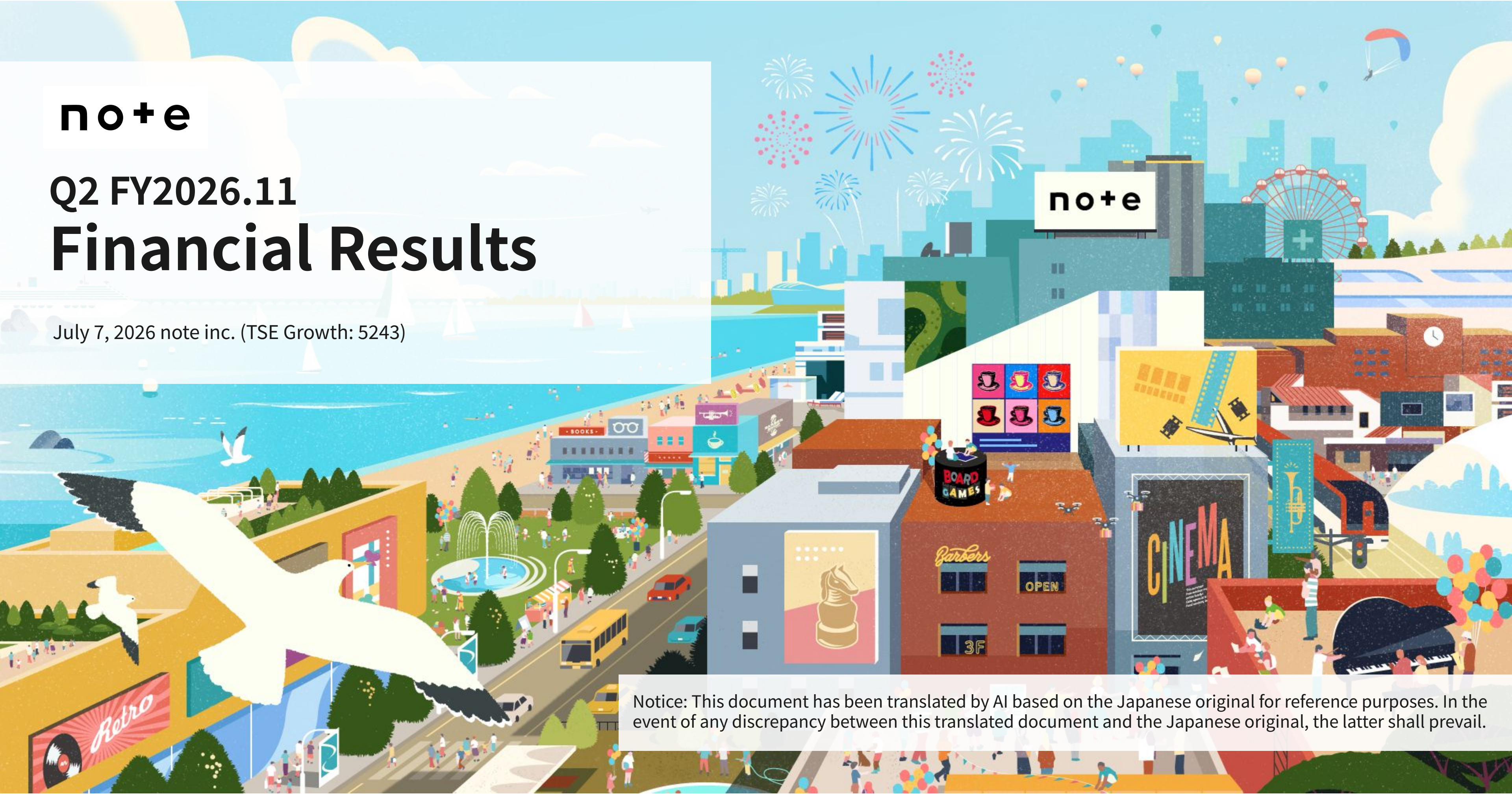
note

Q2 FY2026.11
Financial Results

July 7, 2026 note inc. (TSE Growth: 5243)



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Executive Summary

FY2026.11 Q2 Financial Results	● **Net sales of 1,385 million yen (YoY +36.8%), recording the highest growth rate ever** note and note pro/Corporate services performed steadily, achieving high growth of YoY +28.3% even excluding AI-related business ● **Adjusted EBITDA of 328 million yen (YoY +890%) and Operating profit of 303 million yen (YoY +1,571%), with profits also surging** Profitability improved significantly, contributed by a business model with a high marginal profit ratio and productivity improvement through AI utilization
FY2026.11 full-year earnings forecast	● **Upward revision based on the strong performance of each business** Reduced expenditures, mainly in personnel expenses, through active AI utilization, leading to a significant upward revision of profit items
Topics	● **CXO Fukatsu appointed as CSO (Chief Strategy Officer), announcing note's growth strategy for the AI era** Leveraging the assets cultivated to date, aiming to become a content distribution infrastructure for the AI era ● **Started verification of a development platform to support the game adaptation of story IPs** Scenario production track record and achievements in AI-powered creative support were recognized, leading to selection for METI's IP360 project

Summary of Consolidated Financial Results for Q2 FY2026

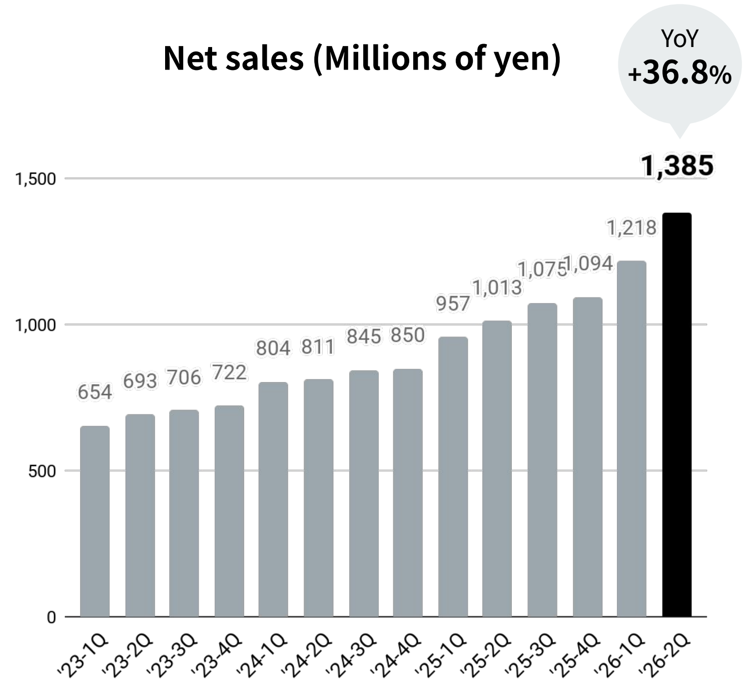
Revenue growth rate accelerated further to YoY +36.8%. In addition to revenue expansion, initiatives for productivity improvement through AI are also progressing, and due to the containment of personnel and other costs, **profit has seen significant revenue and profit growth across all items**.

Unit: Millions of yen	FY2026 Q2	FY2025 Q2	YoY change	FY2026 Cumulative Q2	FY2025 Cumulative Q2	YoY change YoY change	Published on January 13, 2026 FY2026 full-year earnings forecast	Progress rate
Net sales	1,385	1,013	+36.8%	2,604	1,970	+32.2%	5,600	46.5%
Gross profit	1,229	946	+30.0%	2,366	1,851	+27.8%	4,800	49.3%
Adjusted EBITDA	328	33	+890.3%	584	51	+1,028.0%	810	72.2%
Operating profit	303	18	+1,570.6%	538	23	+2,176.1%	700	77.0%
Ordinary profit	298	29	+904.7%	530	35	+1,383.4%	700	75.7%
Profit attributable to owners of parent	369	65	+459.7%	660	70	+831.7%	850	77.7%

* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses

Revenue and Revenue Growth Rate Trend

Revenue growth is accelerating year by year, **with 2Q recording a record-high growth rate of YoY+36.8%**.
Even excluding sales from the AI-Related Business, YoY+28.3% shows that high growth continues.

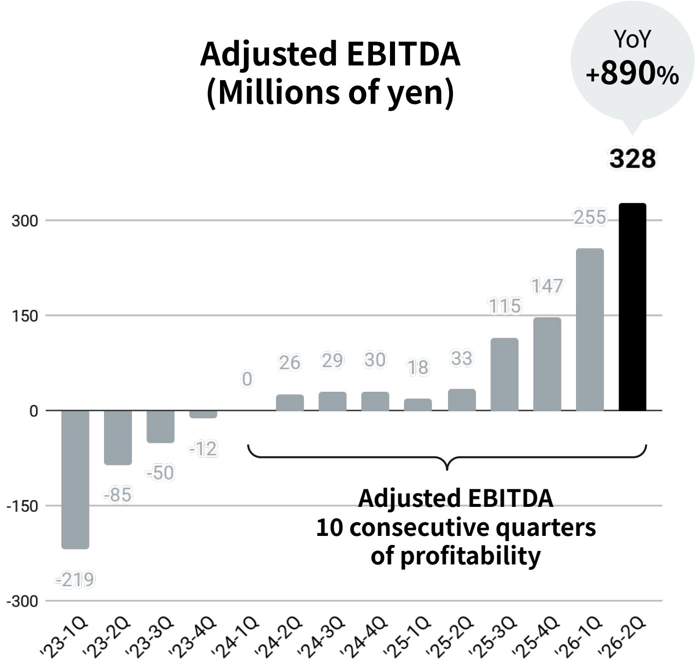


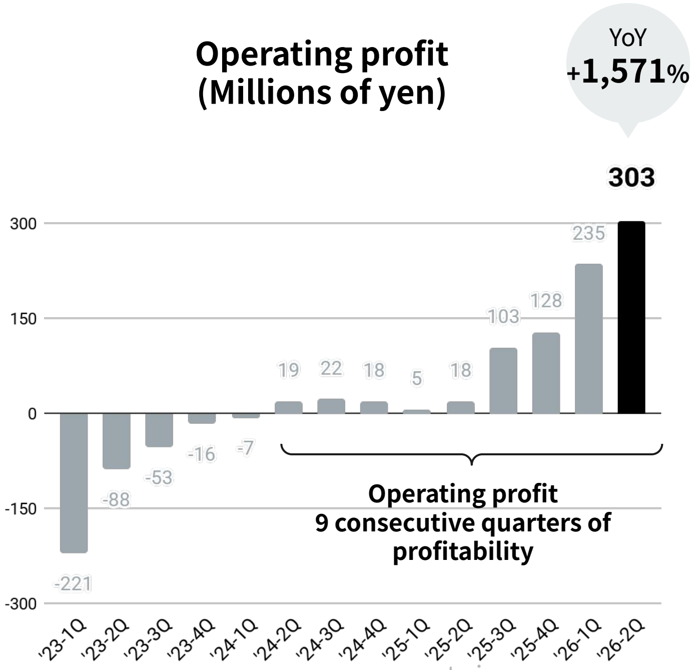
The track record of Revenue Growth Rate is as follows.
Growth rate has increased since FY2025.

FY2023 Full Year	FY2024 Full Year	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q	**FY2026 2Q**
+19.9%	+19.3%	+19.0%	+24.9%	+27.2%	+28.7%	+27.3%	**+36.8%**
		FY2025 Full Year					**Excluding AI-Related Business**
		+25.0%					**+28.3%**

Adjusted EBITDA and Operating Profit Trends

Due to sales growth, etc., **Adjusted EBITDA increased nearly 10-fold and Operating profit increased nearly 17-fold YoY.**

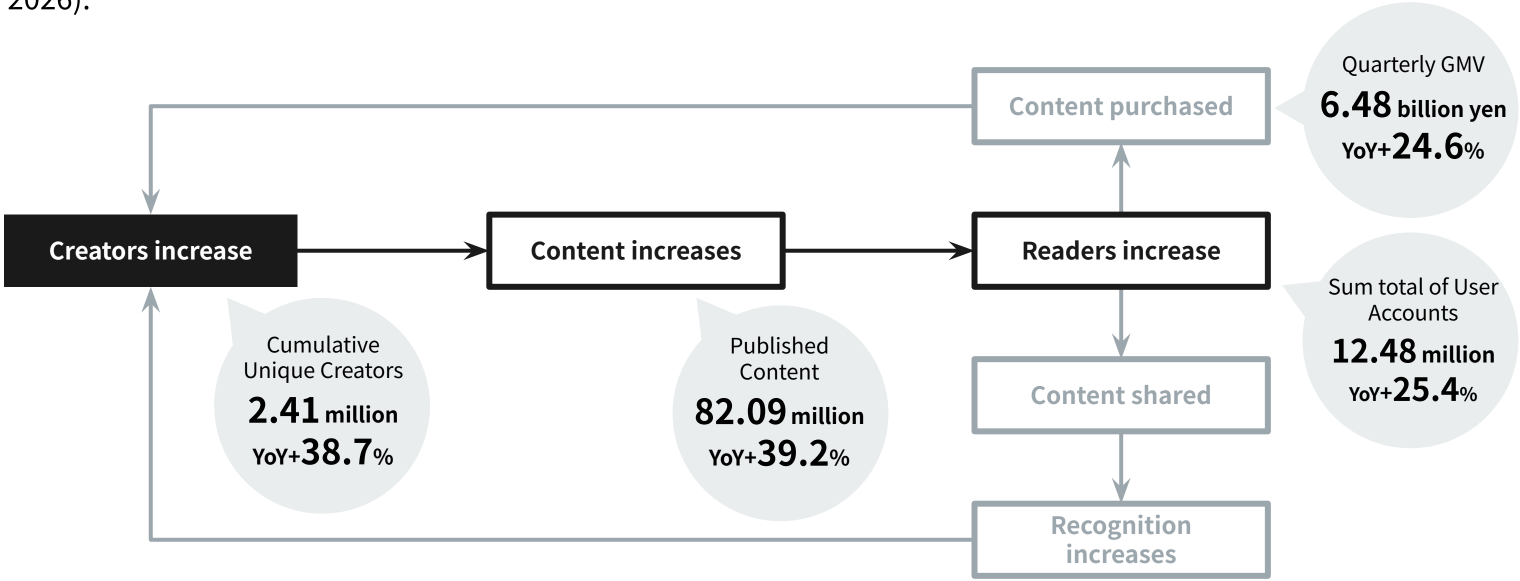




* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses
* Prior to FY2023, calculated as EBITDA (= Operating profit + Depreciation + Stock compensation expense)

