



May 30, 2025

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## **Financial Results FAQs for Q4 FYE 2/25**

MEDIA DO Co., Ltd. (hereafter "the Company") hereby discloses the main questions received from investors regarding the full-year financial results for the fiscal year ended February 28, 2025, along with the respective answers, as follows.

To strengthen information dissemination to investors and ensure fair disclosure, the Company plans to compile and publish these responses at the end of the month following the financial results announcement (August, November, February, and May). While slight discrepancies may arise due to timing differences, the most recent responses are presented as the Company's latest policy at the time of disclosure.

For details, please refer to the attached "Financial Results FAQs."

Additionally, materials related to the full-year financial results for the fiscal year ended February 28, 2025, can be accessed below.

### ■ Consolidated Financial Results

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/176935/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/176935/00.pdf)

### ■ Financial Results Briefing

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/176936/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/176936/00.pdf)

### ■ Medium-Term Management Plan FYE2/26 - FYE2/30

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/176934/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/176934/00.pdf)

### ■ Video of Financial Results Briefing (Japanese only)

URL: <https://mediado.jp/ir/>

### ■ Transcript of presentation

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/177182/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/177182/00.pdf)



# Financial Results FAQs

MEDIA DO Co., Ltd.  
Financial Results for Q4 FYE 2/25  
May 30, 2025



## Q4

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# Financial Results FAQs

## Q4 FYE 2/25



## Q1 What is your assessment of FYE 2/25 results?

**A**

The results for FYE 2/25 exceeded initial forecasts across all key metrics, marking the first increase in both revenue and profit in three fiscal years. On a quarterly basis, Q4 sales reached a record high since the transfer of LINE Manga, driven by the contribution of new distribution channels acquired in February 2024. Full-year revenue rose 8.4% YoY. Operating profit increased by 19.8% YoY, primarily driven by improved profitability in the Strategic Investment businesses, especially within the IP Solution business. Full-year results exceeded guidance, with net sales at 104.0%, EBITDA at 106.5%, operating profit at 107.6%, and net income at 102.5% of the full-year forecasts.

	Full-Year FYE 2/24	Full-Year FYE 2/25	YoY	Achievement vs. Full-Year Forecast
Net sales	<b>¥94.03bn</b>	<b>¥101.91bn</b>	<b>+8.4%</b> (+7.88bn)	<b>104.0%</b>
EBITDA	<b>¥3.39bn</b>	<b>¥3.79bn</b>	<b>+11.7%</b> (+0.40bn)	<b>106.5%</b>
Operating profit	<b>¥2.06bn</b>	<b>¥2.47bn</b>	<b>+19.8%</b> (+0.41bn)	<b>107.6%</b>
Profit attributable to owners of parent	<b>-¥0.31bn</b>	<b>¥1.36bn</b>	- (+1.67bn)	<b>102.5%</b>



## Q2 What is your financial forecast for FYE 2/26?

**A**

Our forecast for FYE 2/26 is as follows: net sales of ¥106.0 billion (+4.0% YoY), operating profit of ¥2.72 billion (+9.9%), and net income of ¥2.00 billion (+46.7%). Note that the forecast includes a ¥531 million gain from the sale of shares in MyAnimeList, an equity-method affiliate, which significantly boosts net income.

	FYE 2/25 Results	FYE 2/26 Forecast	YoY
Net sales	<b>¥101.9bn</b>	<b>¥106.0bn</b>	<b>+4.0% (+4.10bn)</b>
Operating profit	<b>¥2.47bn</b>	<b>¥2.72bn</b>	<b>+9.9% (+0.25bn)</b>
Ordinary profit	<b>¥2.36bn</b>	<b>¥2.70bn</b>	<b>+14.4% (+0.34bn)</b>
Profit attributable to owners of parent	<b>¥1.36bn</b>	<b>¥2.00bn</b>	<b>+46.7% (+0.64bn)</b> <small>* Gain on sales of shares of affiliated company (¥531 mn) due to the transfer of shares of MyAnimeList, an equity-method affiliate</small>
EBITDA	<b>¥3.79bn</b>	<b>¥3.93bn</b>	<b>+3.7% (+0.14bn)</b>
ROE	<b>8.1%</b>	<b>10.9%</b>	<b>+2.8pt</b>



