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Media Do

July 14, 2026

Consolidated Financial Results for the Three Months Ended May 31, 2026 (Under Japanese GAAP)

Company name: MEDIA DO Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3678
URL: https://mediado.jp/english/
Representative: Yasushi Fujita, President and CEO
Inquiries: Shoichiro Tokoro, Senior Executive Officer
Telephone: +81-3-6212-5111
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefings: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for Q1 FYE 2/27 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 FYE 2/27	27,074	4.1	440	(32.6)	203	(69.6)	129	(84.2)
Q1 FYE 2/26	26,011	3.6	654	37.6	669	36.7	818	234.8

(Note) Comprehensive income: Q1 FYE 2/27: ¥191 million ((72.2%)); Q1 FYE 2/26: ¥688 million (78.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FYE 2/27	8.54	–
Q1 FYE 2/26	53.99	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Q1 FYE 2/27	68,157	18,800	27.3
FYE 2/26	56,926	19,221	33.4

(Reference) Equity: Q1 FYE 2/27: ¥18,628 million; FYE 2/26: ¥19,034 million

2. Cash dividends

	Annual dividends per share				
	First quarter- end	Second quarter-end	Third quarter- end	Fiscal year- end	Total
	Yen	Yen	Yen	Yen	Yen
FYE 2/26	–	0.00	–	40.00	40.00
FYE 2/27	–				
FYE 2/27 (forecast)		0.00	–	40.00	40.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecasts for FYE 2/27 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		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	%	Yen
Full year	118,000	8.7	2,400	(2.2)	2,050	(19.6)	1,200	(34.0)	79.05

(Note) Revisions to the forecast of cash dividends most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the current cumulative quarterly period: Yes

Newly included: 1 company (Seven Seas Entertainment, LLC), Excluded: None

Note: For details, please refer to page 10 of the attached materials, "2. Quarterly consolidated financial statements and notes, (3) Notes to quarterly consolidated financial statements (Notes on changes in the scope of consolidation or application of the equity method)."

(2) Application of accounting treatments specific to preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to page 10 of the attached materials, "2. Quarterly consolidated financial statements and notes, (3) Notes to quarterly consolidated financial statements (Notes on accounting treatments specific to preparation of quarterly consolidated financial statements)."

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	Q1 FYE 2/27	15,205,174 shares	FYE 2/26	15,205,174 shares
(ii) Number of treasury shares at the end of the period	Q1 FYE 2/27	34,500 shares	FYE 2/26	26,148 shares
(iii) Average number of shares outstanding during the period	Q1 FYE 2/27	15,178,573 shares	Q1 FYE 2/26	15,151,267 shares

* Review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements, etc.)

The forward-looking statements regarding earnings and other matters contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the assumptions underlying the Earnings forecast and cautions concerning the use of the Earnings forecast, please refer to page 4 of the attached materials, "1. Overview of operating results."

(How to obtain supplementary financial results materials)

The Company will hold a financial results briefing for institutional investors and analysts on July 14, 2026. The presentation materials will be disclosed via TDnet after the meeting.

Table of contents of attached materials

1. Overview of operating results

(1) Overview of operating results for the quarter

(Millions of yen)

	Q1 FYE 2/26 (March 1, 2025 – May 31, 2025)	Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)	Year on year change	
			Amount of increase/decrease	Percentage change
Net sales	26,011	27,074	1,063	4.1%
eBook Distribution Business	24,203	25,141	938	3.9%
Strategic Investment Businesses	2,167	2,263	95	4.4%
Adjustment amount	(358)	(329)	29	—
Operating profit	654	440	(213)	(32.6%)
eBook Distribution Business	1,202	1,159	(43)	(3.6%)
Strategic Investment Businesses	(146)	(252)	(105)	—
Adjustment amount	(402)	(466)	(64)	—
Profit attributable to owners of parent	818	129	(688)	(84.2%)

The MEDIA DO Group operates with the mission of "unleashing a virtuous cycle of literary creation" by distributing copyrighted works as broadly as possible under fair conditions and returning profits to creators. Guided by the vision of "MORE CONTENT FOR MORE PEOPLE!," we are committed to expanding our business operations and enhancing corporate value, thereby contributing to the development of culture and the creation of a richer society in Japan.

