

Translation

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March 24, 2026

| | | |
|----------------|-------------------|---|
| Company Name | note inc. | |
| Representative | Founder & CEO | Sadaaki Kato (Securities code:5243 TSE Growth) |
| Inquiries | CFO, Board Member | Yukihiro Kashima TEL. 050-1751-2329 |

Notice regarding Capital and Business Alliance with KADOKAWA CORPORATION and Issuance of New Shares through Third-Party Allotment

The Company hereby announces that, at a meeting of its Board of Directors held on March 24, 2026 (the “Issuance Resolution Date”) (the “Board Meeting”), it resolved to enter into an agreement with KADOKAWA CORPORATION (“KADOKAWA” or the “Planned Allottee”) to implement a capital and business alliance (the “Capital and Business Alliance”) (the “Capital and Business Alliance Agreement”), and to issue new shares (the “New Shares”) by third-party allotment to KADOKAWA based on the Capital and Business Alliance (the “Third-Party Allotment”), as set forth below.

I. Overview of the Capital and Business Alliance

1. Purpose and Rationale of the Capital and Business Alliance

With a mission of “Start, and Keep on Creating,” the Group—comprising the Company and its subsidiaries note AI creative inc. and Tales & Co., inc.—operates the media platform “note,” where creators post text, images, audio, and videos and users can enjoy and support that content. As of the end of November 2025, the number of registered members and publicly available content items reached 11.14 million and 69.56 million, respectively, and the Group has grown into one of Japan’s leading creator-economy platforms.

KADOKAWA, meanwhile, is a comprehensive entertainment company engaged in businesses such as publishing, anime and live-action productions, games, web services, and education/EdTech.

Backed by its outstanding editing and planning capabilities in the publishing business, the Company is one of the world’s leading IP creation companies, continually creating a wide variety of IP in fields such as light novels and comics. Furthermore, in addition to its media-mix capabilities to develop the IP it creates across various media such as anime, live-action productions, games, and merchandise, it leverages technology to deliver content to the expanding global content market. The Company also possesses platform capabilities to deliver content from multiple angles, including through Dwango Co., Ltd., which operates one of Japan’s largest video community services, “Niconico,” and FromSoftware, Inc., a game studio that has earned global acclaim.

Accordingly, KADOKAWA promotes maximizing IP value under its basic strategy of “Global Media Mix with Technology,” which executes an integrated approach spanning “IP creation,” “media mix,” and “global expansion.”

As stated above, the Company and KADOKAWA share a very strong affinity and a common vision in operating platforms that maximize creators’ content creation and the resulting “enthusiasm,” as well as in developing IP generated from that activity. Amid dramatic changes in content consumption patterns and creators’ operating environments driven by the rapid spread of generative AI and the evolution of digital devices, achieving sustainable growth requires building a new data distribution model suited to the AI era and establishing a next-generation IP management ecosystem that combines UGC (user-generated content) with professional editorial capabilities.

Under these circumstances, the Company focused on the affinity between the two companies’ business strategies and, beginning last year, started discussions with KADOKAWA at both the management and working levels toward

creating concrete synergies. We have held repeated discussions on the potential for collaboration across multiple areas, including publishing DX, AI data distribution, and fan community building. As a result, we have become firmly convinced that significant synergies can be expected by combining our traffic, SaaS platform, and UGC ecosystem with KADOKAWA's strong IP as well as its editorial and media capabilities.

Subsequently, the Companies agreed that, in order to promote these initiatives more reliably and swiftly and from a long-term perspective, it is essential to establish a capital relationship that clarifies mutual commitments rather than limiting cooperation to temporary business collaboration. Having concluded that this is the best choice to maximize the corporate value of both companies, we have entered into this Capital and Business Alliance Agreement.

2. Details of the Capital and Business Alliance

(1) Details of the Business Alliance

Through this Capital and Business Alliance, the Company and KADOKAWA intend to pursue collaboration and other initiatives in the matters listed below. While KADOKAWA's businesses include areas adjacent to those of the Company's group, this Capital and Business Alliance does not restrict either party's business. In addition, there are no plans to second directors or officers between the Company and the proposed allottee.

① Collaboration in IP Creation and Development

By working together, we will increase the number of works from note that are turned into books and promote the creation of a next-generation, digitally born content development framework that is not constrained by existing publishing processes. In addition to books, by developing content with merchandise and events in mind, we will improve profitability while aiming to build a new creative ecosystem. We will also jointly work to support authors' monetization by leveraging note's membership features and other functions.

② Collaboration in the Publishing DX Domain

By leveraging the note pro SaaS platform for some of KADOKAWA's websites, we will support greater operational efficiency and reductions in system-related costs. In addition, by making use of note's platform characteristics, we aim to increase inbound traffic from SEO and AI search. We will also work together to build a new value chain—for example, by linking reviews and audience reactions to various content gathered on note to publishing and sales promotion.

