Translation

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# Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 12, 2026

| | |
|---|---|
| Company name: | NexTone Inc. |
| Stock exchange listing: | Tokyo Stock Exchange |
| Code number: | 7094 |
| URL: | https://www.nex-tone.co.jp/en/ |
| Representative: | Masahiro Anan, President & CEO |
| Contact: | Fumihiro Watanabe, Managing Director |
| TEL: | +81-3-5475-5029 |
| Scheduled date for ordinary general meeting of shareholders: | June 25, 2026 |
| Scheduled date for dividend payment: | June 26, 2026 |
| Scheduled date for submission of securities report: | June 24, 2026 |
| Scheduled date of commencing dividend payments: | Yes |
| Schedule of financial results briefing session: | Yes (for institutional investors and analysts) |

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate YoY changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2026 | 20,774 | 7.0 | 1,301 | 29.4 | 1,334 | 29.8 | 791 | 14.3 |
| March 31, 2025 | 19,412 | 44.5 | 1,005 | 54.9 | 1,028 | 57.4 | 692 | 30.3 |

(Note) Comprehensive income: Fiscal year ending March 31, 2026: 733 million yen [35.0%], Fiscal year ended March 31, 2025: 543 million yen [26.6%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary income to total assets ratio | Net sales Operating profit margin |
|---|---|---|---|---|---|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2026 | 81.05 | - | 15.3 | 8.7 | 6.3 |
| March 31, 2025 | 70.96 | - | 15.7 | 7.3 | 5.2 |

(Note) Diluted earnings per share is not stated as there are no potential shares outstanding.

(2) Consolidated financial positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| As of | Million yen | Million yen | % | Yen |
| March 31, 2026 | 15,827 | 6,461 | 35.2 | 569.61 |
| March 31, 2025 | 14,831 | 5,715 | 32.1 | 487.57 |

(Reference) Owner's equity March 31, 2026: 5,564 million yen; March 31, 2025: 4,758 million yen

(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 |
|---|---|---|---|---|
| Fiscal year ended | Million yen | Million yen | Million yen | Million yen |
| March 31, 2026 | 2,226 | (791) | (0) | 11,064 |
| March 31, 2025 | 2,152 | (569) | - | 9,629 |

## 2. Cash dividends

| | Annual dividends | | | | | Total dividends (aggregate) | Payout ratio (Consolidated) | Ratio of dividends to net assets (consolidated) |
|---|---|---|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Million yen | % | % |
| Fiscal year ended March 31, 2025 | - | 0.00 | - | 0.00 | 0.00 | - | - | - |
| Fiscal year ended March 31, 2026 | - | 0.00 | - | 20.00 | 20.00 | 195 | 24.7 | 3.8 |
| Fiscal year ending March 31, 2027 (Forecast) | - | 11.00 | - | 11.00 | 22.00 | | 20.6 | |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate YoY changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Fiscal year ending March 31, 2027 | 22,000 | 5.9 | 1,600 | 23.0 | 1,600 | 19.9 | 1,000 | 26.3 | 102.40 |

* Notes

(1) Significant changes in the scope of consolidation during the period : None

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

(i) Changes in accounting policies based on revisions of accounting standard : None

(ii) Changes in accounting policies other than (i) above : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(3) Number of shares issued (common stock)

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

| | |
|---|---|
| As of March 31, 2026 | 9,940,800 shares |
| As of March 31, 2025 | 9,940,800 shares |

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

| | |
|---|---|
| As of March 31, 2026 | 172,450 shares |
| As of March 31, 2025 | 180,563 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Fiscal year ended March 31, 2026 | 9,765,472 shares |
| Fiscal year ended March 31, 2025 | 9,755,946 shares |

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

* Notes regarding the appropriate use of forecasts and other special items

(Cautionary notes on forward-looking statements)

Financial results forecast and other forward-looking statements contained herein are based on information currently available to the Group and certain assumptions that are deemed reasonable, and the Company does not in any way guarantee the achievement of the forecasts.

Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts herein and cautionary notes on the use of the financial results forecast, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 6 of the Attachments (available in Japanese).

(Obtaining supplementary explanatory materials for financial results and video of the briefing)

The supplementary explanatory materials will be disclosed on TDnet and on the Company’s website on Tuesday, May 12, 2026. The Company plans to hold an online financial results briefing session for institutional investors and analysts on Wednesday, May 13, 2026, and post the video of the session (available in Japanese) at a later date on the Company’s website.