Background of Profit Growth (1)
Growth Accelerated by Network Effects Boosted by AI

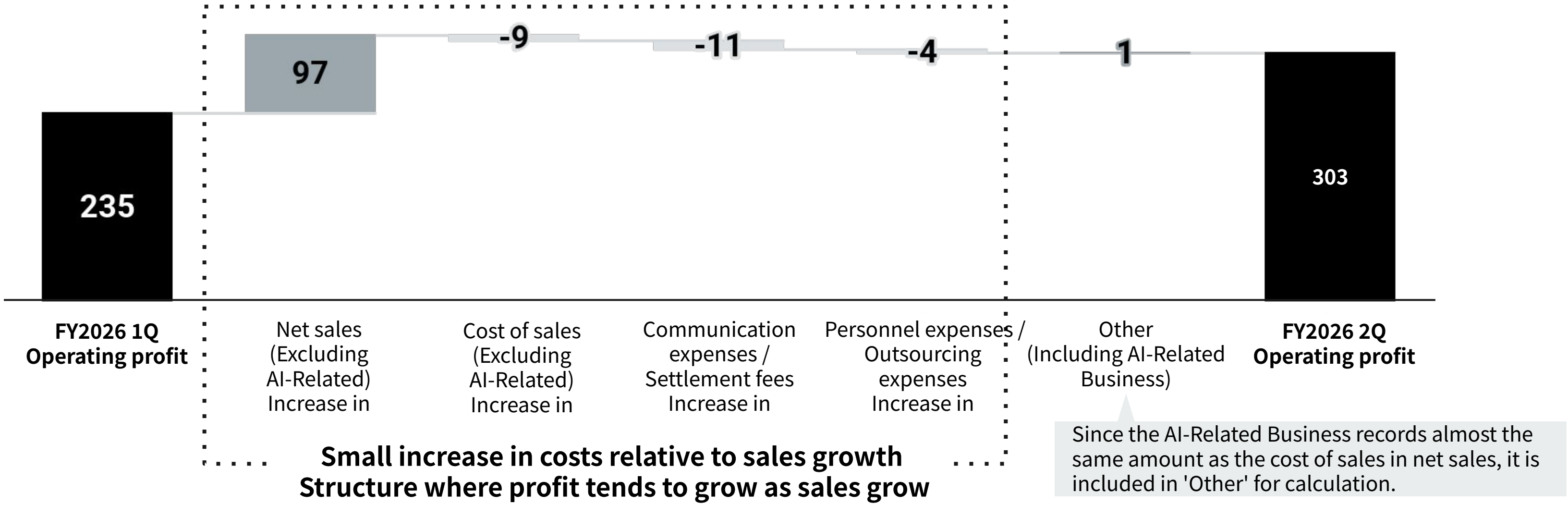
The network effect from the mutual interaction among creators, readers, and content has further expanded, leading to **further growth in platform size and GMV through a growth model that expands autonomously without advertising expenses**. The ratio of paid content among publicly available articles on note is 23.5% (as of the end of May 2026).



Background of Profit Growth (2)
Business Model with High Marginal Profit Ratio

The platform business is a business model with a high marginal profit ratio (where additional costs incurred when sales increase are relatively small), **so having exceeded the break-even point, it is in a phase where profit tends to grow as sales grow**.

2026 1Q vs 2Q Operating Profit Comparison



Background of Profit Growth (3)
Efficient Business Operations Through Active AI Utilization

We are actively utilizing AI tools company-wide, improving productivity across all operations, including shortening development lead times. **While net sales continue to grow, the number of personnel is gradually decreasing, enabling efficient business operations.**

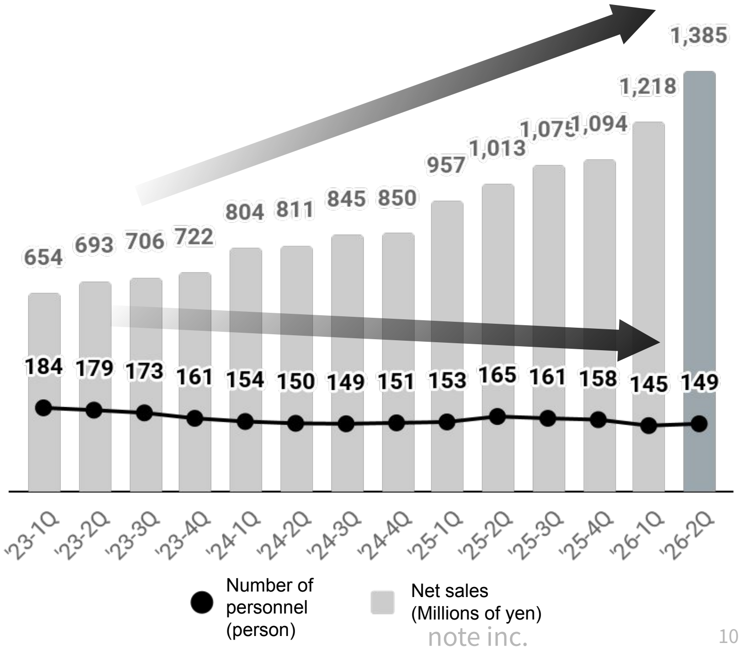
Distribution of Claude to All Employees

To promote AI utilization in a wider range of tasks, Claude has been distributed to all employees. We conduct "AIDX Bootcamps" for each team to encourage active use across all job functions.

Claude

Shortening of Development Lead Time

Through AI-powered coding, we have shortened the time to release new features and enabled rapid post-release improvements.



Upward Revision to Full-Year Earnings Forecast for FY2026

In addition to each business progressing very favorably, exceeding expectations, we anticipate a decrease in various expenses against the backdrop of productivity improvement through AI utilization, and have **upwardly revised our full-year earnings forecast**. Each level of profit has jumped up significantly, exceeding 1 billion yen.

Unit: Millions of yen	FY2026 Current Forecast	FY2026 Previous Forecast	Change in Forecast	FY2025 Results	YoY change YoY change	FY2026 Cumulative Q2	Progress against current forecast Progress rate
Net sales	5,650	5,600	+50	4,141	+36.4%	2,604	46.1%
Gross profit	4,900	4,800	+100	3,876	+26.4%	2,366	48.3%
Adjusted EBITDA	1,220	810	+410	314	+287.5%	584	47.9%
Operating profit	1,100	700	+400	256	+329.4%	538	49.0%
Ordinary profit	1,130	700	+430	262	+330.2%	530	46.9%
Profit attributable to owners of parent	1,200	850	+350	440	+172.3%	660	55.1%

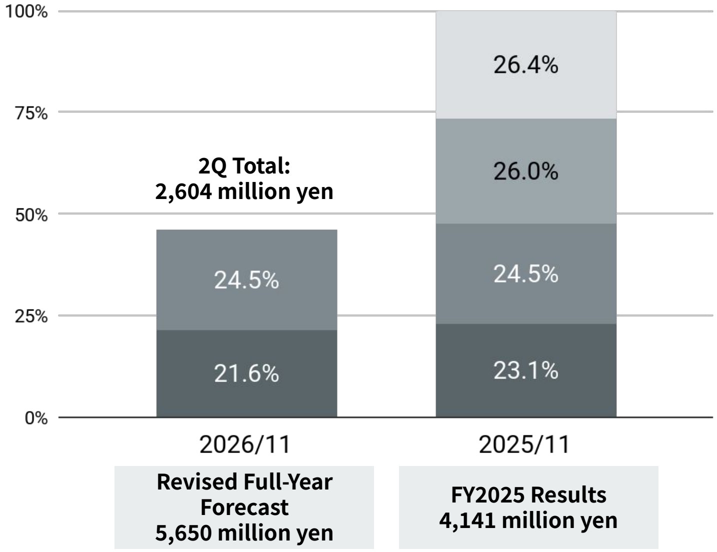
Reasons for Upward Revision

- **Net sales**
  Each business is progressing steadily
- **COGS and SG&A**
  Through the active promotion of AI utilization, productivity has improved, and various expenses such as personnel expenses have decreased more than expected
- **Non-operating income/expenses**
  Balance has improved due to a decrease in interest payments from loan repayments and an increase in deposit interest rates
- **Income Taxes Adjustment**
  Due to the decrease in deferred tax losses resulting from strong business performance, the estimated amount of tax loss carryforwards to be recorded has been adjusted

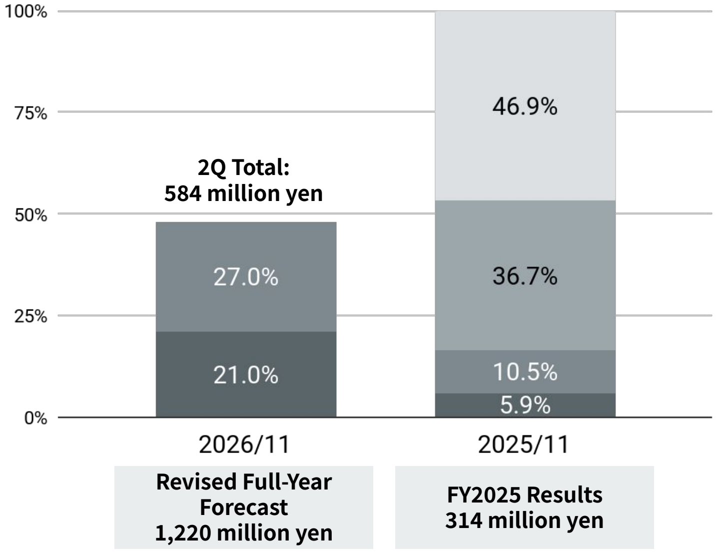
Progress Against Revised Earnings Forecast

Against the revised earnings forecast announced today, both net sales and Adjusted EBITDA have reached progress rates in the high 40% range as of 2Q. We anticipate growth in the second half as well, indicating steady progress.