In the businesses operated by the Company, as a company that contributes broadly to society, we aims to support the development of Japan's publishing industry and create new value toward revitalizing local communities and realizing a sustainable society.

In Q1 FYE 2/27, the Group recorded an increase in net sales, supported by growth in the eBook Distribution business. Operating profit decreased YoY due to the termination of a high-margin service in the eBook Distribution business, the Strategic Investment businesses, NIHONBUNGEISHA Co., Ltd., remaining in the process of improving performance since H2 FYE 2/26, and the recording of research and development expenses for new services.

Profit attributable to owners of parent decreased by a larger amount compared to other profit items. This was because expenses related to the acquisition of Seven Seas Entertainment, LLC in March 2026 were recorded in Q1 FYE 2/27, whereas a gain on sale of shares of an affiliate, MyAnimeList, had been recorded in Q1 FYE 2/26.

As a result, for Q1 FYE 2/27, consolidated net sales were ¥27,074 million (up 4.1% YoY), operating profit was ¥440 million (down 32.6% YoY), ordinary profit was ¥203 million (down 69.6% YoY), and profit attributable to owners of parent was ¥129 million (down 84.2% YoY).

Operating results by segment for Q1 FYE 2/27 were as follows.

(eBook Distribution Business)

In the eBook Distribution business, as Japan's largest eBook distributor, the Group continued to provide eBook distribution and content delivery solutions to eBook retailers such as "Comic Cmoa" and "Amazon Kindle." As of February 28, 2026, we partner with more than 2,200 publishers and over 150 eBook retailers, handle over 3.26 million content files, and manage more than 20,000 promotional campaigns annually with publishers and eBook retailers. As the eBook market continues to expand, the number of titles and promotional campaigns handled by publishers and eBook retailers continues to grow, leading to increased operational costs for eBook distribution each year. Under these circumstances, the value of eBook distributors is becoming increasingly critical. In response, we are working to expand our market share and grow the eBook market itself by enhancing core system integration with our business partners and developing new systems tailored to evolving partner needs such as episode-based distribution management systems. We also provide detailed support based on our accumulated expertise to improve operational efficiency and reduce the incidence of distribution errors.

In Q1 FYE 2/27, net sales increased mainly due to contributions from "Mecha Comic," with which launched in July 2025, while profit decreased due to the impact of the termination of a high-margin service in Q3 FYE 2/26.

As a result, net sales were ¥25,141 million (up 3.9% YoY), and segment profit was ¥1,159 million (down 3.6% YoY).

(Strategic Investment Businesses)

In the Strategic Investment businesses, we focus on three core areas as key businesses for the medium to long term: the Global business, IP Solution business, and the SC (Sustainability Creation) business.

In the Global business, net sales increased mainly due to content acquisition and translation support related to support for overseas expansion of Japanese content, while profit decreased due to higher expenses at some overseas subsidiaries and other factors.

In the IP Solution business, we aim to contribute to the expansion of the publishing content market through content creation and multimedia adaptation at NIHONBUNGEISHA, the provision of book summary services at Flier Inc., audiobook production, and the operation of digital library services. At NIHONBUNGEISHA, sales and profit from practical books are on an improving trend, while efforts are focused on improving comics, which deteriorated since Q3 FYE 2/26. The Group will continue initiatives to build a leaner earnings structure. At Flier, the Group is working to strengthen Group earnings power by making AIStep Inc. a subsidiary in September 2025 and Zealox Inc. a subsidiary in February 2026.

In the SC business, we aim to create new value and earnings while contributing to building a sustainable society by driving regional revitalization in collaboration with governments and financial institutions. "TOKUSHIMA GAMBAROUS," a men's professional basketball team operated by GAMBAROU TOKUSHIMA Co., Ltd., increased both revenue and profit in the 2024-2025 season, its second year in the B3 League. Following this, the 2025-2026 season, which began in September 2025, also saw increases in both revenue and profit, continuing its steady growth.

