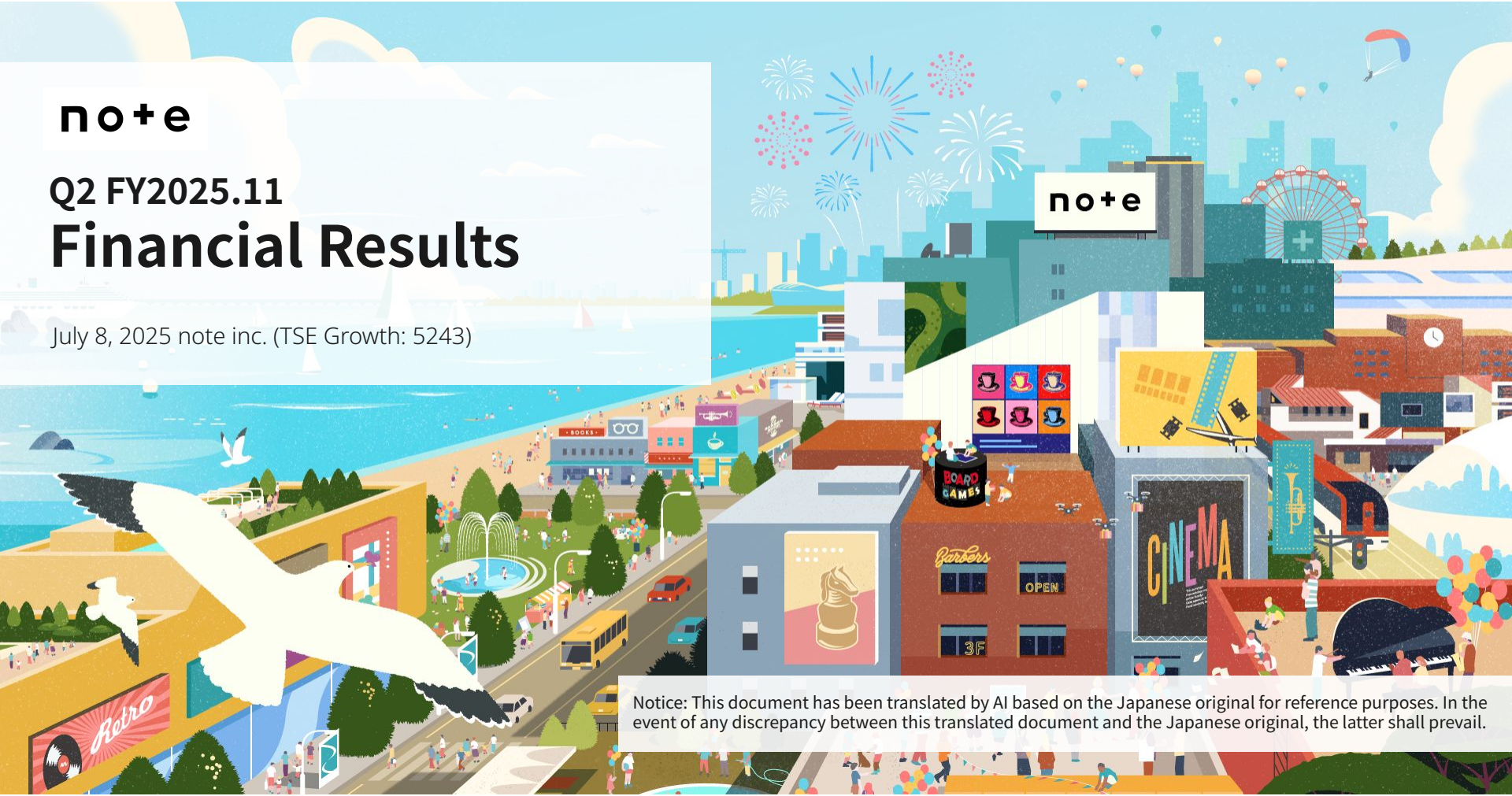
note

Q2 FY2025.11

Financial Results

July 8, 2025 note inc. (TSE Growth: 5243)



Notice: This document has been translated by AI based on the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

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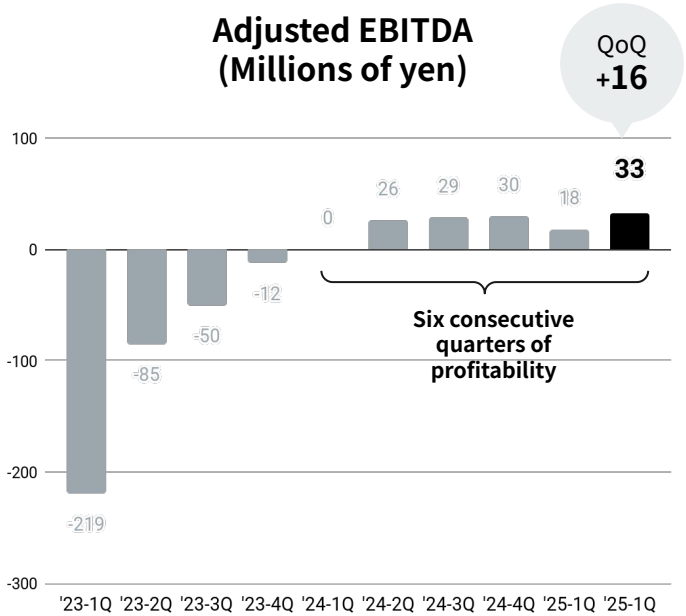
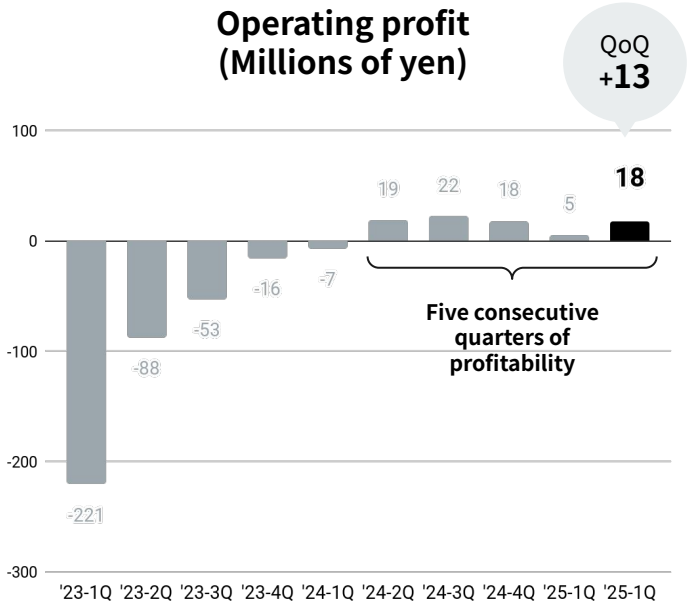
Financial Highlights

Summary of Consolidated Financial Results for Q2 FY2025	● Backed by the increase in GMV of note business, **net sales for Q2 were 1,013 million yen (up 24.9% YoY)**, and gross profit was 946 million yen (up 24.0% YoY), showing significant growth compared to both the same period of the previous year and the most recent quarter. ● **Adjusted EBITDA for Q2 was 33 million yen. Operating profit was 18 million yen, achieving profitability for five consecutive quarters.** ● Progress rate of Q2 net sales against the full-year earnings forecast was 49.1%, showing steady progress.
note	● With the steady growth of subscribers and ARPPU, **GMV for Q2 was 5,205 million yen (up 24.7% YoY)**. ● In June, **registered users exceeded 10 million** and **published content surpassed 60 million**.
note pro	● Business development activities progressed steadily, with **the number of paid contracts increasing to 865 (up 49 from the end of Q1)**, and **ARR expanding to 612 million yen (up 21.3% YoY)**. We are expanding new features and optional plans based on user feedback.
New business	● New businesses such as **the launch of new services "note Money" and "Tales,"** and the development of our own IP content are also progressing.

Adjusted EBITDA and Operating Profit Trends

Adjusted EBITDA and operating income have both remained in the black since last year due to sales growth, and are **steadily expanding quarter-on-quarter.**





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

KPI Summary for Q2 FY2025

Trends in the KPIs that we emphasize are as follows. **All indicators are steadily increasing with a growth rate exceeding 20%.**

note Quarterly GMV
(gross merchandise value)
5,205 million yen
(YoY ＋24.7%)

note pro ARR
612 million yen
(YoY ＋21.3%)

Registered User Accounts
9.95 million
(YoY ＋21.9%)

Amount of Published Content
58.98 million creations
(YoY ＋30.2%)

Number of Creators
1.74 million
(YoY ＋24.8%)

Summary of Consolidated Financial Results for Q2 FY2025

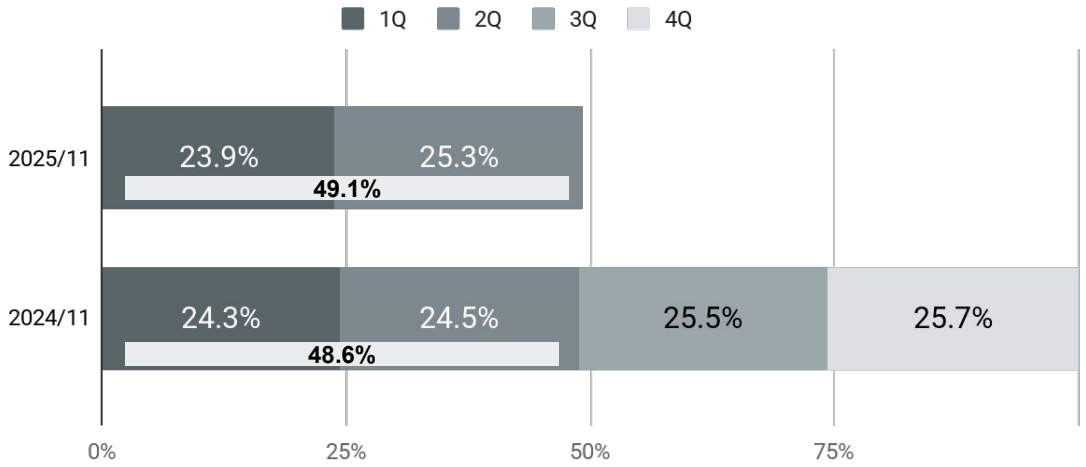
Sales and gross profit are growing strongly. **Each profit indicator below adjusted EBITDA also continues to be in the black**, and **the cumulative total has also expanded significantly**. At the end of the first half, the progress rate of the full-year forecast for net income is **64.5%, which is ahead of schedule.**

Unit: Millions of yen	Q2 FY2025	Q2 FY2024	YoY change	First Two Quarters of FY2025	First Two Quarters of FY2024	YoY change	FY2025 full-year forecast	Progress rate
Net sales	1,013	811	+24.9%	1,970	1,616	+22.0%	4,010	49.1%
Gross profit	946	762	+24.0%	1,851	1,525	+21.4%	3,700	50.0%
Adjusted EBITDA	33	26	+24.0%	51	26	+93.6%	-	-
Operating profit	18	19	-5.2%	23	12	+95.7%	60	39.4%
Ordinary profit	29	20	+47.5%	35	15	+126.2%	80	44.7%
Profit attributable to owners of parent	65	18	+247.8%	70	14	+405.1%	110	64.5%

* * Regarding adjusted EBITDA, the full-year earnings forecast for the fiscal year ending November 2025 has not been disclosed, so the description is omitted.

