



November 28, 2025

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Financial Results FAQs for Q2 and H1 FYE 2/26

MEDIA DO Co., Ltd. (hereafter "the Company") hereby discloses the main questions received from investors regarding the financial results for the six months ended August 31, 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 financial results for the six months ended August 31, 2025, can be accessed below.

■ Consolidated Financial Results

URL: https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/188639/00.pdf

■ Financial Results Briefing

URL: https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/188638/00.pdf

■ Video of Financial Results Briefing (Japanese only)

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

■ Transcript of Presentation

URL: <https://finance.logmi.jp/en/articles/383068>



Financial Results FAQs

MEDIA DO Co., Ltd.
Financial Results for Q2 and H1 FYE 2/26
November 28, 2025



Q2

Performance and Finances

Q1. What is your assessment of Q2 FYE 2/26 results? (p.4)

eBook Distribution Business

Q2. What is the growth rate of the eBook Distribution business, broken down into existing and new distribution channels? (p.5)

Overall Strategic Investment Businesses

Q3. What drove the improvement in operating results in the Strategic Investment businesses in Q2? (p.6)

Year-round

Performance and Finances

Q4. What is your financial forecast for FYE 2/26? (p.8)

Q5. What is the summary of the Medium-Term Management Plan announced in April 2025? (p.9)

Q6. What are the numerical targets of the Medium-Term Management Plan announced in April 2025? (p.10)

Q7. What is your capital allocation plan during the period of the Medium-Term Management Plan announced in April 2025? (p.11)

eBook Distribution Business

Q8. Do you expect the approximately 40% share of eBook distribution conducted via distributors to continue increasing? (p.12)

Q9. Has the impact of the decline in sales due to the transfer of LINE Manga run its course? (p.13)

Q10. What is the seasonality of sales? (p.14)

Overall Strategic Investment Businesses

Q11. When do you expect the Strategic Investment businesses as a whole to return to profitability? (p.15)

Q12. What are the criteria for reviewing the business portfolio? (p.16)

Others

Q13. What is your shareholder return policy going forward? (p.17)

Q14. What is the Company's compliance status with all criteria required to maintain its listing on the Prime Market? (p.18)

Financial Results FAQs

Q2 and H1 FYE 2/26



Q1 What is your assessment of Q2 FYE 2/26 results?

A

In Q2 FYE 2/26, we achieved growth in both net sales and operating profit, marking another strong quarter following Q1. Net sales increased 5.5% YoY, driven by steady growth in existing distribution channels in the eBook Distribution business, as well as contributions from new distribution channels that launched in July. Operating profit rose 27.7% YoY, mainly reflecting improved profitability in the Strategic Investment businesses, particularly in the IP Solution business, including NIHONBUNGEISHA, whose performance showed continued improvement. Progress toward the full-year forecast remains on track, with net sales at 50.8%, EBITDA at 50.7%, and operating profit at 51.5% of the respective annual targets, all exceeding 50% at the end of the second quarter. Profit attributable to owners of parent increased significantly to \$9.0 million from \$3.5 million in the same period of the previous year, primarily due to the \$3.6 million gain on the sale of MyAnimeList recorded in March 2025, which had already been factored into the initial forecast. Overall, performance continues to progress steadily toward achieving our full-year forecast.

USD millions	H1 FYE 2/25	H1 FYE 2/26	YoY	Achievement vs. Full-Year Forecast
Net sales	\$346.7	\$365.7	+5.5% (+\$19.0)	50.8%
EBITDA	\$11.8	\$13.5	+14.1% (+\$1.7)	50.7%
Operating profit	\$7.4	\$9.5	+27.7% (+\$2.1)	51.5%
Profit attributable to owners of parent	\$3.5	\$9.0	+154.6% (+\$5.5) Impact of MAL gain on sale: +\$3.6	66.3%

* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)