Consolidated Financial Statements and Main Notes

## (1) Consolidated Balance Sheet

(Unit: Million yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 9,629 | 11,064 |
| Accounts receivable - trade | 1,744 | 1,725 |
| Work in process | 12 | 1 |
| Other | 887 | 718 |
| Allowance for doubtful accounts | (1) | (1) |
| Total current assets | 12,272 | 13,508 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 191 | 129 |
| Tools, furniture and fixtures, net | 41 | 50 |
| Total property, plant and equipment | 232 | 179 |
| Intangible assets | | |
| Goodwill | 13 | - |
| Customer-related intangible assets | 239 | 171 |
| Software | 1,397 | 1,455 |
| Other | 139 | 15 |
| Total intangible assets | 1,789 | 1,642 |
| Investments and other assets | | |
| Deferred tax assets | 235 | 201 |
| Guarantee deposits | 258 | 247 |
| Other | 43 | 47 |
| Total investments and other assets | 537 | 496 |
| Total non-current assets | 2,559 | 2,318 |
| Total assets | 14,831 | 15,827 |
| Liabilities | | |
| Current liabilities | | |
| Trade payables | 3,436 | 3,255 |
| Accounts payable - other | 4,336 | 5,100 |
| Income taxes payable | 310 | 111 |
| Provision for bonuses | 245 | 266 |
| Provision for bonuses for directors (and other officers) | 35 | 40 |
| Other | 206 | 233 |
| Total current liabilities | 8,570 | 9,008 |
| Non-current liabilities | | |
| Retirement benefit liability | 67 | 16 |
| Other | 478 | 341 |
| Total non-current liabilities | 545 | 357 |
| Total liabilities | 9,116 | 9,365 |

(Unit: Million yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,218 | 1,218 |
| Capital surplus | 758 | 758 |
| Retained earnings | 3,072 | 3,864 |
| Treasury shares | (288) | (276) |
| Total shareholders' equity | 4,760 | 5,565 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (2) | (1) |
| Total accumulated other comprehensive income | (2) | (1) |
| Non-controlling interests | 956 | 897 |
| Total net assets | 5,715 | 6,461 |
| Total liabilities and net assets | 14,831 | 15,827 |

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Unit: Million yen)

| | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2026 |
|---|---|---|
| Net sales | 19,412 | 20,774 |
| Cost of sales | 14,584 | 15,457 |
| Gross profit | 4,827 | 5,316 |
| Selling, general and administrative expenses | 3,822 | 4,015 |
| Operating profit | 1,005 | 1,301 |
| Non-operating income | | |
| Interest income | 5 | 19 |
| Dividend income | 1 | 1 |
| Foreign exchange gains | - | 1 |
| Subsidy income | - | 9 |
| Surrender value of insurance policies | 15 | - |
| Insurance claim income | - | 7 |
| Other | 5 | 4 |
| Total non-operating income | 29 | 43 |
| Non-operating expenses | | |
| Foreign exchange losses | 3 | - |
| Loss on sale and retirement of non-current assets | 0 | 5 |
| Other | 2 | 4 |
| Total non-operating expenses | 6 | 10 |
| Ordinary profit | 1,028 | 1,334 |
| Extraordinary income | | |
| Gain on sale of investment securities | 26 | - |
| Compensation for forced relocation | 221 | - |
| Other | 0 | - |
| Total extraordinary income | 247 | - |
| Extraordinary losses | | |
| Impairment losses | 247 | 239 |
| Loss on retirement of non-current assets | 34 | - |
| Loss on reduction of non-current assets | 92 | - |
| Loss on valuation of investment securities | 5 | - |
| Total extraordinary losses | 380 | 239 |
| Net income before income taxes | 895 | 1,094 |
| Income taxes - current | 421 | 344 |
| Income taxes - deferred | (73) | 18 |
| Total income taxes | 347 | 363 |
| Net income | 547 | 731 |
| Net loss attributable to non-controlling interests (-) | (145) | (60) |
| Profit attributable to owners of parent | 692 | 791 |

Consolidated Statement of Comprehensive Income

(Unit: Million yen)

| | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2026 |
|---|---|---|
| Net income | 547 | 731 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (3) | 2 |
| Total other comprehensive income | (3) | 2 |
| Comprehensive income | 543 | 733 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 690 | 792 |
| Comprehensive income attributable to non-controlling interests | (146) | (59) |

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | | |
| Balance at the beginning of the period | 1,218 | 761 | 2,380 | (308) | 4,052 | (0) | (0) | 1,103 | 5,155 |
| Changes during period | | | | | | | | | |
| Profit attributable to owners of parent | | | 692 | | 692 | | | | 692 |
| Acquisitions of treasury shares | | | | | - | | | | - |
| Treasury shares sold | | (2) | | 19 | 16 | | | | 16 |
| Changes during period (net) for items other than shareholders' equity | | | | | | (1) | (1) | (146) | (148) |
| Total changes during period | - | (2) | 692 | 19 | 708 | (1) | (1) | (146) | 560 |
| Balance at end of period | 1,218 | 758 | 3,072 | (288) | 4,760 | (2) | (2) | 956 | 5,715 |