Progress of Net Sales against Earnings Forecast

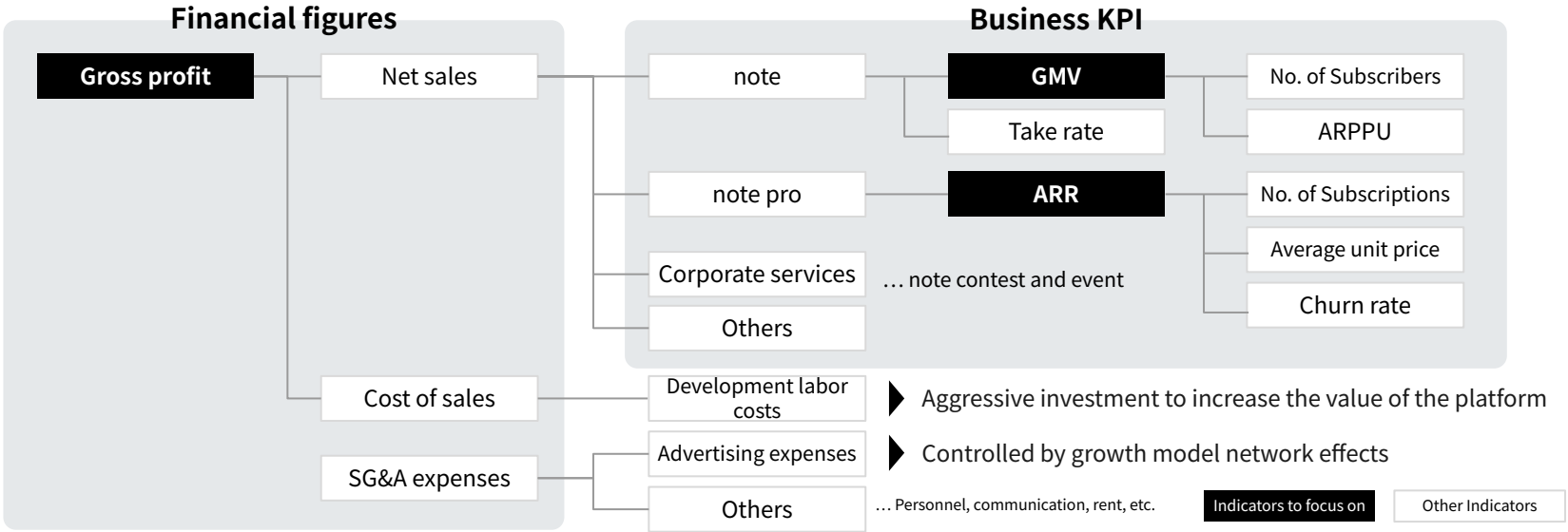
The progress rate of net sales in the first half against the earnings forecast was 49.1%.
Sales grew every quarter in the previous fiscal year, and the progress is well in line with the earnings forecast.



Earnings forecast/Actual
4,010 million yen
3,312 million yen

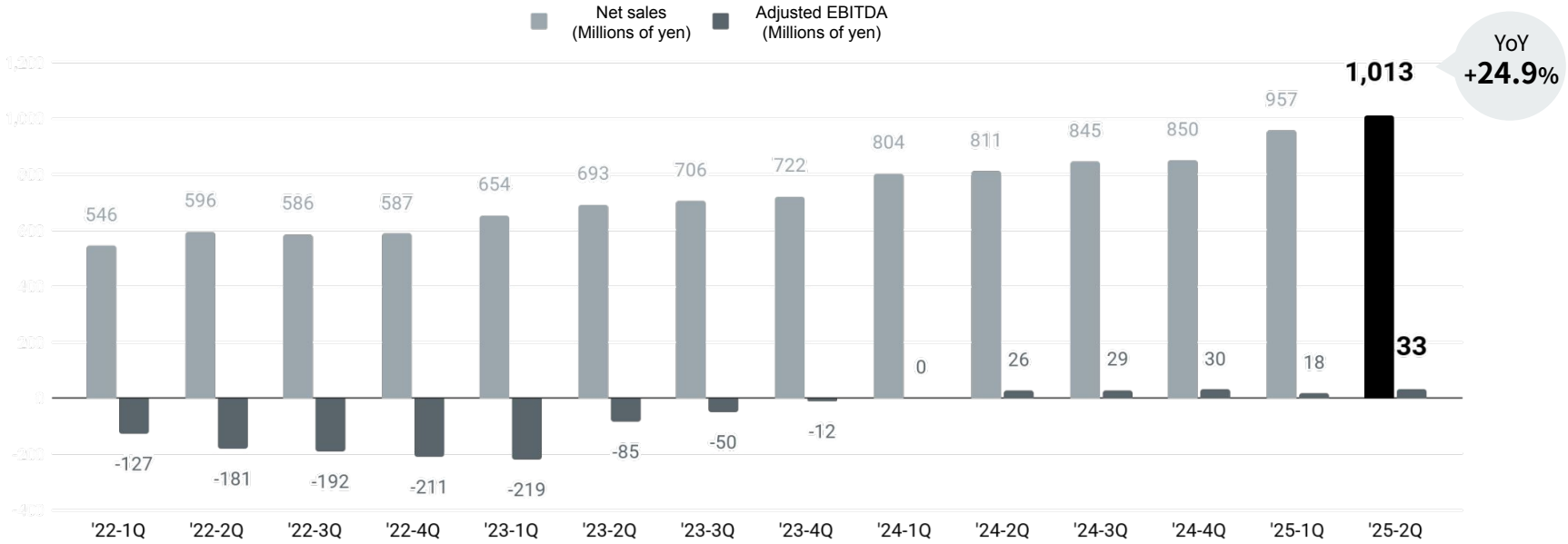
Reference: Financial Structure and Key Indicators

Of the financial indicators, we place the highest priority on gross profit with the aim of maximizing it. To facilitate this, the company intends to grow sales by setting GMV of note and ARR of note pro as their business KPIs, while controlling costs such as advertising and publicity expenses by leveraging the network effect of the platform.



Quarterly Net Sales and Adjusted EBITDA Trends

Net sales increased by 24.9% YoY, indicating steady growth. Adjusted EBITDA has been **profitable for six consecutive quarters.**

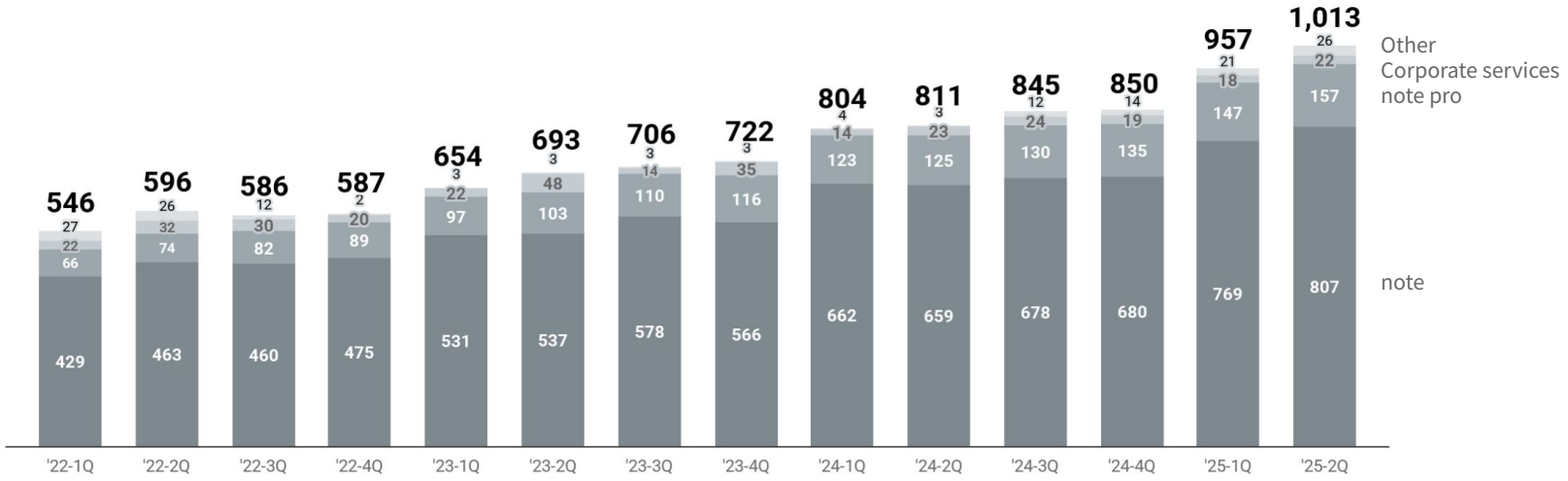


* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses
* Prior to FY2023, calculated as EBITDA (= Operating profit + Depreciation + Stock compensation expense)

Net Sales Breakdown Trends

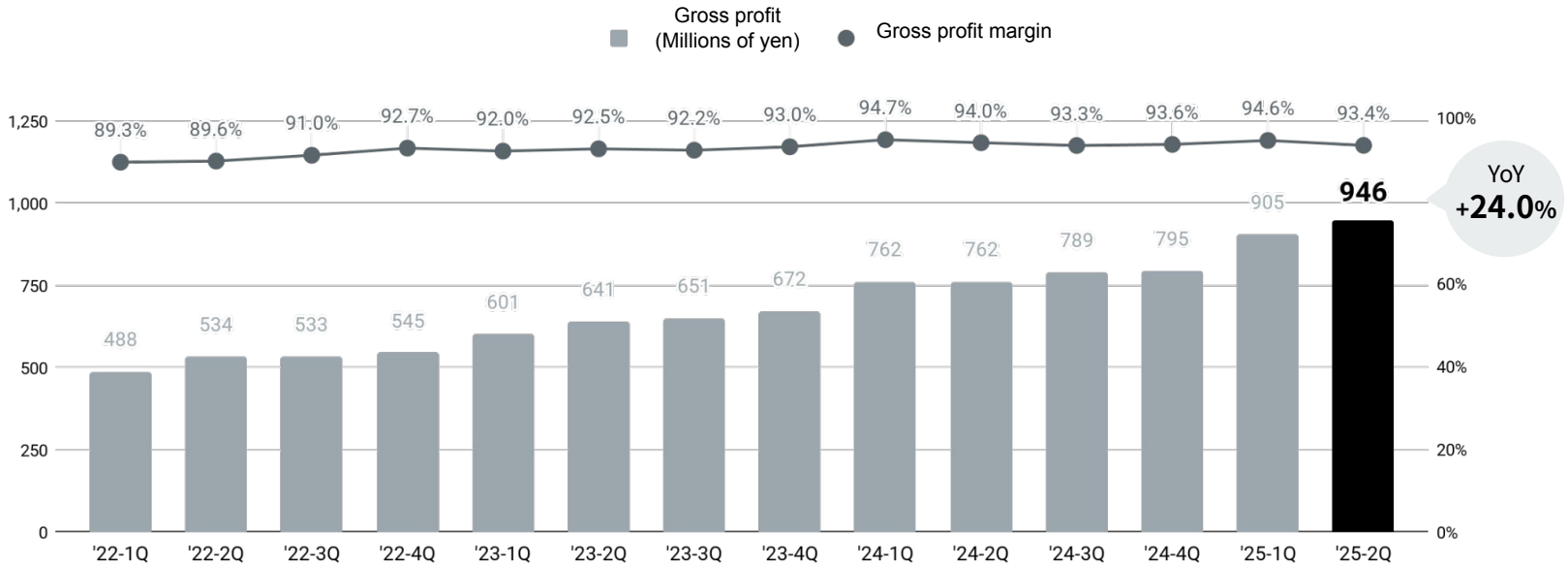
Both core businesses, note and note pro, continued to perform steadily, driving sales growth.

Net sales breakdown (Millions of yen)



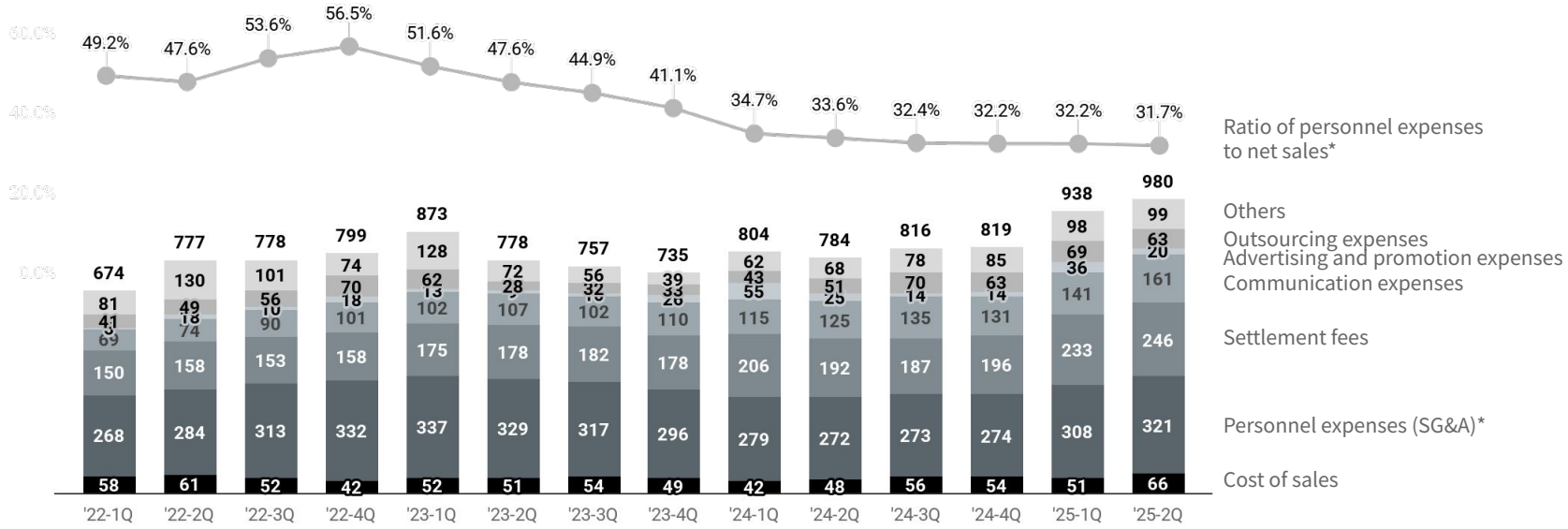
Quarterly Gross Profit and Gross Profit Margin Trends

Gross profit, which is our key indicator, **increased by 24.0% year-on-year**. Gross profit margin also remained high at over 90%.