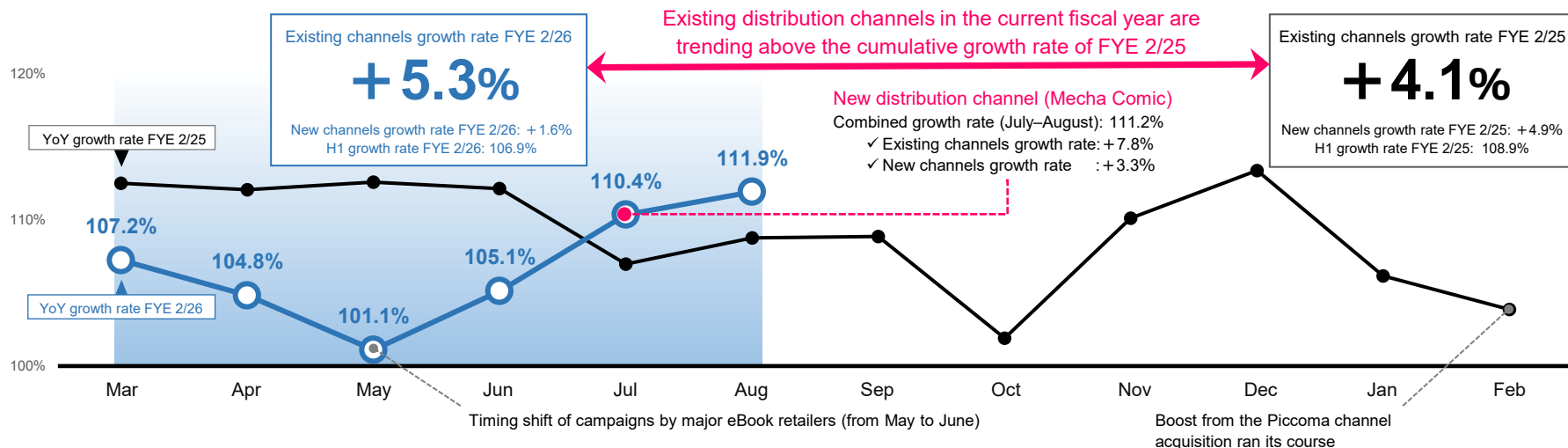


Q2

What is the growth rate of the eBook Distribution Business, broken down into existing and new distribution channels?

A

The eBook Distribution business continued to perform well across both existing and new distribution channels, resulting in a cumulative net sales growth rate of 106.9% in H1 FYE 2/26. The growth rate in existing distribution channels reached +5.3%, exceeding the cumulative growth rate recorded in FYE 2/25, supported by active promotional campaigns run by major eBook retailers during Q2. The growth rate in new distribution channels came in at +1.6%, with particularly strong performance in July and August following the launch of a new distribution channel with Mecha Comic. During this period, the growth rate in new distribution channels reached 3.3%.



* Based on figures for the distribution business only within the eBook Distribution business

* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)