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: Million yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income | | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | | |
| Balance at the beginning of the period | 1,218 | 758 | 3,072 | (288) | 4,760 | (2) | (2) | 956 | 5,715 |
| Changes during period | | | | | | | | | |
| Profit attributable to owners of parent | | | 791 | | 791 | | | | 791 |
| Acquisitions of treasury shares | | | | (0) | (0) | | | | (0) |
| Treasury shares sold | | (0) | | 13 | 12 | | | | 12 |
| Changes during period (net) for items other than shareholders' equity | | | | | | 1 | 1 | (59) | (57) |
| Total changes during period | - | (0) | 791 | 12 | 804 | 1 | 1 | (59) | 746 |
| Balance at end of period | 1,218 | 758 | 3,864 | (276) | 5,565 | (1) | (1) | 897 | 6,461 |

## (4) Consolidated Statement of Cash Flows

(Unit: Million yen)

| | For the fiscal year ended March 31, 2025 | For the fiscal year ending March 31, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Net income before income taxes | 895 | 1,094 |
| Depreciation | 647 | 647 |
| Amortization of goodwill | 16 | 13 |
| Amortization of customer-related intangible assets | 68 | 68 |
| Interest income and dividends income | (7) | (21) |
| Subsidy income | - | (9) |
| Surrender value of insurance policies | (15) | - |
| Insurance claim income | - | (7) |
| Loss on retirement of non-current assets | 34 | 5 |
| Gain on sale of investment securities | (26) | - |
| Compensation for forced relocation | (221) | - |
| Impairment losses | 247 | 239 |
| Loss on reduction of non-current assets | 92 | - |
| Decrease (increase) in trade receivables | (117) | 19 |
| Increase (decrease) in trade payables | 462 | (181) |
| Increase (decrease) in provision for bonuses | (3) | 21 |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 8 | 5 |
| Increase (decrease) in liabilities for retirement benefits | (36) | (51) |
| Increase (decrease) in accounts payable - other (negative indicates decrease) | 532 | 782 |
| Other | (162) | (132) |
| Subtotal | 2,415 | 2,496 |
| Interest and dividends received | 6 | 18 |
| Proceeds from insurance income | - | 7 |
| Subsidies received | - | 9 |
| Proceeds from compensation for forced relocation | - | 221 |
| Income taxes refund (paid) | (269) | (524) |
| Cash flows from operating activities | 2,152 | 2,226 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (98) | (36) |
| Purchase of intangible assets | (739) | (757) |
| Payments of leasehold and guarantee deposits | (105) | - |
| Proceeds from refund of leasehold and guarantee deposits | 203 | 2 |
| Proceeds from cancellation of insurance funds | 56 | - |
| Proceeds from the sale of investment securities | 110 | 0 |
| Other | 2 | - |
| Cash flows from investing activities | (569) | (791) |
| Cash flows from financing activities | | |
| Acquisition of treasury shares | - | (0) |
| Cash flows from financing activities | - | (0) |
| Increase (decrease) in cash and cash equivalents | 1,582 | 1,435 |
| Cash and cash equivalents at the beginning of the period | 8,046 | 9,629 |
| Cash and cash equivalents at end of the period | 9,629 | 11,064 |

(Segment Information, etc.)

[Segment Information]

1.Overview of reportable segments

Method for determining reportable segments

Our reportable segments are those components of the company for which separate financial information is available and which are regularly reviewed by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating performance.

Our company acts as an agent that ensures proper collection, distribution, and support mainly in the entertainment field centered on music, by promoting the management and utilization of music copyrights and supporting rights holders and creators. For each service we handle, we formulate business strategies and carry out business activities accordingly.

In the Copyright Management Business, we receive management consignment from copyright holders such as lyricists, composers, and music publishers, and carry out licensing of music works, collection of royalties, and distribution of royalties to copyright holders. In addition, our subsidiary MCJP Inc. provides agency services for music publishers and other related services.

In the Digital Distribution (DD) Business, we are engaged in the business of selling and distributing master recordings (audio and video) to domestic and international music distribution platforms (content distribution).

"Digital Music Provider Business" is engaged in the business of distributing music via the internet. Digital Music Provider (for individuals) offers single-track downloads and subscription-based streaming services, while Digital Music Provider (for companies) provides video and BGM distribution services for stores, karaoke boxes, wedding venues, and similar establishments.

2. Method of calculation for amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are generally the same as those adopted in the preparation of the consolidated financial statements.

The profit of the reportable segment is based on operating profit.