Cost of Sales + SG&A Breakdown (Millions of yen) / Ratio of Personnel Expenses to Net Sales

Compared to sales growth of YoY +24.9% and QoQ +5.8%, the increase in expenses was YoY +24.9% and QoQ +4.4%. Although personnel costs increased due to strategic investment in recruitment, **this was absorbed by the expansion of sales, and the ratio of personnel costs to sales continues to decline.**



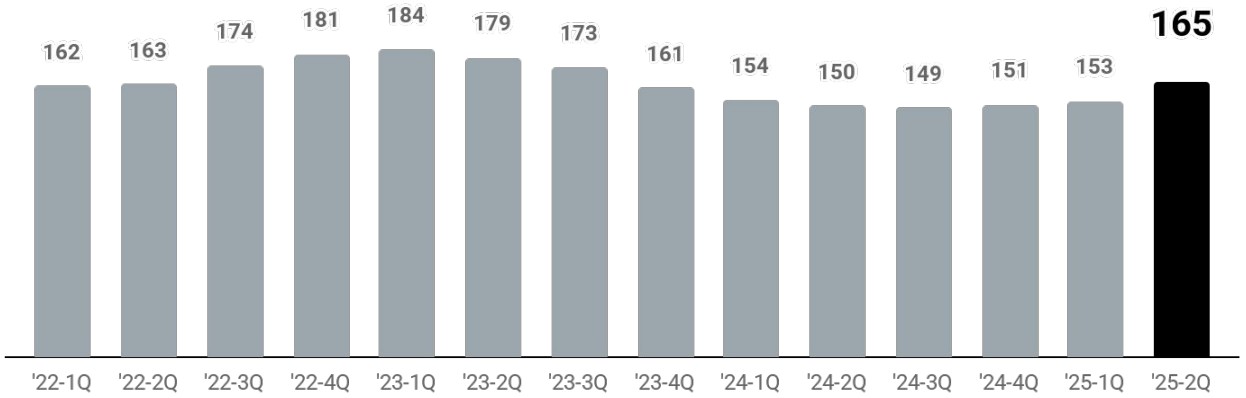
* Depreciation, stock compensation expense, and other one-time expenses are excluded from the total
* Personnel expenses (SG&A) are the sum of salaries and allowances, legal welfare expenses, and welfare expenses in SG&A
* Ratio of personnel expenses to net sales is calculated as Personnel expenses (SG&A) ÷ Net sales

Headcount Trends(Consolidated Basis)

Our strong business, bolstered by the Google alliance in January 2025, has advanced talent acquisition and reinforced our human resource foundation. In the second half, we will further enhance profitability through more selective hiring and building an optimal staffing structure.

Following the Q1 announcement of our Google capital and business alliance, recruitment plans are advancing.

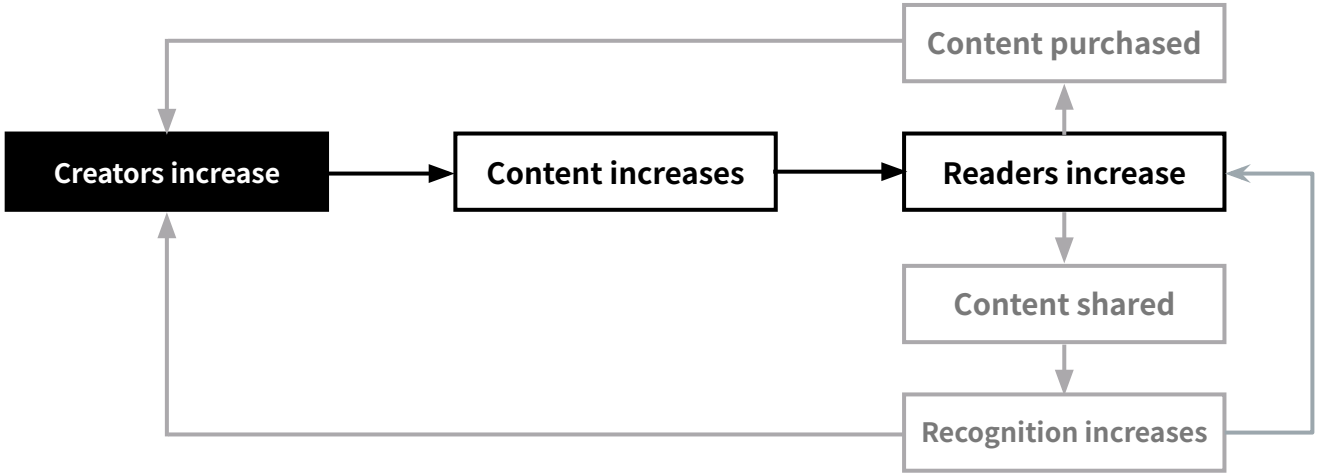
Number of Personnel (Persons, Consolidated Basis)



* The number of employees is calculated based on the sum of regular and contract employees and does not include directors and temporary employees.
* Starting from the financial results presentation material disclosed on January 11, 2024, the definition of the number of employees has been changed from “the number not including management members and temporary employees” to “the number not including directors and temporary employees.” All figures for 2020 Q1 onward in the above graph have been changed to the figures according to the new definition.

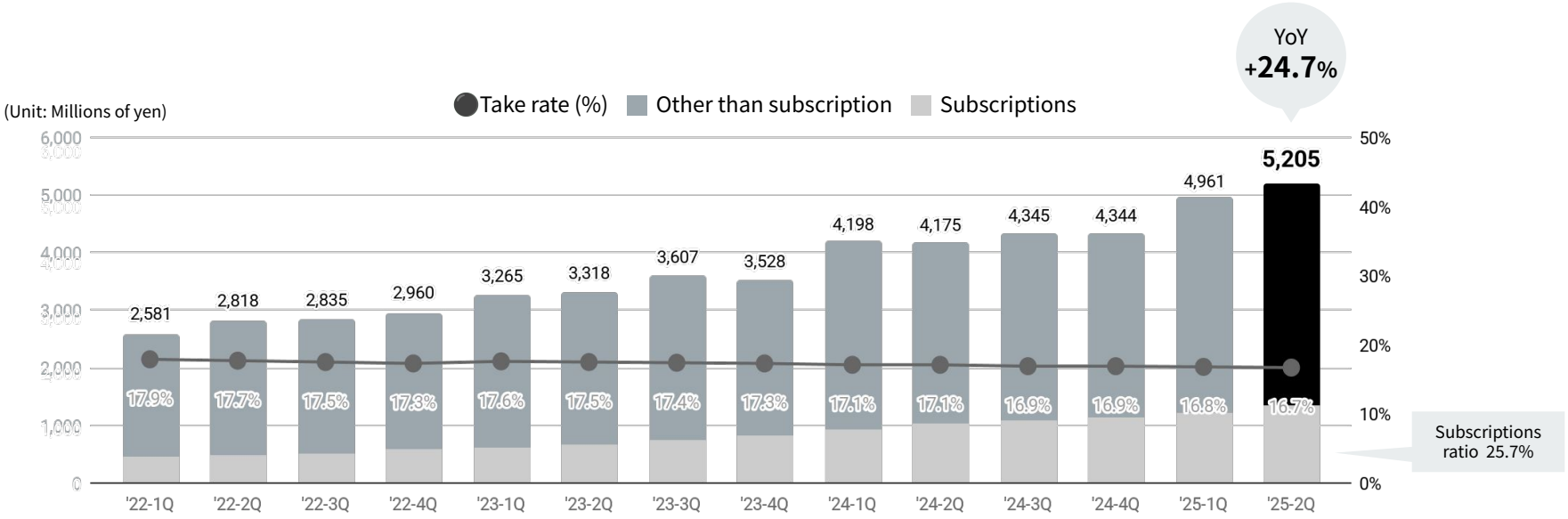
Growth Model of note

By increasing the number of creators, content, and readers, we have established an ideal growth model that autonomously increases the attractiveness of the platform without advertising costs, thereby achieving note's competitive advantage. **Paid content accounts for 24.7% of all articles published on note** (as of May 2025). While free articles do not generate revenue, they play an important role in the growth of the service as they are shared and serve as advertisements to attract more readers to note.



note: GMV / Take Rate

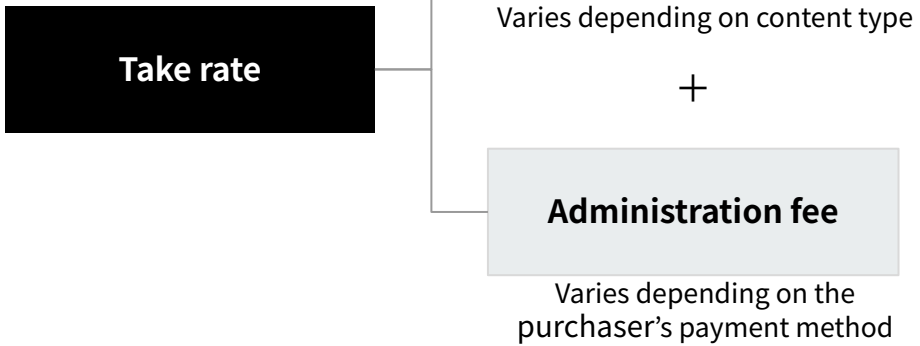
GMV continued to rise from Q1 to **5,205 million yen (YoY +24.7%, QoQ +4.9%)**. Subscriptions also continued to grow.



* Take rate is the quarterly average of platform usage fees + settlement 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”

Reference: Elements that Make Up the Take Rate

Take rate consists of a platform usage fee and an administration fee. The platform usage fee varies depending on the type of content, and the administration fee varies depending on the purchaser's payment method. Take rate is a weighted average of these two.

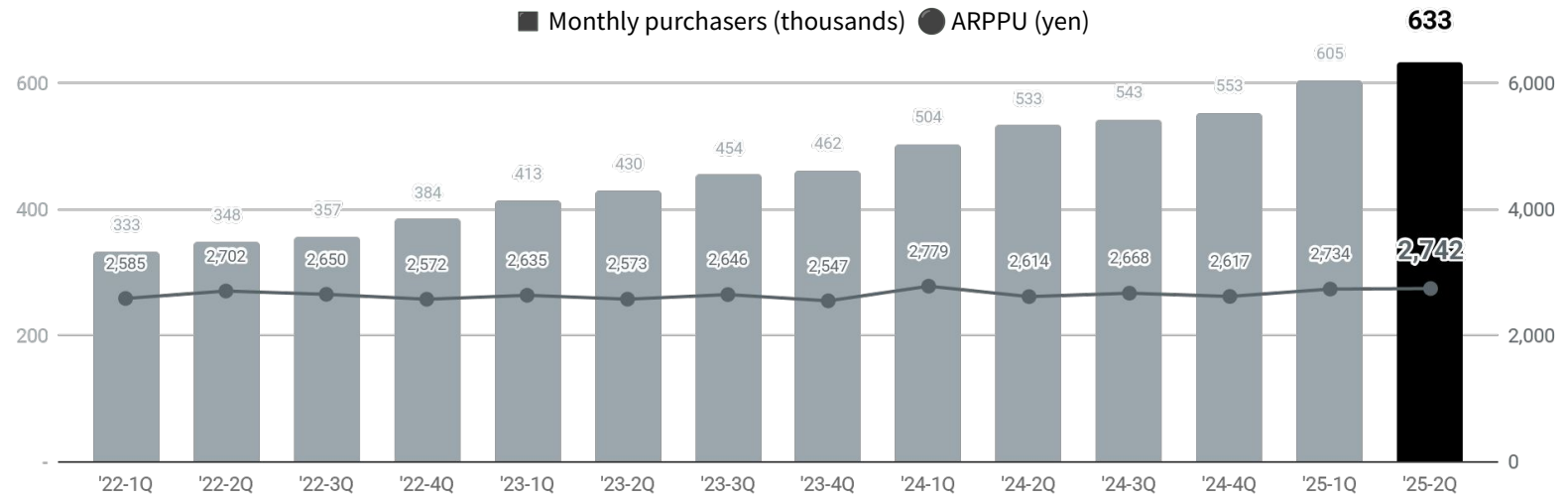


- Paid one-time content : 10%
- Paid magazine : 10%
- Support : 10%
- Membership : 10%
- Subscription magazines : 20%

- Credit card payment : 5%
- PayPay payment : 7%
- Mobile carrier payment : 15%
- note points payment : 10%
- PayPal payment : 6.5%
- Amazon Pay : 7%

note: Number of Purchasers and ARPPU

The continuous increase in the number of subscribers is driving the expansion of GMV. ARPPU is also trending in the 2,700 yen range.

