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October 14, 2026

# Consolidated Financial Results for the Six Months Ended August 31, 2026 (Under Japanese GAAP)

Company name: MEDIA DO Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3678
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Representative: Yasushi Fujita, President and CEO
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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 Earnings for H1 FYE 2/27 (March 01, 2026-August 31, 2026)

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

| | Net Sales | | Operating Profit | | Ordinary Profit | | Attributable to owners of parent Interim net profit | |
|---|---|---|---|---|---|---|---|---|
| | (JPY millions) | % | (JPY millions) | % | (JPY millions) | % | (JPY millions) | % |
| H1 FYE 2/27 | 58,317 | 8.3 | 1,189 | (15.0) | 950 | (33.9) | 508 | (61.6) |
| H1 FYE 2/26 | 53,864 | 5.5 | 1,399 | 27.7 | 1,439 | 39.2 | 1,326 | 154.6 |

(Note)Comprehensive income: H1 FYE 2/27: ¥993 million((15.5%)); H1 FYE 2/26: ¥1,175 million(51.6%)

| | Per share Interim net profit | Diluted Per share Interim net profit |
|---|---|---|
| | JPY | JPY |
| H1 FYE 2/27 | 33.49 | — |
| H1 FYE 2/26 | 87.50 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | (JPY millions) | (JPY millions) | % |
| H1 FYE 2/27 | 71,514 | 19,643 | 27.2 |
| FYE 2/26 | 56,915 | 19,210 | 33.4 |

(Reference) Equity: H1 FYE 2/27: ¥19,474 million; FYE 2/26: ¥19,028 million
(Note) Provisional accounting for a business combination was finalized in H1 FYE 2/27. The relevant figures for FYE 2/26 reflect the finalization of this provisional accounting.

2. Dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | Q1-end | Q2-end | Q3-end | Year-end | Total |
| | JPY | JPY | JPY | JPY | JPY |
| FYE 2/26 | — | — | — | 40.00 | 40.00 |
| FYE 2/27 | — | 0.00 | | | |
| FYE 2/27 (Forecast) | | | — | 55.00 | 55.00 |

(Note) Revision to the most recently announced dividend forecast: Yes

3. Consolidated earnings forecast for FYE 2/27 (March 01, 2026-February 28, 2027)

(Percentages indicate YoY changes)

| | Net Sales | | Operating Profit | | Ordinary Profit | | Attributable to owners of parent Net Profit | | Per share Net Profit |
|---|---|---|---|---|---|---|---|---|---|
| | (JPY millions) | % | (JPY millions) | % | (JPY millions) | % | (JPY millions) | % | JPY |
| Full year | 118,000 | 8.7 | 2,400 | (1.5) | 2,050 | (19.0) | 2,760 | 52.3 | 181.69 |

(Note) Revision to the most recently announced earnings forecast: Yes

YoY changes are calculated using the relevant figures for FYE 2/26 reflecting the finalization of provisional accounting for a business combination in H1 FYE 2/27.

* Notes

(1) Significant changes in the scope of consolidation during the interim period: Yes

Added: 1 company (name: Seven Seas Entertainment, LLC); excluded: 2 companies (names: −)

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

(Note) For details, please refer to "2. Interim consolidated financial statements and principal notes, (4) Notes to interim consolidated financial statements (Accounting treatments specific to the preparation of interim consolidated financial statements)" on page 13 of the attached materials.

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

(i) Changes in accounting policies due to revisions to accounting standards: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(4) Number of shares outstanding (common shares)

| | | | | |
|---|---|---|---|---|
| (i) Shares outstanding at period-end (including treasury shares) | H1 FYE 2/27 | 15,243,427Shares | FYE 2/26 | 15,205,174Shares |
| (ii) Treasury shares at period-end | H1 FYE 2/27 | 34,500Shares | FYE 2/26 | 26,148Shares |
| (iii) Average shares outstanding (H1) | H1 FYE 2/27 | 15,190,216Shares | H1 FYE 2/26 | 15,159,241Shares |

* These interim financial results are not subject to review by a certified public accountant or audit firm.

* Explanation of appropriate use of earnings forecasts and other special notes

(Caution regarding forward-looking statements)

Statements regarding earnings outlook and other forecasts in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ materially due to various factors. For assumptions underlying the earnings forecast and precautions regarding its use, please refer to "1. Overview of operating results and financial position" on page 5 of the attached materials.