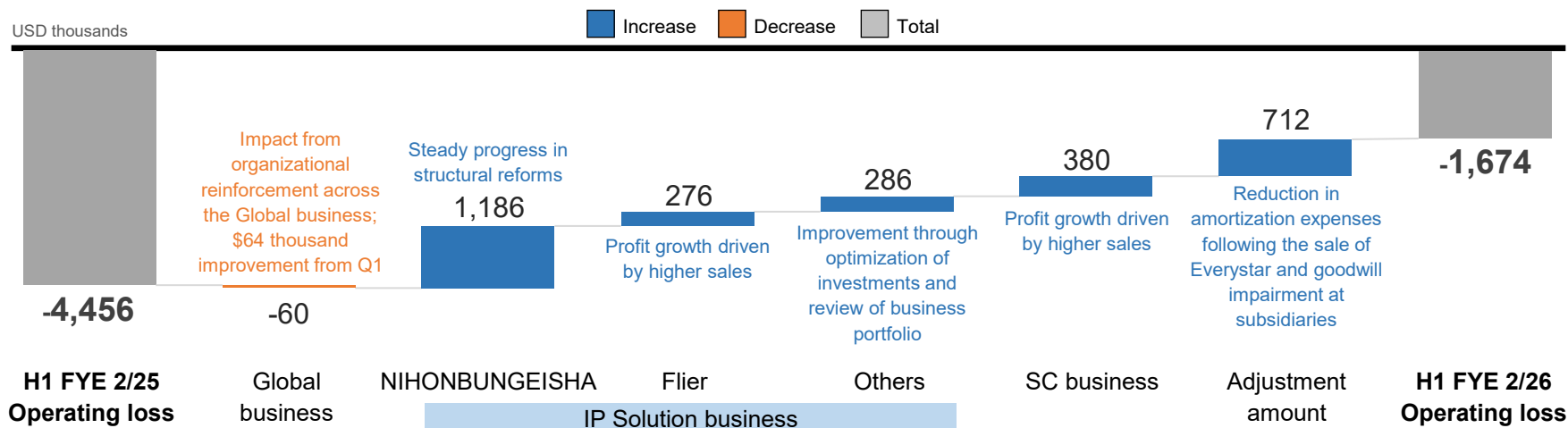


Q3

What drove the improvement in operating results in the Strategic Investment businesses in Q2?

A

Operating loss in the Strategic Investment businesses improved to \$1,674 thousand (an improvement of \$2,782 thousand YoY) in Q2 FYE 2/26, driven by profitability improvements across business lines. Key contributing factors were: Steady progress in the structural reforms at NIHONBUNGEISHA (+\$1,186 thousand), higher revenue and profit at Flier (+\$276 thousand), streamlined investment and portfolio optimization across other IP Solution business (+\$286 thousand), lower amortization costs resulting from subsidiary divestitures and goodwill impairment charges recorded at the end of FYE 2/25 (+\$712 thousand). Progress remains on track toward achieving the full-year operating loss target of \$2.7 million (an improvement of \$3.6 million YoY) for FYE 2/26.



Financial Results FAQs

Year-round



Q4 What is your financial forecast for FYE 2/26?

A

Our financial forecast for FYE 2/26 is as follows: net sales of \$692.0 million (+4.0% YoY), operating profit of \$16.8 million (+9.9%), and profit attributable to owners of parent of \$13.5 million (+46.7%). Note that the forecast includes a \$3.67 million gain from the sale of shares in MyAnimeList, an equity-method affiliate, which significantly boosts profit attributable to owners of parent.

USD millions	FYE 2/25 Results	FYE 2/26 Forecast	YoY
Net sales	\$692.0mn	\$719.8mn	+4.0% (+\$27.0mn)
Operating profit	\$16.8mn	\$18.4mn	+9.9% (+\$1.6mn)
Ordinary profit	\$16.0mn	\$18.3mn	+14.4% (+\$2.3mn)
Profit attributable to owners of parent	\$9.2mn	\$13.5mn	+46.7% (+\$4.3mn) <small>* Gain on sales of shares of affiliated company (\$3.67mn) due to the transfer of shares of MyAnimeList, an equity-method affiliate</small>
EBITDA	\$25.7mn	\$26.6mn	+3.7% (+\$0.9mn)
ROE	8.1%	10.9%	+2.8pt

* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)



Q5

What is the summary of 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, we have 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).

We have redefined our vision as “MORE CONTENT FOR MORE PEOPLE!”, transitioning from phase 1, which focused on aggregating content (More Content), to phase 2, which focuses on distributing Japanese content to audience around the world (“More People”), further advancing our mission of unleashing a virtuous cycle of literary creation.

The plan focuses on two key initiatives:

1. Evolving into a book distribution solutions company

Developing MDTs (MediaDo Translation System), an AI-based platform for multilingual translation and voice synthesis that enable rapid, cost-efficient translation of eBook files. The translated content will be delivered in formats tailored to each market, including eBooks, audiobooks, and print books.

2. Sustainability Creation (SC) Business

Expanding profit contribution through the successful operation of the TOKUSHIMA GAMBAROUS professional basketball club, which achieved early profitability, and broadening our social impact through initiatives such as supporting entrepreneurs.

*For details, please refer to the disclosure titled “[Medium-Term Management Plan FYE 2/26 - 2/30](#)” issued April 14, 2025.



Q6

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 \$848.8 million and operating profit of \$27.1 million, driven by sustainable growth in existing businesses and expansion of new businesses.