③ Collaboration in the AI Data Distribution Domain

Through initiatives such as the Ministry of Economy, Trade and Industry (METI)-led generative AI enhancement project "GENIAC," we will collaborate to build a sound data distribution foundation for the AI era. Specifically, we will jointly conduct demonstrations and studies on establishing a revenue model based on fair value assessments of content assets that return value to rights holders, and on building a RAG (retrieval-augmented generation) model with clearly defined rights relationships.

④ Collaboration in the Fan Community Domain

We will advance discussions and consideration regarding leveraging the KADOKAWA Group's video distribution technology and know-how on the note platform. By distributing video and audio on note, we will deepen engagement between creators and fans, while aiming to expand the membership base across both companies' platforms and create new revenue opportunities.

(2) Details of the capital alliance

Through this third-party allotment, the Company will allot to KADOKAWA 1,000,000 shares of the Company's common stock (10,000 voting rights). This number of shares has been adopted for the reasons set forth below.

① Strengthening the Partnership and Maintaining Independence

In order for the Company and the Planned Allottee to leverage each other's business assets and commit to promoting the business as partners with a shared destiny, the Company has determined that it is essential for the Planned Allottee to hold a certain level of voting rights commensurate with its position as the Company's principal strategic partner. Specifically, while keeping such holdings within a range that allows the Company to maintain the independence of its management, the Company and the Planned Allottee have agreed that the above number of shares to be allotted is optimal as the level needed to ensure the Planned Allottee's medium- to long-term support and involvement.

② Securing Growth Capital Necessary to Enhance Corporate Value

The funds to be raised through this third-party allotment (approximately JPY 2.2 billion) are indispensable investment funds needed to maximize the effects of this capital and business alliance and to achieve the Company's step-change growth. (For details on the specific use of proceeds, please refer to "II. This Third-Party

Allotment 3. Amount of Funds to Be Raised, Use and Scheduled Timing of Expenditures (2) Specific Use of Funds to Be Raised.”)

These investments will directly contribute to enhancing the Company’s share value over the medium to long term, and the Company has determined that the extent of dilution resulting from this third-party allotment is within a reasonable range that serves the interests of existing shareholders.

As a result of this third-party allotment, KADOKAWA’s shareholding ratio in the Company’s total number of issued shares (the total number of issued shares of 16,748,700 as of November 30, 2025, plus 1,429,500 shares allotted to NAVER Corporation on December 1, 2025, and the above 1,000,000 shares) will be 5.21%, and its voting rights ratio in the total number of voting rights (the total number of voting rights of 167,297 as of November 30, 2025, plus 14,295 voting rights pertaining to the shares allotted to NAVER Corporation on December 1, 2025, and the above 10,000 voting rights) will be 5.22% (no shares held prior to the allotment).

For details of the issuance of new shares through this third-party allotment, please refer to “II. Third-Party Allotment.”

3. Overview of the Counterparty to the Capital and Business Alliance

For an overview of the counterparty to the capital and business alliance, please refer to “II. Third-Party Allotment 6. Reasons for Selection of the Planned Allottee, etc. (1) Overview of the Planned Allottee.”

4. Schedule

| | |
|--|----------------|
| (1) Date of the Board of Directors’ Resolution Regarding the Capital and Business Alliance | March 24, 2026 |
| (2) Date of Execution of the Capital and Business Alliance Agreement | March 24, 2026 |
| (3) Payment Date for This Third-Party Allotment | April 9, 2026 |

5. Future Outlook

The Company believes that this Capital and Business Alliance will contribute to the Company’s sustainable growth and the enhancement of its corporate value over the medium to long term. The impact on the full-year consolidated financial results forecast for the fiscal year ending November 2026 is expected to be immaterial. If any impacts or other matters that should be disclosed become known in the future, the Company will promptly announce them.

II. This Third-Party Allotment

1. Outline of the Offering

| | |
|--|---|
| (1) Payment Date | April 9, 2026 |
| (2) Number of New Shares to be Issued | 1,000,000 shares |
| (3) Issue Price | JPY 2,212 per share |
| (4) Amount of funds to be procured | JPY 2,196,000,000 (Note 1) |
| (5) Method of offering or allotment (planned allottee) | The shares will be allotted as follows by way of a third-party allotment. KADOKAWA 1,000,000 shares |
| (6) Other | The Company plans to enter into an underwriting agreement for the full amount of the New Shares with the proposed allottee after the registration statement filed pursuant to the Financial Instruments and Exchange Act becomes effective. |

(Notes) 1. The amount of funds raised is the amount obtained by deducting the estimated issuance expenses for the New Shares (JPY 16,000,000) from the total amount to be paid in for the New Shares (JPY 2,212,000,000).

2. Based on the approval resolution at the 14th Ordinary General Meeting of Shareholders to be held on February 28, 2026, the Company plans to reduce its capital stock effective April 10, 2026. The amount of the reduction will be JPY 2,214,924,500, which equals JPY 1,108,924,500 out of the capital stock amount of JPY 1,118,924,500 as of January 22, 2026, plus JPY 1,106,000,000, being the amount of capital stock to be increased through this third-party allotment. The Company plans to transfer the same amount to other capital surplus.