Q3

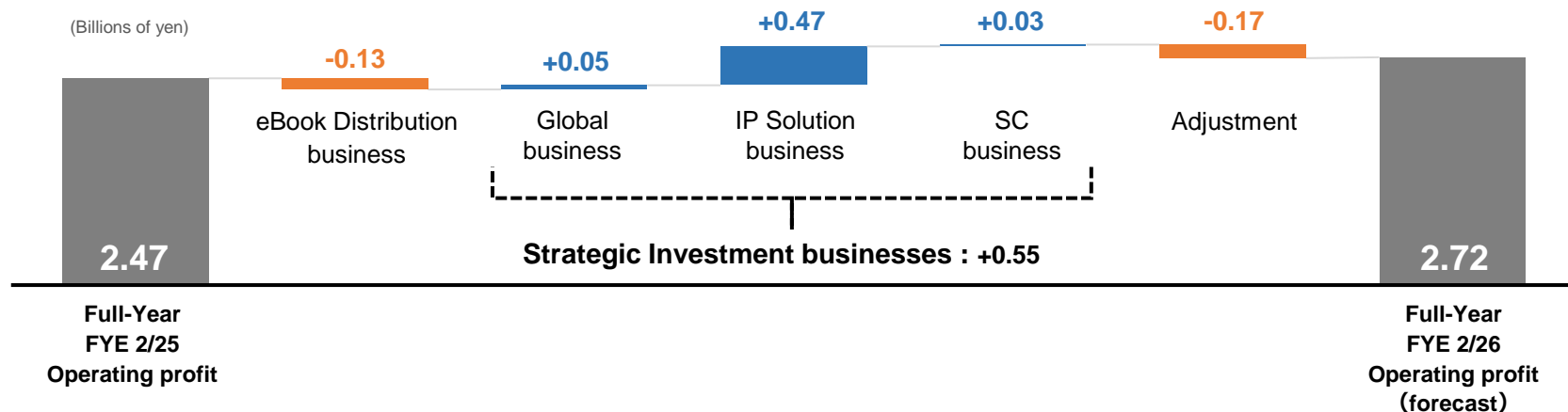
## What are the factors behind changes in operating profit by business for FYE 2/26?

A

Operating profit for FYE 2/26 is projected to increase by ¥250 million (+9.9%) to ¥2.72 billion. Breakdown by segment:  
 eBook Distribution business : −¥130 million. Although net sales are expected to grow, the end of high-margin services will negatively affect profits.

Strategic Investment businesses: +¥550 million. Profitability is expected to improve, especially within the IP Solution business.

Adjustments : −¥170 million. Increased corporate expenses related to cybersecurity and structural reinforcement for future growth.





Q4

## Please summarize the Medium-Term Management Plan announced in April 2025.

A

In April 2025, we announced a five-year Medium-Term Management Plan starting in FYE 2/26. As Japan's largest eBook distributor, MEDIA DO has established a unique position with partnerships covering nearly all publishers and eBook retailers, and handles the largest volume of digital content in the country (approx. 2.6 million files). The vision has been redefined as "MORE CONTENT FOR MORE PEOPLE!", shifting from Phase 1, where we focused on aggregating content (More Content), to Phase 2, where our focus is distributing Japanese content to the global population (More People), further advancing our mission of unleashing a virtuous cycle of literary creation.

Key initiatives include:

1. Evolving into a book distribution solutions company

Development of MDTS (MediaDo Translation System), an AI-based multilingual translation and voice synthesis platform to enable rapid, cost-efficient translation of eBook files. The translated content will be distributed as eBooks, audiobooks, and print books tailored to each region's market.

2. Sustainability Creation (SC) Business

We will expand profit contribution through the successful operation of the TOKUSHIMA GAMBAROUS professional basketball club, which achieved profitability early on, is now contributing to profits, and build social trust and recognition through broader initiatives including support for entrepreneurs.

\*See the disclosure "[Medium-Term Management Plan FYE 2/26 - 2/30](#)" issued April 14, 2025, for details.





Q5

## What are the numerical targets of the Medium-Term Management Plan announced in April 2025?

A

The numerical targets assume organic growth (excluding M&A and new overseas expansion). By FYE 2/30, we aim to achieve consolidated net sales of ¥125.0 billion and operating profit of ¥4.00 billion, driven by sustainable growth in existing businesses and expansion of new businesses.