As a result, for the Strategic Investment businesses overall, net sales were ¥2,263 million (up 4.4% YoY), and segment loss was ¥252 million (segment loss of ¥146 million in the same period of the previous fiscal year).

(2) Overview of financial position for the quarter

Total assets at the end of Q1 FYE 2/27 increased by ¥11,231 million from the end of the previous fiscal year to ¥68,157 million, mainly driven by the inclusion of Seven Seas Entertainment, LLC in the scope of consolidation, which resulted in increases of ¥7,347 million in goodwill, ¥2,997 million in deferred tax assets, and ¥1,076 million in inventories, despite a decrease of ¥1,410 million in notes and accounts receivable-trade, and contract assets.

Total liabilities increased by ¥11,652 million from the end of the previous fiscal year to ¥49,356 million, mainly due to an increase of ¥12,495 million in short-term borrowings resulting from the execution of borrowings to fund the acquisition of equity interest in Seven Seas Entertainment, LLC, despite decreases of ¥554 million in notes and accounts payable-trade and ¥561 million in income taxes payable.

Total net assets decreased by ¥420 million from the end of the previous fiscal year to ¥18,800 million, mainly due to a net decrease of ¥478 million in retained earnings resulting from dividend payments of ¥607 million.

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

At this time, there are no changes to the consolidated earnings forecast announced on April 13, 2026.

2. Quarterly consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	14,014	13,410
Notes and accounts receivable - trade, and contract assets	27,764	26,353
Inventories	405	1,482
Other	1,818	3,226
Allowance for doubtful accounts	(0)	(0)
Total current assets	44,001	44,472
Non-current assets		
Property, plant and equipment	469	456
Intangible assets		
Goodwill	4,029	11,377
Software	587	570
Software in progress	28	57
Other	1,152	1,395
Total intangible assets	5,798	13,401
Investments and other assets		
Investment securities	5,714	5,754
Deferred tax assets	382	3,379
Guarantee deposits	447	447
Other	146	380
Allowance for doubtful accounts	(34)	(133)
Total investments and other assets	6,656	9,827
Total non-current assets	12,924	23,684
Total assets	56,926	68,157

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,022	30,468
Short-term borrowings	55	12,550
Current portion of long-term borrowings	1,418	1,357
Income taxes payable	696	135
Provision for bonuses	42	33
Other	2,451	3,131
Total current liabilities	35,686	47,677
Non-current liabilities		
Long-term borrowings	1,228	923
Deferred tax liabilities	67	51
Retirement benefit liability	578	557
Other	143	146
Total non-current liabilities	2,017	1,679
Total liabilities	37,704	49,356
Net assets		
Shareholders' equity		
Share capital	6,019	6,019
Capital surplus	5,961	5,961
Retained earnings	5,916	5,438
Treasury shares	(48)	(48)
Total shareholders' equity	17,849	17,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	199	233
Foreign currency translation adjustment	986	1,024
Total accumulated other comprehensive income	1,185	1,257
Share acquisition rights	22	17
Non-controlling interests	165	154
Total net assets	19,221	18,800
Total liabilities and net assets	56,926	68,157

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(Millions of yen)

	Q1 FYE 2/26 (March 1, 2025 – May 31, 2025)	Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)
Net sales	26,011	27,074
Cost of sales	23,599	24,625
Gross profit	2,412	2,449
Selling, general and administrative expenses	1,758	2,008
Operating profit	654	440
Non-operating income		
Interest and dividend income	1	0
Foreign exchange gains	—	3
Share of profit of entities accounted for using equity method	33	43
Other	6	7
Total non-operating income	41	54
Non-operating expenses		
Interest expenses	9	46
Foreign exchange losses	9	—
Loss on investments in investment partnerships	5	23
Commission expenses	—	217
Other	0	4
Total non-operating expenses	25	292
Ordinary profit	669	203
Extraordinary income		
Gain on sale of investment securities	—	5
Gain on sale of shares of subsidiaries and associates	531	—
Gain on reversal of share acquisition rights	—	5
Total extraordinary income	531	11
Extraordinary losses		
Thirtieth Anniversary Expenses	—	63
Settlement payments	20	—
Total extraordinary losses	20	63
Profit before income taxes	1,181	151
Income taxes	362	31
Profit	818	119
Profit (loss) attributable to non-controlling interests	0	(10)
Profit attributable to owners of parent	818	129

