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Summary of Consolidated Financial Results for the First Two Quarters of the Fiscal Year Ending November 2026 (Japanese GAAP) (Consolidated)

July 7, 2026

Company name: note inc. Listing exchange: TSE
Securities Code: 5243 URL https://note.jp/
Representative: (Official title) Founder & CEO (Name) Sadaaki Kato
Person responsible for inquiries: (Official title) CFO Board Member (Name) Yukihiro Kashima (TEL) 050(1751)2329
Scheduled date of submission of semi-annual securities report: July 7, 2026 Scheduled date of commencement of dividend payments: –
Whether supplementary materials for financial results are prepared: Yes
Holding of financial results briefing: Yes (For institutional investors, analysts, and individual investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the second quarter (interim period) of the fiscal year ending November 2026 (December 1, 2025 to May 31, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes for the interim period)

	Revenues		Adjusted EBITDA		Operating income		Ordinary income		Interim profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended May 31, 2026	2,604	32.2	584	-	538	-	530	-	660	831.7
Six months ended May 31, 2025	1,970	22.0	51	93.6	23	95.7	35	126.2	70	405.1

(Note) Comprehensive income
Six months ended May 31, 2026 488 Millions of yen (363.9%)
Six months ended May 31, 2025 105 Millions of yen (650.3%)

	Interim net income per share	Diluted quarterly net income per share
	Yen Sen	Yen Sen
Six months ended May 31, 2026	35.55	34.41
Six months ended May 31, 2025	4.39	4.20

Note 1: With regard to the rate of change from the previous fiscal period (the corresponding interim period of the previous year), when the rate of change is 1,000% or more, "-" is stated. The specific year-on-year rates of change for the second quarter (interim period) of the fiscal year ending November 30, 2026 are as follows: Adjusted EBITDA increased by 1,028.0%, operating profit increased by 2,176.1%, and ordinary profit increased by 1,383.4%. Note 2: Adjusted EBITDA = Operating profit + Depreciation + Share-based payment expenses + Other one-time expenses

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of May 31, 2026	10,934	7,723	70.1
As of November 30, 2025	6,145	2,878	45.9

(Reference) Equity As of May 31, 2026 7,660Millions of yen As of November 30, 2025 2,821Millions of yen

2. Dividend status

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
Fiscal year ended November 30, 2025	-	0.00	-	0.00	0.00
Fiscal year ending November 30, 2026	-	0.00			
Fiscal year ending November 30, 2026 (forecast)			-	0.00	0.00

(Note) Whether there have been any revisions to the most recently announced dividend forecast : None

3. Consolidated earnings forecast for the fiscal year ending November 30, 2026 (December 1, 2025 to November 30, 2026)

(Percentages indicate year-on-year changes.)

	Revenues		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen Sen
Full year	5,650	36.4	1,220	287.5	1,100	329.4	1,130	330.2	1,200	172.3	63.23

(Note) 1. Whether there have been any revisions to the most recently announced earnings forecast : Yes

2. The consolidated earnings forecast for the fiscal year ending November 2026 has been revised from the forecast announced on January 13, 2026. For details, please refer to the "Announcement on Upward Revision to Full-Year Consolidated Earnings Forecast" announced today.

3. Adjusted EBITDA = Operating profit + Depreciation + Share-based payment expenses + Other one-time expenses

* Notes

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

(2) Application of accounting treatment specific to the preparation of interim consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(1) Changes in accounting policies in accordance with changes in accounting standards, etc. : None

(2) Changes in accounting policies other than those in (1) : None

(3) Changes in accounting estimates : None

(4) Restatement : None

(4) Number of issued shares (common stock)

(1) Number of issued shares (common stock) at the end of the period (including treasury shares)	As of May 31, 2026	19,368,800shares	As of November 30, 2025	16,748,700shares
(2) Number of treasury shares at the end of the period	As of May 31, 2026	123shares	As of November 30, 2025	123shares
(3) Average number of shares during the period (interim period)	Six months ended May 31, 2026	18,587,949shares	Six months ended May 31, 2025	16,173,765shares

* These semi-annual (interim) financial results are not subject to review by a certified public accountant or an audit firm.