2. Purpose and Reasons for the Offering

In order to promote the initiatives described in “I. Overview of the Capital and Business Alliance 2. Details of the Capital and Business Alliance (1) Details of the Business Alliance,” the Company has decided to conduct a third-party allotment of new shares to the proposed allottee.

Although this third-party allotment will dilute the shareholding ratio and voting rights ratio of existing shareholders, the Company believes that the Capital and Business Alliance and this third-party allotment, as described above, are intended to achieve the Company's sustainable growth and enhance its corporate value and will also benefit existing shareholders.

3. Amount of Funds to Be Raised, Use of Proceeds, and Scheduled Timing of Expenditures

(1) Amount of Funds to Be Raised (Estimated Net Proceeds)

| | | |
|---|---------------------------------------|-------------------|
| ① | Total Amount to Be Paid In | 2,212,000,000 yen |
| ② | Estimated Amount of Issuance Expenses | 16,000,000 yen |
| ③ | Estimated Net Proceeds | 2,196,000,000 yen |

(Note) 1. The estimated amount of issuance expenses is the total amount of registration fees, attorney fees, and other expenses.

2. The estimated amount of issuance expenses does not include consumption tax or local consumption tax.

(2) Specific Use of Funds to Be Raised

The specific uses of the funds to be raised through the issuance of these new shares are as follows.

| Specific use | Amount | Planned timing of expenditures |
|---|-------------------|--------------------------------|
| (i) Investment funds for future M&A and capital and business alliances | 1,281,000,000 yen | April 2026 to March 2029 |
| (ii) System development and human resources investment associated with this capital and business alliance | 250,000,000 yen | April 2026 to March 2029 |
| (iii) Repayment of existing borrowings to strengthen the financial position | 665,000,000 yen | April 2026 |

(Note) 1. Until the funds are applied to the purposes described above, the Company plans to manage the funds in bank deposits, which are stable financial assets.

2. There is no order of priority for the specific uses of the funds above. The funds will be applied starting with those with earlier scheduled expenditure timing.

The details of the specific uses described above are as follows.

① Investment funds for future M&A and capital and business alliances

To achieve the Group's step-change growth, the Company will allocate the funds as financing for the execution of M&A and strategic investments targeting companies that help strengthen capabilities for the creation and expansion of IP (intellectual property), companies that contribute to expanding the note business and the creator ecosystem, and companies that possess advanced AI-related technologies.

In addition, in the third-party allotment capital increase announced on November 5, 2025, the Company raised funds for the same purpose (JPY 1 billion), which remain unallocated at present. This is because only a short time has passed since the fundraising, and the Company is currently in a phase of carefully and actively conducting sourcing activities (searching for and investigating/analyzing potential candidates) to identify the optimal target companies that align with the Company's growth strategy.

The reason for raising additional funds through this third-party allotment is to enable the Company to pursue larger-scale M&A targets and to address multiple transactions simultaneously, thereby allowing it to make investment decisions more swiftly and flexibly. In an increasingly competitive market environment, the Company has determined that expanding its standby funds (dry powder), together with existing raised funds, is necessary to avoid missing investment opportunities in high-quality deals that align with the Company's growth strategy and to maximize shareholder value over the medium to long term.

At present, the Company has no specific acquisition or business alliance candidates; however, it anticipates allocating a portion of the funds raised through this third-party allotment capital increase to this use of proceeds, and when carrying out acquisitions and similar transactions, it plans to also consider using methods such as bank borrowings and cash on hand.

The planned timing of expenditures is expected to be approximately the next three years; however, even if the Company does not reach agreement with candidates or is not presented with investment opportunities, it will continue to identify and select deals and allocate funds when specific transactions are closed, and no alternative use is contemplated at this time. Regarding investment effectiveness, the Company will continually compare returns with those from investments in existing businesses and allocate capital to candidates with higher expected returns.

② System development and personnel investment associated with this capital and business alliance

The proceeds will be allocated to system development and research and development (R&D) to expand the functionality of the Company's platform and to build new business models, to be undertaken in connection with this capital and business alliance. The suite of functions to be implemented through this development will be built as a general-purpose foundation, contributing to enhancing the value of the overall platform over the medium to long term and to promoting DX (digital transformation) in the content industry.

The items A through D below and their planned allocation amounts are rough estimates based on the current plan; in making actual allocations, the Company plans to flexibly adjust the allocation among the items within the total amount of the use of proceeds in (ii) (system development and personnel investment associated with this capital and business alliance), in accordance with the progress of this capital and business alliance, development priorities, changes in the external environment, and other factors.

A) Development of sales promotion solutions leveraging note

We will allocate funds to develop features that enhance content discoverability so that impressions and review articles posted on note can help more people discover works and products. Specifically, we will develop a feature that links databases of works and products held by publishers, manufacturers, and others with impressions and review articles on note to generate introduction pages that convey the appeal of those works and products. We aim to build a mechanism in which creators' voices broaden interest in works and products and reach more people. We plan to allocate approximately JPY 60 million to the costs associated with developing these sales promotion solutions.