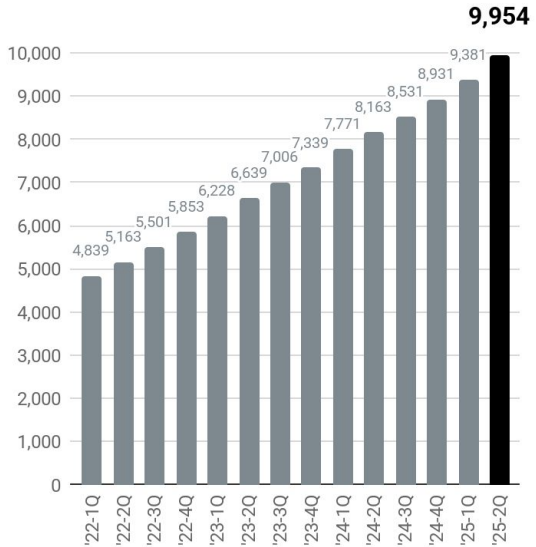


* The number of monthly purchasers is the average number of accounts per month that made payments on note during each quarter. (Including non-login purchases of guest users)
* ARPPU=Average Revenue Per Paid User is the average monthly purchase per purchaser for each quarter.

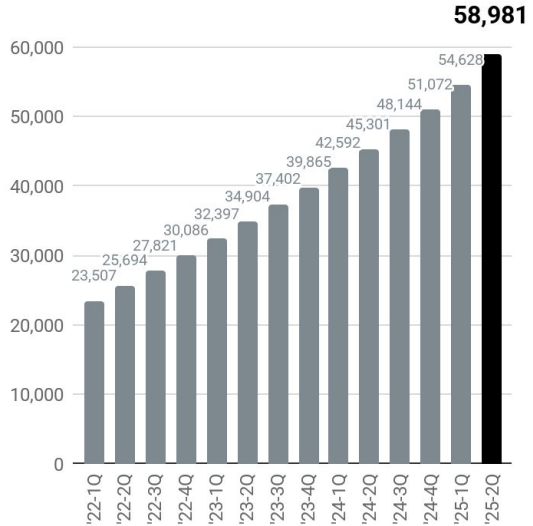
Growth of note, a Creative Community

The number of users, creators, and content have all continued to grow, and the note community is growing steadily.

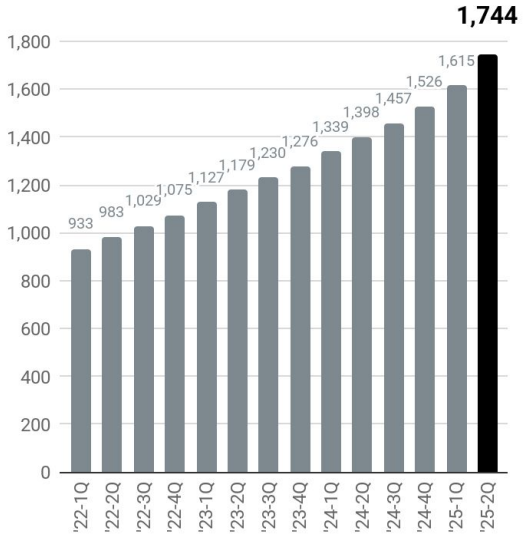
Registered User Accounts (thousand)



Amount of Published Content*1 (thousand)



Number of Creators *2 (thousand)

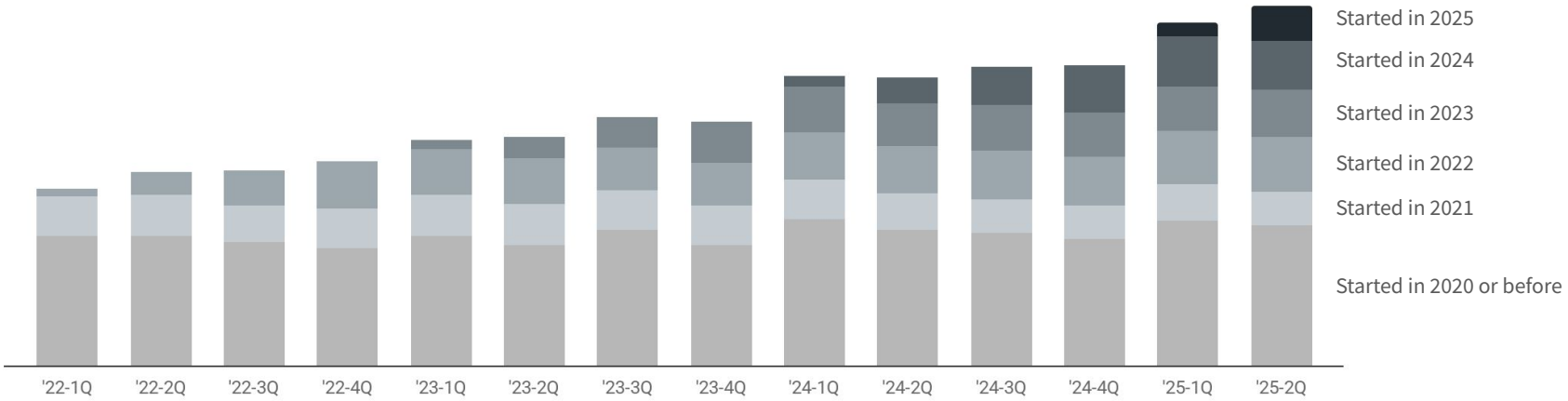


*1 Amount of published content is the total number of contents currently published on note as of the end of each month.
*2 Number of creators is the total number of accounts that have posted content on note in the past (including those that have been deleted).

note: Recurring Revenue from Creators' Continued Use

The sales of creators who started using note in each year are steadily increasing, and note utilizes a recurring revenue model where GMV accumulates as creators continue to use the platform.

Sales by start year of creators posting articles

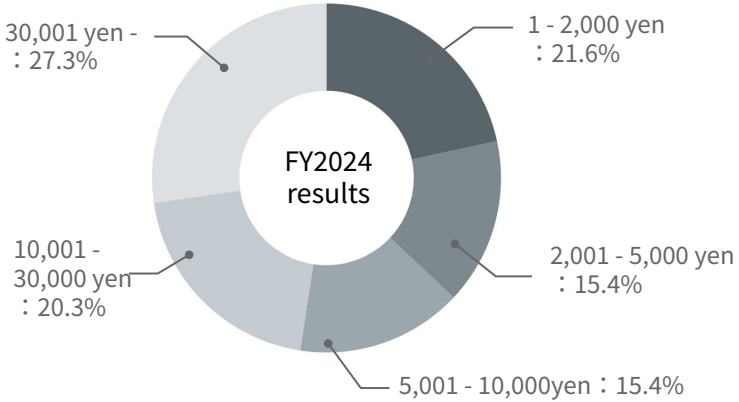


* The start year of creators posting articles is based on the date when the first article was created and published on note, regardless of whether it was a paid or free article. The graph was created by excluding some articles for which the date of publication could not be determined.

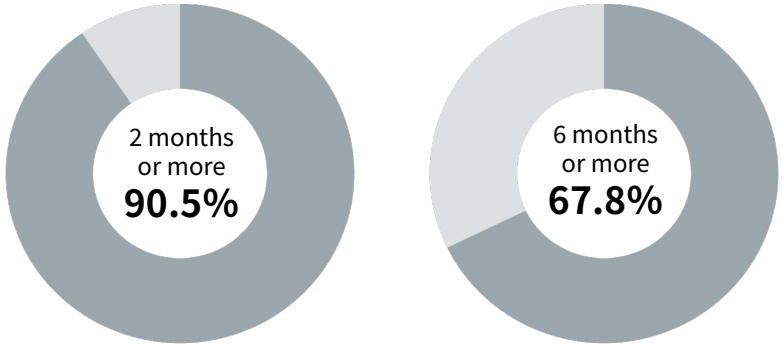
note: Purchaser Data (FY2024)

The breakdown of total purchases in FY2024 by monthly billing amount shows a balanced distribution from small to large purchases. The frequency of purchase is about 90% for two months or more per year, with many purchasers continuously paying for their purchases.

Total purchases composition by monthly billing amount (FY2024 Results, Monthly Billing Amount Basis)



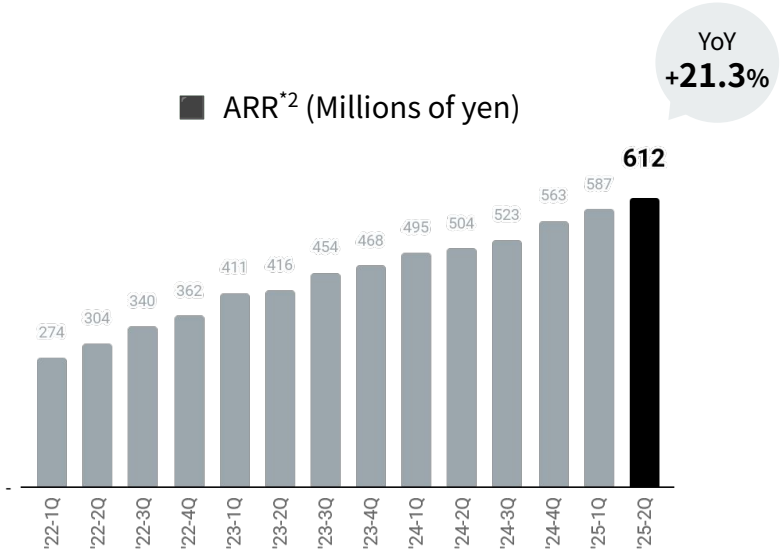
Number of months in a year with article purchases (FY2024 results, in monetary terms)

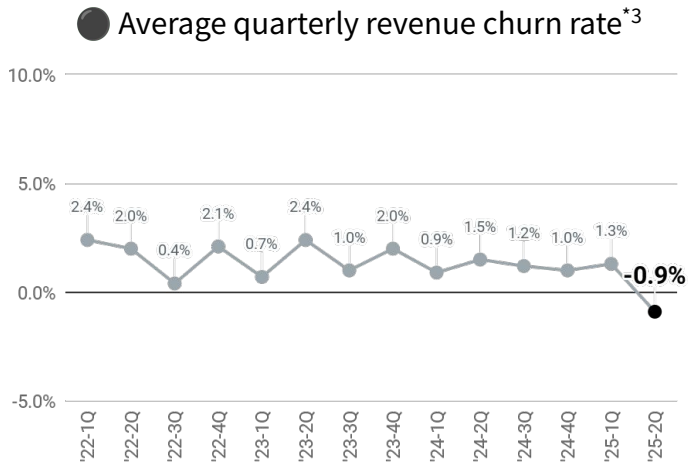


* “Total purchases composition by monthly billing amount” is the ratio of total purchases based on monthly billing amount.

note pro: ARR / Churn Rate

Owing to the increase in the number of paid contracts (see next page), ARR has continuously increased, up 21.3% YoY.