	FYE 2/25		(5th year of mid-term plan) FYE 2/30	Increase amount
Net sales	¥101.9bn	➡	¥125.0bn	+23.1bn
Operating profit	¥2.47bn	➡	¥4.00bn	+1.53bn

**\*Numerical plan does not include planned figures for new overseas expansion**

	FYE 2/25	1st year of mid-term plan FYE 2/26	3rd year of mid-term plan FYE 2/28	5th year of mid-term plan FYE 2/30
Net sales	¥101.9bn	¥106.0bn	¥115.0bn	¥125.0bn
Operating profit	¥2.47bn	¥2.72bn	¥3.22bn	¥4.00bn
EBITDA	¥3.78bn	¥3.93bn	¥4.50bn	¥5.20bn
Profit attributable to owners of parent	¥1.36bn	¥2.00bn	¥2.15bn	¥2.50bn

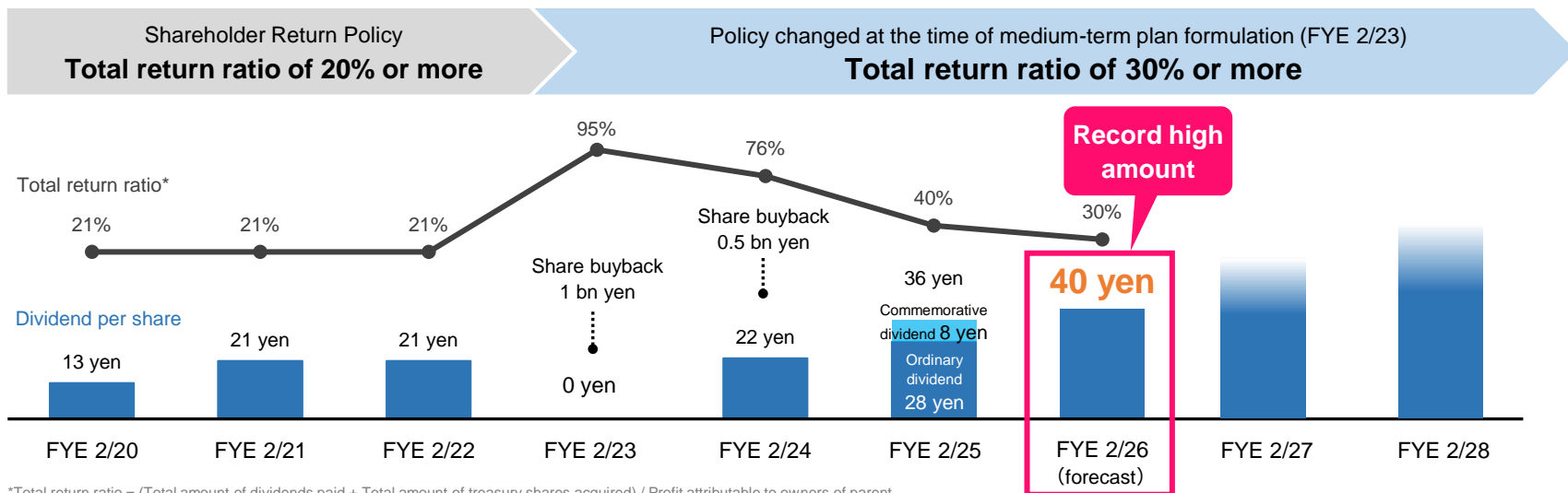


Q6

The dividend for FYE 2/25 was ¥36 per share (ordinary dividend: ¥28, commemorative dividend: ¥8), and the total return ratio reached 40%. What is your shareholder return policy going forward?

A

From FYE 2/23, we raised our target total return ratio from 20% to 30% or more. For FYE 2/25, the total return ratio was 40%, consisting of an ordinary dividend of ¥27, a ¥8 commemorative dividend (30th anniversary), and a ¥1 additional dividend based on performance, totaling ¥36 per share (¥546 million in total dividends). For FYE 2/26, we plan to pay ¥40 per share, which will again exceed a 30% total return ratio. While we do not currently plan share buybacks, we will continue to monitor our performance and stock price and respond flexibly as needed.