* Explanation of the proper use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking information)

Forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that such statements will be achieved. Actual results and other outcomes may differ materially due to various factors. For the assumptions underlying the financial forecasts and notes on the use of these forecasts, please refer to "1. Overview of Operating Results, etc. (4) Explanation of Forward-looking Information, Including Consolidated Earnings Forecasts" on page 7 of the attached materials.

(Regarding the availability of supplementary financial results materials and the contents of the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors, analysts, and individual investors on Tuesday, July 7, 2026. The materials for this briefing will be disclosed on TDnet and posted on the Company's website.

○ Table of Contents of the Attached Materials

1. Overview of Operating Results, etc.

(1) Overview of operating results for the current interim period

During the current interim consolidated accounting period, the Japanese economy continued to recover moderately, supported by improvements in employment and income conditions, although some impacts of U.S. trade policy and geopolitical risks were observed. On the other hand, the outlook remains uncertain due to prolonged inflation and fluctuations in financial and capital markets.

In the content market in which the Group operates, the creator economy is expanding further due to more active personal information sharing and the growth of fan communities, including oshikatsu (fan activities supporting favorite creators), while the market as a whole continues its expansion trend as the global rollout of IP originating in Japan accelerates and the government promotes the content industry as a key industry. In addition, while the spread of generative AI is broadening the base of creative activity, increases in spam content and issues related to copyright have also been pointed out, making it increasingly important to ensure platform reliability and safety.

Under these business conditions, the Group operates a media platform business centered on "note," a platform that enables creators to create, publish, and sell digital content while communicating with users, under the mission of "Start, and Keep on Creating." In addition, the Group operates an IP & Content Creation Business that generates outstanding original works and promotes their global expansion, as well as an AI-related Business that leverages AI to innovate content creation and distribution, with the aim of building a content distribution ecosystem for the AI era and becoming its hub.

As a result of these initiatives, net sales for the current interim consolidated accounting period totaled 2,604,606 thousand yen (up 32.2% year on year). In addition, operating profit was 538,705 thousand yen (up 2,176.1% year on year), ordinary profit was 530,231 thousand yen (up 1,383.4% year on year), and interim net profit attributable to owners of parent was 660,847 thousand yen (up 831.7% year on year).

Operating results by segment are as follows.

The Group's reportable segments were previously divided into two business segments: the "Media Platform Business" and the "IP & Content Creation Business." However, following the launch of the "AI-related Business" from the first quarter of the consolidated fiscal year, the Group reviewed its business segment classification and changed it to three business segments: the "Media Platform Business," the "IP & Content Creation Business," and the "AI-related Business."

(Media Platform Business)

In the Media Platform Business, the Group is engaged in the operation of the CtoC media platform "note," the operation of "note pro," a media SaaS service for corporate information dissemination, and corporate services centered on initiatives such as corporate-sponsored contests on "note."

Regarding "note," the numbers of users and content on the platform have steadily increased through continuous functional improvements, and as of the end of May 2026, the number of registered members reached 12.48 million and the number of published content items reached 82.09 million. Gross merchandise value in the second quarter of the consolidated fiscal year totaled 6,484 million yen (up 24.6% year on year) and remained at a high level. Regarding "note pro," the number of corporate users continued to increase as awareness among companies rose along with the growth of the note service, and ARR (Note 1) as of the end of May 2026 was 773 million yen (up 26.4% year on year). In the corporate services business, "note Contest" projects remained firm due to the increase in the number of "note" users and other factors.

As a result, net sales of the Media Platform Business were 2,475,796 thousand yen (up 28.0% year on year). The breakdown was note net sales of 1,958,307 thousand yen (up 24.1% year on year), note pro net sales of 407,660 thousand yen (up 33.7% year on year), corporate services net sales of 87,460 thousand yen (up 114.9% year on year), and other net sales of 22,367 thousand yen (up 91.7% year on year). In addition, segment profit was 583,251 thousand yen (up 996.2% year on year).

(Note) 1. ARR = Annual Recurring Revenue, calculated by multiplying MRR (Note 2) for the last month of each quarter by 12.

2. MRR = Monthly Recurring Revenue. MRR includes some optional fees in addition to the basic fee for note pro.

(IP & Content Creation Business)

In the IP & Content Creation Business, we are engaged in agency services for creators' projects and works, content production and sales, and commissioned planning and content production for external companies. Tales & Co., inc., established in May 2024, is taking the lead in focusing on expanding the works it handles and their development through original work development and the strengthening of collaboration frameworks with creators.