USD millions	FYE 2/25	(5th year of mid-term plan) FYE 2/30	Increase amount
Net sales	\$692.0mn	\$848.8mn	\$156.8mn
Operating profit	\$16.8mn	\$27.1mn	\$10.3mn

*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	\$692.0mn	\$719.8mn	\$780.9mn	\$848.8mn
Operating profit	\$16.8mn	\$18.4mn	\$21.8mn	\$27.1mn
EBITDA	\$25.7mn	\$26.6mn	\$30.5mn	\$35.3mn
Profit attributable to owners of parent	\$9.2mn	\$13.5mn	\$14.6mn	\$16.9mn

* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)



Q7

What is your capital allocation plan during the period of the Medium-Term Management Plan announced in April 2025?

A

We expect to generate over \$149.3 million in cumulative operating cash flow during the five-year period. We will actively pursue growth investments, including strategic investments and M&A, while also enhancing shareholder returns.

The breakdown is as follows:

(1) **Growth investments: \$74.6 million or more**

M&A and other investments targeting ROIC of 15% or higher within three years of investment (e.g., strengthening our position in eBook distribution, leveraging our network for profitability improvement, expanding overseas distribution, and adopting advanced technologies such as AI and Web3)

(2) **Shareholder returns: Over \$23.7 million**

Maintaining a total return ratio of 30% and executing share buybacks flexibly

(3) **Repayment of borrowings: Approx. \$23.7 million**

Borrowings incurred for past acquisitions, including the 2017 acquisition of Digital Publishing Initiatives Japan, have been largely repaid

(4) **Corporate taxes payment: Approx. \$30.5 million**

Cash inflow

Additional financing
(to be considered as
needed)

Operating CF
over \$149.3mn

Cash outflow

Growth investments
\$74.6mn or more

Shareholder Returns
\$23.7mn + α

Repayment of borrowings
\$23.7mn

Corporate tax payment
\$30.5mn

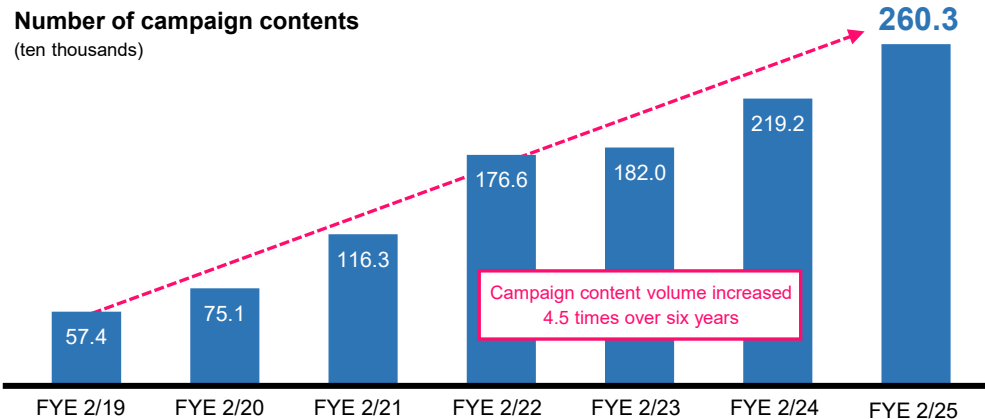
Q8

Do you expect the approximately 40% share of eBook distribution conducted via distributors to continue increasing?

A

We believe that the share of eBook distribution conducted via distributors will continue to expand going forward. In the early stages of the eBook market, most transactions were conducted directly between publishers and eBook retailers. However, as the market has grown and the operational burden associated with eBook distribution has increased, transactions conducted via distributors now account for approximately 40% of the market. In addition to the continued year-on-year expansion of the domestic eBook market, operational burden has been rising every year due to the increasing number of promotional campaigns and the diversification of distribution formats, including episode-based distribution. Even major eBook retailers now face resource constraints as operational requirements intensify, further heightening the need for distributor services. In this context, we aim to continue expanding our acquisition of new distribution channels. Recent examples include Piccoma, added in February 2024, and Mecha Comic, launched as a new distribution channel in July 2025.