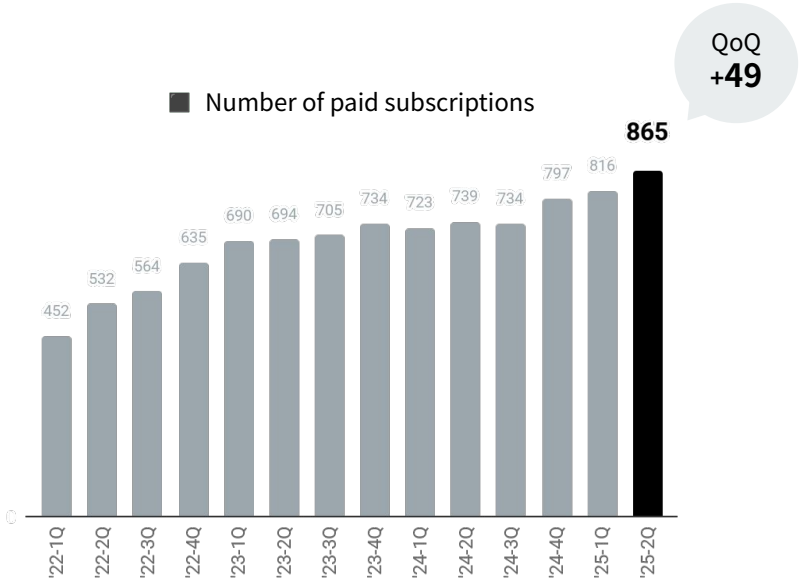


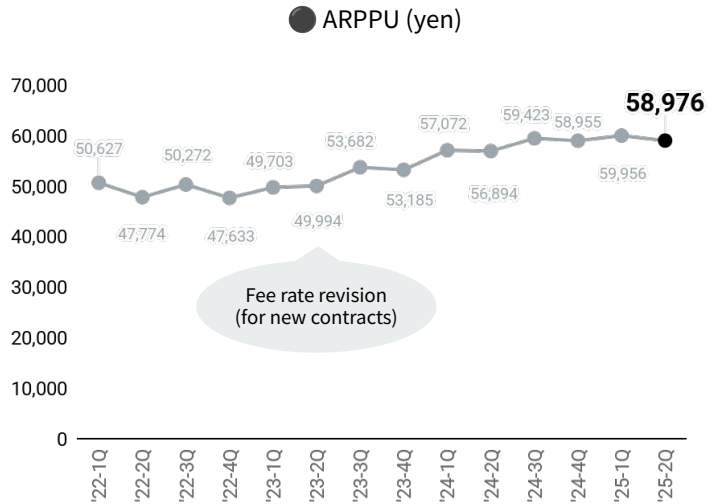


*1 Fee rate revision was conducted for new contracts concluded in February 2023 or after, changing the monthly fee from 50,000 yen (excluding tax) to 80,000 yen (excluding tax). Usage fees for existing contracts concluded in January 2023 or before remain unchanged at 50,000 yen.
*2 ARR = Annual Recurring 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.
*3 Revenue churn rate is the churn rate calculated based on revenue from customers. Since the calculation is based on revenue, the revenue churn rate may be negative even in months when churn occurs, 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

Orders are strong, and **the number of paid contracts has increased significantly by +126 YoY and +49 QoQ**.
ARPPU remains in the high 50,000 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. Investment securities were recorded due to the acquisition of shares in Coconala Inc. In addition, to strengthen cash on hand for further business expansion in the future, we executed a loan of 700 million yen at the end of June, resulting in an increase in cash and deposits.

As of the end of November 2024

Assets 3,769 million yen	Liabilities 2,046 million yen
Cash and deposits 2,154	Deposits received 1,577
	Other liabilities 469
	Net assets 1,722 million yen
Accounts receivable - other 1,209	Shareholders' equity 1,702
Other assets 404	Share warrants 19

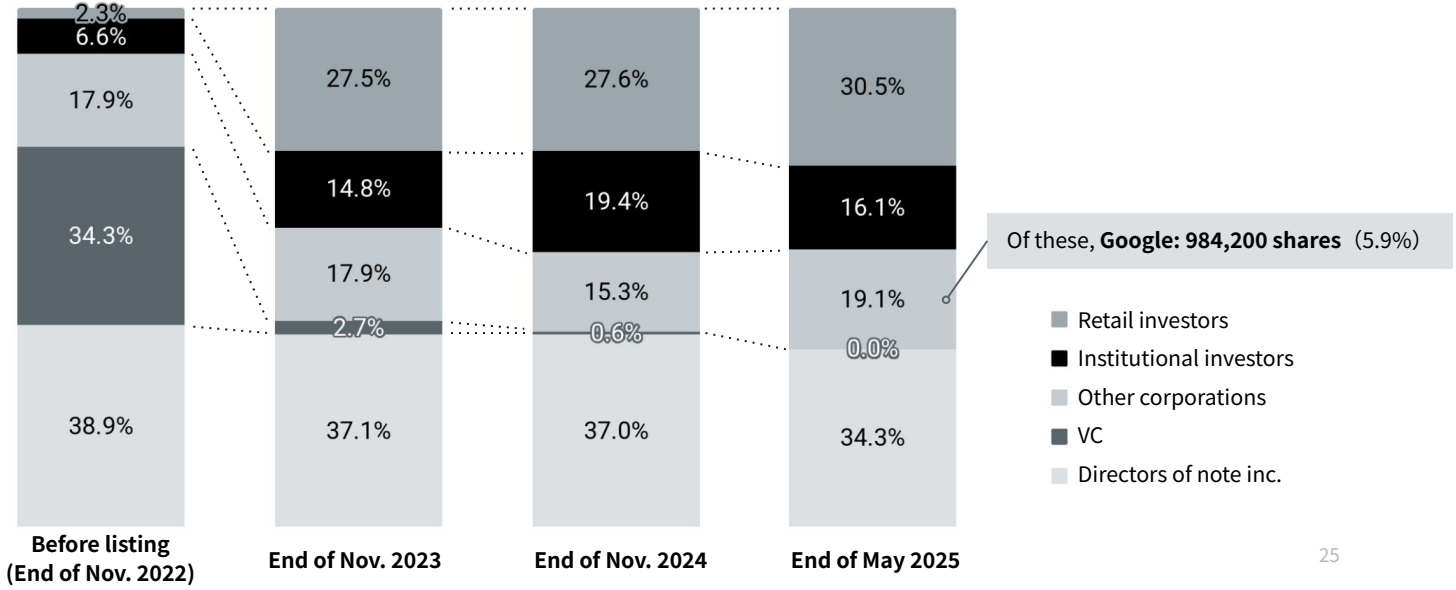
As of the end of May 2025
＋Reflecting financing (borrowing) at the end of June

Assets 5,581 million yen	Liabilities 3,153 million yen
Cash and deposits 2,730	Deposits received 1,940
	Other liabilities 1,213
Financing (borrowing) 700	Financing (borrowing) 700
Accounts receivable - other 1,557	Net assets 2,427 million yen
	Shareholders' equity 2,351
Investment securities 759	
Other assets 534	Other net assets 76

Changes in Shareholder Composition

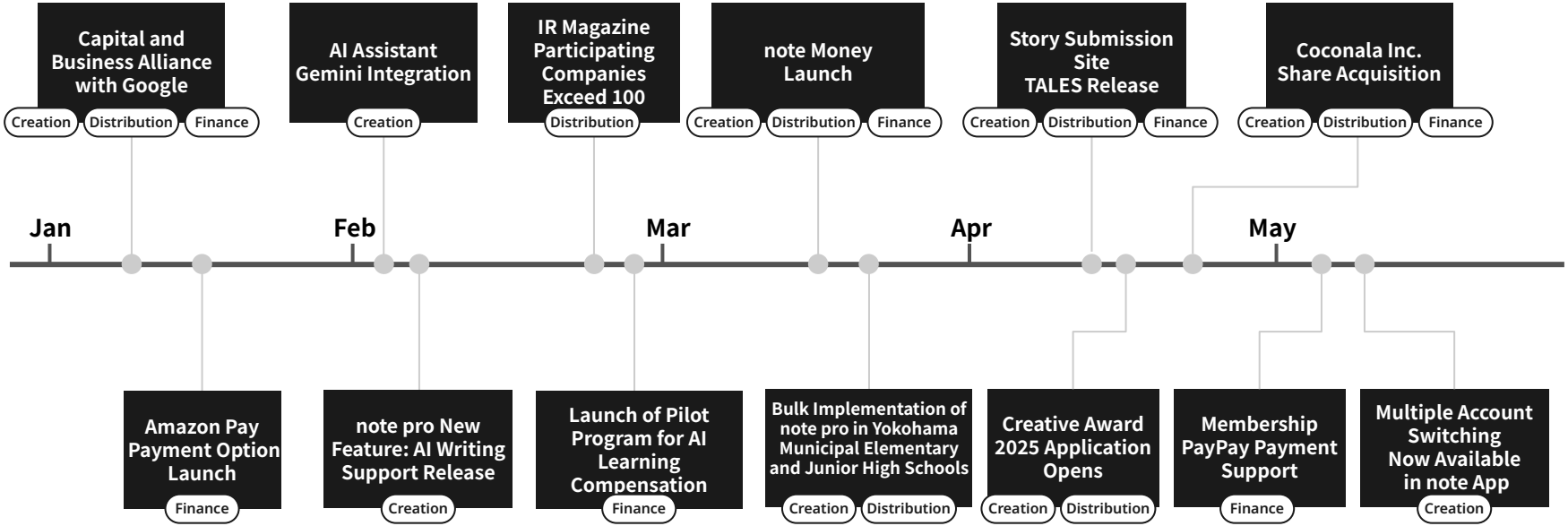
Through the capital and business alliance with Google, the proportion of corporate shareholders has increased, and attention from institutional investors and individual investors has heightened, resulting in approximately double the number of shareholders compared to six months ago. We will continue to actively enhance our IR activities and work toward improving our stock price and increasing trading volume.

Changes in Shareholder Composition



Key Initiatives for the First Half of FY2025

Starting with the capital and business alliance with Google, we rapidly executed various measures in quick succession to drive business expansion.



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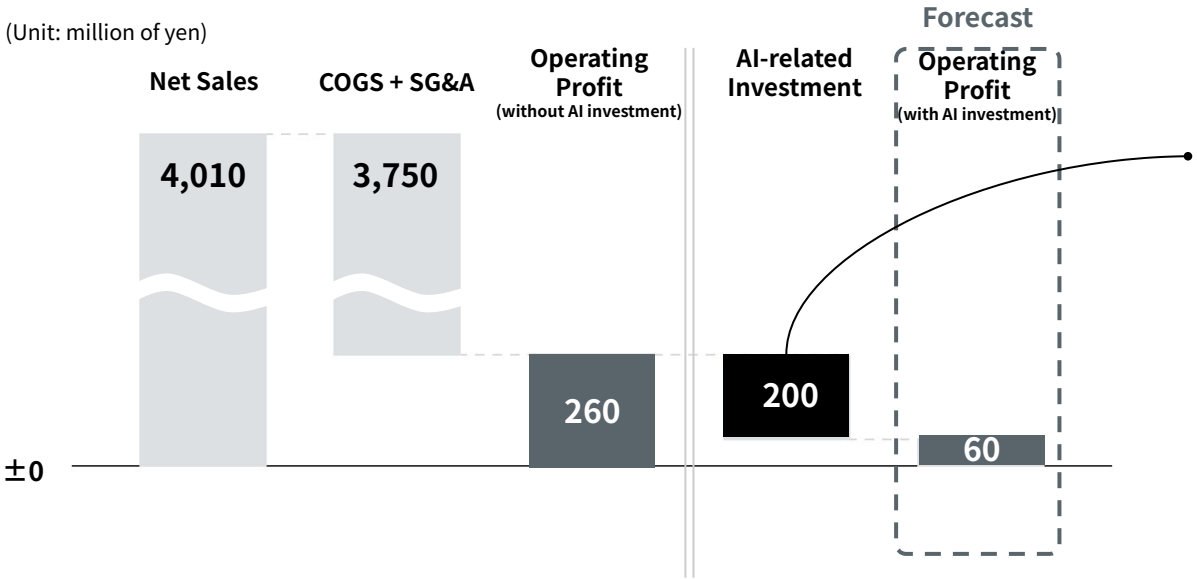
Consolidated Financial Forecasts for FY2025

For FY 2025, we expect to maintain profitability through growth in existing businesses and revenue contribution from new businesses. We are planning strategic investments in AI-related technologies and new businesses for further medium to long-term growth. Our earnings forecast remains unchanged from the initial forecast at the beginning of the fiscal year, as shown below.

Unit: Millions of yen	FY2025 forecast	FY2024 Results	YoY change
Net sales	**4,010**	3,312	+21.1%
Gross profit	**3,700**	3,110	+19.0%
Operating profit (loss)	**60**	52	+13.5%
Ordinary profit (loss)	**80**	75	+6.4%
Profit attributable to owners of parent (loss)	**110**	98	+11.2%

Earnings Forecast Image

Net sales for FY24 are planned to grow by over 20%, with intensified AI-related investments including those related to the capital and business alliance. Overall, we expect a higher profit level than FY24.