# Financial Results FAQs

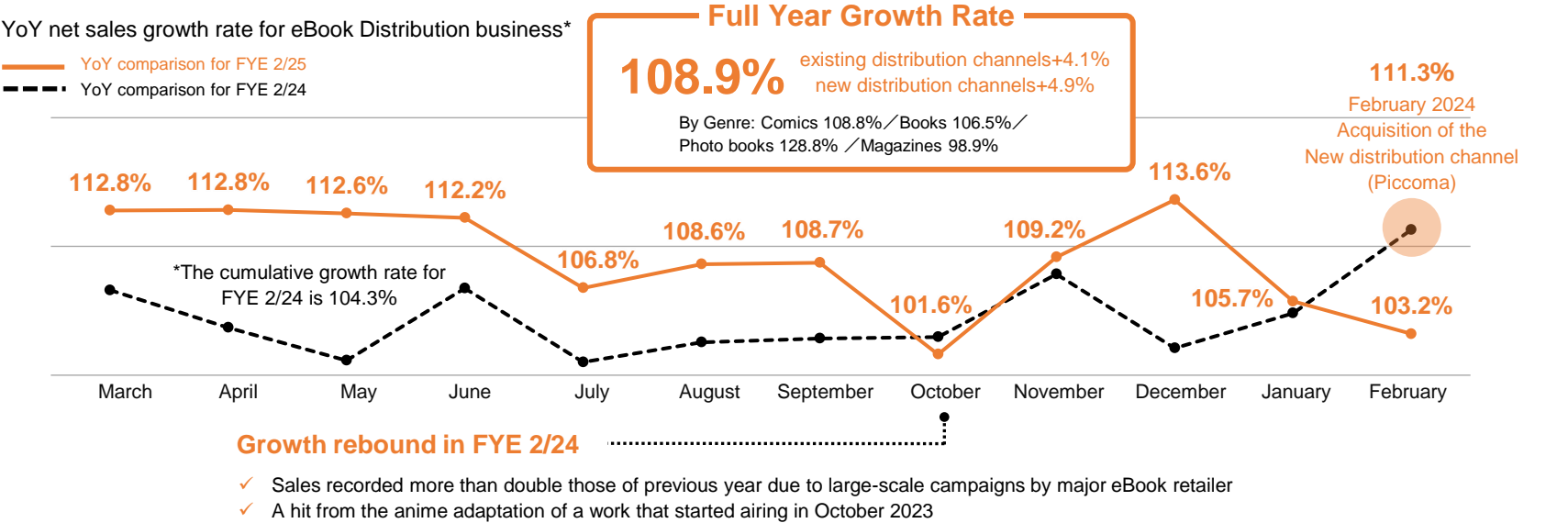
## Year-round

Q7

What is the contribution of new distribution channels to sales growth, including the Piccoma distribution channel acquired in February 2024?

A

New distribution channels, mainly Piccoma, contributed to a sales growth of +4.9% YoY in FYE 2/25. The number of campaigns by publishers and eBook retailers increased YoY, resulting in a sales growth rate of +4.1% for existing distribution channels.



\* Calculated excluding sales for LINE Manga



Q8

**Approximately 40% of eBook distribution channels are through distributors. What are you doing to increase MEDIA DO's market share?**

A

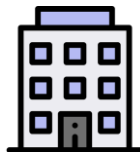
We believe that the share of eBook distribution via distributors will continue to grow in the future. At the dawn of the eBook market, most transactions were conducted directly between publishers and eBook retailers, but as the market has expanded, the operational burden associated with eBook distribution has increased, and transactions through distributors now account for about 40% of all transactions.

The scale of the eBook market in Japan is expanding to approximately ¥640 billion, and the operational burden is increasing every year due to the diversification of distribution formats, including the increasing number of campaigns and episode distribution, making the need for eBook distributors even more critical. We aim to contribute to the reduction of the operational burden of eBooks and increase our market share by developing a system that will become an infrastructure in the industry and providing it to a wide range of publishers and eBook retailers.

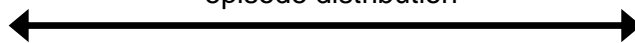
**Developing management systems for episode distribution, which has become an increasingly important part of the industry's infrastructure in recent years**

Share of introduction by  
publishers\*

**73%**  
(96/132 companies)



Management system for  
episode distribution



Share of introduction by  
eBook retailers

**88%**  
(15/17 companies)

\* Including the number of companies scheduled to sign up (as of October 2024)