B) Enhancement of the corporate SaaS platform and expansion of API integrations

We will allocate funds to develop features for our high-function plan for corporate customers, "note pro," in order to increase its value as an owned-media platform for businesses. We will expand CMS features to increase design flexibility and strengthen API integration features to enable seamless connections with companies' own databases, e-commerce sites, and the like. Through these initiatives, we aim to build a versatile infrastructure that allows any company to operate its media at low cost and with advanced functionality while using note as its own website, thereby increasing the number of companies adopting our SaaS offering and improving ARPU (average revenue per user per company). We plan to allocate approximately JPY 60 million to the costs associated with enhancing the corporate SaaS platform and expanding API integrations.

C) Verification of new expression formats and expansion of community features

In addition to our current text-based offerings, we will conduct technical validation and initial development toward building infrastructure to support more diverse and richer content formats, such as video. We will examine the potential for multimedia support to create an environment in which creators can interact with fans using a wide range of expressive means, and we aim to create a place where their works and activities can reach more people. We plan to allocate approximately JPY 60 million to costs associated with validating support for these new formats and expanding community features.

D) Recruitment and personnel expenses to promote the measures above

To promptly and reliably carry out development of the above systems and the business rollout, we will allocate funds to recruitment expenses for specialized personnel such as engineers, designers, product managers, and corporate sales, as well as personnel costs associated with increased headcount. We will build a development organization with advanced technical capabilities and a strong business organization to drive market adoption of new features, thereby supporting the early maximization of synergies and monetization from this capital and business alliance. We plan to allocate approximately JPY 70 million to costs related to recruitment and personnel expenses to promote measures A through C above.

③ Repayment of existing borrowings to improve financial soundness

We will allocate 665 million yen to repay existing interest-bearing debt. By reducing the burden of interest payments amid rising interest rates and improving the equity ratio, we will stabilize our financial base and put in place a structure to prepare for future agile growth investments and additional fundraising. The lender for the interest-bearing debt to be repaid is Aozora Bank, Ltd.; the use of funds at the time of borrowing was working capital; and the outstanding balance of principal and interest as of March 24, 2026 is 687 million yen.

4. Rationale for the Use of Funds

As stated in "2. Purpose and Reason for the Offering" above, the Company believes that by applying the funds to be raised through this third-party allotment to the uses of funds described in "3. Amount, Use and Scheduled Timing of Expenditure of Funds to be Procured (2) Specific Use of Funds to be Procured" above, it will be able to achieve sustainable growth and enhance corporate value, and also strengthen its financial foundation. The Company also believes that the use of proceeds for this third-party allotment is reasonable and will benefit the interests of the Company's existing shareholders.

5. Reasonableness of Issuance Conditions, etc.

(1) Basis for Calculating the Payment Amount and Specific Details Thereof

As a result of negotiations with the proposed allottee, in principle, in order to curb the risk of temporary share price fluctuations and to calculate a price that reflects the current situation, the Company set the issue price of the New Shares as the volume-weighted average price of the Company's common shares on the Tokyo Stock Exchange for the one-month period up to March 23, 2026, the business day immediately preceding the date of the Board resolution for this third-party allotment (rounded to the nearest yen) (hereinafter, "VWAP"). Exceptionally, if the VWAP for that one-month period falls below an amount obtained by multiplying the closing price of the Company's common shares in regular trading on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board resolution for this third-party allotment (hereinafter, the "Closing Price") by 90% (any fraction of less than one yen to be rounded up) (円未満切上げ), then, from the perspective of protecting the interests of existing shareholders, the amount obtained by multiplying such Closing Price by 90% (any fraction of less than one yen to be rounded up) (円未満切上げ) would be the issue price of the New Shares. In light of the above, since the VWAP for the one-month period up to the business day immediately preceding the date of the Board resolution for this third-party allotment was ¥2,212, and the amount obtained by multiplying the Closing Price on the business day immediately preceding such Board resolution date by 90% was ¥1,893, the Company set the issue price of the New Shares at ¥2,212. The calculation period was, in principle, set as the most recent one-month period because, based on discussions with the proposed allottee, the Company determined that adopting a normalized value such as VWAP over a certain period eliminates special factors such as the impact of temporary share price fluctuations, and is therefore more objective and reasonable as a basis for calculation. In addition, the Company used VWAP as the basis for calculating the average share price because it considered that using a price recognized as an average execution price closer to actual trading conditions would enable it to determine a payment amount that more appropriately reflects the value of the Company's shares.

The issue price represents a 5.2% premium to the closing price of ¥2,103 on the business day immediately preceding the date of the Board resolution (March 23, 2026), a 0.6% premium to the simple average of closing prices for the one-month period immediately preceding that business day (February 24, 2026 to March 23, 2026), which was ¥2,199.21 (rounded to the second decimal place; the same applies hereinafter), a 2.8% discount to the simple average of closing prices for the three-month period immediately preceding that business day (December 24, 2025 to March 23, 2026), which was ¥2,275.67, and a 20.1% premium to the simple average of closing prices for the six-month period immediately preceding that business day (September 24, 2025 to March 23, 2026), which was ¥1,841.26.

