

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2026 (Based on Japanese GAAP)

May 1, 2026

Company name: SM ENTERTAINMENT JAPAN Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4772 URL <https://www.smej.co.jp>  
 Representative: President Kim Dong Woo  
 Inquiries: Director and Head of Management Kim Hyeong Joo TEL 03-6809-6118  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

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	%
Three months ended March 31, 2026	3,204	47.0	235	452.6	268	463.3	262	533.2
Three months ended March 31, 2025	2,180	(28.7)	42	(81.7)	47	(79.9)	41	(79.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2026	2.27		–	
Three months ended March 31, 2025	0.36		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	14,433	7,688	49.3
As of December 31, 2025	14,532	7,922	49.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2025	–	0.00	–	2.00	2.00
Year ending December 31, 2026	–				
Year ending December 31, 2026 (Forecast)		0.00	–	1.00	1.00

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,089	(10.8)	247	42.4	257	32.4	253	(32.5)	2.19

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended March 31, 2026: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2026	115,904,831 shares	As of December 31, 2025	115,904,831 shares
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Number of treasury shares at the end of the period

As of March 31, 2026	9,930 shares	As of December 31, 2025	9,930 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	115,894,901 shares	Three months ended March 31, 2025	115,894,901 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	3,704,305	3,618,658
Accounts receivable - trade	5,512,671	5,897,617
Merchandise	–	14,596
Broadcasting rights	270,826	225,167
Contents business rights	1,753,506	1,940,094
Advance payments to suppliers	558,313	279,181
Advances paid	527,542	887,553
Other	348,278	124,667
Allowance for doubtful accounts	(5,142)	(5,522)
Total current assets	12,670,302	12,982,014
Non-current assets		
Property, plant and equipment	18,995	29,130
Intangible assets	4,921	7,347
Investments and other assets		
Investment securities	1,573,183	1,155,979
Long-term loans receivable	90,577	87,577
Deferred tax assets	94,038	94,038
Other	199,077	195,528
Allowance for doubtful accounts	(118,133)	(118,131)
Total investments and other assets	1,838,742	1,414,991
Total non-current assets	1,862,659	1,451,470
Total assets	14,532,961	14,433,484
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,160,215	5,366,973
Contract liabilities	342,917	276,669
Provision for bonuses	46,029	–
Dividends payable	–	5,766
Other	554,001	747,788
Total current liabilities	6,103,163	6,397,197
Non-current liabilities		
Deferred tax liabilities	493,668	345,853
Other	14,065	1,522
Total non-current liabilities	507,733	347,375
Total liabilities	6,610,897	6,744,573
<b>Net assets</b>		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	5,988,803	5,988,803
Retained earnings	590,116	621,164
Treasury shares	(33,136)	(33,136)
Total shareholders' equity	6,595,783	6,626,831
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	642,628	482,263
Total accumulated other comprehensive income	642,628	482,263
Share acquisition rights	231,962	231,962
Non-controlling interests	451,689	347,853
Total net assets	7,922,064	7,688,911
Total liabilities and net assets	14,532,961	14,433,484

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	2,180,266	3,204,881
Cost of sales	1,669,017	2,537,472
Gross profit	511,249	667,409
Selling, general and administrative expenses	468,598	431,712
Operating profit	42,650	235,697
Non-operating income		
Interest income	1,611	4,203
Dividend income	7,883	12,016
Foreign exchange gains	–	2,679
Outsourcing service income	259	1,818
Gain on adjustment of accounts payable	–	12,220
Other	–	61
Total non-operating income	9,754	32,998
Non-operating expenses		
Interest expenses	13	9
Foreign exchange losses	4,691	–
Total non-operating expenses	4,704	9
Ordinary profit	47,700	268,686
Profit before income taxes	47,700	268,686
Income taxes - current	3,157	661
Total income taxes	3,157	661
Profit	44,542	268,025
Profit attributable to non-controlling interests	3,036	5,187
Profit attributable to owners of parent	41,506	262,838

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	44,542	268,025
Other comprehensive income		
Valuation difference on available-for-sale securities	27,917	(269,388)
Total other comprehensive income	27,917	(269,388)
Comprehensive income	72,459	(1,363)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	58,125	102,472
Comprehensive income attributable to non-controlling interests	14,334	(103,835)