(Availability of supplementary financial results materials)

The Company will hold a financial results briefing for institutional investors and analysts on October 14, 2026. The briefing materials are scheduled to be disclosed on TDnet after the briefing.

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# 1. Overview of Operating Results and Financial Position

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

Consolidated Earnings

(JPY millions)

| | FYE 2/26 Consolidated interim period (From March 01, 2025 to August 31, 2025) | FYE 2/27 Consolidated interim period (From March 01, 2026 to August 31, 2026) | YoY | |
|---|---|---|---|---|
| | | | Change | Change (%) |
| Net Sales | 53,864 | 58,317 | 4,453 | 8.3% |
| eBook Distribution Business | 50,246 | 52,693 | 2,446 | 4.9% |
| Strategic Investment Businesses | 4,298 | 6,296 | 1,998 | 46.5% |
| Adjustments | (680) | (672) | 8 | ― |
| Operating Profit | 1,399 | 1,189 | (210) | (15.0%) |
| eBook Distribution Business | 2,514 | 2,502 | (12) | (0.5%) |
| Strategic Investment Businesses | (246) | (399) | (152) | ― |
| Adjustments | (868) | (913) | (45) | ― |
| Ordinary Profit | 1,439 | 950 | (488) | (33.9%) |
| Interim net profit attributable to owners of parent | 1,326 | 508 | (817) | (61.6%) |

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.

The Group recorded an increase in revenue during the current consolidated interim period, supported by growth in the eBook Distribution business and the contribution of Seven Seas Entertainment, LLC ("Seven Seas"), whose results were consolidated from this period. Operating profit recorded a decrease in profit as NIHONBUNGEISHA Co., Ltd., within the Strategic Investment businesses, remained in the process of improving its performance following H2 of the previous fiscal year, and research and development expenses for new services were recognized. However, the decrease in profit was smaller than initially expected, supported by summer campaigns in the eBook Distribution business and the contribution of Seven Seas. Ordinary profit and interim net profit attributable to owners of parent declined by larger amounts than operating profit due to temporary factors, including non-operating expenses associated with the acquisition of Seven Seas in March 2026 and extraordinary income from the sale of shares in associate MyAnimeList Co., Ltd. recognized in the previous consolidated interim period.
As a result, net sales for the current consolidated interim period were ¥58,317 million (up 8.3% YoY), operating profit was ¥1,189 million (down 15.0% YoY), ordinary profit was ¥950 million (down 33.9% YoY), and interim net profit attributable to owners of parent was ¥508 million (down 61.6% YoY).
Operating results by segment for the current consolidated interim period were as follows.

(eBook Distribution Business)
In the eBook Distribution business, we continued to distribute eBooks to eBook retailers such as "Comic Cmoa"and "Amazon Kindle" and provide eBook distribution solutions as Japan's largest eBook distributor. As of the end of February 2026, our business partners included more than 2,200 publishers and over 150 eBook retailers. We handled more than 3.26 million content titles and managed over 20,000 campaigns annually with publishers and eBook retailers. As the eBook market has expanded in recent years, the number of titles and campaigns handled by publishers and eBook retailers has continued to grow, increasing distribution operating costs each year. As the role of eBook distributors becomes increasingly important, we aim to expand the eBook market and our distribution share by linking core systems with business partners, developing new systems tailored to their needs, including episode-based distribution management systems, and providing detailed support based on our

accumulated distribution expertise. Through these efforts, we contribute to smooth eBook distribution, more efficient operations for publishers and eBook retailers, and fewer distribution errors.
The current consolidated interim period recorded an increase in revenue, mainly due to the contribution of "Mecha Comic", with which transactions began in July 2025. Although segment profit was affected by the termination of a high-margin service in Q3 of the previous fiscal year, summer campaigns contributed to results, limiting the decrease in profit.
As a result, net sales were ¥52,693 million (up 4.9% YoY), and segment profit was ¥2,502 million (down 0.5% YoY).