Trend in Revenue Progress Rate

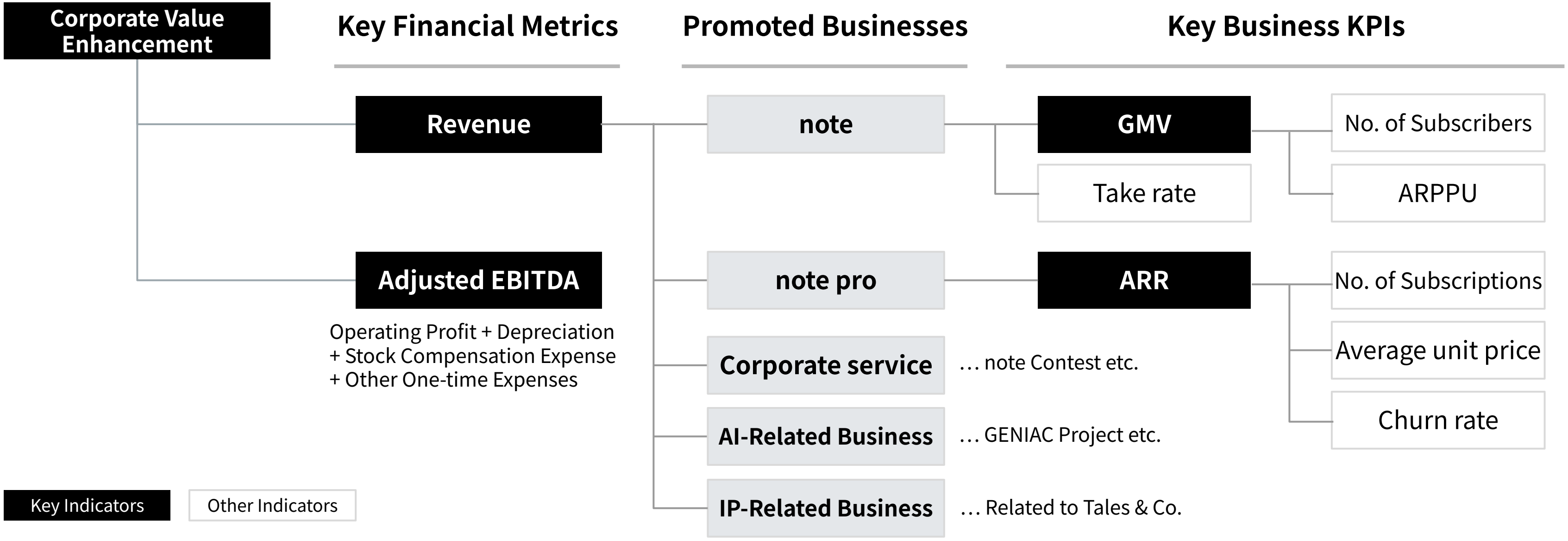


Trend in Adjusted EBITDA Progress Rate



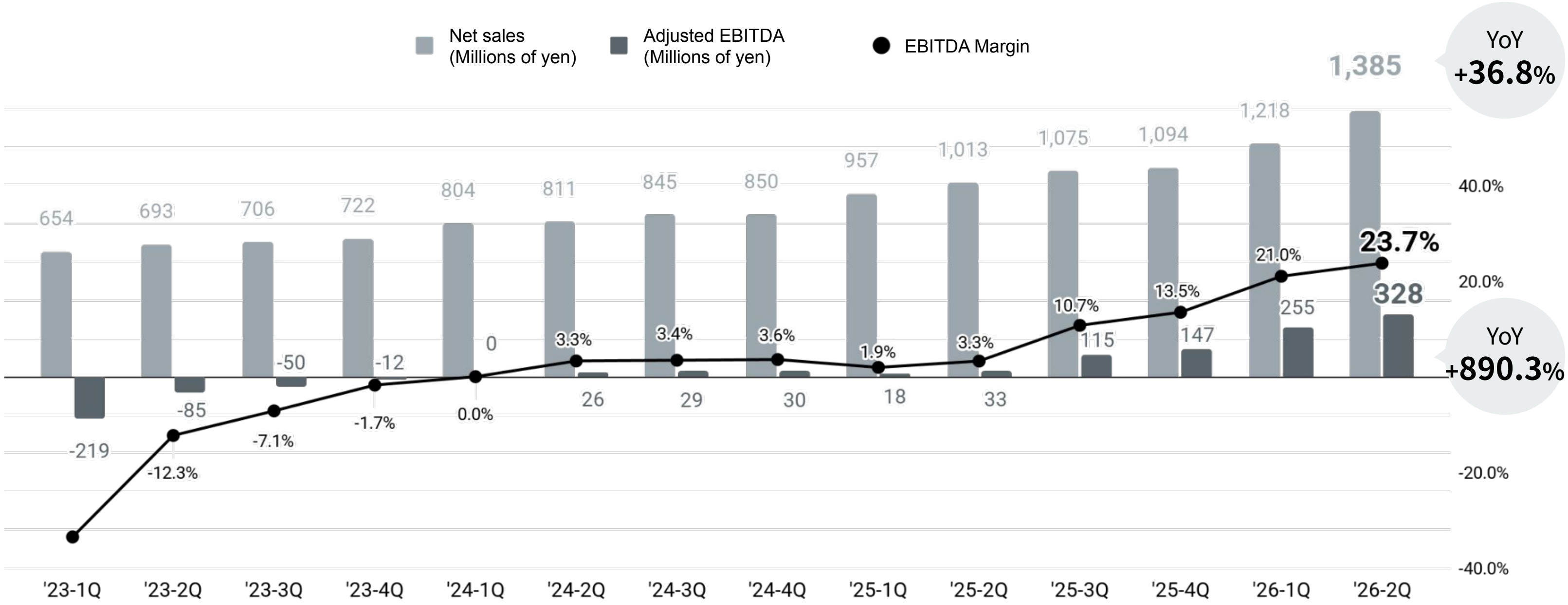
Reference: Key Financial Metrics and Business KPIs

Our policy is to aim for sustainable corporate value enhancement by balancing revenue growth through business scale expansion and Adjusted EBITDA growth through profitability improvement. As key business KPIs, we emphasize Gross Merchandise Value (GMV) for our core note business and Annual Recurring Revenue (ARR) for note pro.



Quarterly Net Sales and Adjusted EBITDA Trends

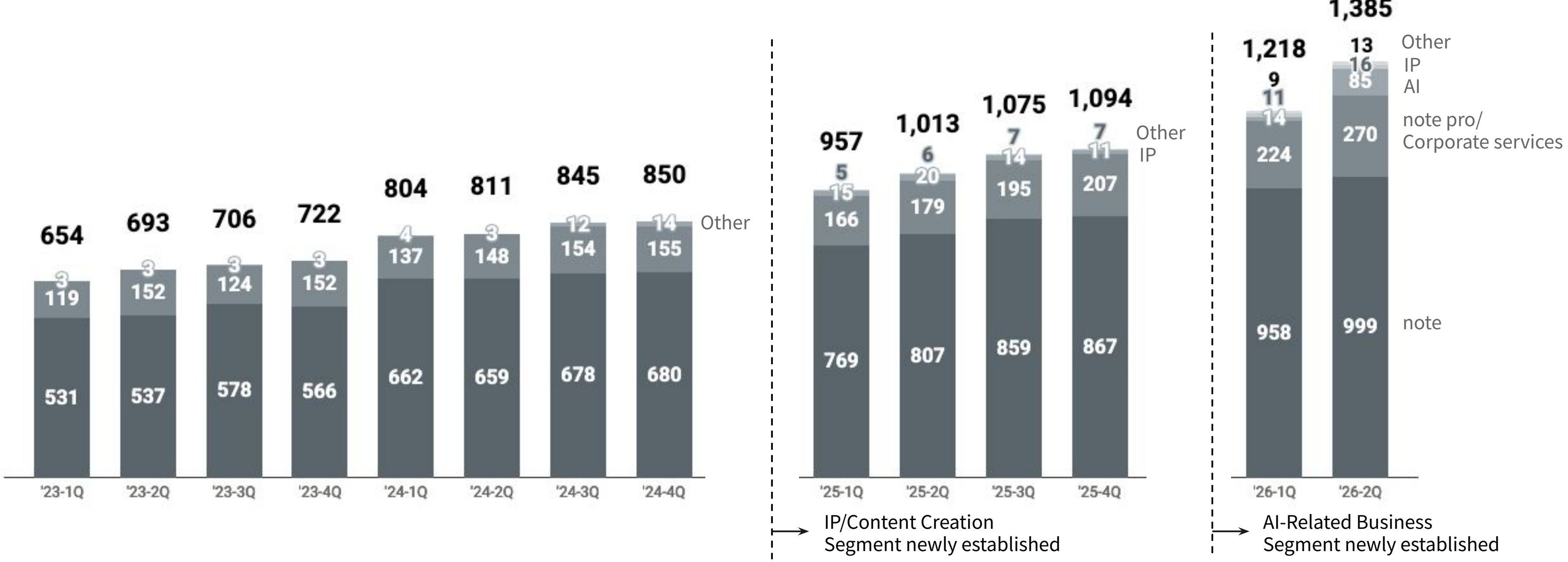
Net sales grew by +36.8% YoY, with the growth rate further accelerating. Adjusted EBITDA expanded to approximately 10 times year-over-year. **EBITDA Margin also improved to over 20%.**



* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses
* EBITDA Margin = Adjusted EBITDA ÷ Consolidated Revenue
* FY2023 calculated as EBITDA (= Operating profit + Depreciation + Stock compensation expense)

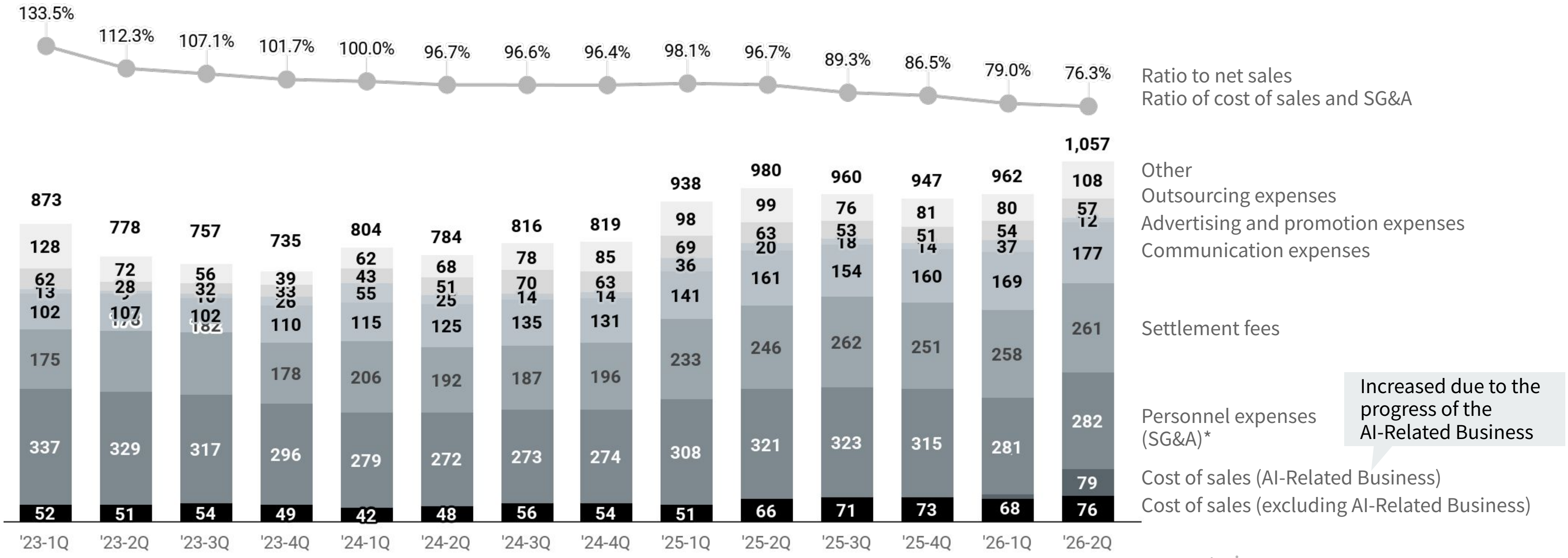
Net sales breakdown (Millions of yen)

In addition to the steady performance of note and note pro/Corporate services, sales in the AI-Related Business have expanded.



Cost of Sales + SG&A Breakdown (Millions of yen)

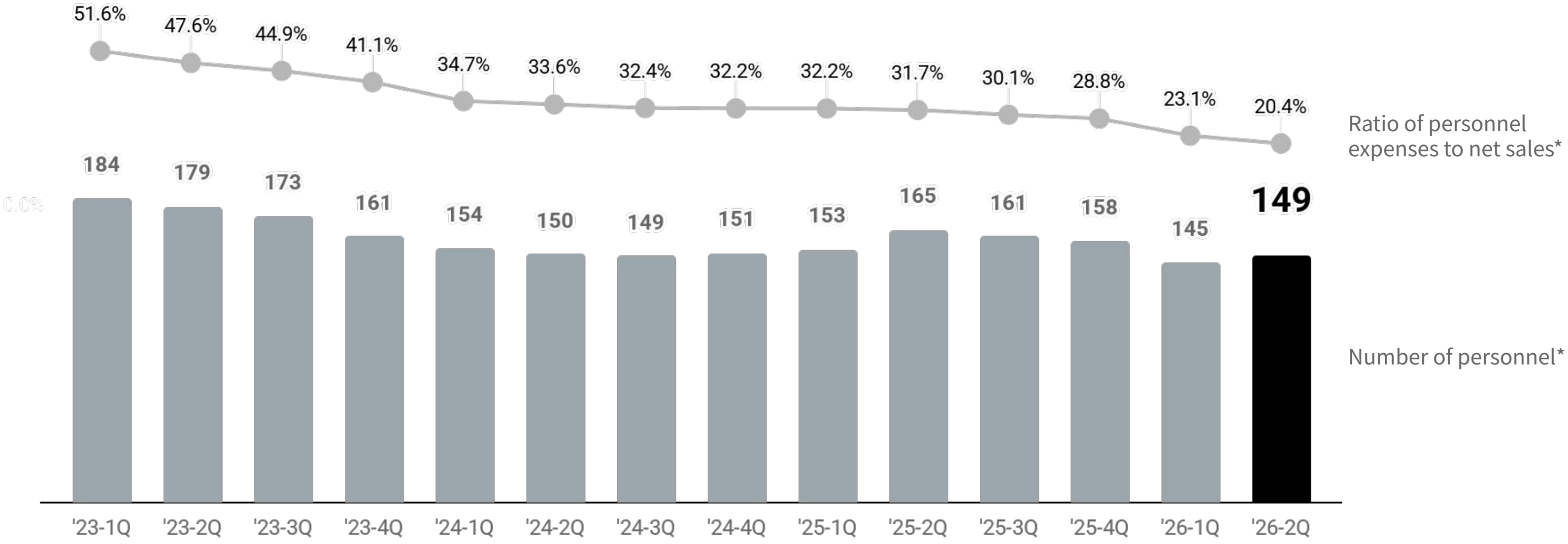
While the cost of sales for the AI-Related Business increased due to the progress of the GENIAC project, the ratio of costs to net sales continues to decline due to appropriate cost control.