Q9

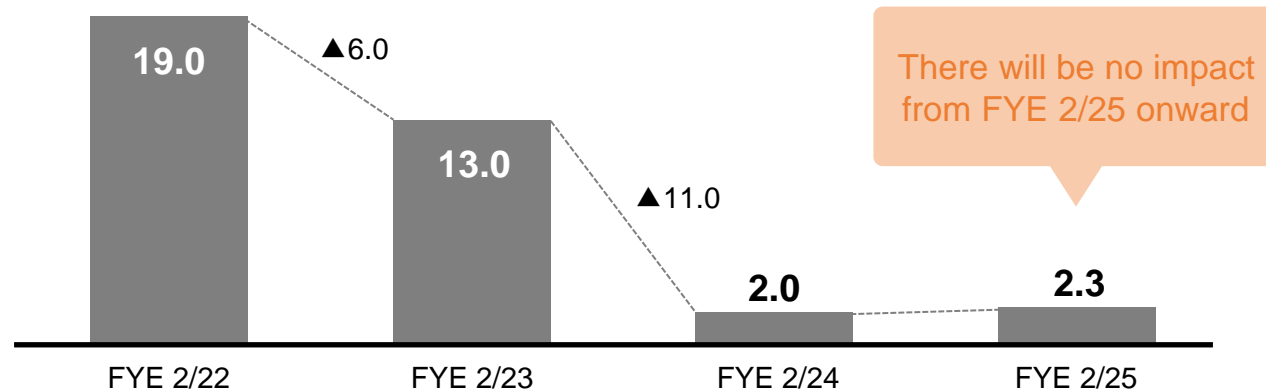
## Has the impact of the decline in sales due to the transfer of LINE Manga run its course?

A

Although there was a negative impact of approximately ¥6.0 billion in FYE 2/23 and approximately ¥11.0 billion in FYE 2/24, sales in FYE 2/25 reached approximately ¥2.3 billion, and we do not expect any further revenue decline related to the transfer from FYE 2/25 onward. Some transactions, including those with publishers under exclusive contracts, are expected to continue.

### Net sales to LINE Manga\* by fiscal year

(Billions of yen)



\* Figures given are for net sales to LINE Digital Frontier Corporation, which operates LINE Manga



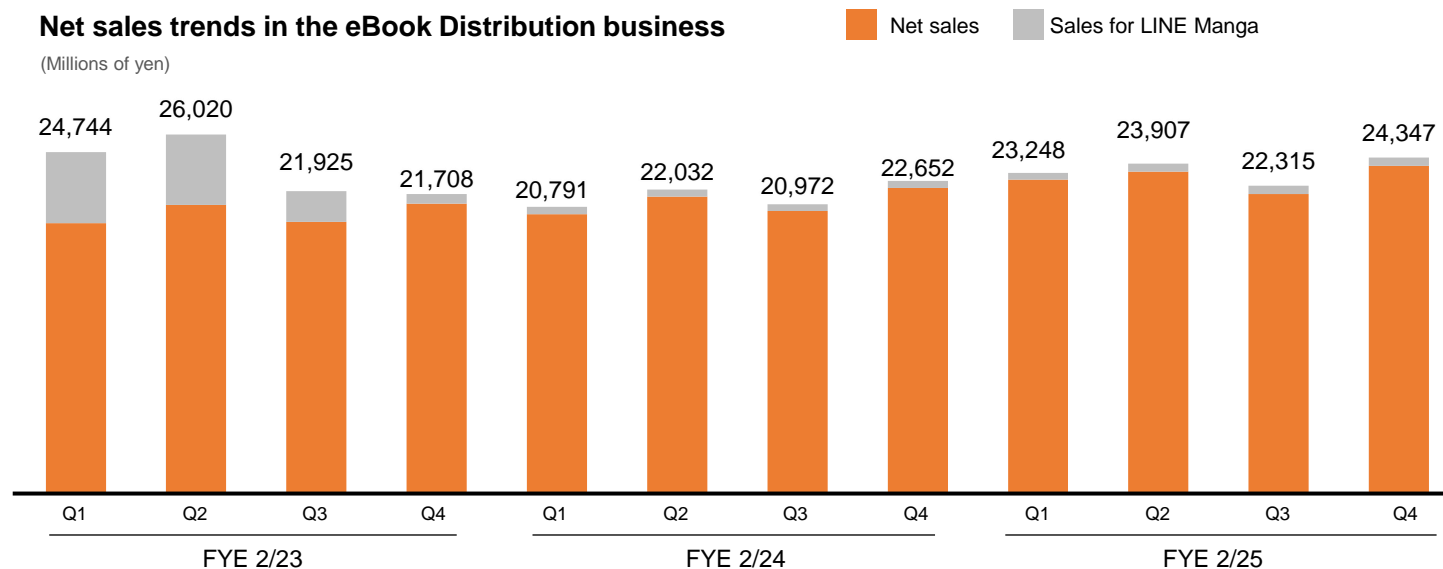
## Q10 What is the seasonality of sales?