(Strategic Investment Businesses)
The Strategic Investment businesses comprise three areas of medium- to long-term focus: the Global business, the IP Solution business, and the SC (Sustainability Creation) business.
The Global business recorded an increase in profit as Seven Seas' results were consolidated from the current consolidated interim period, despite a decrease in profit at some overseas subsidiaries due to higher expenses 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 development at NIHONBUNGEISHA Co., Ltd., book summary services at Flier Inc., audiobook production, and digital library services. NIHONBUNGEISHA Co., Ltd. is focusing on improving its performance, which deteriorated from Q3 of the previous fiscal year. We will continue efforts to build a leaner earnings structure. Flier Inc. made AIStep Inc. a subsidiary in September 2025 and Zealox Inc. a subsidiary in February 2026, working to strengthen the Group's earnings capability.
Through the SC Business, we aim to create new value and revenue and contribute to a sustainable society by developing businesses that revitalize local communities in collaboration with government bodies, financial institutions, and other partners.
"TOKUSHIMA GAMBAROUS", the men's professional basketball club operated by GAMBAROU TOKUSHIMA Co., Ltd. , recorded an increase in revenue and an increase in profit in the 2025‐2026 season, following the 2024‐2025 season, its second year in the B3 League. The club continues to grow steadily, including joining B. LEAGUE ONE for the 2026‐2027 season, which began in September 2026.
As a result, net sales for the Strategic Investment businesses totaled ¥6,298 million (up 46.5% YoY), with a segment loss of ¥399 million (compared with a segment loss of ¥246 million in the previous corresponding period).

(2) Overview of financial position for the interim period
Total assets at the end of the current consolidated interim period increased by ¥14,598 million from the previous fiscal year-end to ¥71,514 million. This was mainly attributable to the addition of Seven Seas to the scope of consolidation, which contributed to increases of ¥7,326 million in goodwill, ¥3,086 million in deferred tax assets, ¥1,163 million in notes and accounts receivable‐trade and contract assets, and ¥1,024 million in inventories.
Total liabilities increased by ¥14,166 million from the previous fiscal year-end to ¥51,870 million, mainly due to a ¥12,495 million increase in short-term borrowings to finance the acquisition of equity interests in Seven Seas.
Total net assets increased by ¥432 million from the previous fiscal year-end to ¥19,643 million, mainly due to a ¥478 million increase in foreign currency translation adjustment.

(3) Overview of cash flows for the interim period
Cash and cash equivalents ("funds") at the end of the current consolidated interim period totaled ¥15,257 million.
Cash flows for the current consolidated interim period and their main contributing factors were as follows.

(Cash flows from operating activities)
Net cash provided by operating activities was ¥2,795 million (up 61.5% YoY).
The main inflow factors were interim profit before income taxes of ¥932 million, depreciation and amortization of ¥404 million, amortization of goodwill of ¥419 million, a ¥1,130 million increase in trade payables, and a ¥597 million decrease in consumption taxes receivable. The main outflow factor was income taxes paid of ¥671 million.

(Cash flows from investing activities)
Net cash used in investing activities was ¥12,794 million (compared with net cash provided of ¥383 million in the previous corresponding period).
The main inflow factor was proceeds from the sale of investment securities of ¥122 million, while the main outflow factor was payments of ¥12,470 million for the acquisition of shares in subsidiaries resulting in a change in the scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥11,218 million (compared with net cash used of ¥1,266 million in the previous corresponding period).

The main inflow factor was a net increase in short-term borrowings of ¥12,494 million, while the main outflow factors were repayments of long-term borrowings of ¥721 million and dividends paid of ¥607 million.

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

The Company has revised its full-year consolidated earnings forecast for the fiscal year ending February 28, 2027, announced on April 13, 2026. This follows the transfer, effective October 05, 2026, of all shares and equity interests in consolidated subsidiaries Quality Solutions, Inc., NetGalley, LLC, and its three subsidiaries, to focus the Global business on overseas expansion of Japanese content through Seven Seas and other operations. For details, please refer to today's "Notice Regarding Upward Revision of Earnings Forecast and Dividend Forecast."