AI-related investment contents:

- Development of new features for note and note pro including generative AI technology utilization
- Launch of new businesses including R&D utilizing generative AI technology

Specifically, the following costs will be central to realizing the above:

- Recruitment-related expenses
- Personnel expenses (planning to increase about 10 employees)
- Outsourcing expenses

Sales Outlook by Business Segment for FY2025

Looking at each business, note and note pro are expected to maintain steady growth. Corporate services will increase and new businesses will contribute to sales, aiming to exceed FY24 growth.

Unit: Millions of yen	FY2023 Sales	FY2024 Sales	YoY change	FY2025 Sales Outlook	Notes
note	2,213	2,680	+21.1%		Expecting continued growth through growth model improvements and campaign strengthening
note pro	427	514	+20.4%		Expecting FY24-level growth rate through function enhancement and marketing strengthening
Corporate services	121	81	▲33.1%		Expecting recovery to FY23 levels through sales organization strengthening and solution expansion
Others (including new businesses)	13	35	+154.4%		Expecting sales contribution from Tales & Co. and new services planned for release in FY25
Total	2,777	3,312	+19.3%	**+21.1%**	

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Issues Surrounding Creation on the Internet

In contrast to the established ecosystems of traditional media such as publishing, television, and newspapers, the Internet relies mostly on advertising as a means of monetization, and because of its low profitability, there has not been an established ecosystem for the continuous creation of good works.

CREATION Create Content	DISTRIBUTION Deliver Content	FINANCE Monetize Content	
Publishing	Distributing books through an agency	Financial function of the agency / Sales at bookstores	Easy to produce excellent works continuously
Television	broadcast on radio waves	Advertising sales through agencies	
Newspaper	Delivered by dealer	Payments from readers and advertising from companies	
Internet	Reliance on search and social networking sites causes distortions in SEO, etc.	Low profitability due to the focus on advertising, and not enough revenue is returned to creators	Anyone can create, but it is difficult to produce excellent works



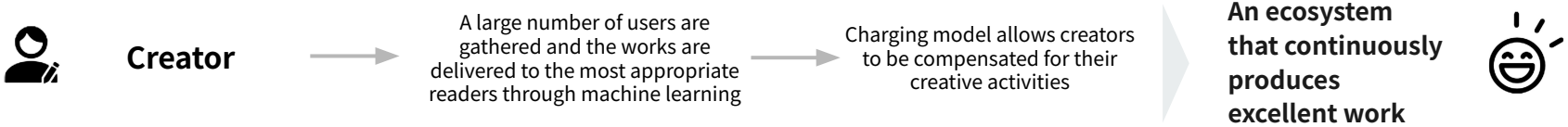


The Value Provided by note

Distribution and Monetization/Finance Functions

note was founded to solve the issues surrounding creative work on the Internet.
On platforms where many users gather, works reach the most appropriate readers, and a billing model promotes the creator economy by establishing a system where creators are compensated commensurate with their creative activities.

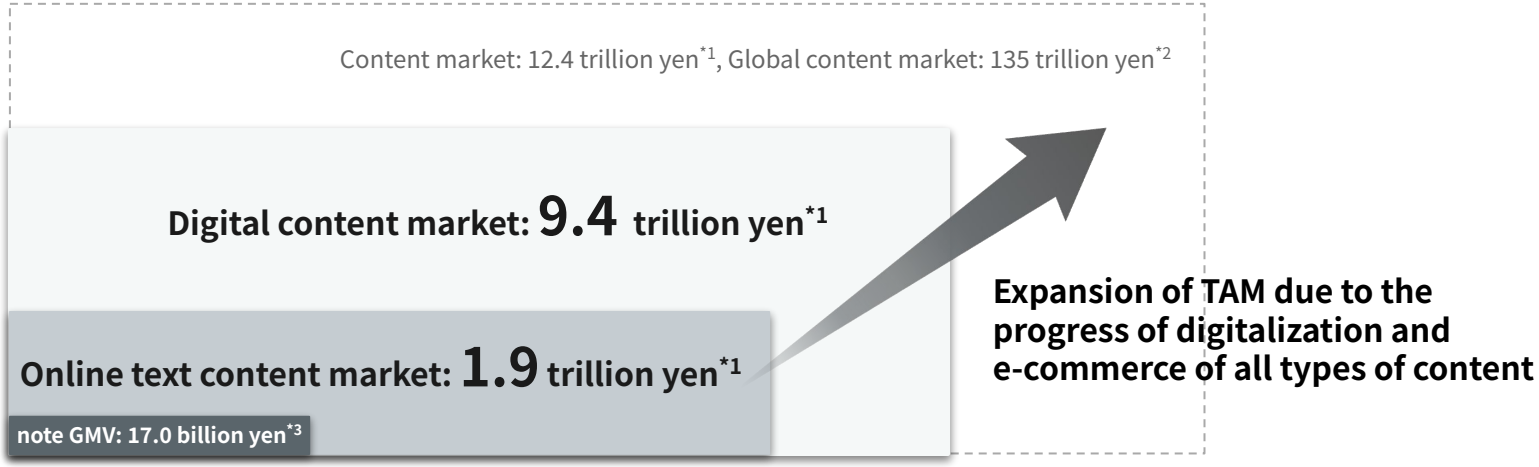




note promotes the creator economy by creating a mechanism for creators to connect directly with appropriate fans.

Content Markets to Be Approached by note

The online text content market is worth 1.9 trillion yen (note GMV share is 0.9%) and the digital content market is worth 9.4 trillion yen. note is a platform that promotes distribution of digital content, and it is expected to expand its market share in the future with the increase of TAM in line with the progress of digitalization and e-commerce in the content industry.

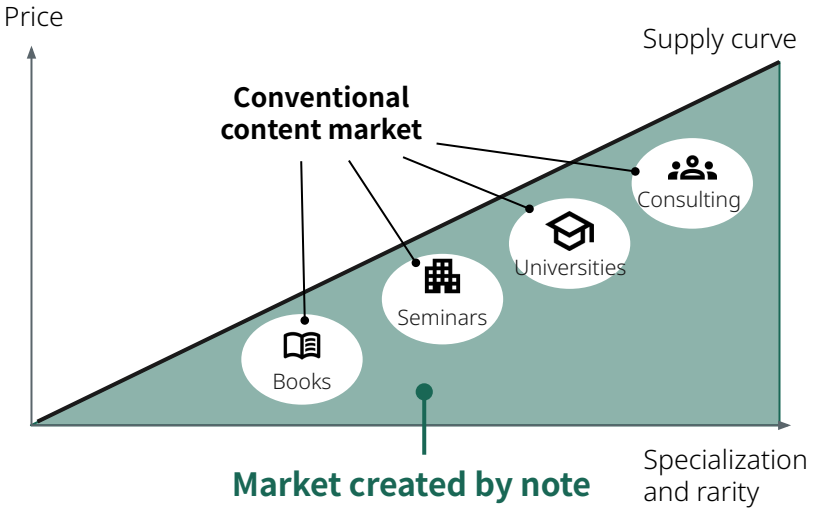


*1 Source: National Institute of Information and Communications Policy, Ministry of Internal Affairs and Communications, “Survey on Media Software Production and Distribution (June 2024).” Market size is for 2022.
*2 Source: Ministry of Economy, Trade and Industry "Entertainment & Creative Industry Policy Study Group 1st Meeting Secretariat Materials (November 2024)" Market size is for 2022.
*3 The figures are for FY 2024.

New Content Market Created by note

Conventional content has had constraints on the format and method of provision, and price setting, thus limiting the content and creators of the content. note eliminates such constraints, enabling the unrestricted circulation of a wide range of content in terms of pricing and format, thereby creating new market opportunities.

＜ Overall image of the content market ＞

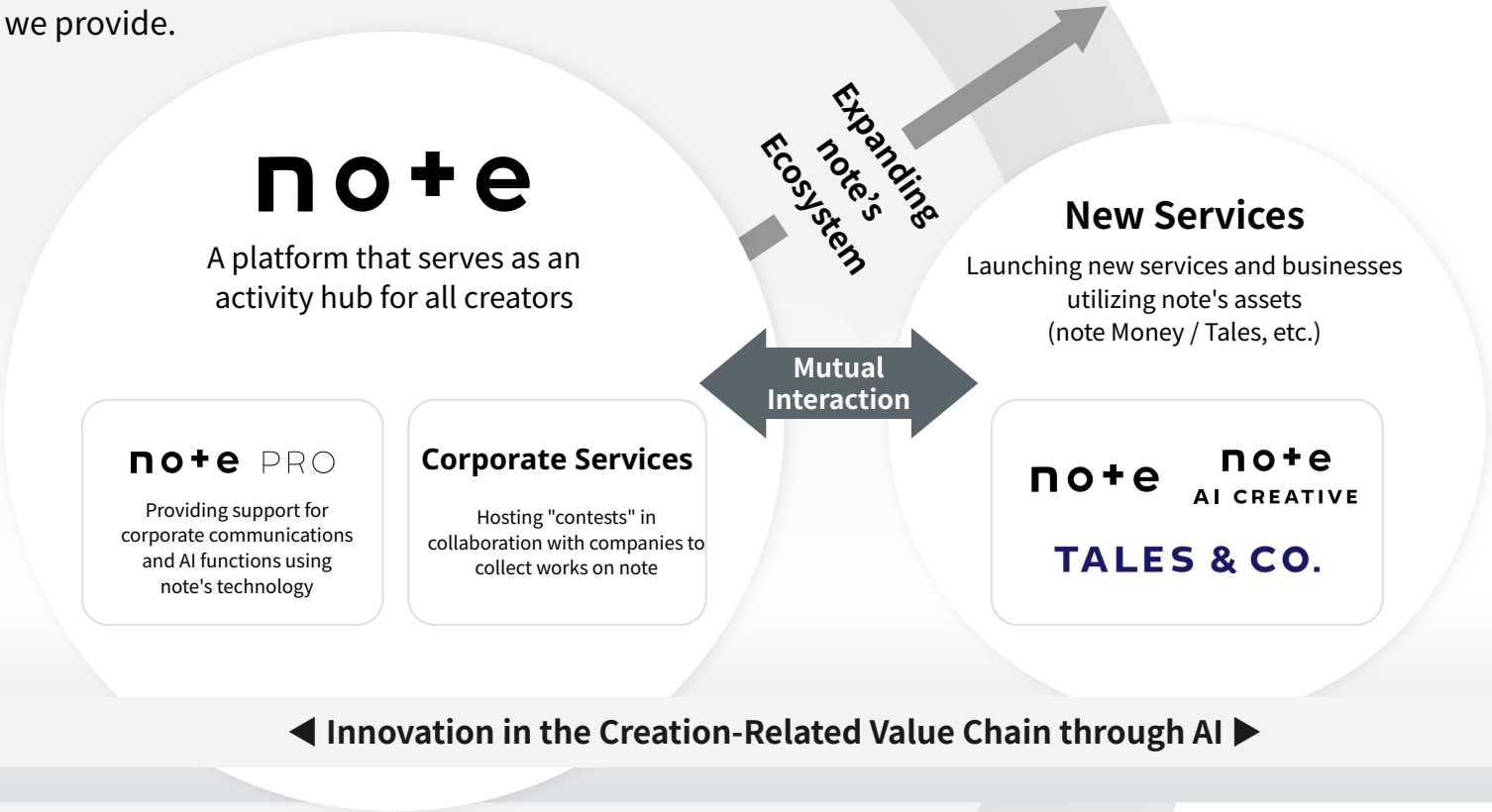


- **Generally, the more specialized and rare the content, the higher the price of the content**
- **With many constraints, the conventional content market has had its limits**
  - Physical constraints on the offering package and distribution network
  - Limited provision method and restricted price setting due to the above constraints
  - The potential content market is not yet fully actualized because of the limited number of content and creators that can be commercialized under those constraints.

- **note is free from constraints, allowing all types of content to be distributed**
  - **No constraints on the method and amount of the provision** of content.
  - Creators are **free to set their own prices.**
  - **Content in niche areas where demand is small** can also be provided.
  - Fans can also **directly support creators.**

Utilizing note's Assets to Expand Ecosystem and Broaden Value Proposition

Our company will enhance platform value by utilizing assets such as "note.com" content and creator/media networks, along with AI technology. We will also launch new services to expand note's ecosystem and broaden the value we provide.



Areas Addressed by note's Business and Service Portfolio

Specifically, we will accelerate both the further strengthening of existing areas and initiatives in new areas for each business and service as follows

A

note

Platform enabling anyone to freely post and sell various content including text, manga, and audio content.

Promotes the creator economy by enabling sustainable creative activities on the Internet.

B

note PRO

Media SaaS that enables easy information dissemination such as corporate owned media management and homepage construction.