Given that the Company's common shares are listed, that the issue price is based on the market value of the Company's common shares for the one-month period up to March 23, 2026, the business day immediately preceding the Board resolution, and that it was determined in accordance with the Japan Securities Dealers Association's "Guidelines for Handling of Capital Increases by Third-Party Allotment" (established April 1, 2010), the Company judges that it does not constitute a particularly favorable issue price. In addition, in connection with the Board resolution regarding the issuance of the New Shares, the Company's Audit and Supervisory Committee (all three members are outside directors) expressed the opinion that the method for determining the issue price of the New Shares was based on the market price, an objective indicator of the value of the Company's shares, and complied with the above guidelines; accordingly, the payment amount for the New Shares does not constitute an amount particularly favorable to KADOKAWA, the proposed allottee, and is lawful.

(2) Grounds for Determining that the Number of Shares to Be Issued and the Extent of Share Dilution Are Reasonable

In connection with this third-party allotment, the Company will issue 1,000,000 New Shares (10,000 voting rights), resulting in a dilution ratio of 5.97% relative to the total number of issued shares of 16,748,700 as of November 30, 2025 (and a dilution ratio of 5.98% relative to the total number of voting rights of 167,297 as of November 30, 2025) (no shares were held prior to the allotment).

In addition, the total number of shares, when the 1,429,500 shares (14,295 voting rights) allotted to NAVER Corporation on December 1, 2025, which is within six months prior to the date of the resolution for the issuance of the New Shares, are added to the number of the New Shares above, is 2,429,500 shares (24,295 voting rights). As a result, the dilution ratio relative to the total number of issued shares of 16,748,700 as of November 30, 2025 is 14.51% (and the dilution ratio relative to the total number of voting rights of 167,297 as of November 30, 2025 is 14.52%).

As a result, existing shareholders' ownership ratio and voting rights ratio will decrease.

However, the Company plans to allocate the funds procured through the Third-Party Allotment to the uses described in "3. Amount of Funds to Be Procured, Uses Thereof and Planned Timing of Expenditures (2) Specific Uses of the Funds to Be Procured" above. As this is intended to achieve the Company's sustainable growth and enhance its corporate value, and will also serve the interests of the Company's existing shareholders, the Company has determined that the extent of share dilution resulting from the Third-Party Allotment is reasonable.

6. Reasons for Selection of the Planned Allottee, etc.

(1) Overview of the Planned Allottee

| | | | |
|---|--|---|---------------------------------|
| (1) Name | KADOKAWA CORPORATION | | |
| (2) Location | 2-13-3 Fujimi, Chiyoda-ku, Tokyo | | |
| (3) Title and Name of Representative | Takeshi Natsuno Director; Representative Executive Officer; President and CEO | | |
| (4) Business Description | Publishing and IP creation business; anime and live-action video business; game business; web services business; education and EdTech business; etc. | | |
| (5) Capital (As of September 30, 2025) | 65,613 million yen | | |
| (6) Date of establishment | October 1, 2014 | | |
| (7) Number of shares issued (As of September 30, 2025) | 148,990,296 shares | | |
| (8) Fiscal Year-End | March 31 | | |
| (9) Number of employees (As of March 31, 2025) | 2,343 | | |
| (10) Major business partners | Not disclosed as consent to disclosure has not been obtained. | | |
| (11) Major banks | Not disclosed as consent to disclosure has not been obtained. | | |
| (12) Major Shareholders and Shareholding Ratios (As of September 30, 2025) | <p>The Master Trust Bank of Japan, Ltd. (Trust Account): 10.23%</p> <p>Sony Group Corporation: 10.08%</p> <p>GOLDMAN SACHS INTERNATIONAL (Standing Proxy: Goldman Sachs Securities Co., Ltd.): 9.83%</p> <p>KOREA SECURITIES DEPOSITORY-SAMSUNG (Standing Proxy: Citibank, N.A., Tokyo Branch): 8.51%</p> <p>Custody Bank of Japan, Ltd. (trust account): 8.25%</p> <p>Nobuo Kawakami: 4.08%</p> <p>NTT Corporation: 2.76%</p> <p>STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Department): 2.56%</p> <p>Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.): 2.32%</p> <p>Bandai Namco Holdings Inc.: 2.07%</p> | | |
| (13) Relationship between the Listed Company and the Company | Capital relationship | Not applicable. | |
| | Human relationships | Not applicable. | |
| | Business relationship | We have ordinary business dealings, such as sponsoring contests hosted by the Company and publishing in book form works handled by our subsidiaries, as part of our normal business transactions. | |
| | Status as a Related Party | The company does not qualify as a related party of the Company. In addition, the company's related persons and affiliated companies do not qualify as related parties of the Company. | |
| (14) Operating results and financial position of the company for the past three years | | | |
| Fiscal year-end | Fiscal year ended March 2023 | Fiscal year ended March 2024 | Fiscal year ended March 2025 |
| Consolidated net assets | 223,171 | 212,566 | 277,408 |
| Consolidated total assets | 382,898 | 340,310 | 410,029 |
| Per share Consolidated net assets (JPY) | 1,450.27 | 1,417.63 | 1,704.48 |