## 2. Interim Consolidated Financial Statements and Principal Notes

### (1) Interim consolidated balance sheet

(JPY millions)

| | Previous fiscal year (February 28, 2026) | Current interim period (August 31, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,014 | 14,866 |
| Trade notes, receivables and contract assets | 27,764 | 28,928 |
| Inventories | 405 | 1,430 |
| Other | 1,818 | 2,628 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current assets | 44,001 | 47,851 |
| Non-current assets | | |
| Property, plant and equipment | 469 | 438 |
| Intangible assets | | |
| Goodwill | 4,018 | 11,344 |
| Software | 587 | 551 |
| Software in progress | 28 | 68 |
| Other | 1,152 | 1,420 |
| Total intangible assets | 5,786 | 13,386 |
| Investments and other assets | | |
| Investment securities | 5,714 | 5,667 |
| Deferred tax assets | 382 | 3,468 |
| Guarantee deposits | 447 | 439 |
| Other | 146 | 398 |
| Allowance for doubtful accounts | (34) | (135) |
| Total investments and other assets | 6,656 | 9,837 |
| Total non-current assets | 12,913 | 23,662 |
| Total assets | 56,915 | 71,514 |

(JPY millions)

| | Previous fiscal year (February 28, 2026) | Current interim period (August 31, 2026) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 31,022 | 33,480 |
| Short-term borrowings | 55 | 12,550 |
| Current portion of long-term borrowings | 1,418 | 1,162 |
| Income taxes payable | 696 | 556 |
| Provision for bonuses | 42 | 38 |
| Other | 2,451 | 2,592 |
| Total current liabilities | 35,686 | 50,380 |
| Non-current liabilities | | |
| Long-term borrowings | 1,228 | 763 |
| Deferred tax liabilities | 67 | 39 |
| Retirement benefit liability | 578 | 541 |
| Other | 143 | 145 |
| Total non-current liabilities | 2,017 | 1,490 |
| Total liabilities | 37,704 | 51,870 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,019 | 6,044 |
| Capital surplus | 5,961 | 5,986 |
| Retained earnings | 5,910 | 5,811 |
| Treasury shares | (48) | (48) |
| Total shareholders' equity | 17,842 | 17,793 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 199 | 216 |
| Foreign currency translation adjustment | 986 | 1,464 |
| Total accumulated other comprehensive income | 1,185 | 1,681 |
| Share acquisition rights | 22 | 19 |
| Non-controlling interests | 160 | 149 |
| Total net assets | 19,210 | 19,643 |
| Total liabilities and net assets | 56,915 | 71,514 |

(2) Interim consolidated statements of income and comprehensive income

(Interim consolidated statement of income)

(JPY millions)

| | Previous interim period (From March 01, 2025 to August 31, 2025) | Current interim period (From March 01, 2026 to August 31, 2026) |
|---|---|---|
| Net Sales | 53,864 | 58,317 |
| Cost of sales | 48,845 | 52,894 |
| Gross profit | 5,019 | 5,423 |
| Selling, general and administrative expenses | 3,619 | 4,234 |
| Operating Profit | 1,399 | 1,189 |
| Non-operating income | | |
| Interest and dividend income | 37 | 58 |
| Foreign exchange gains | — | 0 |
| Share of profit of entities accounted for using equity method | 29 | 49 |
| Other | 4 | 10 |
| Total non-operating income | 71 | 118 |
| Non-operating expenses | | |
| Interest expenses | 18 | 99 |
| Foreign exchange losses | 2 | — |
| Loss on investments in investment partnerships | 9 | 25 |
| Commission expenses | — | 217 |
| Other | 1 | 13 |
| Total non-operating expenses | 32 | 357 |
| Ordinary Profit | 1,439 | 950 |
| Extraordinary income | | |
| Gain on sale of investment securities | — | 39 |
| Gain on sale of shares of affiliates | 531 | — |
| Gain on reversal of share acquisition rights | — | 5 |
| Total extraordinary income | 531 | 45 |
| Extraordinary losses | | |
| 30th anniversary expenses | — | 63 |
| Settlement payments | 20 | — |
| Total extraordinary losses | 20 | 63 |
| Interim profit before income taxes | 1,950 | 932 |
| Income taxes | 618 | 435 |
| Interim net profit | 1,331 | 497 |
| Interim profit (loss) attributable to non-controlling interests | 5 | (10) |
| Interim net profit attributable to owners of parent | 1,326 | 508 |

(Interim consolidated statement of comprehensive income)