* Depreciation, stock compensation expense, and other one-time expenses are excluded from the total
* Personnel expenses (SG&A) are the sum of salaries and allowances, legal welfare expenses, and welfare expenses in SG&A

Headcount Trends (Consolidated Basis) / Ratio of Personnel Expenses to Net Sales

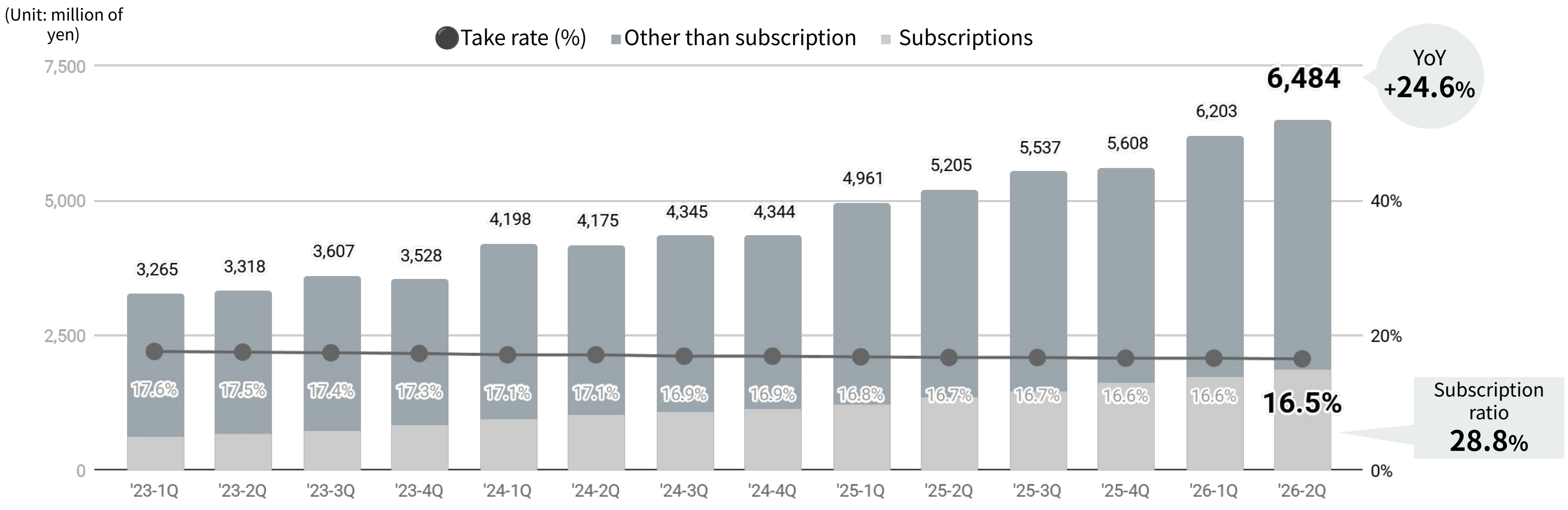
While actively utilizing AI throughout the company, we are conducting selective hiring limited to necessary positions. Although the number of personnel is expected to increase in the second half, the ratio of personnel expenses to net sales continues to decline.



* The number of employees is calculated based on the sum of regular and contract employees and does not include directors and temporary employees.
* Ratio of personnel expenses to net sales is calculated as Personnel expenses (SG&A) ÷ Net sales

note: GMV / Take Rate

Quarterly GMV continued to grow from 1Q to **6,484 million yen, up 24.6% YoY.** The subscription ratio also rose steadily.



* Take rate is the quarterly average of platform usage fees + administrative fees (both inclusive of tax) as a percentage of total distribution value.
* note premium usage fees are excluded from the quarterly circulation totals beginning with Q1 FY 2023.
* Subscriptions are GMV of sum of "Membership" and "Subscription magagines"

[FAQ] What are the factors behind the declining trend in the take rate?

The components of the take rate are as follows. The take rate is declining due to product mix factors, as the relative usage of "Subscription Magazines" and "Carrier Billing," which have high rates, is decreasing. This is an intentional change and not a problem.

Take Rate = **Weighted average of** **Platform Usage Fees** **and** **Administrative Fees**

Platform Usage Fees

Varies depending on content type
Strategically set low to acquire creators

- One-time paid content ：10%
- Paid magazines ：10%
- Tips ：10%
- Memberships ：10%
- Subscription magazines ：20%

Administrative Fees

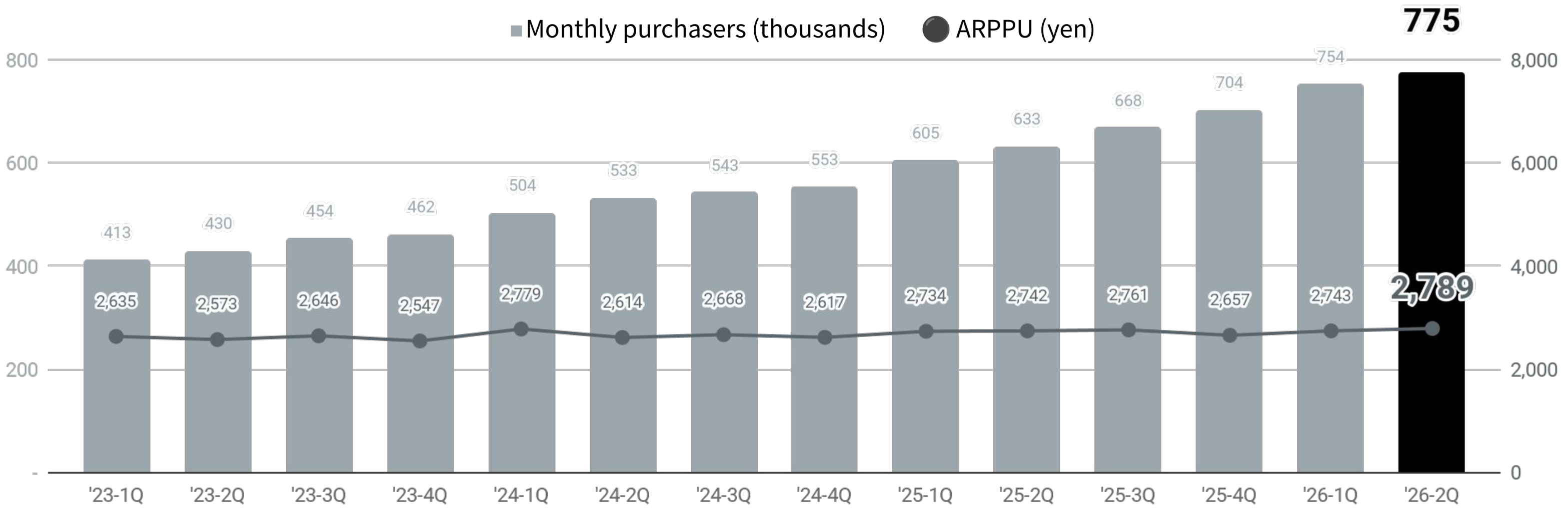
Varies depending on subscriber payment method
Set according to the amount we pay to the payment agent

- Credit card payment ：5%
- PayPay payment ：7%
- Carrier billing ：15%
- note point payment ：10%
- PayPal payment ：6.5%
- Amazon Pay payment ：7%

- Due to the significant growth of one-off paid content and memberships, the relative proportion of **Subscription Magazines in total GMV has decreased, lowering the average Platform Usage Fee rate.**
- Although carrier billing has existed for a long time, the relative proportion of **carrier billing is declining due to the sequential expansion of new payment methods such as PayPay and Amazon Pay, which also lowers the average Administrative Fee rate.**
- Both are the results of measures to increase total GMV, and since GMV is actually growing, this is an expected change and not a problem (**The lower limit is 15% based on the above calculation, and it will not fall below that**).

note: Number of Purchasers and ARPPU

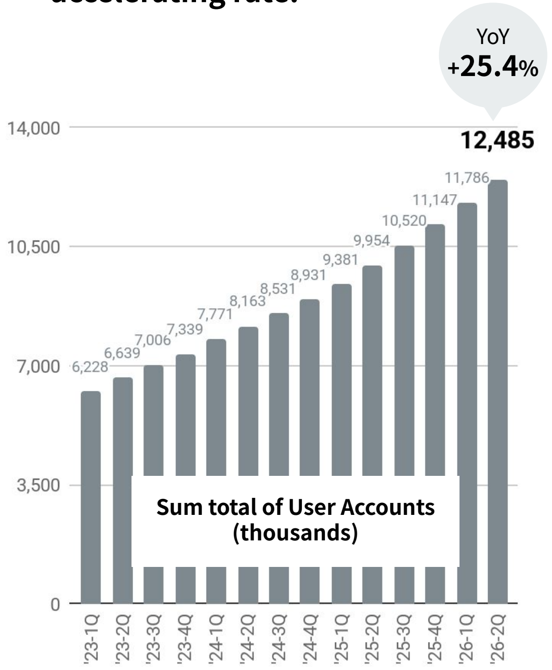
The continuous increase in the number of subscribers is driving the expansion of GMV.
ARPPU has remained stable at around 2,700 yen.

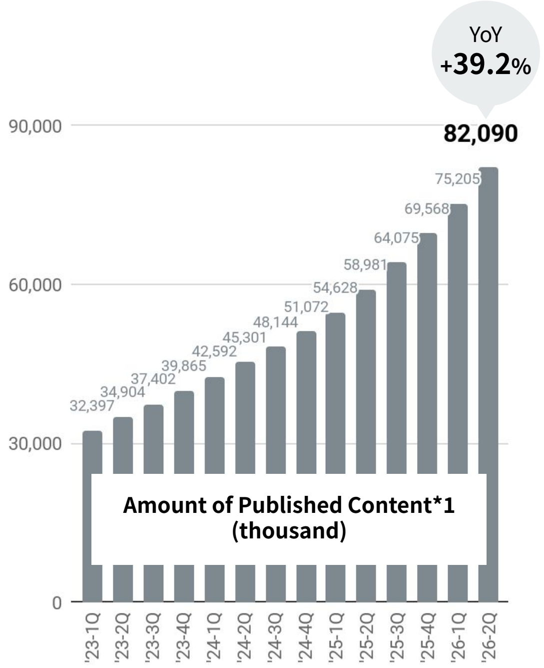


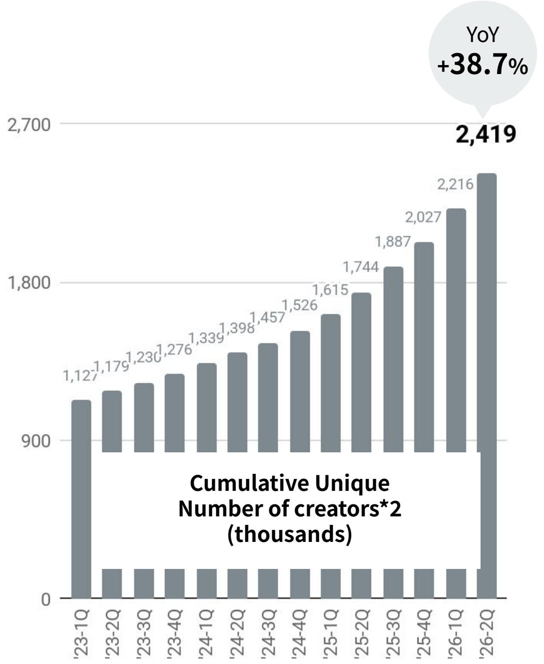
＊ The number of monthly purchasers is the average number of accounts per month that made payments on note during each quarter. (Including non-login purchases of guest users)
＊ ARPPU=Average Revenue Per Paid User is the average monthly purchase per purchaser for each quarter.

note: Growth of the platform

The growth pace of users, creators, and content has all accelerated, **and the note community is growing at an accelerating rate.**





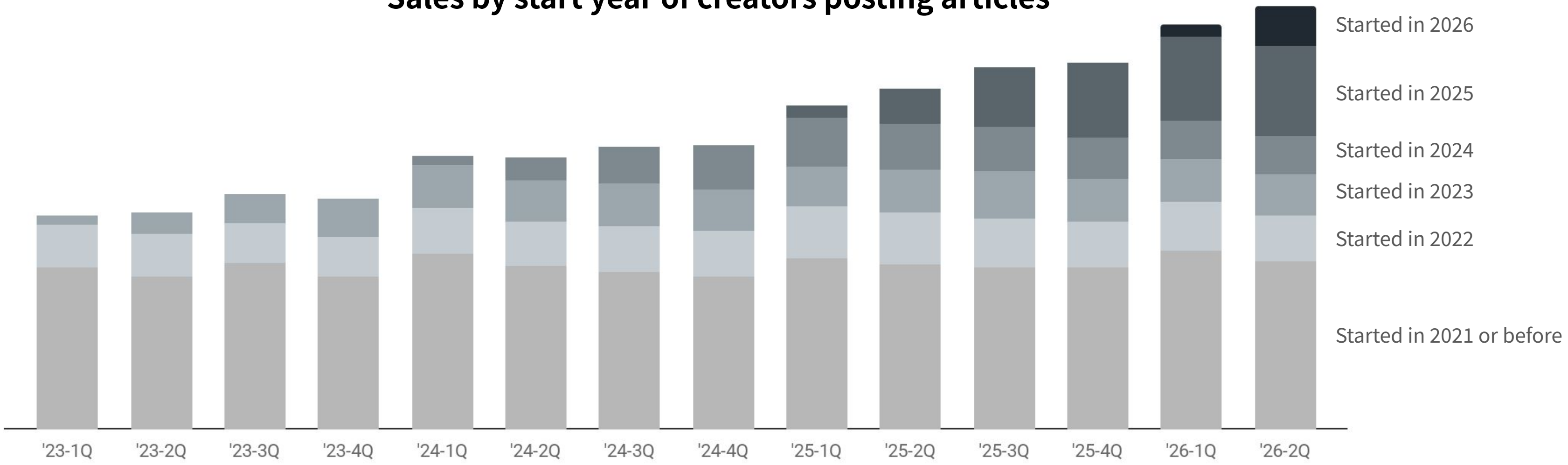


*1 Amount of published content is the total number of contents currently published on note as of the end of each month.
*2 Number of creators is the total number of accounts that have posted content on note in the past (including those that have been deleted).

note: Recurring Revenue from Creators' Continued Use

The sales of creators who started using note in each year continue in subsequent years, and **note utilizes a stock-type business model where GMV accumulates as creators continue to use the platform**.