Supports information dissemination based on note by providing necessary functions for corporate site construction in addition to note's standard functions.

C

Corporate Services

Hosting company-sponsored contests on note in collaboration with companies to collect works from creators

D

note
AI CREATIVE

Working on ennancing existing note product functions and developing/ providing new tools utilizing AI knowledge and technology cultivated at note

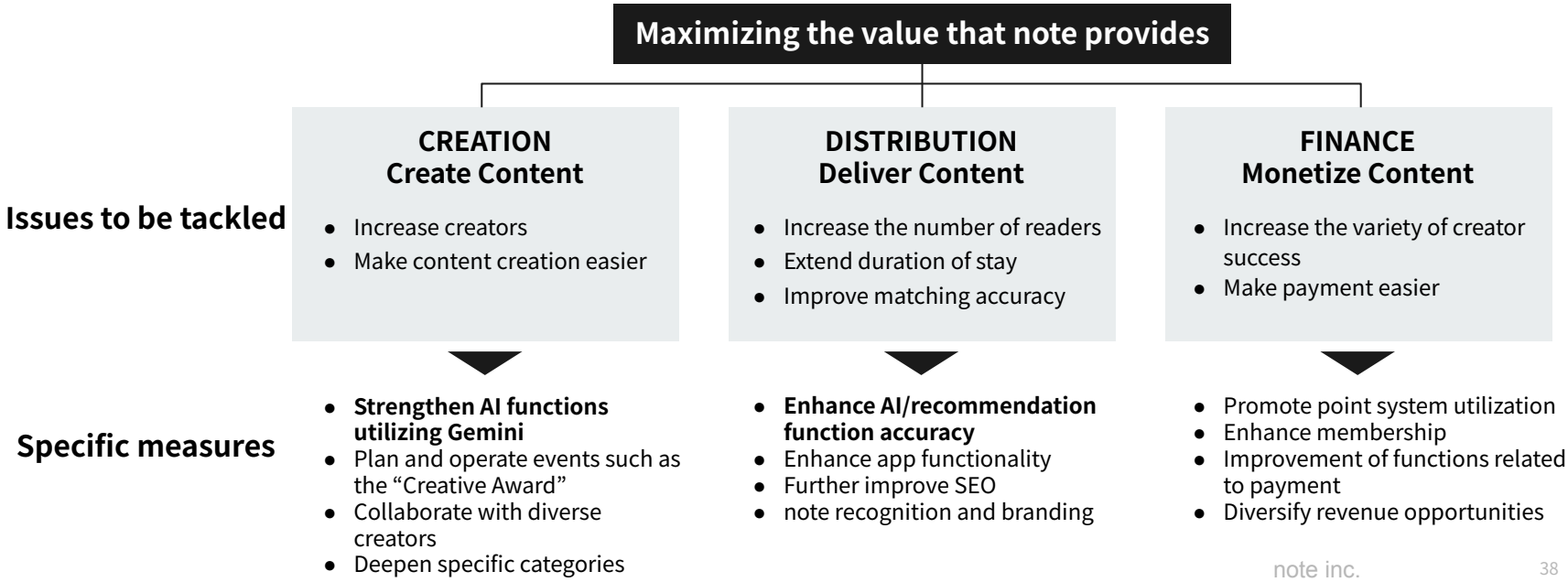
E

TALES & CO.

Creating media mix and IP development in collaboration with media and content companies

Issues to Be Tackled by note and Specific Measures

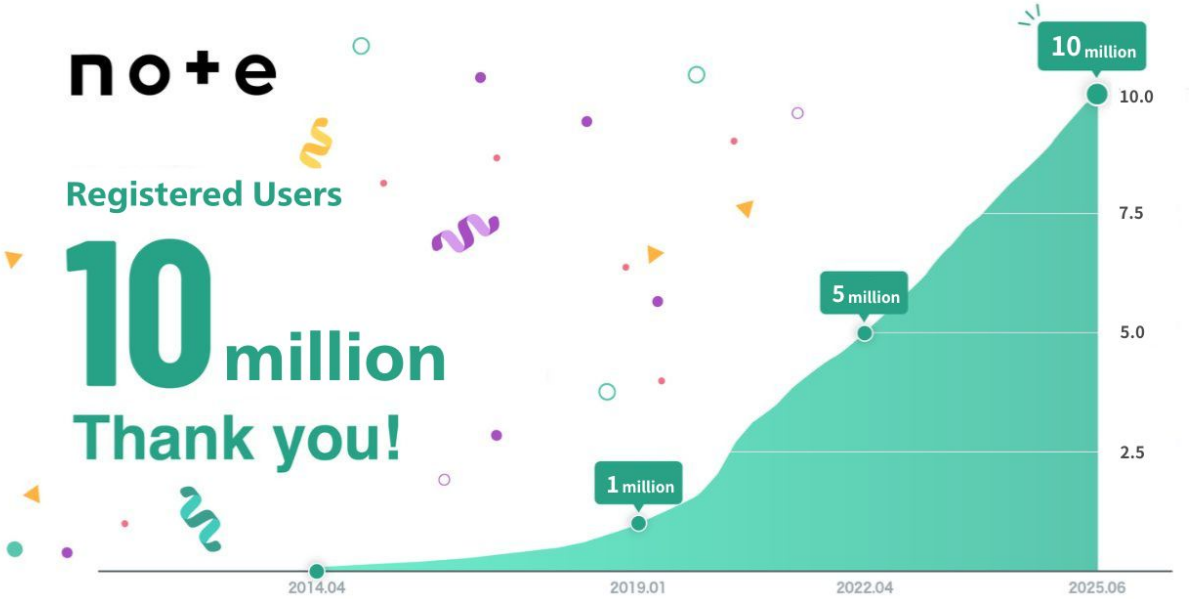
Well-balanced growth of CREATION, DISTRIBUTION, and FINANCE are important for maximizing the value which note provides. To achieve this, we are focusing on the following measures for the growth of each item.



A Further Growth of note

Registered Members Exceed 10 Million

In June 2025, note's registered members exceeded 10 million. After surpassing 5 million users in the 8th year since the service launch, it doubled in just 3 years. The "city on the internet" that was born in 2014 has grown into a large city full of encounters and opportunities.

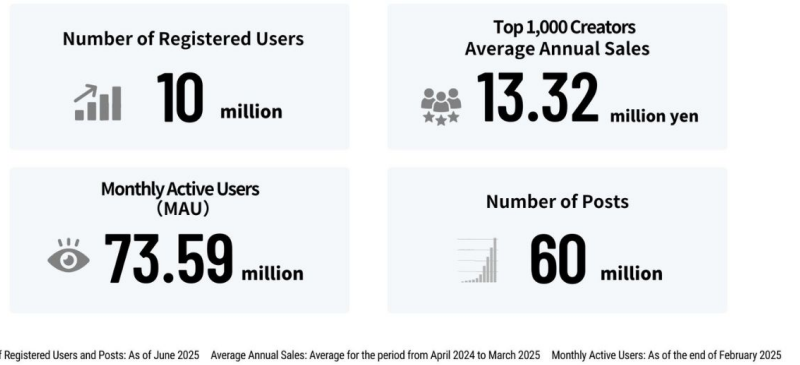


A Further Growth of note

Registered Members Exceed 10 Million

The number of published content pieces has surpassed **60 million**. MAU (Monthly Active Users) has also expanded to **73.59 million**, and corporate usage has exceeded **50,000 accounts**, demonstrating the platform's ever-increasing influence. Leveraging this substantial user base, we will continue to expand note's ecosystem.

note's Trends in Data



Number of Registered Users and Posts: As of June 2025 Average Annual Sales: Average for the period from April 2024 to March 2025 Monthly Active Users: As of the end of February 2025

Use of note Soars in Corporate, Government, and Education Sectors



As of the end of March 2025

A Further Growth of note

Release of "note Money," a Site Where Investors' Wisdom Gathers

In March 2025, we will launch a new financial and investment information site that collects articles posted on note that are helpful for understanding markets and companies.

Overview of note Money

- Features note articles that help with market understanding and asset building, selected from various perspectives.
- Provides charts useful for grasping market trends, such as stock indices like the Nikkei Average and S&P 500, as well as individual stock prices.
- Enables embedding of the above charts in note articles.
- Regularly hosts posting projects on note about money-related themes such as investment, finance, and asset building.

Background of the Release

- Increasing need for investment and economic information due to global economic fluctuations and changes in the investment environment caused by the new NISA.
- Within note, articles related to investment and economic analysis are attracting particular attention, with the number of contributors and posted articles growing significantly.

→ Aggregating note's investment and economic articles as "note Money."

Service Image



A Further Growth of note

PayPay Payment Enabled for Membership Subscriptions

Starting in May 2025, PayPay became available for subscription membership payments. This makes it easier for users without credit cards to join memberships, while also expanding monetization opportunities for creators.

History of Payment Method Updates on note

- Mar. 2022：Launch of PayPay payment
- Jan. 2024：Launch of note points payment
- Apr. 2024：In-app purchases for paid articles enabled
- Jun. 2024：Launch of PayPal payment
- Jan. 2025：Launch of Amazon Pay payment
- May. 2025：PayPay payment enabled for membership subscriptions



A Further Growth of note

Japan's Largest Creative Contest "Creative Award 2025" Now Open

Japan's largest creative contest "Creative Award 2025" has begun accepting entries for its fourth edition. A record-breaking total of 38 media companies are participating, supporting the publication, serialization, and film adaptation of winning works across their respective media platforms.

Key Points of Creative Award 2025

- The number of participating media companies has expanded from 21 in the previous edition to 38 this time. Media partners and note are joining forces to support debuts with full commitment.
- Co-hosted by note and Tales for the first time. Some categories now allow submissions from both note and Tales.
- Events offering debut tips and creative writing advice are being held throughout the contest period.
- 52,750 works were submitted last year. This year, submissions are coming in at approximately 1.6 times the pace (as of June 8th)



A Further Growth of note

Acquisition of Coconala Inc. Shares

In April 2025, we acquired shares in Coconala Inc., focusing on the service marketplace business operated by the company.

Purpose	Both note and Coconala are companies operating platforms in the creator economy space, showing high business compatibility, leading to the share acquisition. This will be leveraged for the future expansion of note's ecosystem.
Details of Acquired Shares	• Number of shares acquired: 2,190,000 shares (voting rights ratio: 9.30%) • Acquisition price: 707,370,000 yen • Acquisition method: Off-market private transaction • Share delivery date: April 25, 2025

Priority Areas of note pro

We will further expand the number of note pro users and ARPPU by enhancing functions and strengthening marketing in areas such as recruitment PR and AI utilization.

	Directions of initiatives	KPIs affected
Enhancement of functions in areas with high customer needs	• Promote function development and integration in recruitment PR, etc., in addition to conventional use in owned media launch/operation, branding/marketing, given the increasing number of companies achieving results in recruitment • Also promote development of optional functions **using Gemini and other AI-related features** that corporate clients find valuable and sustainable	• Number of new contracts • Churn rate • ARPPU
Strengthening marketing to raise awareness	• In addition to conventional digital advertising for lead acquisition, increase marketing channels to improve recognition • Deploy marketing focused on specific use cases such as recruitment	• Number of new contracts

New Feature: Embedded Job Application Form

To help companies boost their recruiting power through content publishing, note pro now features an "embedded job application form" function. Readers who resonate with the content can directly apply for positions right from the article, enabling note's content to contribute directly to improved business outcomes.

Overview of Embedded Job Application Form Feature

Based on the growing use of note pro for recruitment purposes, we are enhancing features that improve hiring outcomes and streamline recruiters' workflow efficiency. The first phase involves integration with "HERP Hire," a recruitment management system provided by HERP Inc.

Job application forms can be displayed within note articles
⇨ **Readers who resonate with the content can apply directly**

Application numbers and hiring conversion rates can be tracked per article
⇨ **Strategic content publishing becomes possible through per-article performance analysis**





C Expansion of Corporate Services

Enhancement of Corporate Contest Services

Leveraging note's media power as one of Japan's leading platforms and its strength as a safe and secure space, we aim to expand corporate-sponsored contest sales. This also expands opportunities for creators to be active and strengthens our growth model.