(JPY millions)

| | Previous interim period (From March 01, 2025 to August 31, 2025) | Current interim period (From March 01, 2026 to August 31, 2026) |
|---|---|---|
| Interim net profit | 1,331 | 497 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 7 | 16 |
| Foreign currency translation adjustment | (165) | 478 |
| Share of other comprehensive income of entities accounted for using equity method | 2 | 0 |
| Total other comprehensive income | (155) | 495 |
| Interim comprehensive income | 1,175 | 993 |
| (Breakdown) | | |
| Interim comprehensive income attributable to owners of parent | 1,170 | 1,004 |
| Interim comprehensive income attributable to non-controlling interests | 5 | (10) |

(3) Interim consolidated statement of cash flows

(JPY millions)

| | Previous interim period (From March 01, 2025 to August 31, 2025) | Current interim period (From March 01, 2026 to August 31, 2026) |
|---|---|---|
| Cash flows from operating activities | | |
| Interim profit before income taxes | 1,950 | 932 |
| Depreciation and amortization | 365 | 404 |
| Amortization of goodwill | 226 | 419 |
| Increase (decrease) in doubtful account allowance | (0) | 0 |
| Increase (decrease) in provision for bonuses | 3 | (3) |
| Increase (decrease) in retirement benefit liability | 15 | (39) |
| Interest and dividend income | (37) | (58) |
| Interest expenses | 18 | 99 |
| Loss (gain) on investment partnerships | 9 | 25 |
| Loss (gain) on sale of investment securities | — | (39) |
| Loss (gain) on sale of shares of affiliates | (531) | — |
| Share of loss (profit) of equity-method entities | (29) | (49) |
| Decrease (increase) in trade receivables | (3,044) | 226 |
| Increase (decrease) in advances received | 24 | 43 |
| Decrease (increase) in inventories | (13) | 83 |
| Decrease (increase) in prepaid expenses | 32 | 100 |
| Increase (decrease) in trade payables | 2,225 | 1,130 |
| Increase (decrease) in other accounts payable | (165) | 45 |
| Increase (decrease) in deposits received | (32) | (265) |
| Increase (decrease) in consumption taxes payable | (20) | (3) |
| Decrease (increase) in consumption taxes receivable | 498 | 597 |
| Other | 30 | (147) |
| Subtotal | 1,527 | 3,504 |
| Interest and dividends received | 40 | 62 |
| Interest paid | (20) | (100) |
| Income taxes paid | (6) | (671) |
| Income taxes refunded | 189 | — |
| Cash flows from operating activities | 1,731 | 2,795 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (13) | (4) |
| Purchase of intangible assets | (269) | (324) |
| Purchase of investment securities | (3) | (3) |
| Proceeds from sale of investment securities | 11 | 122 |
| Proceeds from sale of shares of affiliates | 679 | — |
| Purchase of subsidiary shares resulting in change in scope of consolidation | — | (12,470) |
| Payments of guarantee deposits | (0) | (7) |
| Proceeds from recovery of guarantee deposits | 0 | 14 |
| Other | (20) | (121) |
| Cash flows from investing activities | 383 | (12,794) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 0 | 12,494 |
| Repayments of long-term borrowings | (859) | (721) |
| Proceeds from issuance of share acquisition rights | 19 | — |
| Proceeds from issuance of specified restricted shares | 57 | 49 |
| Proceeds from non-controlling shareholders | 61 | 3 |
| Dividends paid | (546) | (607) |
| Cash flows from financing activities | (1,266) | 11,218 |
| Effect of exchange rate changes on cash and cash equivalents | (35) | 24 |
| Net increase (decrease) in cash and cash equivalents | 813 | 1,243 |
| Cash and cash equivalents at beginning of period | 13,591 | 14,014 |
| Cash and cash equivalents at interim period-end | 14,405 | 15,257 |

(4) Notes to interim 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 equity method application)

(1) Significant changes in the scope of consolidation

During the current interim consolidated accounting period, Media Do International, Inc., a consolidated subsidiary of the Company, acquired all equity interests in Seven Seas Entertainment, LLC, which has therefore been included in the scope of consolidation.

Two companies whose liquidation was completed have been excluded from the scope of consolidation.

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

None.

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

| | Current interim period<br>(From March 1, 2026 to August 31, 2026) |
|---|---|
| Tax expense calculation | The Company and certain consolidated subsidiaries calculate tax expenses by reasonably estimating the effective tax rate, after applying tax-effect accounting, on profit before tax for the fiscal year that includes the current interim consolidated accounting period, and multiplying interim profit before tax by that estimated effective tax rate. |

(Notes on segment information, etc.)