As a result, net sales in the IP & Content Creation Business were 32,987 thousand yen (down 15.0% year on year), and segment loss amounted to 20,052 thousand yen (compared to a segment loss of 4,281 thousand yen in the same period of the previous year).

(AI-related Business)

In the AI-related business, we are working to realize fair content distribution in the AI era and a new ecosystem in which compensation is returned to creators. Specifically, we are focusing on promoting the selected project under the generative AI development project "GENIAC," implemented by the Ministry of Economy, Trade and Industry and the New Energy and Industrial Technology Development Organization (NEDO).

As a result, net sales in the AI-related business were 100,408 thousand yen, and segment profit was 962 thousand yen.

(2) Overview of financial position for the current interim period

(Assets)

Total assets at the end of the current cumulative consolidated quarterly period increased by 4,789,210 thousand yen compared with the end of the previous consolidated fiscal year, to 10,934,467 thousand yen.

Current assets increased by 4,812,498 thousand yen compared with the end of the previous consolidated fiscal year, to 9,912,174 thousand yen. This was mainly due to an increase of 4,311,884 thousand yen in cash and deposits and an increase of 405,274 thousand yen in accounts receivable, among other factors.

Non-current assets decreased by 23,288 thousand yen compared with the end of the previous fiscal year, to 1,022,292 thousand yen. This was mainly due to a decrease of 186,150 thousand yen in investment securities and an increase of 146,847 thousand yen in deferred tax assets included in other under investments and other assets.

(Liabilities)

Total liabilities at the end of the current second quarter of the consolidated fiscal year decreased by 55,898 thousand yen compared with the end of the previous fiscal year, to 3,210,709 thousand yen.

Current liabilities increased by 556,620 thousand yen compared with the end of the previous fiscal year, to 3,210,709 thousand yen. This was mainly due to an increase of 359,097 thousand yen in deposits received and an increase of 176,644 thousand yen in contract liabilities included in other, among other factors.

Non-current liabilities decreased by 612,519 thousand yen compared with the end of the previous fiscal year, and the balance became zero. This was mainly due to a decrease of 612,500 thousand yen in long-term borrowings, among other factors.

(Net assets)

Total net assets at the end of the current second quarter of the consolidated fiscal year increased by 4,845,108 thousand yen compared with the end of the previous fiscal year, to 7,723,757 thousand yen. This was mainly due to an increase of 4,412,239 thousand yen in capital surplus and an increase of 660,847 thousand yen in retained earnings, among other factors.

(3) Overview of cash flows for the current interim period

Cash and cash equivalents (hereinafter "funds") at the end of the current second quarter of the consolidated fiscal year totaled 7,370,644 thousand yen, an increase of 4,314,282 thousand yen from the end of the previous fiscal year. The status of each cash flow and the factors behind them for the current second quarter of the consolidated fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the current second quarter of the consolidated fiscal year was 716,404 thousand yen (compared to an increase of 19,425 thousand yen in the same period of the previous year). This was mainly due to an increase in funds from profit before income taxes of 530,231 thousand yen, an increase in contract liabilities of 176,644 thousand yen, and an increase in deposits received of 359,097 thousand yen due to an increase in deposits for creators, while funds decreased due to an increase in trade receivables of 53,441 thousand yen and an increase in accounts receivable of 405,274 thousand yen resulting from the growth in gross merchandise value of "note."

(Cash flows from investing activities)

Net cash used in investing activities for the current second quarter of the consolidated fiscal year was 17,410 thousand yen (compared to a decrease of 718,228 thousand yen in the same period of the previous year). This was mainly due to payments of leasehold and guarantee deposits of 17,410 thousand yen.

(Cash flows from (used in) financing activities)

Net cash provided by financing activities for the six months ended May 31,2026 was 3,615,288 thousand yen (compared to 575,266 thousand yen in the same period of the previous fiscal year). This was mainly due to an increase in funds from proceeds from issuance of shares of 4,192,437 thousand yen, which was partially offset by a decrease in funds from repayments of long-term borrowings of 682,500 thousand yen.

(4) Explanation of forward-looking information, including consolidated earnings forecasts

Regarding the consolidated earnings forecast for the fiscal year ending November 30, 2026, we have revised our forecast upward from the announcement on January 13, 2026, taking into account the results up to the second quarter and future outlook.