**A**

Every year, sales tend to be higher in Q2 and Q4, which include long vacations (e.g., summer and winter vacations) that lead to increased sales.

### Net sales trends in the eBook Distribution business

(Millions of yen)



\* Sales for LINE Manga



Q11

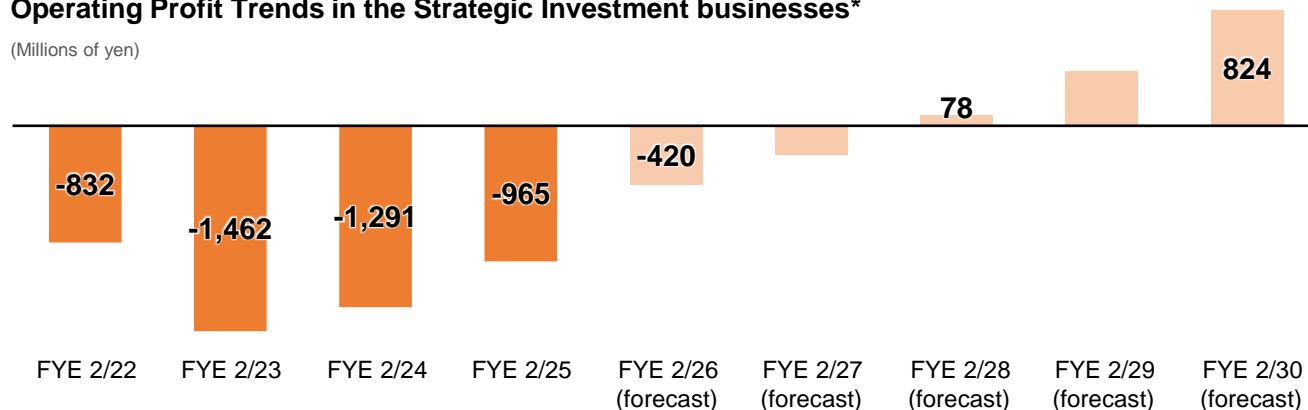
## When do you expect the Strategic Investment Business to turn profitable?

A

We aim to achieve profitability in this segment by FYE 2/28. In FYE 2/25, it recorded an operating loss of ¥960 million. Key drivers of improvement include: (i) steady growth in enterprise contracts for our SaaS-based Global Business and Flier, (ii) turnaround at NIHONBUNGEISHA, which struggled in FYE 2/24 and FYE 2/25, (iii) portfolio optimization including exits and divestitures from unprofitable businesses. We expect these efforts to yield a profit improvement of over ¥1.0 billion by FYE 2/28.

### Operating Profit Trends in the Strategic Investment businesses\*

(Millions of yen)



\* Actual results for FYE 2/25 are calculated based on the new sub-segment; operating profit/loss based on the old segment as in FYE 2/23 and FYE 2/24 is -¥994 million.





## Q12 What are the criteria for reviewing the business portfolio?

A

We have set an 8% ROIC standard for the review of our portfolio of businesses. After the third year of acquisition, if the ROIC standard is expected to fall below the standard, the target business will be pivoted, management will be replaced, or the business will be sold or exited. In recent years, we have taken the following initiatives and will continue to promote appropriate review of our business portfolio.

- FYE 2/23: Application for Nagisa's MBO and liquidation of Manga Shimbun
- FYE 2/24: Sale of J-Comic Terrace, changes in NIHONBUNGEISHA's executive structure, withdrawal from the production of original works in cooperation with a Korean studio in the vertical scrolling comics business (focusing on distribution), and sale of investment securities
- FYE 2/25: Change of representative director at NIHONBUNGEISHA, withdrawal from JIVE's print book business (focusing on eBook production and sales), transfer of PUBNAVI business, sale of investment securities, and sale of Everystar



Q13

## What is the Company's compliance status with all criteria required to maintain its listing on the Prime Market?

A

As of the end of FYE 2/24 (February 29, 2024), we did not meet the Prime Market standard for market capitalization of tradable shares. However, through initiatives outlined in the “Plan for Compliance with Listing Standards” disclosed on May 24, 2024, we confirmed that we met all criteria as of February 28, 2025. We remain committed to sustainable growth and enhancing corporate value.

See the disclosure “[Notice Regarding Compliance with Listing Maintenance Criteria](#)” issued April 14, 2025, for details.

## Forward-looking statement and unaudited information disclaimers

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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