Number of campaign contents
(ten thousands)



Even major eBook retailers face resource crunch due to increased operational burden

Promote purchasing by strengthening sales measures (campaigns, episode-based distribution, etc.) for continuous sales growth



The need for distributor services is becoming more crucial

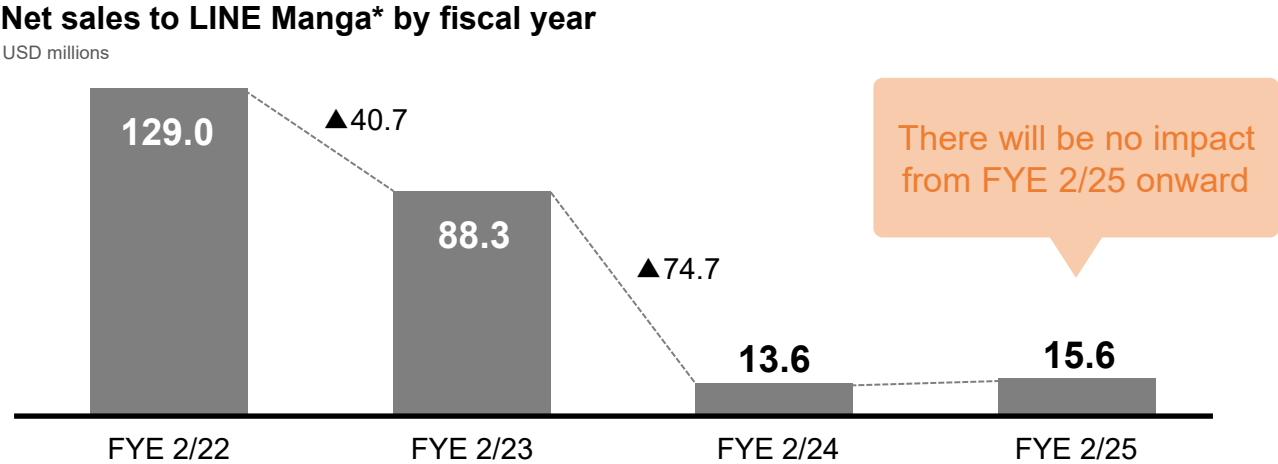
- ✓ Reducing operational burdens and accelerating execution by leveraging professional distributors
- ✓ Proposing and implementing sales measures based on market trends and industry expertise

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 revenue impact of approximately \$74.7 billion in FYE 2/24, we do not expect any further revenue decline associated with the transfer from FYE 2/25 onward. In addition, for certain transactions, including those with publishers under exclusive contracts, we expect to continue providing distribution services going forward.



* Figures given are for net sales to LINE Digital Frontier Corporation, which operates LINE Manga
* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)



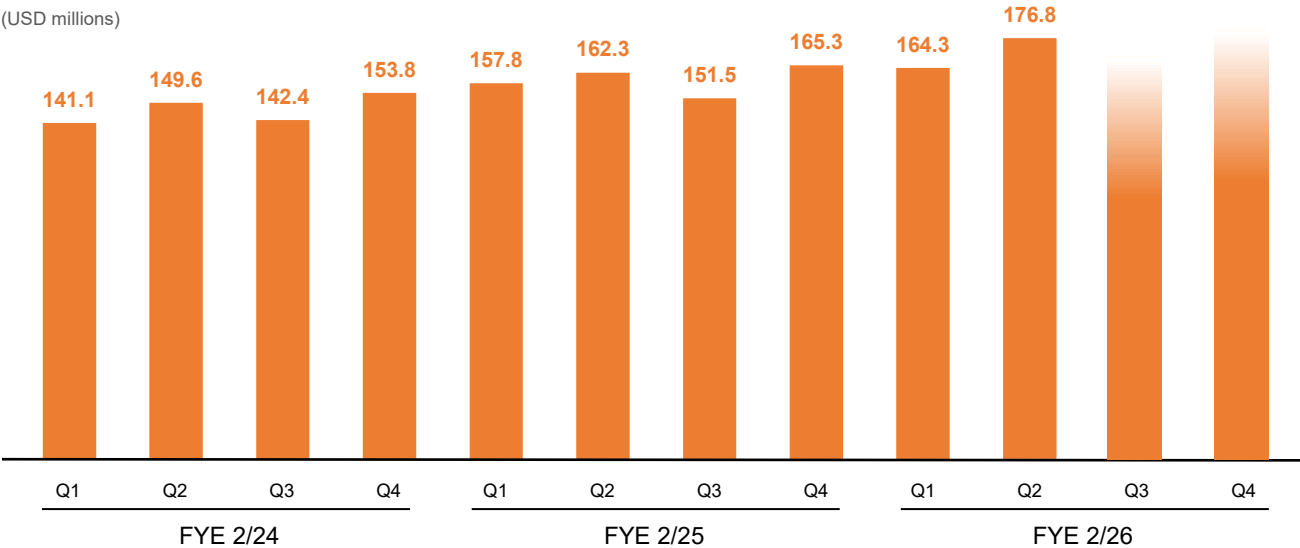
Q10 What is the seasonality of sales?