| | | | |
|---|---------|---------|---------|
| Consolidated net sales | 255,429 | 258,109 | 277,915 |
| Consolidated operating income | 25,931 | 18,454 | 16,651 |
| Consolidated ordinary income | 26,669 | 20,236 | 17,742 |
| Net income attributable to owners of the parent | 12,679 | 11,384 | 7,392 |
| Consolidated earnings per share (yen) | 90.91 | 83.42 | 53.87 |
| Dividend per share (yen) | 30.00 | 30.00 | 30.00 |

(Unit: million yen; except as otherwise noted)

Note: The above table is as of March 24, 2026, unless otherwise stated.

*The Company has confirmed that the proposed allottee is listed on the Prime Market of the Tokyo Stock Exchange and, in the Corporate Governance Report dated October 7, 2025 submitted by the proposed allottee to the Tokyo Stock Exchange, has adopted a policy of taking a resolute stance by establishing provisions to exclude any relationship with anti-social forces or organizations that threaten the order and safety of society and to prohibit any acts such as providing benefits, and that it is ensuring this policy is thoroughly communicated through the development of rules and manuals and through education and training. In addition, under the capital and business alliance agreement to be entered into with the proposed allottee in relation to this third-party allotment, the proposed allottee has provided representations and warranties that: there is no benefit-provision relationship between the proposed allottee and its affiliated companies and anti-social forces such as organized crime groups, and there is no plan for such a relationship to arise in the future; the proposed allottee and its affiliated companies have not appointed any person belonging to anti-social forces as an officer, nor, to the extent known to the proposed allottee, employed any such person as an employee, and have no plan to do so in the future; and the proposed allottee and its affiliated companies are not aware of any fact or circumstance that could cause their management to be directly or indirectly influenced by anti-social forces (provided, however, that acts by the proposed allottee and its affiliated companies, based on freedom of the press, speech, or other expression, or on the freedom of expression of authors of works, such as interviewing or filming anti-social forces, and publishing, issuing, producing, distributing, exhibiting, or streaming magazines, books, electronic magazines, electronic books, audiovisual works, etc. that feature anti-social forces, and acts incidental thereto, do not constitute a relationship with anti-social forces and are not treated as potentially constituting such a relationship).

Based on the above, the Company has determined that the Planned Allottee has no relationship with anti-social forces.

(2) Reason for Selecting the Proposed Allottee

The reason for selecting the proposed allottee is as stated in "I. Overview of this Capital and Business Alliance 1. Purpose and Reasons for this Capital and Business Alliance."

(3) Shareholding Policy of the Proposed Allottee

The Company's CFO has verbally confirmed with the person in charge at the proposed allottee that the proposed allottee has a policy of holding the Company's shares acquired through this third-party allotment on a medium- to long-term basis. In addition, the Company and the proposed allottee have agreed in the Capital and Business Alliance Agreement that, for two years from the allotment date, the proposed allottee may not, directly or indirectly, transfer, create a security interest in, or otherwise dispose of the Company's common shares held by the proposed allottee without the Company's prior written consent.

In addition, the Company plans to obtain from the proposed allottee a written undertaking stating that, if the proposed allottee transfers all or part of the New Shares within two years from the payment date for this third-party allotment, it will immediately report the details to the Company in writing; that the Company will report such details to Tokyo Stock Exchange, Inc.; and that the reported details will be made available for public inspection.

(4) Details Confirmed Regarding the Existence of Assets Required for Payment by the Proposed Allottee

In the Capital and Business Alliance Agreement to be executed with the proposed allottee, the Company has received representations and warranties that the proposed allottee has the necessary and sufficient funds for the payment. In addition, after reviewing the interim consolidated financial statements, etc. as of September 30, 2025, as stated in the proposed allottee's Semiannual Securities Report dated November 13, 2025, the Company has confirmed that the proposed allottee has the cash and cash equivalents necessary to make the payment in connection with this third-party allotment.