For details, please refer to the " Announcement on Upward Revision to Full-Year Consolidated Earnings Forecast" released today.

2. Interim consolidated financial statements and principal notes

(1) Interim consolidated balance sheet

(Unit: thousands of yen)

	As of November 30, 2025	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	3,045,873	7,357,757
Accounts receivable - trade, and contract assets	268,210	321,651
Merchandise and finished goods	1,555	2,032
Work in process	835	2,808
Accounts receivable	1,632,431	2,037,705
Other	150,770	190,219
Total current assets	5,099,676	9,912,174
Non-current assets		
Property, plant and equipment	3,468	2,573
Investments and other assets		
Investment securities	768,980	582,830
Other	273,132	436,889
Total investments and other assets	1,042,112	1,019,719
Total non-current assets	1,045,580	1,022,292
Total assets	6,145,256	10,934,467
Liabilities		
Current liabilities		
Accounts payable - trade	5,103	7,682
Current portion of long-term borrowings	70,000	-
Income taxes payable	2,560	2,171
Deposits received	2,087,363	2,446,461
Other	489,061	754,394
Total current liabilities	2,654,088	3,210,709
Non-current liabilities		
Long-term borrowings	612,500	-
Other	19	-
Total non-current liabilities	612,519	-
Total liabilities	3,266,607	3,210,709
Net assets		
Shareholders' equity		
Share capital	84,874	22,444
Capital surplus	2,278,207	6,690,446
Retained earnings	431,797	1,092,645
Treasury shares	(69)	(69)
Total shareholders' equity	2,794,809	7,805,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,836	(145,240)
Total accumulated other comprehensive income	26,836	(145,240)
Share acquisition rights	57,002	63,531
Total net assets	2,878,649	7,723,757
Total liabilities and net assets	6,145,256	10,934,467

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income

Interim consolidated statement of income

(Unit: thousands of yen)

	Six months ended May 31, 2025	Six months ended May 31, 2026
Revenues	1,970,898	2,604,606
Cost of sales	119,426	237,692
Gross profit	1,851,472	2,366,913
Selling, general and administrative expenses	1,827,804	1,828,207
Operating income	23,667	538,705
Non-operating income		
Interest income	862	11,837
Penalty income	6,228	10,445
Other	8,208	1,298
Total non-operating income	15,299	23,581
Non-operating expenses		
Interest expenses	178	7,290
Share issuance costs	3,044	20,090
Other	-	4,675
Total non-operating expenses	3,223	32,055
Ordinary income	35,744	530,231
Extraordinary losses		
Loss on retirement of fixed assets	0	-
Total extraordinary losses	0	-
Interim profit before income taxes	35,744	530,231
Income taxes - current	1,469	2,177
Income taxes - deferred	(36,657)	(132,793)
Total income taxes	(35,187)	(130,616)
Interim net income	70,931	660,847
Interim profit attributable to owners of parent	70,931	660,847

Interim consolidated statement of comprehensive income

(Unit: thousands of yen)

	Six months ended May 31, 2025	Six months ended May 31, 2026
Interim net income	70,931	660,847
Other comprehensive income		
Valuation difference on available-for-sale securities	34,435	(172,076)
Total other comprehensive income	34,435	(172,076)
Interim comprehensive income	105,366	488,770
(Breakdown)		
Interim comprehensive income attributable to owners of parent	105,366	488,770

(3) Interim consolidated statement of cash flows

(Unit: thousands of yen)