【Segment information】

I. Previous interim consolidated accounting period (from March 1, 2025 to August 31, 2025)

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

(JPY millions)

| | Reportable segments | | | Adjustments (Note) 1 | Interim consolidated Statement of income Amount (Note) 2 |
|---|---|---|---|---|---|
| | E-book Distribution | Strategic Investment businesses | Total | | |
| Net Sales | | | | | |
| Net sales to external customers | 50,225 | 3,620 | 53,845 | 18 | 53,864 |
| Intersegment net sales or transfers | 21 | 678 | 699 | (699) | — |
| Total | 50,246 | 4,298 | 54,545 | (680) | 53,864 |
| Segment profit (loss) | 2,514 | (246) | 2,268 | (868) | 1,399 |

(Notes) 1. Adjustments to segment profit (loss) mainly comprise general and administrative expenses not attributable to reportable segments.

2. Segment profit (loss) agrees with operating profit in the interim consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment

None.

II. Current interim consolidated accounting period (from March 1, 2026 to August 31, 2026)

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

(JPY millions)

| | Reportable segments | | | Adjustments (Note) 1 | Interim consolidated Statement of income Amount (Note) 2 |
|---|---|---|---|---|---|
| | E-book Distribution | Strategic Investment businesses | Total | | |
| Net Sales | | | | | |
| Net sales to external customers | 52,662 | 5,645 | 58,307 | 10 | 58,317 |
| Intersegment net sales or transfers | 31 | 651 | 682 | (682) | — |
| Total | 52,693 | 6,296 | 58,989 | (672) | 58,317 |
| Segment profit (loss) | 2,502 | (399) | 2,103 | (913) | 1,189 |

(Notes) 1. Adjustments to segment profit (loss) mainly comprise general and administrative expenses not attributable to reportable segments.

2. Segment profit (loss) agrees with operating profit in the interim consolidated statement of income.

2. Information on impairment losses on non-current assets, goodwill, etc., by reportable segment

(Significant changes in goodwill)

Seven Seas Entertainment, LLC has been newly included in the scope of consolidation in the strategic investment businesses segment. This resulted in an increase in goodwill of ¥7,451 million during the current interim consolidated accounting period. The amount of goodwill is provisional, as the purchase price allocation had not been completed as of the end of the current interim consolidated accounting period.

(Notes on significant subsequent events)

Transfer of shares and equity interests in subsidiaries

At its meeting held on September 30, 2026, the Board of Directors of the Company resolved to transfer all shares and equity interests in its consolidated subsidiaries Quality Solutions, Inc., NetGalley, LLC and three subsidiaries under NetGalley, LLC to Valsoft Corporation Inc. The transfer was completed on October 5, 2026.

As a result, the companies transferred are expected to be excluded from the Company's scope of consolidation.

1. Name of the transferee

Valsoft Corporation Inc.

2. Date of transfer of shares and equity interests

October 5, 2026

3. Names and business activities of the subsidiaries and their transactions with the Company

(1) Names

Quality Solutions, Inc.、QS Information Services, Inc.、NetGalley, LLC、NetGalley UK Ltd.、Supadü Limited

(2) Business activities

Provision of publishing workflow and book information management services, online book marketing tools, and publishing e-commerce solutions

(3) Transactions with the Company

The Company has transactions with NetGalley, LLC relating to royalty payments.

4. Number of shares and equity interests transferred, transfer price, gain or loss on transfer, and ownership interests after transfer

(1) Number of shares and equity interests transferred

Quality Solutions, Inc.: 1,563.3 shares

NetGalley, LLC: All equity interests

(2) Transfer price

¥3,108 million

The above price includes a transfer price adjustment under the share and equity interest transfer agreement. However, the adjustment at the time of transfer was based on an estimate and may change upon finalization.

(3) Gain or loss on transfer

The Company expects to record a gain on sale of shares of affiliates of ¥1,562 million as extraordinary income.

(4) Ownership interests after transfer

0%

5. Main reasons for the transfer

The Company made the transfer to optimize its business portfolio in line with the Group's growth strategy, and based on its assessment that operating under a partner with specialized expertise in the software business would support further growth of the companies transferred.