Sales by start year of creators posting articles



* The start year of creators posting articles is based on the date when the first article was created and published on note, regardless of whether it was a paid or free article.
The graph was created by excluding some articles for which the date of publication could not be determined.

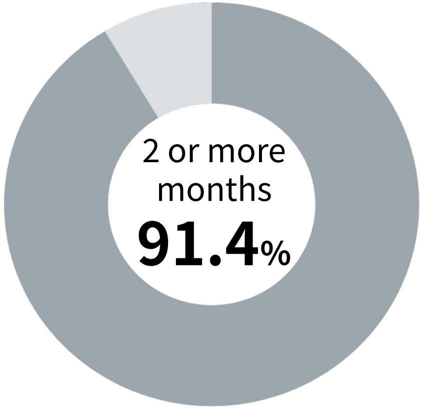
note: Creator Earnings Data / Subscriber Data（FY2025）

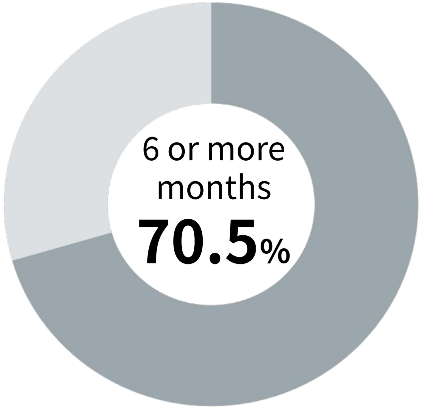
The average annual sales of the top 1,000 creators reached ¥15.15 million, and **the number of creators who can make a living solely through note is increasing.** Another characteristic is the high frequency of article purchases among subscribers, with over 90% purchasing in 2 or more months and over 70% in 6 or more months per year, **indicating a large number of continuing purchasers.**

FY2025
The average annual sales of the top 1,000 creators

¥ **15.15** million

Number of Months with Article Purchases in One Year (FY2025 results, based on value)

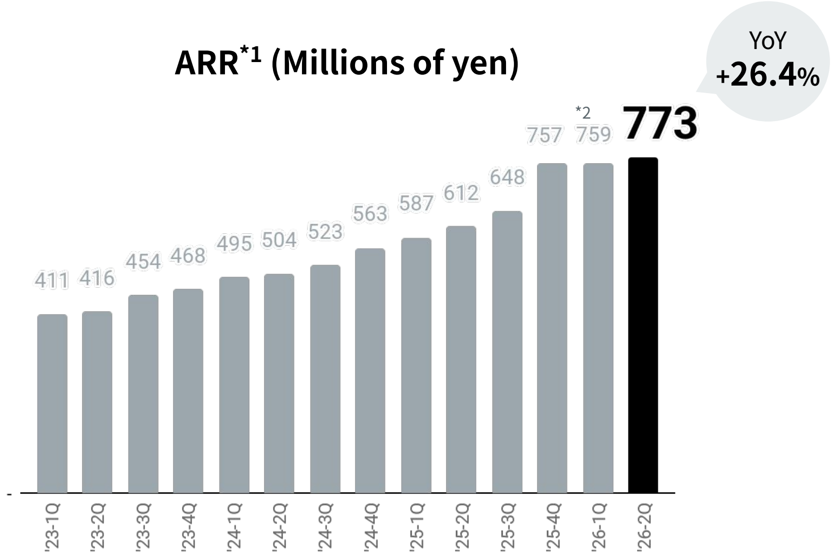




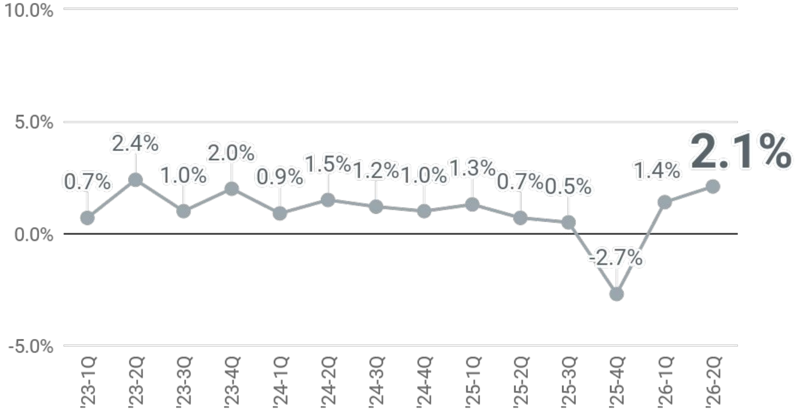
note pro: ARR / Churn Rate

note pro's ARR maintained the significant growth achieved in the previous 4Q due to the effect of the large-scale campaign conducted last year, **resulting in a steady increase of +26.4% YoY.** The sales contribution from the increase in contracts due to the campaign conducted in 2Q, as described on the next page, is expected from 3Q onwards.

ARR*1 (Millions of yen)



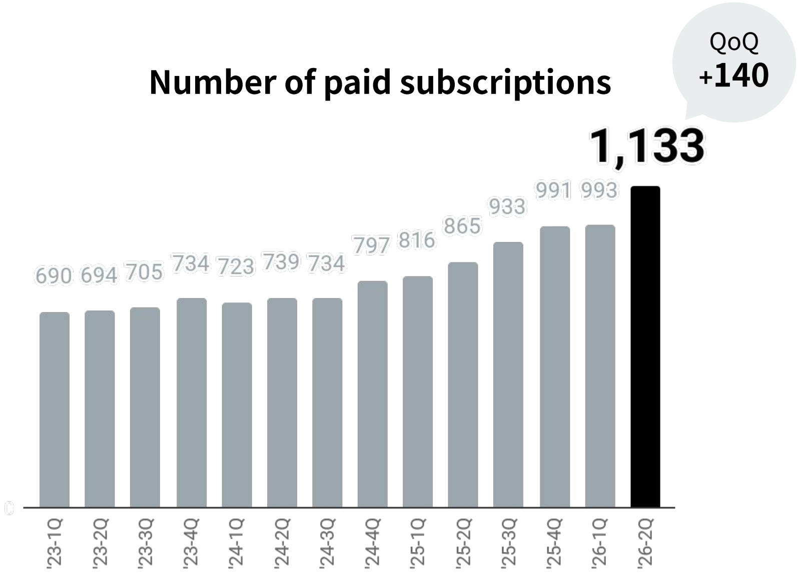
Average monthly revenue churn rate*3

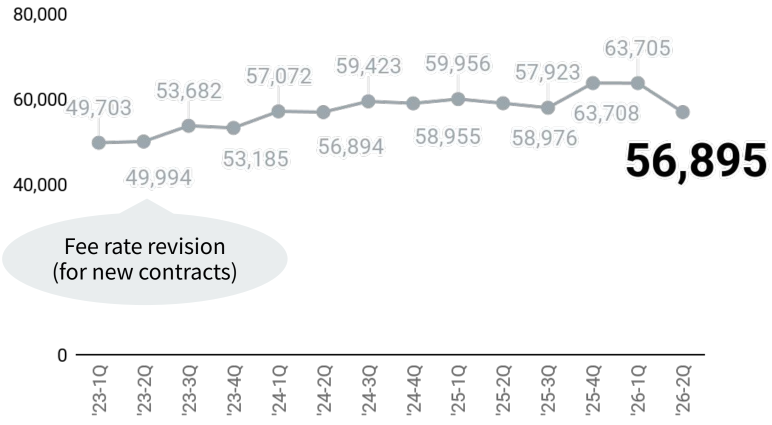


*1 ARR = Annual Recurring Revenue is the MRR for the last month of each quarter multiplied by 12.
MRR = Monthly Recurring Revenue MRR includes the basic fee for note pro in addition to some optional fees.
*2 Due to an error in the ARR figures for Q1 FY2026, the figures have been corrected as of Q2 FY2026.
*3 Revenue churn rate is the churn rate calculated based on revenue from customers. Since the calculation is based on revenue, even in months when churn occurs, the revenue churn rate may be negative if revenues from continuing customers increase due to the end of the campaign rate application period or the addition of options.

note pro: Number of Paid Subscriptions / ARPPU

We implemented a large-scale campaign in 2Q, **significantly increasing new contracts and driving a rapid expansion in the number of subscriptions by +140 QoQ**. As the number of companies eligible for discounts increased significantly due to contract acquisitions from the campaign, ARPPU temporarily declined to the 56,000 yen range.





∗ Number of paid subscriptions is calculated based on the date sales are recorded, not the date of the contract.
∗ ARPPU = Average Revenue Per Paid User is the unit price per contract calculated by dividing ARR by the number of paid subscriptions.

Balance Sheet Status

The balance sheet status is as follows. Cash and deposits and shareholders' equity increased due to the investment from NAVER in December and KADOKAWA in April, as well as strong operating results. Borrowings were also repaid, leading to an increase in the shareholders' equity ratio.

Unit: Millions of yen	End of Nov. 2025	End of May 2026	Change
Assets	**6,145**	**10,934**	**+4,789**
Cash and deposits	3,045	7,357	+4,311
Accounts receivable	1,632	2,037	+405
Investment securities	768	582	-186
Other	697	956	+258
Liabilities	**3,266**	**3,210**	**-55**
Deposits received	2,087	2,446	+359
Borrowings	682	-	-682
Other	496	764	+267
Net assets	**2,878**	**7,723**	**+4,845**
Shareholders' equity	2,794	7,805	+5,010
Other	83	-81	-164
Shareholders' Equity Ratio	**45.9%**	**70.1%**	**+24.2p**

Increase due to investment from NAVER and KADOKAWA and strong performance

Repayment of borrowings

Key Initiatives for Q2 FY2026

- 2026/03: LINE Manga × TALES "Webtoon Original Work Grand Prize" held
- 03: Concluded cooperation agreement with Chiba Prefectural Board of Education, note pro introduced to all 160 prefectural schools
- 03: Concluded business and capital alliance with KADOKAWA
- 03: Concluded cooperation agreement with Kyoto City, launched model provision for local governments
- 03: Launched "AI Context Network"
- 04: Concluded strategic partnership with Sunny Side Up
- 04: Japan's largest creative contest "Creative Award 2026" call for entries started
- 04: New feature "Comic Viewer" launched for all creators
- 04: Tales & Co. held Japan's first lodging-based story experience "The Vanished Witch of the Highlands" at Hoshino Resorts RISONARE Nasu
- 04: Supported session article creation for SusHi Tech Tokyo 2026, Asia's largest global conference
- 04: Post-war 80th anniversary project in which note participated won the 63rd Galaxy Award Frontier Award
- 05: Automatic multilingual support launched for all creators
- 05: Two new series planned by Tales & Co. to start in Monthly Shonen Magazine
- 05: New feature "note Question Box (β)" launched for all creators
- 06: Lodging-based story experience "The Vanished Witch of the Highlands" by Tales & Co. extended due to popular demand
- 06: Experiential reading circle organized by Tales & Co. decided
- 06: "Space Brothers" joined the AI Context Network
- 06: Started demonstration of development platform supporting game adaptation of story IP, selected for METI's "IP360"
- 07: Shoeisha participated in the demonstration of the GENIAC project

Contents

note has grown into one of Japan's leading media platforms

As a result of our efforts since 2022 with an eye on the AI era, **the number of visitors to note is increasing every year, and our media influence is improving**. **Boasting over 90 million MAU,** it has become one of Japan's leading media platforms.