7. Major Shareholders and Shareholding Ratios after the Offering (%)

| Before the offering | | After the offering | |
|---|-------|---|-------|
| Sadaaki Kato | 31.01 | Sadaaki Kato | 29.39 |
| NAVER Corporation | 7.86 | NAVER Corporation | 7.45 |
| Google International LLC (Permanent proxy: Mizuho Securities Co., Ltd.) | 5.41 | KADOKAWA CORPORATION | 5.21 |
| GOLDMAN SACHS INTERNATIONAL (Permanent proxy: Goldman Sachs Securities Co., Ltd.) | 5.34 | Google International LLC (Permanent proxy: Mizuho Securities Co., Ltd.) | 5.13 |
| Nikkei Inc. | 3.64 | GOLDMAN SACHS INTERNATIONAL (Permanent proxy: Goldman Sachs Securities Co., Ltd.) | 5.06 |
| NOMURA INTERNATIONAL PLC A/C JAPAN FLOW (Permanent proxy: Nomura Securities Co., Ltd.) | 1.95 | Nikkei Inc. | 3.45 |
| Mynavi Corporation | 1.64 | NOMURA INTERNATIONAL PLC A/C JAPAN FLOW (Permanent proxy: Nomura Securities Co., Ltd.) | 1.84 |
| IID, Inc. | 1.53 | Mynavi Corporation | 1.55 |
| TV TOKYO Holdings Corporation | 1.50 | IID, Inc. | 1.45 |
| Rakuten Securities, Inc. (joint account) | 1.29 | TV TOKYO Holdings Corporation | 1.43 |

- (Note) 1. The major shareholders and shareholding ratios before the offering are based on the number of shares recorded in the shareholder register as of November 30, 2025, plus the number of shares (1,429,500 shares) allotted to NAVER Corporation on December 1, 2025. The number of shares does not include shares issued upon the exercise of stock acquisition rights from December 1, 2025 to March 24, 2026.
2. The major shareholders and their shareholding ratios after the offering are calculated based on the number of shares obtained by adding the number of new shares to be allotted through this third-party allotment to the number of shares set forth in Note 1 above.
3. The "Shareholding Ratio" is calculated by rounding to the third decimal place.
4. Although the Large Shareholding Report made available for public inspection dated December 22, 2022 states that Image Frame Investment (HK) Limited owned the following shares as of December 21, 2022, the Company is unable to confirm the number of shares beneficially owned as of November 30, 2025; therefore, this is not included in the above status of major shareholders. The contents of that Large Shareholding Report are as follows.

| Name | Address | Number of share certificates, etc. held (shares) | Shareholding ratio (%) |
|---|---|--|------------------------|
| Image Frame Investment (Hong Kong) Limited (Image Frame Investment (HK) Limited) | 29th Floor, Three Pacific Place, 1 Queen's Road East, Wan Chai, Hong Kong | 970,000 | 6.54 |

8. Future Outlook

The impact of this third-party allotment on the full-year consolidated earnings forecast for the fiscal year ending November 2026 is expected to be minor. If any impacts, etc. that should be disclosed are identified in the future, we will promptly inform you. In addition, we believe that allocating the funds to the uses stated above in "3. Amount of Funds to Be Raised, Use, and Scheduled Timing of Expenditures (2) Specific Uses of Funds to Be Raised" will contribute to the Company's sustainable growth and enhancement of corporate value.

9. Matters Concerning Procedures Under the Corporate Code of Conduct

The total number of shares, including 1,429,500 shares (14,295 voting rights) allotted to NAVER Corporation on December 1, 2025, which is within six months prior to the resolution date for the issuance of the New Shares, is 2,429,500 shares (24,295 voting rights), and the resulting dilution rate relative to the total number of issued shares

as of November 30, 2025 (16,748,700 shares) is 14.51% (the dilution rate relative to the total number of voting rights as of November 30, 2025 (167,297 voting rights) is 14.52%). Therefore, because this third-party allotment (i) has a dilution ratio of less than 25% and (ii) does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to carry out procedures to confirm shareholders' intent as set forth in Article 432 of the Tokyo Stock Exchange's Listing Regulations.

10. Performance for the Past Three Years and Status of Equity Financing

(1) Performance for the Past Three Years

| Fiscal year-end | Fiscal year ended November 2023 | Fiscal year ended November 2024 | Fiscal year ended November 2025 |
|---------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Net sales (thousand yen) | 2,777,125 | 3,312,248 | 4,141,280 |
| Operating profit (thousand yen) | -380,222 | 52,844 | 256,142 |
| Ordinary profit (thousand yen) | -413,388 | 75,183 | 262,673 |
| Net profit (thousand yen) | -414,843 | 98,939 | 440,642 |
| Net income per share (yen) | -27.50 | 6.44 | 26.83 |
| Dividend per share (yen) | — | — | — |
| Net assets per share (yen) | 102.52 | 110.63 | 168.47 |

Note: As the Company has prepared consolidated financial statements from the fiscal year ended November 2024, the amounts for the fiscal year ended November 2024 and thereafter are those shown in the consolidated financial statements. For the net profit item for the fiscal year ended November 2024 and thereafter, the amount shown is net profit attributable to owners of the parent.

(2) Status of issued shares and potential shares as of February 28, 2026

| | Number of shares | Ratio to the number of shares issued |
|---|-------------------|---|
| Number of shares issued | 18,317,800 shares | 100.00% |
| Number of potential shares at the current conversion price (exercise price) | 940,300 shares | 5.13% |
| Number of potential shares at the minimum conversion price (exercise price) | — | — |
| Number of potential shares at the maximum conversion price (exercise price) | — | — |

Note: All of the above potential shares are attributable to stock options.

