment businesses	Total		
Impairment losses	—	482	482	—	482

【Amortization and balance of goodwill by reportable segment】

FYE 2/24 (March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reportable segments			Unallocated amounts and elimination	Per consolidated financial statements
	eBook Distribution business	Strategic Investment businesses	Total		
Amortization of goodwill	253	448	702	—	702
Goodwill	3,321	2,443	5,765	—	5,765

FYE 2/25 (March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segments			Unallocated amounts and elimination	Per consolidated financial statements
	eBook Distribution business	Strategic Investment businesses	Total		
Amortization of goodwill	253	403	657	—	657
Goodwill	3,068	1,130	4,198	—	4,198

【Negative goodwill gains by reportable segment】

FYE 2/24 (March 1, 2023 to February 29, 2024): None

FYE 2/25 (March 1, 2024 to February 28, 2025): None

(Notes on per share information)

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Net assets per share	1,070.86 yen	1,161.59 yen
Net profit (loss) per share	(21.08) yen	90.08 yen

(Note) 1. Net profit per share after dilution is not presented for either year as there are no dilutive shares. Net profit per share after dilution of potential stock for the previous consolidated fiscal year is not stated as there was a net loss per share and there were no potential stock equivalents.

2. The basis for calculation of net assets per share is as follows

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Total net assets (Millions of yen)	16,208	17,708
Amount deducted from total net assets (millions of yen)	25	108
(Of which stock acquisition rights (Millions of yen))	(—)	(—)
(Of which, noncontrolling interests (Millions of yen))	(25)	(108)
Net assets related to common stock at the year-end (Millions of yen)	16,182	17,599
Number of shares of common stock used in the calculation of net assets per share at the end of the fiscal year (shares)	15,111,657	15,151,267

3. Basis of calculation for net assets per share:

	FYE 2/24 (From March 1, 2023 to February 29, 2024)	FYE 2/25 (From March 1, 2024 to February 28, 2025)
Net profit (loss) per share		
Net profit (loss) attributable to owners of the parent (Millions of yen)	(319)	1,363
Amount not attributable to common shareholders (Millions of yen)	—	—
Net profit (loss) attributable to owners of the parent for common stock (millions of yen)	(319)	1,363
Average number of shares of common stock during the period (shares)	15,146,347	15,137,989

(Significant Subsequent Events)

Transfer of shares of an equity method affiliate:

At the Board of Directors meeting held on March 26, 2025, the Company resolved to transfer all shares of MyAnimeList Inc., an equity-method affiliate, to Gaudiy Inc. The share transfer agreement was signed on the same day.

As a result, a gain on sale of investment securities in affiliates of ¥531 million is expected to be recorded as extraordinary income in Q1 FYE 2/26.