	Six months ended May 31, 2025	Six months ended May 31, 2026
Cash flows from operating activities		
Interim profit before income taxes	35,744	530,231
Depreciation	3,421	894
Loss on retirement of fixed assets	0	-
Interest income	(862)	(11,837)
Interest expenses	178	7,290
Share-based payment expenses	22,047	38,459
Decrease (increase) in trade receivables	(52,086)	(53,441)
Decrease (increase) in inventories	(101)	(2,449)
Increase (decrease) in trade payables	3,133	2,579
Decrease (increase) in accounts receivable	(347,793)	(405,274)
Increase (decrease) in contract liabilities	47,265	176,644
Increase (decrease) in deposits received	362,217	359,097
Other	(50,512)	76,289
Subtotal	22,652	718,483
Interest received	862	8,441
Interest paid	(178)	(7,290)
Income taxes paid	(3,936)	(3,852)
Income taxes refund	25	622
Cash flows from operating activities	19,425	716,404
Cash flows from investing activities		
Purchase of investment securities	(708,070)	-
Payments of leasehold and guarantee deposits	(10,158)	(17,410)
Cash flows from investing activities	(718,228)	(17,410)
Cash flows from financing activities		
Repayments of long-term borrowings	-	(682,500)
Proceeds from issuance of shares	497,323	4,192,437
Proceeds from issuance of share acquisition rights	-	4,202
Proceeds from issuance of shares resulting from exercise of share acquisition rights	77,942	101,148
Cash flows from financing activities	575,266	3,615,288
Net increase (decrease) in cash and cash equivalents	(123,536)	4,314,282
Cash and cash equivalents at beginning of period	2,166,058	3,056,361
Cash and cash equivalents at end of period	2,042,521	7,370,644

(4) Notes to semi-annual consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of equity)

On December 1, 2025, the Company received payment from NAVER Corporation through a third-party allotment, resulting in increases of 999,935 thousand yen each in share capital and legal capital surplus.

In addition, on April 9, 2026, the Company received payment from KADOKAWA CORPORATION through a third-party allotment, resulting in increases of 1,106,000 thousand yen each in share capital and legal capital surplus.

Furthermore, pursuant to a resolution of the 14th Annual General Meeting of Shareholders held on February 28, 2026, and in accordance with the provisions of Article 447, Paragraph 1 of the Companies Act, the Company reduced share capital by 2,237,335 thousand yen and transferred the same amount to other capital surplus, effective April 10, 2026.

In addition, the issuance of new shares upon the exercise of stock options resulted in increases of 68,969 thousand yen each in share capital and legal capital surplus.

As a result, as of the end of the current semi-annual consolidated accounting period, share capital was 22,444 thousand yen and capital surplus was 6,690,446 thousand yen.

(Segment information, etc.)

[Segment information]

I. Six months ended May 31, 2025

Information on net sales, profit or loss, and disaggregated revenue by reportable segment

(Unit: thousands of yen)

	Reportable segments				Adjustments (Note 1)	Interim consolidated statement of income amount (Note 2)
	Media Platform Business	IP & Content Creation Business	AI-related Business	Total		
Revenues						
Sales to external customers	1,934,714	36,184	-	1,970,898	-	1,970,898
Transactions with other segments	-	2,625	-	2,625	(2,625)	-
Total	1,934,714	38,809	-	1,973,523	(2,625)	1,970,898
Segment profit or loss (△)	53,205	(4,281)	-	48,923	(25,256)	23,667

(Note) 1. The adjustment to segment profit or loss includes corporate expenses of 25,256 thousand yen that are not allocated to the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to the reportable segments.

2. Segment profit or loss is reconciled to operating profit in the semi-annual consolidated statement of income.

II. Six months ended May 31, 2026

1. Information on net sales, profit or loss, and disaggregated revenue by reportable segment

(Unit: thousands of yen)

	Reportable segments				Adjustments (Note 1)	Interim consolidated statement of income amount (Note 2)
	Media Platform Business	IP & Content Creation Business	AI-related Business	Total		
Revenues						
Sales to external customers	2,475,796	28,401	100,408	2,604,606	-	2,604,606
Transactions with other segments	-	4,585	-	4,585	(4,585)	-
Total	2,475,796	32,987	100,408	2,609,191	(4,585)	2,604,606
Segment profit (loss)	583,251	(20,052)	962	564,161	(25,455)	538,705

(Note) 1. The adjustment to segment profit or loss includes corporate expenses of 25,455 thousand yen that are not allocated to the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to the reportable segments.

2. Segment profit or loss is reconciled to operating profit in the semi-annual consolidated statement of income.

2. Disclosure of changes, etc. in reportable segments

The Group's reportable segments were previously classified into two business segments: the "Media Platform Business" and the "IP & Content Creation Business." However, following the launch of the "AI-related Business" from the first quarter of the current consolidated fiscal year, the Group reviewed its business segment classification and changed it to three business segments: the "Media Platform Business," the "IP & Content Creation Business," and the "AI-related Business."