MAU [*1]
(Average from Dec. 2025 to May 2026)
91.23 million

Page Views (PV)
(Compared to FY2026 2Q-FY2025 2Q)
Approx. 1.4 x

Japan Web Site Access Ranking [*2]

Rank	Web Site
1	google.com
2	yahoo.co.jp
3	youtube.com
4	news.yahoo.co.jp
5	x.com
6	docomo.ne.jp
7	amazon.co.jp
8	rakuten.co.jp
9	bing.com
10	instagram.com
11	chatgpt.com
12	wikipedia.org
13	**note.com**
14	pixiv.net
15	ameblo.jp
…	…

*1 MAU: Abbreviation for Monthly Active Users. The total number of active browsers that accessed "note" at least once a month, including non-members.
*2 Source: Similarweb. Measurement Date: As of June 1, 2026

note is a place that is easily cited by AI, and from which people arrive

Cited by AI as a reliable source of information

Cited by AI Domestic Domain Ranking — **No. 2**

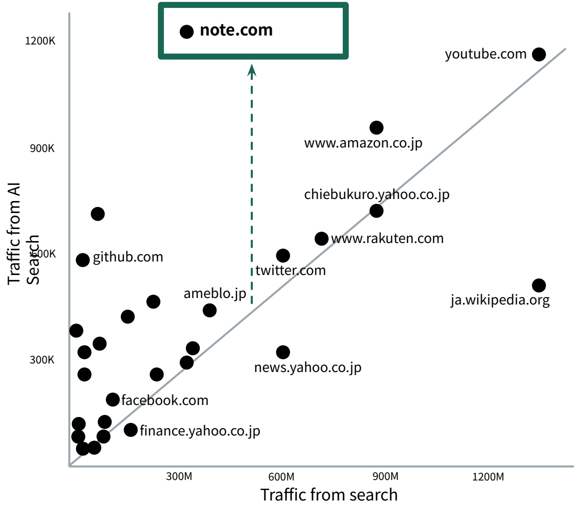
Japan Top 5 Domain Ranking for AI Search Citations

Rank	Domain
1	www.youtube.com
2	**note.com**
3	ja.wikipedia.org
4	ameblo.jp
5	detail.chiebukuro.yahoo.co.jp

Source: Ahrefs Brand Radar Survey, created by the Company

Furthermore, there is significant traffic from AI search

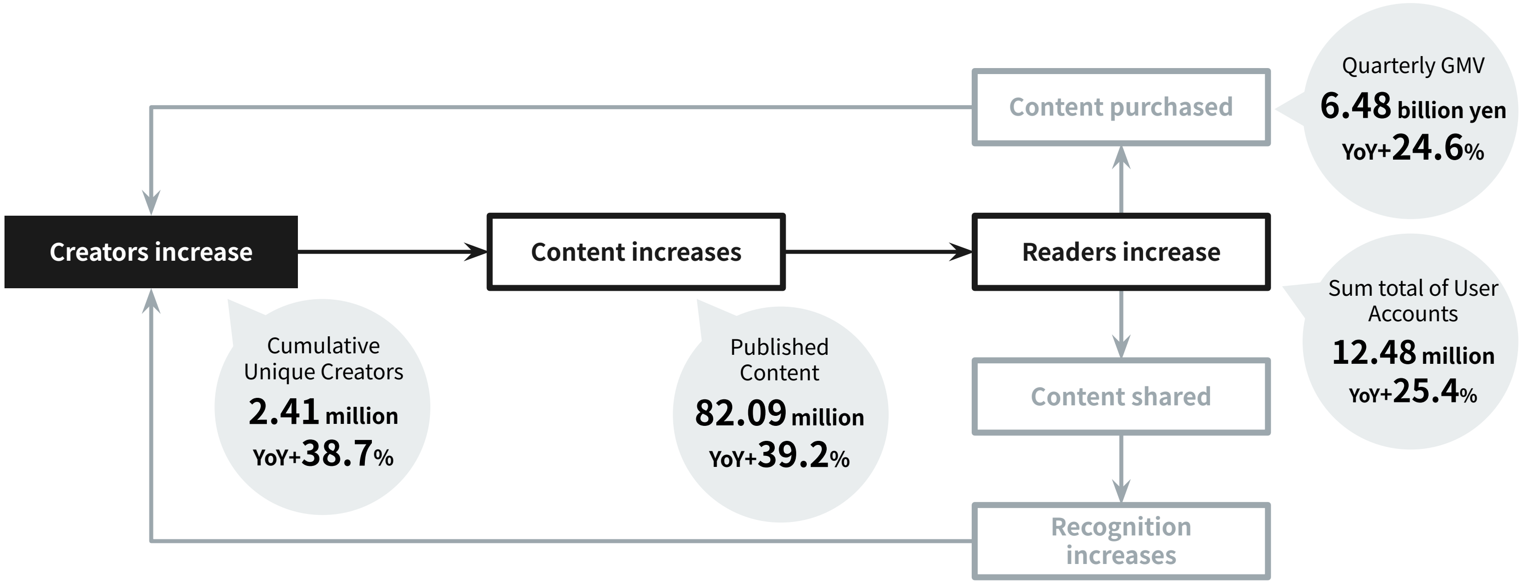
Expected traffic from AI search Compared to other sites — **Approx. 4 x**



Created by the Company based on the joint research by VALUES Inc. and note inc.

Accelerating Growth Through Network Effects, Boosted by AI

The network effect driven by the mutual interaction among creators, readers, and content is further amplified by AI, and the growth model, which expands autonomously without advertising expenses, **further accelerates the growth of platform size, GMV, and profit**.



Easily cited by AI, and
attracting people from there.
Gaining an advantage in the AI era

Fukatsu Appointed as CSO (Chief Strategy Officer) to Further Accelerate Growth

To further powerfully promote growth strategies centered on AI, Fukatsu, who served as CXO (Chief Experience Officer), has been appointed as CSO (Chief Strategy Officer). He will be responsible for the strategic design of the entire ecosystem.

Takayuki Fukatsu

Interaction Designer. Representative of THE GUILD Inc. Serves as CSO of note inc. and CXO of Bengo4.com, Inc. In recent years, he has served as a strategic AI advisor for numerous local governments and companies, leading AI-driven organizational transformation (AIDX). He is also involved in education as a visiting professor at Musashino Art University and a visiting lecturer at ZEN University.

CXO (Chief Experience Officer)

Responsible for product experience design

CSO (Chief Strategy Officer)

Responsible for strategic design of the entire ecosystem

— Key Achievements During CXO Tenure —

- Designed note's "Growth Model"
- Formulated Mission, Vision, Values (MVV)
- After joining as CXO, note's MAU expanded approximately 7-fold in 2 years (comparison between November 2017 and November 2019)
- Promoted note's domain migration (note.mu → note.com)
- Promoted the introduction of AI functions and their penetration both inside and outside the company

note: Becoming the Content Distribution Infrastructure for the AI Era

note to date

Creator's Media Platform

▼

Future note

Content Distribution Infrastructure for the AI Era

Evolving into a presence that connects high-quality creation and primary information to "distribution, monetization, and redistribution" in the AI era

ABCD → E

AI Business Creative Data EcoSystem

note's Growth Strategies in the AI Era

The four growth assets that note possesses work in tandem to **form the content distribution infrastructure** of the AI era

AI — The engine for expanding content distribution

- Service design and structure that is easily cited and referenced by AI
- Recommendation system that delivers content to the optimal readers
- Collaboration with global technology companies such as Google and NAVER

Business — Expanding monetization channels

- Mechanism for content payments and creator compensation
- Providing revenue opportunities to companies utilizing the platform
- Promoting partnerships and collaboration with diverse companies

Creative — The source of value creation

- Platform where diverse creators and content gather
- Collaboration with media including KADOKAWA
- Planning and development of contests and works that lead to IP creation

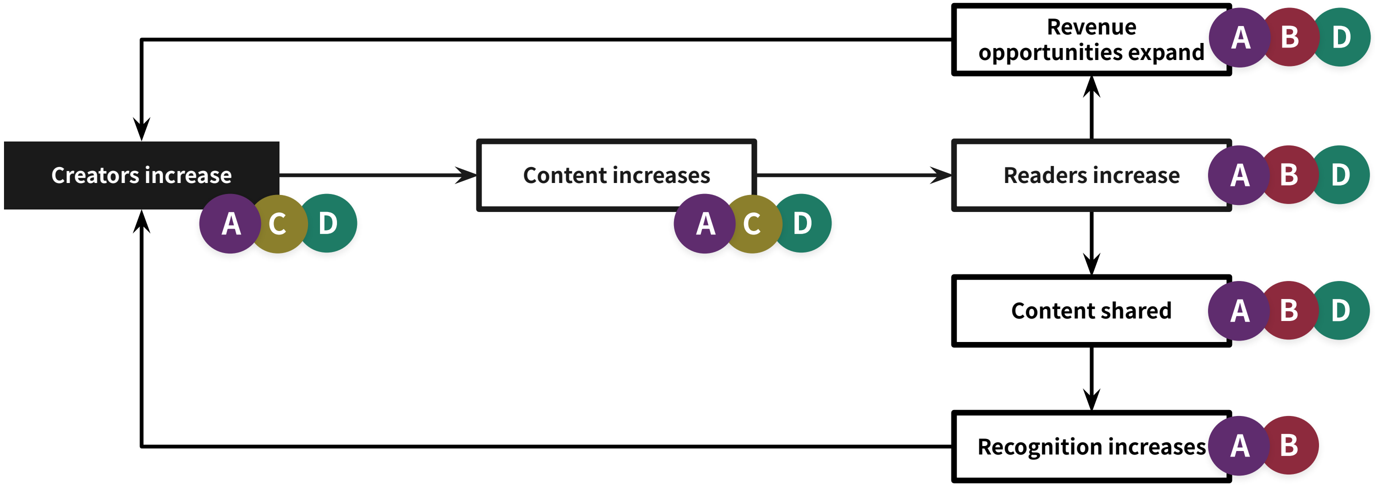
Data — A key asset for the AI era

- Accumulated articles, reviews, and reader reactions
- Reliable primary information disseminated by companies and public institutions
- High-quality content database via GENIAC

EcoSystem

A (AI) x B (Business) x C (Creator) x D (Data) ➡ EcoSystem

AI evolves note's Growth Model



Ecosystem

AI / Business / Creative / Data create a mutually virtuous cycle, evolving the Growth Model into an even larger ecosystem

A AI

AI recommendations, search, and translation promote content distribution

B Business

Expand revenue distribution to creators and partners

C Creative

Creators gather and creation continues

D Data

Articles, reactions, and evaluations are accumulated

The future note aims for by promoting AI integration

Creators

**Just by creating
A future where you are further rewarded**

AI-powered recommendations and translations deliver works to the optimal readers, expanding opportunities to be read and increasing revenue.
Build a structure where the fruits of creation, such as through the AI Context Network, are further returned to creators.

Partner Companies

**Just by using note
Meet new customers**

Corporate marketing utilization, such as owned media and AIO, becomes possible just by using note.
Provide a structure where the more content on note increases, the more customers and revenue grow.

note Organization & Employees

**Fully utilizing AI
Building the organization of the future**

Incorporate AI into management decision-making itself, and create a seamless system from hiring and training to evaluation.
Build a structure where AI utilization brings growth, such as capability improvement, not only to the organization but also to individuals.

Start, and Keep on Creating.

Key Initiatives

Initiative	AI	Business	Creative	Data
Strengthening the AI Context Network	AI	Business	Creative	Data
Complete Renewal of the Recommendation Engine Utilizing Generative AI	AI	Business		Data
Launch of automated multilingual support for all creators	AI		Creative	
Launch of new "Question Box (β)" feature			Creative	
Hosting the "Creative Award 2026," one of Japan's largest creation contests			Creative	
Strengthening and Expanding Services to Meet Corporate PR Needs		Business		
Examples of note Contest and Writing Plan Adoption		Business	Creative	
Improving Platform Value through Collaboration with Google	AI	Business		
Building a New Data Distribution Ecosystem through the GENIAC Project	AI	Business	Creative	Data
Rebuilding the Media Development Process Aimed for by Tales & Co.		Business	Creative	
Started verification of a development platform to support the game adaptation of story IPs	AI	Business	Creative	
Discontinuous growth through the utilization of business alliances and M&A	AI	Business	Creative	Data

Strengthening the AI Context Network - Overview

A feature that uses AI to automatically aggregate fan reviews and comment articles on note by keyword to generate pages, enabling direct traffic to purchase screens and more. Pages are generated as needed for various keywords such as books, games, and movies.

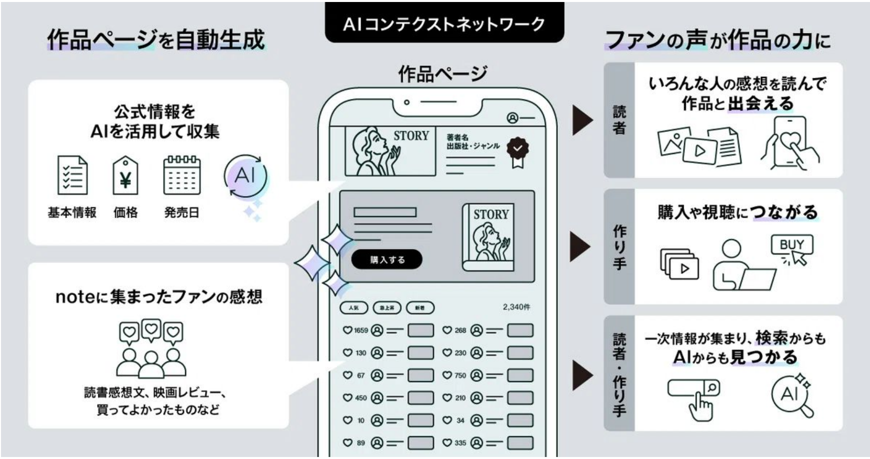
AI Context Network Overview

A mechanism that utilizes AI to automatically collect official product and work information to generate pages on note. By aggregating fan reviews and comments, it connects note articles to purchases.

【Value Provided】

- **Fan voices lead to sales** : Enabling readers who have read reviews and comments to proceed directly to purchase, reserve, or view.
- **An information hub for both people and AI** : Official information and fan voices are consolidated on one page on note, also functioning as a reference source for AI Search.

Pages for books, games, movies, etc., are generated as needed
The number of keyword pages has exceeded
630,000 (as of the end of June 2026)



Strengthening the AI Context Network - Expanding Partner Companies

Following the conclusion of "Space Brothers" (Chuya Koyama), the work has joined the AI Context Network, and a work page featuring an added official message has been launched. We aim to expand into all genres and increase the number of partner companies in the future.

Future Development

We plan to roll out official partner menus, such as enabling companies to add their own information to keyword pages automatically generated by note based on publicly available information to create more accurate and enriched pages, and providing analysis reports on reviews and feedback articles gathered on note.

【Future Development】

- Expansion of compatible genres and partner companies
- Provision of reports and sales promotion support
- Construction of a mechanism for returning revenue to creators.