A

Typically, sales tend to be higher in Q2 and Q4, which include long vacation periods such as summer and winter holidays.

Net sales trends in the eBook Distribution business

(USD millions)



* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)



Q11

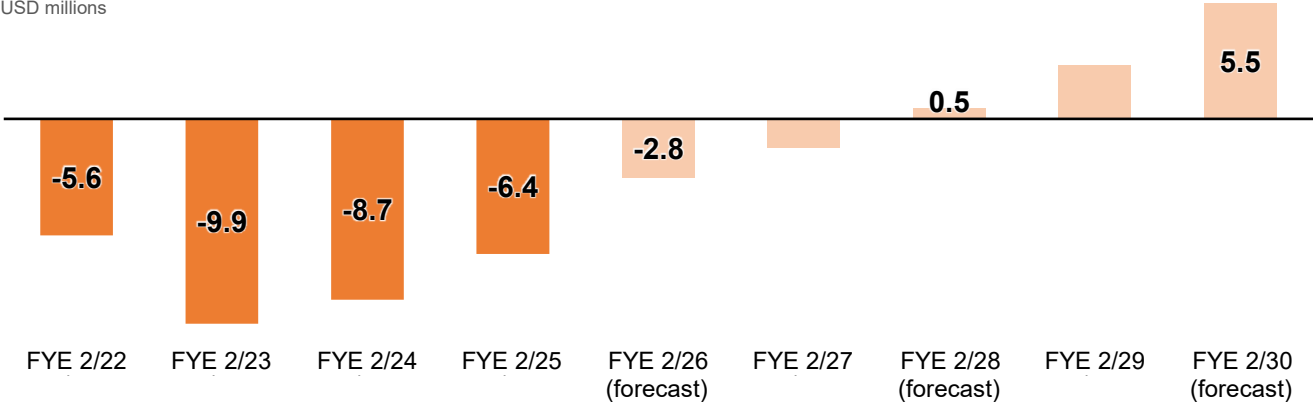
When do you expect the Strategic Investment Business to turn profitable?

A

We aim to achieve profitability in this segment by FYE 2/28. In FYE 2/25, the Strategic Investment businesses recorded an operating loss of \$6.4 million. The main factors contributing to profit improvement are: (1) steady accumulation of enterprise contracts in our SaaS-based Global business and Flier, (2) the turnaround at NIHONBUNGEISHA, which experienced challenges in FYE 2/24 and FYE 2/25, and (3) ongoing portfolio optimization, including exits and divestitures from unprofitable businesses. Based on these initiatives, we expect to achieve profit improvement of approximately \$6.9 million compared with FYE 2/25 by FYE 2/28.

Operating Profit Trends in the Strategic Investment businesses*

USD millions



* 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.
* Calculated at the exchange rate as of October 3, 2025 (\$1 = ¥147.26)



Q12 What are the criteria for reviewing the business portfolio?

A

We apply an ROIC threshold of 8% as a criterion for reviewing our business portfolio. If, after the third year following an acquisition, a business is expected to fall below this ROIC threshold, we consider initiatives such as pivoting the business, replacing management, or pursuing a sale or exit. In recent years, we have taken the following actions, and we will continue to appropriately review and optimize our business portfolio going forward.