(Consolidated statements of comprehensive income)

(Millions of yen)

	Q1 FYE 2/26 (March 1, 2025 – May 31, 2025)	Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)
Profit	818	119
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	32
Foreign currency translation adjustment	(120)	38
Share of other comprehensive income of entities accounted for using equity method	(1)	1
Total other comprehensive income	(130)	72
Comprehensive income	688	191
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	687	201
Comprehensive income attributable to non-controlling interests	0	(10)

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

None.

(Notes on significant changes in shareholders' equity)

None.

(Notes on changes in the scope of consolidation or application of the equity method)

(1) Significant changes in the scope of consolidation

As the Company's consolidated subsidiary, Media Do International, Inc., acquired all equity interest in Seven Seas Entertainment, LLC on March 11, 2026, the company has been included in the scope of consolidation from Q1 FYE 2/27.

The deemed acquisition date is March 31, 2026, and as the difference from the quarterly consolidated closing date does not exceed three months, only the balance sheet has been consolidated for Q1 FYE 2/27.

(2) Significant changes in scope of application of the equity method

None.

(Notes on accounting treatments specific to preparation of quarterly consolidated financial statements)

	Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)
Tax Expense Calculation	For tax expenses, the Company and certain consolidated subsidiaries reasonably estimate the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including Q1 and calculate tax expenses by multiplying profit before income taxes for the quarter by this estimated effective tax rate.

(Notes on the quarterly consolidated statement of cash flows)

Quarterly consolidated statements of cash flows for Q1 FYE 2/27 have not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for Q1 were as follows:

	Q1 FYE 2/26 (March 1, 2025 – May 31, 2025)	Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)
Depreciation	¥182 million	¥187 million
Amortization of goodwill	¥113 million	¥115 million

(Notes on segment information)

【Segment information】

Ⅰ Q1 FYE 2/26 (March 1, 2025 – May 31, 2025)

1. Information on amounts of net sales and profit or loss by reportable segment

(millions of yen)

	Reportable segments			Reconciling items*1	Per quarterly consolidated financial statements*2
	eBook Distribution Business	Strategic Investment Businesses	Total		
Sales					
Revenues from external customers	24,192	1,806	25,999	12	26,011
Transactions with other segments	10	361	371	(371)	—
Net sales	24,203	2,167	26,370	(358)	26,011
Operating profit (loss)	1,202	(146)	1,056	(402)	654

(Notes) *1. Adjustments to segment profit or loss mainly consist of general and administrative expenses not attributable to reportable segments.
*2. Segment profit or loss agrees with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss on fixed assets or goodwill, etc. by reportable segment

None.

II Q1 FYE 2/27 (March 1, 2026 – May 31, 2026)

1. Information on amounts of net sales and profit or loss by reportable segment

(millions of yen)

	Reportable segments			Reconciling items*1	Per quarterly consolidated financial statements*2
	eBook Distribution Business	Strategic Investment Businesses	Total		
Sales					
Revenues from external customers	25,130	1,935	27,066	8	27,074
Transactions with other segments	10	327	338	(338)	—
Net sales	25,141	2,263	27,404	(329)	27,074
Operating profit (loss)	1,159	(252)	907	(466)	440

(Notes) *1. Adjustments to segment profit or loss mainly consist of general and administrative expenses not attributable to reportable segments.

*2. Segment profit or loss agrees with operating profit in the quarterly consolidated statement of income.

2. Information on impairment loss on fixed assets or goodwill, etc. by reportable segment

None.

(Notes on significant subsequent events)

None.