"Space Brothers" Work Page

Complete Renewal of the Recommendation Engine Utilizing Generative AI

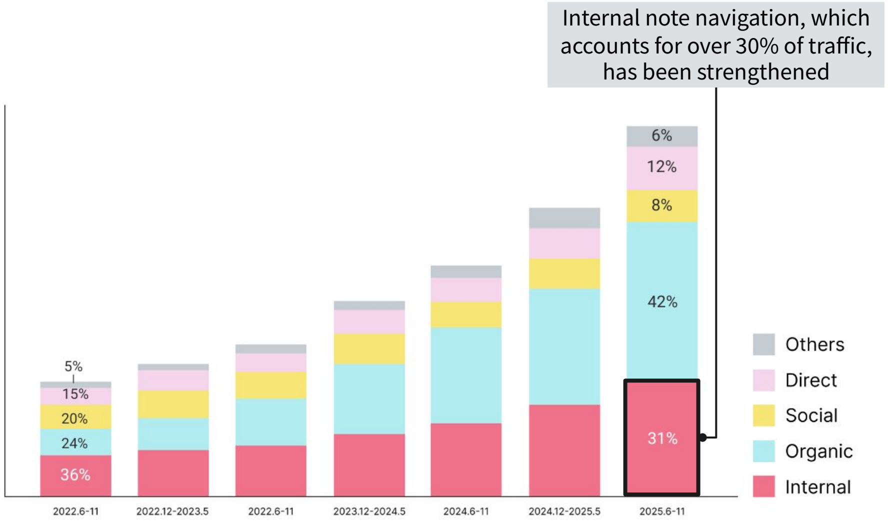
Amid the explosive increase in content due to the spread of generative AI, the recommendation engine (AI mechanism for recommending articles) has been completely renewed so that readers can encounter articles that suit them. We have strengthened the mechanism for connecting readers and articles within note without relying on external platforms.

Effects of the Complete Renewal

We introduced a new tagging technology utilizing LLM (Large Language Models). The accuracy of automatically classifying article content into appropriate categories and topics with deep understanding, and delivering it to interested people, has significantly improved.

Total for Recommendation Engine Renewal
Article impressions
(June 2026 vs. same month previous year)
Approx. 5.3 x

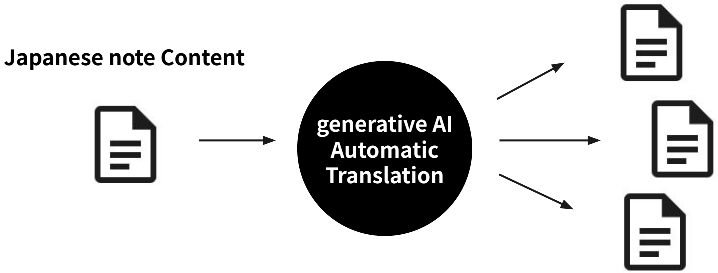
Total for Recommendation Engine Renewal
Article PV
(June 2026 vs. same month previous year)
Approx. 4.7 x



Trend in note article PV (Web and App total)

Launch of automated multilingual support for all creators

We are promoting automatic multilingual support to deliver content written in Japanese to readers worldwide.
We utilize Google's generative AI for automatic translation, starting with English support for all creators from May 27.



- **May 2026: Start of provision for all creators**
  Starting with English, we will automatically generate translated articles.
  To be displayed in overseas search results, social media, and AI services.

- **Future plans**
  We will progressively expand support to include paid articles and Membership benefit articles so they can be delivered to overseas readers.

Image of an automatically multilingual support article

Launch of new "Question Box (β)" feature

We officially released the new feature "note Question Box (β)" in late May, which allows creators to receive questions from readers and fans and publish their answers. A tool that turns dialogues with readers through answers into assets for a creator's communication activities.

Objectives of the Question Box Feature

- **Provide communication methods other than writing articles**
  Creators can share their thoughts by answering questions
- **Narrow the distance between creators and their fans/readers**
  Increase interaction with readers and create opportunities to write articles
- **Accumulate content within note**
  Answers are accumulated as a creator's own content instead of being lost in social media DMs or external service interactions
- **Function as paid content such as Memberships**
  The scope of question reception can be limited to members or subscribers of subscription magazines, allowing it to be utilized as paid content

Question Box page

Display on Social Media

Who can send you questions

Hosting the "Creative Award 2026," one of Japan's largest creation contests

We are currently holding the "Creative Award 2026," Japan's largest creative contest, now in its 5th year.
We are accepting a wide range of entries across all genres, with the goal of having winning works published as books, serialized, or adapted into visual content by various media.

Overview of "Creative Award 2026"

- One of Japan's largest creative contest, **which has received a cumulative total of approximately 170,000 entries** over the past four editions, **with 32 works successfully adapted into media**.
- 34 media companies **are participating in the selection process** for each category.
  Grand prize-winning works will be assigned an editor, with the goal of publication in magazines/media, book release, serialization, or visual adaptation.
- Various related events are also being held to support creators' work.
- **Entries are being received at a pace approximately 2.9 times faster than the same period last year.**
  (As of early June)

Strengthening and Expanding Services to Meet Corporate PR Needs

We will strengthen and expand services that respond to corporate PR needs, not limited to note pro, such as sponsored contests and dissemination support options, by leveraging the note platform where over 12.48 million registered users and 91.23 million MAU gather.

AI Context Network

A feature that automatically aggregates fan reviews and comments on note with the product/work information held by the company using AI, generating a product/work page on note. (See page 42 for details)
This provides a new sales channel that promotes direct purchases from fan word-of-mouth and also functions as a reference source for AI search.

Dissemination Support Options

We offer options tailored to needs, such as article writing and ad distribution, to support information dissemination for corporations using note/note pro.

[Examples of Offered Options]
Writing Plan, Advertisement Distribution Plan,
LINE Friend Addition Feature

Corporate-Sponsored Contests

We solicit works in a contest format targeting note creators. This creates connections between companies and creators through the submitted works.

Ad Placement

We implement ad placements on the top page and in newsletters on "note Money," a media specializing in financial and investment content.

Example of banner placement on the note Money top page

Examples of note Contest and Writing Plan Adoption

Adoption is expanding among major companies for various purposes such as branding and recruitment PR.

Examples of Corporate-Sponsored Contests

Persol Career

Netflix

Rohto Pharmaceutical

Lifenet Insurance

Examples of note pro Writing Plan Adoption

[Meiji Holdings]

Introduced the Writing Plan, with professional writers handling article creation. This allows the operations team to focus on article planning and editing, while delivering easy-to-understand content to readers.

▶ Click here for interview articles [regarding note pro and the Writing Plan]

Improving Platform Value through Collaboration with Google

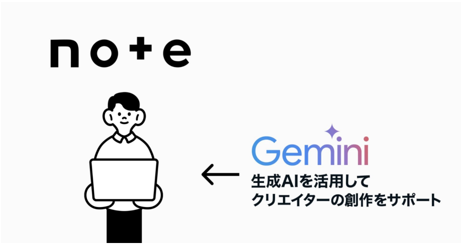
The prompt introduction of Gemini 3 Pro and Gemini 3 Flash to the AI Assistant, along with continuous efforts such as holding collaborative contests with Gemini, has established note as a platform with strong AI capabilities.

Collaboration System with Google

We regularly conduct information exchange and strategic discussions on cutting-edge trends in AI and various services. By continuously incorporating the knowledge of a global leader, we contribute to strengthening the technological and strategic advantage of the note platform.

AI Assistant equipped with Gemini

Following the capital and business alliance with Google in January 2025, Gemini was integrated into the content creation support tool "AI Assistant." When Gemini 3 was announced and generated buzz, it was also promptly introduced.

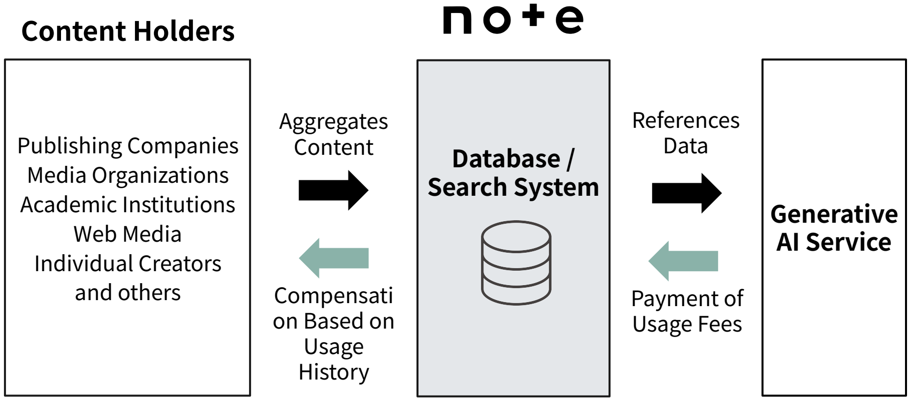


Gemini Collaboration Contest

We hold contests on note to solicit articles on real-world examples of AI utilization. By continuously holding the contest with different themes each month, we contribute to the promotion of Gemini and the growth of note's AI category.

Building a New Data Distribution Ecosystem through the GENIAC Project

Our RAG database development and collaboration track record with media organizations were recognized, leading to our selection for "GENIAC," a generative AI national project. We are building a database that aggregates high-quality content both from within and outside of note as a commissioned project by NEDO.



Business Overview	● We will construct a mechanism such as a database aggregating high-quality content from publishers, academic institutions, and web media, and a search system for generative AI to extract information. ● This enables generative AI services to dramatically improve information accuracy by referencing the database, and allows content holders to receive fair compensation based on usage by acquiring AI reference logs.
Proof of Concept Partners	KADOKAWA / Diamond, Inc. / Japan Academic Copyright Association / **Shoeisha** New! Joined in July 2026 Promoting with over a dozen companies and organizations, including the aforementioned publicly announced partners.
Progress	RAG database prototype completed Improving accuracy through proof of concept using content from partner companies, while also in discussions with multiple generative AI service providers.
Expenses	Implemented as a commissioned project by NEDO; all project expenses are eligible for reimbursement within the scope approved by regulations.

Rebuilding the Media Development Process Aimed for by Tales & Co.

Original works discovered from the platform and registered creators are developed into novels, comics, merchandise, and more, which are then self-published on note and X. Based on the response, IPs are developed and nurtured in collaboration with optimal media, video production companies, and platforms.

Platform
note TALES

Registered Creators
Over 1,000 people

→

TALES & CO.

Consider development tailored to the work's potential; self-publish on note, etc., to increase fans

Original Work

- Novel
- Manga
- Merchandise
- Voice
- Visual Content
- Event

Self-Publication
(note, X, Doujinshi, etc.)

→

Select the optimal media based on the response to self-publication

- **Media**
- **Publisher**
- **Video Production Company**
- **Platform**

Progress in Various Developments of Tales & Co. Projects

Various developments are progressing for works produced and edited by Tales & Co., including Japan's first lodging-based story experience held in collaboration with Hoshino Resorts and the launch of new serializations in partnership with the editorial department of Kodansha's "Monthly Shonen Magazine."

Providing Lodging-Based Story Experiences in Collaboration with Hoshino Resorts

- Planned a lodging-based story experience where authors write original stories for the facilities, allowing guests to immerse themselves in the world of the story.
- Due to popular demand, the event period was extended from one month to three months, and lodging plans were expanded.

Two New Serializations Start in "Monthly Shonen Magazine"

- Tales & Co. introduced manga original story projects solicited from Registered Creators to the "Monthly Shonen Magazine" editorial department, and both parties are collaborating to promote the production of the projects and original stories.
- "Aomugi to Tokidoki" began serialization in June, and "Souten no Kyojoukoku" will begin in August.

Started verification of a development platform to support the game adaptation of story IPs Selected for METI's Content Industry Support Project "IP360"

Leveraging our track record in game scenario production and initiatives for creation support utilizing AI, we are promoting the construction of Japan's first development platform for expanding story IPs into games.

Overview

- **Description of the Demonstration Project**
  Building a mechanism to support processes such as project development, scenario design, asset production, and prototype development necessary for the game expansion of story IPs.
  We aim to make it easier to engage in the game expansion of story IPs, which has been difficult to realize due to costs and development structures, and to deliver a wider variety of IPs speedily while maintaining the quality of the works.

- **Overview of IP360 Selection**
  Selected for the "Development Platform Construction Support" category under the Ministry of Economy, Trade and Industry's "IP360 -Toward 20 Trillion Yen-" content industry support menu, and we plan to receive subsidies for a portion of the development costs.
  (The maximum subsidy period is 1 year, and the maximum subsidy amount is 100 million yen)

IP360
Toward 20 Trillion Yen

Utilization of Business Alliances and M&A for Discontinuous Growth

In addition to initiatives in each business domain, we have executed various corporate actions, including the capital and business alliance with Google. Going forward, we will actively pursue alliances and M&A with influential external companies in each business area, aiming for discontinuous growth.

Invested Companies

(Capital and Business Alliance Partners only)

Google
NAVER
KADOKAWA
NIKKEI
テレ東HD
文藝春秋
BASE
UUUM

note

Portfolio Companies

StoryHub

coconala

and more!

Leveraging note's strengths in the AI era to expand the value provided and extend the ecosystem

Leveraging note's assets such as AI, Business, Creative, and Data to become content distribution infrastructure for the AI era.
We will expand the possibilities for creators and creation through AI, and extend the note ecosystem while involving partner companies.