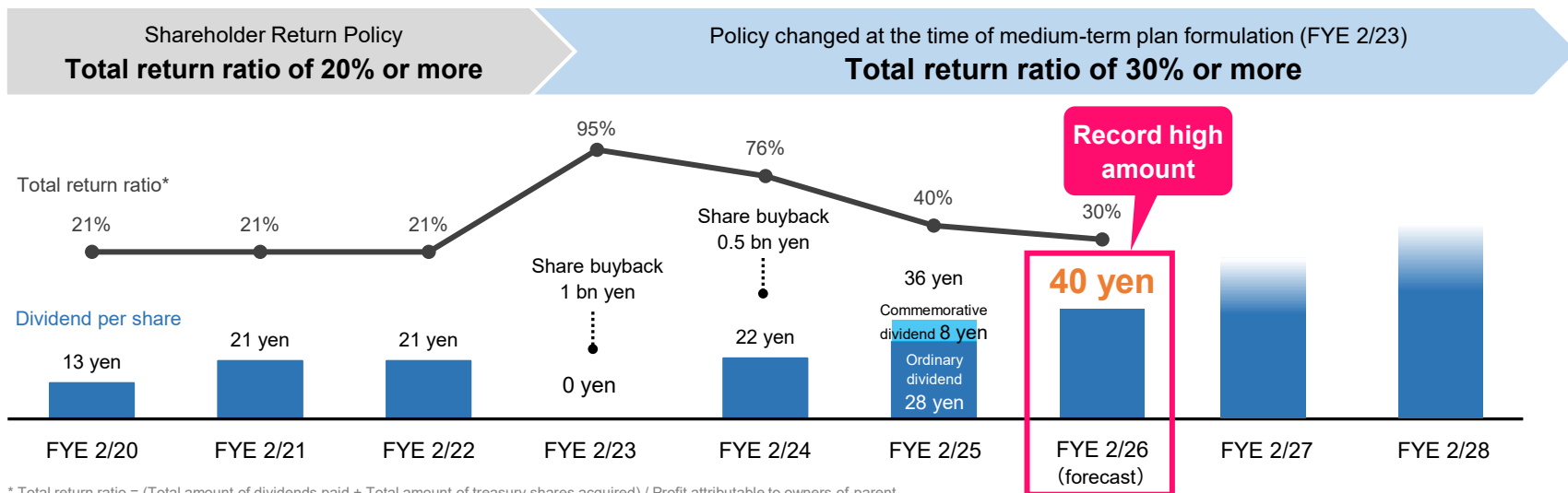
- FYE 2/23: Application for Nagisa's MBO and liquidation of Manga Shimbun
- FYE 2/24: Sale of J-Comic Terrace, changes in the executive structure at NIHONBUNGEISHA, termination of original content production in the vertical scrolling comics business in collaboration with a Korean studio (with focus shifted to distribution), and sale of investment securities
- FYE 2/25: Replacement of the representative director at NIHONBUNGEISHA, discontinuation of JIVE's print book business (with focus on eBook production and sales), transfer of the PUBNAVI business, sale of investment securities, and sale of Everystar
- FYE 2/26: Sale of MyAnimeList (MAL)



Q13 What is your shareholder return policy going forward?

A

Since FYE 2/23, we have raised our target total return ratio to 30% or more. In FYE 2/25, we paid a total dividend of 36 yen per share, consisting of an ordinary dividend of 27 yen, a 30th anniversary commemorative dividend of ¥8, and an additional 1 yen dividend based on performance. Total dividends amounted to 540 million yen, resulting in a total return ratio of 40 percent. For FYE 2/26, the planned dividend of 40 yen per share is expected to again exceed a 30% total return ratio. Although we do not currently plan to repurchase our own shares, we will continue to monitor our performance and share price and make decisions flexibly as appropriate.



**Q14**

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 2/25 (February 28, 2025), we confirmed that we met all of the Prime Market listing maintenance criteria. We remain committed to achieving sustainable growth and further enhancing corporate value.

For details, please refer to the disclosure titled “[Notice Regarding Compliance with Listing Maintenance Criteria](#)” issued April 14, 2025.

Forward-looking statement and unaudited information disclaimers

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Information presented herein includes forward-looking statements. These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks, all of which entail uncertainties that could lead to outcomes that substantively differ from the forward-looking statements' content.

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