Internal net sales and transfers between segments are based on market prices.

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

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Unit: Million yen)

| | Reportable segment | | | | Others (Note) 1 | Total | Adjustment (Note) 2.4.6 | Amounts recorded in the consolidated financial statements (Note) 3 |
|---|---|---|---|---|---|---|---|---|
| | Copyright Management Business | Digital Distribution (DD) Business | Digital Music Provider Business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to outside customers | 1,366 | 9,429 | 7,585 | 18,381 | 1,031 | 19,412 | - | 19,412 |
| Inter-segment net sales or transfers | 158 | 258 | - | 416 | 466 | 883 | (883) | - |
| Total | 1,524 | 9,688 | 7,585 | 18,798 | 1,497 | 20,295 | (883) | 19,412 |
| Segment income (loss) | 692 | 962 | 1,337 | 2,992 | (425) | 2,567 | (1,561) | 1,005 |
| Segment Assets | 1,285 | 486 | 1,548 | 3,321 | 916 | 4,238 | 10,593 | 14,831 |
| Other items | | | | | | | | |
| Depreciation | 102 | 169 | 165 | 437 | 230 | 667 | (20) | 647 |
| Amortization of goodwill | 16 | - | - | 16 | - | 16 | - | 16 |
| Amortization of customer-related intangible assets | - | - | 68 | 68 | - | 68 | - | 68 |
| Impairment losses | - | - | - | - | 247 | 247 | - | 247 |
| Increase in property, plant and equipment and intangible assets | 177 | 125 | 144 | 447 | 288 | 735 | 252 | 987 |

(Note) 1. The “Others” category consists of business segments that are not included in reportable segments. These include the Casting & promotion service business; System development, maintenance & operation business; Solutions business; and Agent business.

2. Segment income (loss) adjustment of (1,561) million yen includes companywide expenses of (1,541) million yen that are not allocated to each reportable segment and elimination of intersegment transactions of (20) million yen.

3. Segment income (loss) is reconciled with operating profit in the consolidated statement of income.

4. The adjustment amount of 10,593 million yen for segment assets represents company-wide assets that are not allocated to any reportable segment.

5. Segment liabilities are not disclosed as liabilities are not allocated to business segments.

6. The adjustment amount of 252 million yen for the increase in property, plant and equipment and intangible assets is mainly due to the increase in facilities attached to buildings associated with the office relocation and does not reflect the reduction in acquisition cost resulting from the special depreciation.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Unit: Million yen)

| | Reportable segment | | | | Others (Note) 1 | Total | Adjustment (Note) 2.4 | Amounts recorded in the consolidated financial statements (Note) 3 |
|---|---|---|---|---|---|---|---|---|
| | Copyright Management Business | Digital Distribution (DD) Business | Digital Music Provider Business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to outside customers | 1,471 | 10,126 | 7,726 | 19,324 | 1,450 | 20,774 | - | 20,774 |
| Inter-segment net sales or transfers | 133 | 219 | - | 353 | 527 | 881 | (881) | - |
| Total | 1,604 | 10,345 | 7,726 | 19,677 | 1,978 | 21,655 | (881) | 20,774 |
| Segment income (loss) | 704 | 1,045 | 1,565 | 3,315 | (325) | 2,990 | (1,689) | 1,301 |
| Segment Assets | 1,370 | 525 | 1,414 | 3,311 | 938 | 4,249 | 11,577 | 15,827 |
| Other items | | | | | | | | |
| Depreciation | 120 | 103 | 162 | 386 | 164 | 551 | 96 | 647 |
| Amortization of goodwill | 13 | - | - | 13 | - | 13 | - | 13 |
| Amortization of customer-related intangible assets | - | - | 68 | 68 | - | 68 | - | 68 |
| Impairment losses | - | - | - | - | 239 | 239 | - | 239 |
| Increase in property, plant and equipment and intangible assets | 171 | 121 | 109 | 402 | 358 | 761 | 13 | 775 |

(Note) 1. The “Others” category consists of business segments that are not included in reportable segments. These include the Casting & promotion service business; Reuse product business; System development, maintenance & operation business; Solutions business; and Agent business.

2. Segment income (loss) adjustment of (1,689) million yen includes companywide expenses of (1,661) million yen that are not allocated to each reportable segment and elimination of intersegment transactions of (27) million yen.

3. Segment profit or (loss) is reconciled with operating profit in the consolidated statement of income.

4. The adjustment amount of 11,577million yen for segment assets represents company-wide assets that have not been allocated to any reportable segment.

5. Segment liabilities are not disclosed as liabilities are not allocated to business segments.

6. The adjustment amount of 13 million yen for the increase in property, plant and equipment and intangible assets is mainly due to capital investment in internal systems.