Relationships with Capital and Business Alliance Partners

Google
NAVER
KADOKAWA
NIKKEI
テレ東HD
文藝春秋
BASE
uuum

note

A platform serving as the base for all creators' activities

Registered Users: 12.48 million
Published Content: 82.09 million
Cumulative Unique Creators: 2.41 million

note PRO

Corporate Services

note pro Paid Contracts: 1,133
Corporate Accounts: 60,000

AI

nAc / GENIAC

Innovating content creation and distribution through the utilization of AI

IP

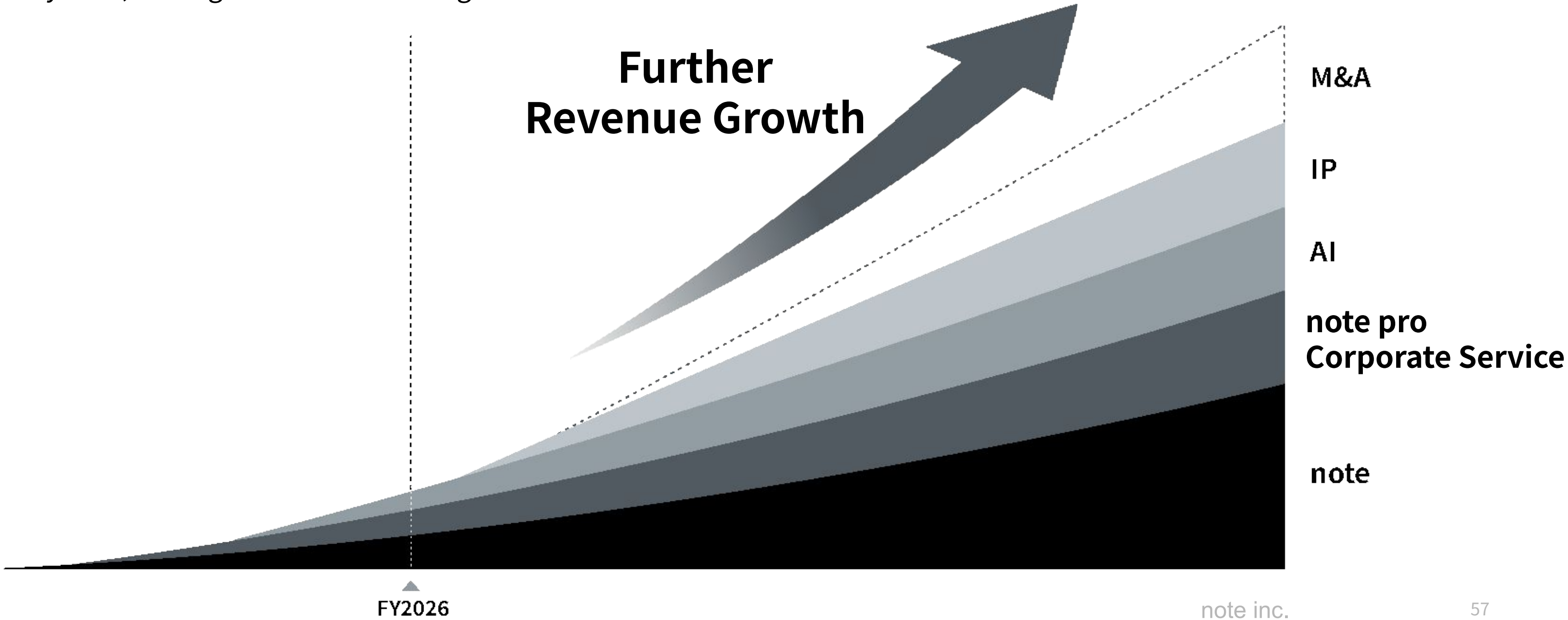
TALES / Tales & Co.

Creating superior original works and expanding them globally

note Ecosystem Expansion

Future Revenue Growth Image(Unchanged from initial announcement)

We will further significantly grow our top line through the three pillars of the note/note pro platform business, the AI business, and the IP business. We will actively consider M&A to accelerate the growth of each business and expand the note ecosystem, aiming for discontinuous growth.



Mid-to-Long-Term Financial Targets (Unchanged from initial announcement)

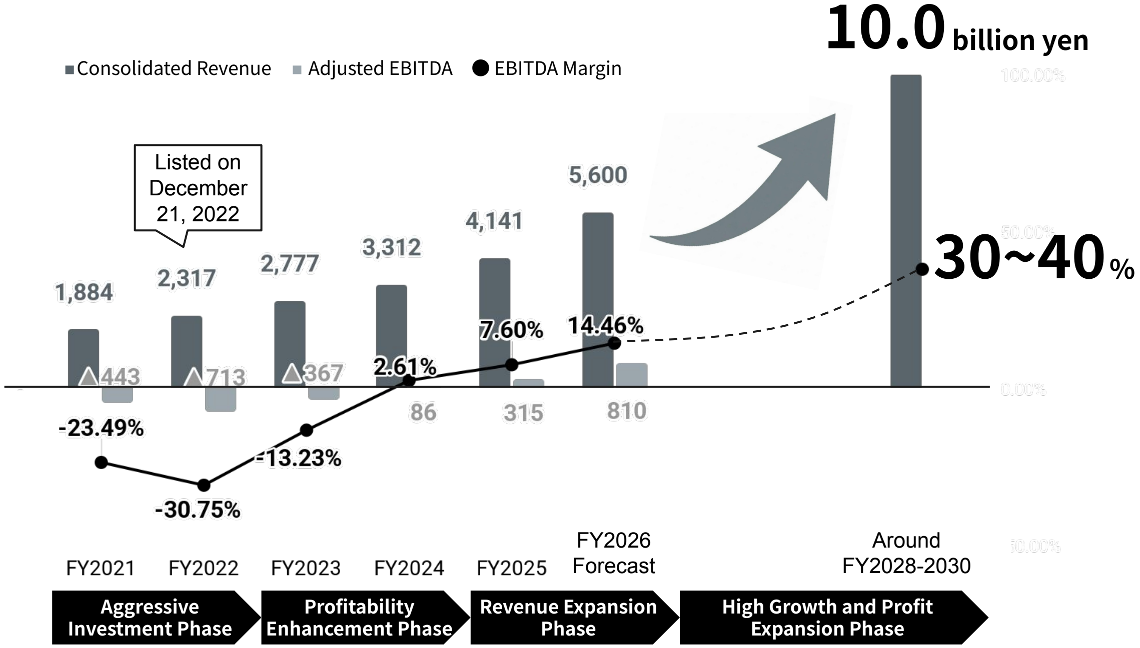
We have set a financial target of Consolidated Revenue of ¥10.0 billion and an EBITDA Margin of 30-40% around FY2028-2030. We aim to achieve both continuous revenue growth and profit expansion, and expand to a level where the Prime Market is within sight.

Basic Policy

Our policy is to make strategic investments while being mindful of the balance with profitability, aiming to achieve both continuous revenue growth and profit expansion.

Financial Targets (Around FY2028-2030)

- **Consolidated Revenue : ¥10.0 billion**
- **EBITDA Margin: 30-40%**



＊ EBITDA Margin = Adjusted EBITDA ÷ Consolidated Revenue
＊ Prior to FY2023, calculated as EBITDA (= Operating Profit + Depreciation + Stock Compensation Expense)

note Aims to Be a “City for Creators” on the Internet

We consider the note platform to be an online “city,” where all kinds of people, individuals and corporations can gather. Our goal is to make it a hub for all kinds of activities, including creative and business-oriented endeavors, on the internet.

The “city” that note is aiming for is a place where individuals and corporations of all kinds gather.

Here, people from all walks of life actively engage in creative and economic activities, and the interactions among people will lead to the further development of culture and the economy.

We will create such a “city” on the internet.

Contents

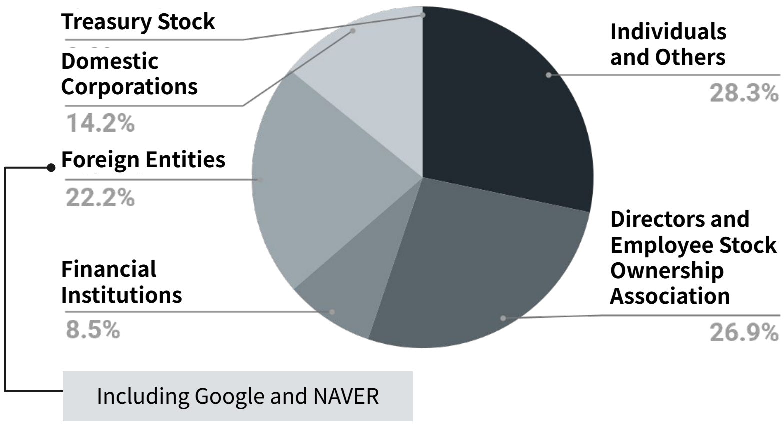
Stock Information (As of the end of May 2026)

Due to the business and capital alliance, the ratio of domestic and foreign corporations increased, and the number of shareholders grew by over 1,000 compared to last year. We will continue to actively enhance our IR activities and work toward improving our stock price and increasing trading volume.

Stock Status

number of shareholders	14,891
outstanding shares	19,368,800 shares

Shareholder Composition (*2)



Status of Major Shareholders (Top 10)

	Shareholder Name	Number of Shares Held	Shareholding Ratio
1	Sadaaki Kato	5,087,000	26.26%
2	NAVER Corporation	1,429,500	7.38%
3	KADOKAWA CORPORATION	1,000,000	5.16%
4	GOOGLE INTERNATIONAL LLC	984,200	5.08%
5	GOLDMAN SACHS INTERNATIONAL	970,000	5.01%
6	Nikkei Inc.	661,000	3.41%
7	Rakuten Securities, Inc. Omnibus Account	504,500	2.60%
8	SBI SECURITIES Co., Ltd.	354,794	1.83%
9	NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	304,200	1.57%
10	Mynavi Corporation	297,300	1.53%

Shareholder Benefit Program

To express our appreciation to our shareholders and to deepen their understanding of our business, we have established a Shareholder Benefit Program.

Purpose of the Program	● To express our gratitude to our shareholders and further strengthen engagement with them by deepening their understanding of our business. ● To enhance the appeal of our shares to encourage long-term ownership by a wider range of investors, which will lead to increased trading volume and liquidity, and ultimately, higher corporate value.
Eligibility	**Shareholders who hold 100 shares or more listed on the shareholder registry as of November 30th of each year, and who have continuously held the shares for one year or more.** (The condition for continuous ownership is defined as being recorded with the same shareholder number as owning 100 shares or more on the shareholder registry for three or more consecutive times as of May 31st and November 30th of each year.)
Details of Shareholder Benefits	**We will grant note points, where 1 point equals 1 Japanese yen and can be used to purchase paid articles on the note platform, according to the number of shares held.** ● 100 shares to less than 200 shares ：**3,000 points (3,000 yen equivalent)** ● 200 shares or more ：**6,000 points (6,000 yen equivalent)**
Distribution Timing	The benefits are scheduled to be sent to eligible shareholders in February, enclosed with the Notice of Convocation of the Ordinary General Meeting of Shareholders.

IR Initiatives

We are actively expanding our IR activities to help more investors learn about note and to deepen our dialogue with them.

Selected for JPX Startup 100

Based on two growth indicators—revenue growth rate and market capitalization growth rate—we have been selected as a constituent of a new stock index consisting of 100 high-growth startups. We expect this to expand opportunities for a wider range of investors to learn about note through linked products such as ETFs.

JPX Startup 100

Speaking at Briefings for Individual Investors

We will be speaking at the Shonan Investment Study Group on Saturday, July 25. The event will be held in person in Tokyo (Ginza) and will also be held online simultaneously. Please register in advance via the link below to participate.
https://peatix.com/event/5038015

Publishing IR Explanation Articles and Opening a Question Box

We are serializing the "IR Explanation Series" on IR on note, which explains note's business and business model in an easy-to-understand manner for individual investors. In addition, we have opened a question box to accept questions from investors and are expanding the scope of our dialogue by publishing the answers.

Dissemination of IR Information

In addition to disclosing information on TDnet, our company disseminates IR information through our IR website, note, and other channels. Please check the following URL and QR code.

▪ IR website

We post notices and various information for shareholders and investors, including timely disclosure.

https://ir.note.jp/

▪ X (formerly Twitter)

We provide timely information regarding note and IR.

▶ CFO, Board Director Kashima X account @kashiman_jp
https://x.com/kashiman_jp

▪ IR on note

We disseminate information regarding financial results, Monthly Reports, and explanatory articles about our business.

https://note.com/note_ir

▪ Sponsored Report

As a tool to deepen understanding of our company, we publish reports by Shared Research Inc.

https://sharedresearch.jp/ja/companies/5243

IR note Magazine: Delivering IR Articles from Listed Companies

In response to the increasing number of companies using note to disseminate IR information, we are jointly operating IR note Magazine with the aim of providing IR information of the participating companies all at once to investors to help them make investment decisions.

*As of July 1, 2026

No. of participating companies	No. of followers
146 companies	Over **2,300**

By following the magazine from this link you will be able to receive IR information from companies that disseminate IR information on note in all at once. We encourage shareholders and investors to visit the following site. (Japanese only)
https://note.com/notemagazine/m/m530d4bde968b

Disclaimer

Handling of this document

This material contains forward-looking statements.
These statements are based solely on information available at the time such statements were made. Furthermore, such statements are not guarantees of future results and involve risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in the environment and other factors.

Factors that may affect the actual results described above include, but are not limited to, domestic and international economic conditions and trends in our related industries.

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note