(3) Recent stock price trends

(i) Status over the past three years

| | Fiscal year ended November 2023 | Fiscal year ended November 2024 | Fiscal year ended November 2025 |
|---------------|------------------------------------|------------------------------------|------------------------------------|
| Opening price | 521 yen | 618 yen | 496 yen |
| High | 927 yen | 738 yen | 2,909 yen |
| Low | 401 yen | 415 yen | 462 yen |
| Closing price | 616 yen | 488 yen | 1,662 yen |

Note: As the Company was listed on the Tokyo Stock Exchange Growth Market on December 21, 2022, the share price information for the fiscal year ended November 2023 is presented based on information for the period from December 21, 2022 to November 30, 2023.

(ii) Status over the past six months

| | 2025 October | November | December | 2026 January | February | March |
|---------------|-----------------|-----------|-----------|-----------------|-----------|-----------|
| Opening price | 1,220 yen | 1,293 yen | 1,666 yen | 1,688 yen | 2,558 yen | 2,142 yen |
| High | 1,657 yen | 1,800 yen | 1,750 yen | 3,210 yen | 2,799 yen | 2,535 yen |
| Low | 1,152 yen | 1,240 yen | 1,402 yen | 1,633 yen | 1,971 yen | 1,906 yen |
| Closing price | 1,298 yen | 1,662 yen | 1,632 yen | 2,658 yen | 2,216 yen | 2,103 yen |

Note: Regarding the status as of March 2026, this is described based on information available up to March 23, 2026.

(iii) Share price on the last business day prior to the date of the issuance resolution

| | March 23, 2026 |
|---------------|----------------|
| Opening price | 2,091 yen |
| High | 2,174 yen |
| Low | 2,055 yen |
| Closing price | 2,103 yen |

(4) Status of equity financing over the past three years

(i) Execution of a capital and business alliance agreement and issuance of new shares by way of third-party allotment

| | |
|--|--|
| Payment date | January 29, 2025 |
| Amount of funds to be raised | JPY 489,973,600 (estimated net proceeds) |
| Issue price | 508 yen per share |
| Number of issued shares at the time of the offering | 15,390,500 common shares (as of November 30, 2024) |
| Number of shares to be issued in the offering | 984,200 common shares |
| Number of issued shares after the offering | 16,374,700 common shares |
| Allottee | Google International LLC |
| Initial use of funds at the time of issuance | R&D and growth capital to strengthen existing businesses (the media platform business), including the use of generative AI technology, and R&D and growth capital for new businesses |
| Planned timing of expenditures at the time of issuance | February 2025 to November 2026 |
| Current status of allocation | February 2025 to December 2025: 187,385 thousand yen The funds have been allocated as initially planned for the purposes described above. |

(ii) Execution of a Capital and Business Alliance Agreement and issuance of new shares by way of third-party allotment

| | |
|--------------------------------|---|
| Payment date | December 1, 2025 |
| Amount of funds to be raised | 1,973,870,500 yen (estimated net proceeds) |
| Issue price | 1,399 yen per share |
| Number of issued shares at the | 16,649,800 shares of common stock (as of August 31, 2025) |

| | |
|--|--|
| time of the offering | |
| Number of shares to be issued in the offering | 1,429,500 shares of common stock |
| Number of issued shares after the offering | 18,079,300 shares of common stock |
| Allottee | NAVER Corporation |
| Initial use of funds at the time of issuance | (1) Growth investments and creator development costs for the development and global expansion of IP and content: 500 million yen (2) Investment in platform development, including existing businesses: 373.87 million yen (3) Research, development, and other expenses related to generative AI: 100 million yen (4) Future M&A and capital and business alliances: 1,000 million yen |
| Planned timing of expenditures at the time of issuance | (1) December 2025 to November 2028 (2) December 2025 to November 2028 (3) December 2025 to November 2028 (4) December 2025 to November 2028 |
| Current status of allocation | (1) December 2025: 7.233 million yen (2) December 2025: 6.741 million yen (3) December 2025: No allocation (4) December 2025: No allocation The funds have been allocated as initially planned for the purposes described above. |

11. Terms and Conditions for the Issuance of New Shares

| | |
|---|---|
| 1. Type and number of shares to be offered | 1,000,000 shares of common stock |
| 2. Payment amount for the shares to be offered | 2,212 yen per share |
| 3. Total payment amount | 2,212,000,000 yen |
| 4. Payment date | April 9, 2026 |
| 5. Amount of stated capital to be increased | JPY 1,106,000,000 |
| 6. Amount of capital surplus to be increased | JPY 1,106,000,000 |
| 7. Method of offering or allotment | By way of third-party allotment |
| 8. Allottee and number of shares to be allotted | KADOKAWA CORPORATION: 1,000,000 shares |
| 9. Place for payment | Sumitomo Mitsui Banking Corporation, Akasaka Branch |

The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act becomes effective. Any other matters necessary in connection with the issuance of these shares are entrusted to the President and Representative Director of the Company.

<Contact for inquiries>

note, Inc. IR Inquiry Contact <https://ir.note.jp/inquiry>