Features of note's Corporate-Sponsored Contests / FY25 Direction

- Enables branding in a safe and secure environment
- Enables PR that increases fans by engaging consumers through co-creation with creators rather than one-way corporate messaging
- Provides opportunities for creators' works to gain attention

- Differentiate from certain social media platforms where extreme statements and fraudulent ads are increasing, promote note's "safe and secure" characteristics to increase collaborations
- Also considering expansion of corporate solutions beyond contests

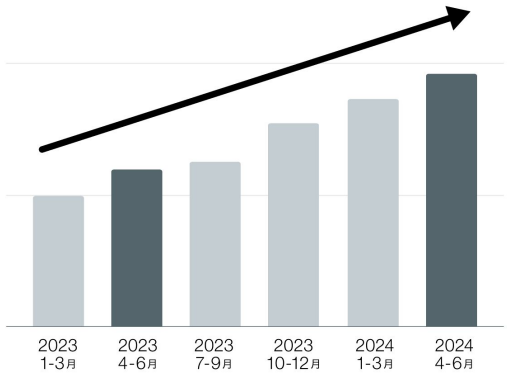
C Expansion of Corporate Services

Becoming One of Japan's Largest Platforms with Growing Media Power

According to Similarweb data, in June 2024 note ranked first in web access among domestic blog services and 14th in domestic website access rankings*. It has become a platform where companies can appeal to a wide range of consumers.

note's Access Growth

PV increased about **1.5x** in **one year**



＊ *Source: [note inc.] Achieving Top Position in Blog Market! What are note's Initiatives for Continued Rapid Growth?

Domestic Website Access Ranking

Rank	Domain	Monthly Sessions
1	google.com	3,489,768,653
2	docomo.ne.jp	1,865,777,977
3	yahoo.co.jp	1,846,889,535
4	youtube.com	1,258,463,072
5	news.yahoo.co.jp	601,287,406
6	x.com	559,081,984
7	amazon.co.jp	545,892,993
8	rakuten.co.jp	516,050,121
9	wikipedia.org	347,236,798
10	google.co.jp	303,342,528
11	instagram.com	279,632,320
12	pixiv.net	266,236,751
13	twitter.com	234,266,711
14	**note.com**	**219,925,956**

*Quoted from Similarweb article. Measurement period: June 2024

Recent Contest Example: Collaboration Contest with Google Gemini

Throughout the first half of the year, we collaborated with various companies to host contests that energize note. Most recently, we are currently running a posting contest "#AIとやってみた" (What I Tried with AI) in partnership with Google Gemini, seeking real-world AI use cases and experiences.

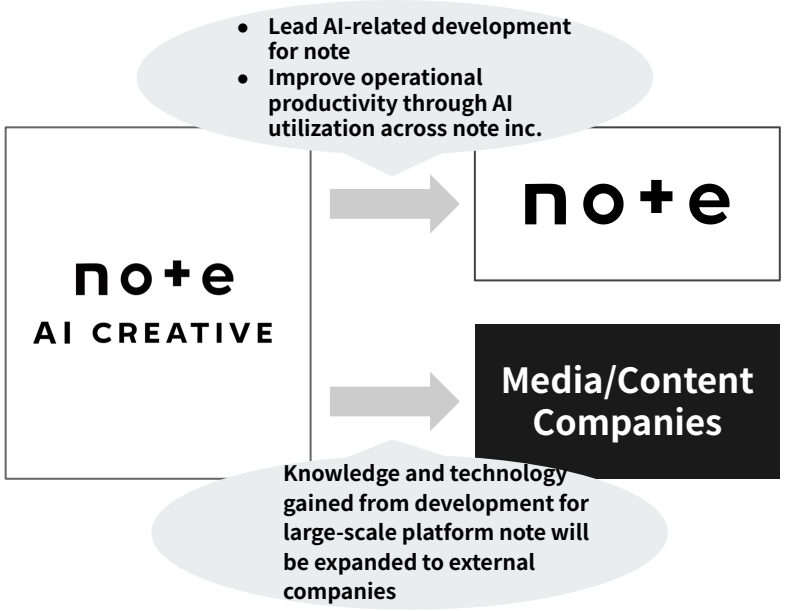
Collaboration Contest Overview

- Contest Theme:
  Accepting submissions of note articles such as manga, essays, illustrations, and novels under the theme "#AIとやってみた" (What I Tried with AI).
- Contest Schedule:
  June 9, 2025 (Monday) 11:00 - July 9, 2025 (Wednesday) 23:59 (Results announcement scheduled for early September 2025)
- Main Prizes:
  Winners will receive gift cards, and all winners will be provided with a 3-month free Google AI Pro plan.



note AI creative Leading note's AI Development

note AI creative leads various AI-related development for note and note pro. Based on the knowledge and technology obtained through this development, we also provide AI-related solutions to external companies, aiming for "Innovation of the value chain related to creation through AI.



Development Example: AI Review (β)

note PRO

投稿前の安心サポート！
「AIレビュー(β)」で
意図せぬトラブルを未然に防止



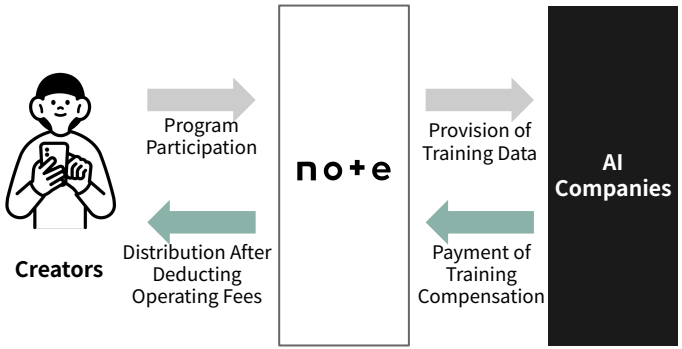
Developed a feature for note pro that uses AI to review articles before posting and displays alerts if there are expressions requiring consideration.

Creating New Revenue Opportunities Through Data Provision to AI Companies

Starting in August 2025, we plan to revise our terms of service and begin an initiative to provide content from note to AI companies and return compensation to creators. To create new revenue opportunities for creators and our company, and to build a new ecosystem for the AI era, we are currently advancing negotiations with multiple domestic and international AI companies to provide content and receive compensation.

Data Provision and Compensation Return Process

- Provide content from note (excluding works by creators who do not wish to provide data) as training data to AI companies
- Determine compensation based on certain criteria and return it to creators



Benefits of Introducing This Initiative

<Creators>

- Gain new revenue opportunities beyond selling articles and memberships to readers
- Can opt out if they do not want their content used for AI training

<AI Companies>

- Can utilize note's content (including paid content and memberships) comprehensively to improve AI quality

<note>

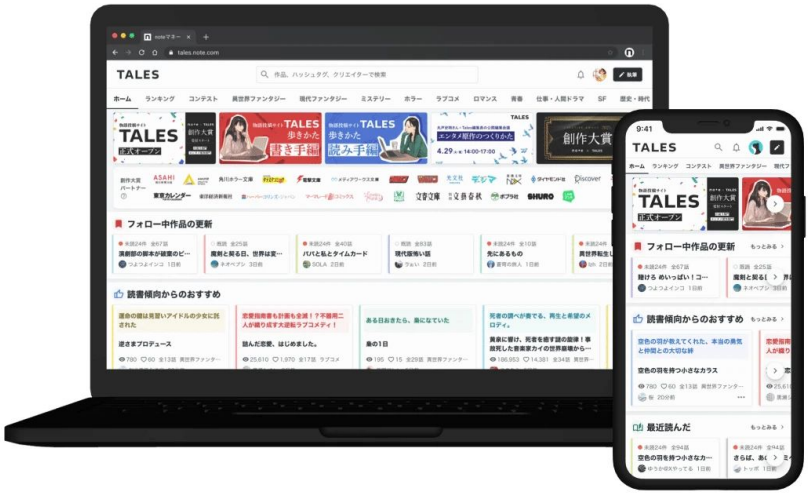
- Can provide creators with new revenue opportunities
- Can generate new revenue through data provision to AI companies

Story Submission Site “Tales”

In April 2025, we opened the story submission site "Tales" with the purpose of expanding creators' possibilities and delivering entertainment works to the world that transcend media barriers and language barriers.

About Tales

- Tales is a story submission site that aims to match submitted works with diverse media such as publishers, film companies, and video streaming platforms to create compelling IP that can compete globally.
- Key Features of Tales:
  - **①Operational Structure Enabling Diverse Media Expansion**
    Not bound to specific labels, capable of partnering with various publishers, film companies, and video streaming platforms
  - **②Genre-specific Rankings Display**
    Popular works in each genre are visible at a glance, making it easier to explore genres you don't usually read
  - **③Partner Program Providing Advertising Revenue Sharing**
    Displays advertisements aligned with the world view of submitted works and readers' interests, returning this advertising revenue to creators



Recent Initiatives of "Tales"

To increase creators and content, we have implemented various initiatives including hosting contests and providing new features.

POPLAR Publishing Co., Ltd. Contest Hosted

The "2nd Tsunoda Eiko More New Fairy Tale Award" hosted by POPLAR Publishing Co., Ltd. was held on Tales. Grand prize winners will be assigned a dedicated editor and supported in their journey toward book publication.



Ranking Feature Release

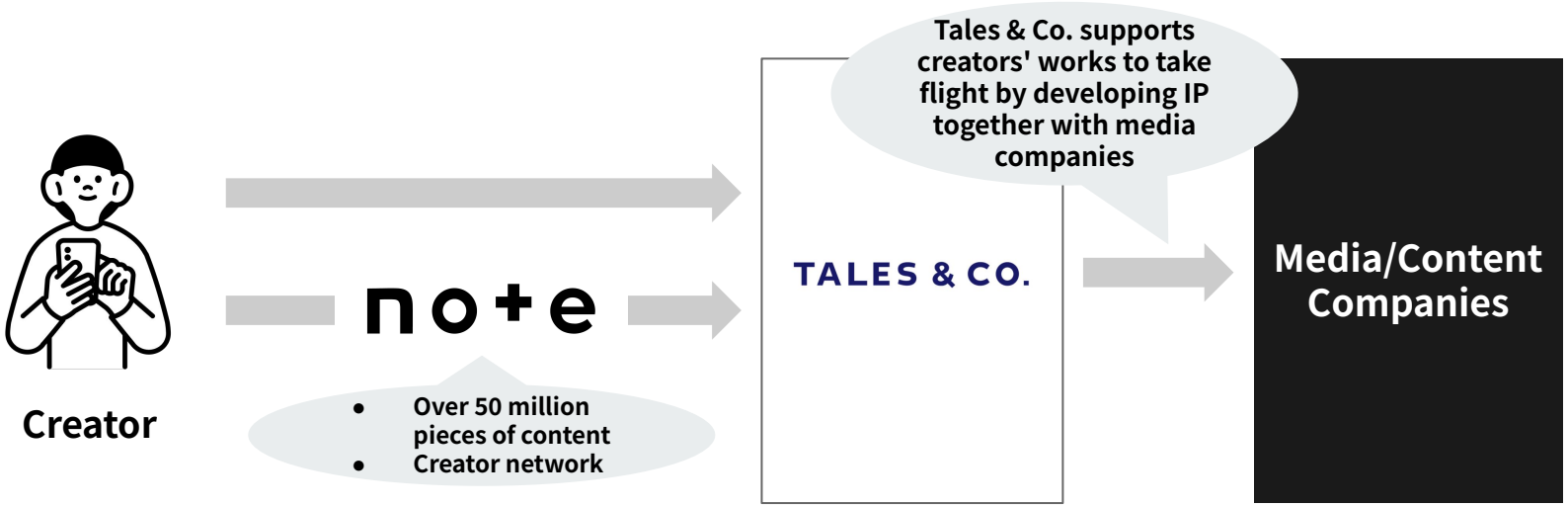
To spark reader interest and cultivate popular works from Tales, making it easier to discover creators and generate IP, we released a ranking feature for submitted works. Rankings are provided for "daily," "weekly," "monthly," and "cumulative" periods, both overall and by genre.
We plan to continue adding various features and improvements.

[Major Feature Improvements Planned]

- Launch of Partner Program reward provision
- Mobile app release
- Enhancement of creator monetization features

Goals of Tales & Co.

Tales & Co. aims to expand the note group's value proposition to include Creation, realizing media mix and IP creation through co-creation with media and content companies.



Creation of Media Mix and IP through Co-creation with Media Companies

The main works handled by Tales & Co.

Although Tales & Co. has only been established for just over a year, numerous notable works have been created, and multiple production projects in collaboration with media and distribution platforms are underway.



"I've Fallen in Love with My Childhood Friend"

(Original: Fumiaki Maruto, Manga: Yomu)

- Currently serialized in Kadokomi (ranked 4th in the first half)
- Manga tankobon and novels are scheduled to be published in August
- A Chinese translated version of the doujinshi is being produced.



Entertainment novel MOOK 「Distillery」Blue,Red,Music

- The first edition of the new book "Music" sold out, so it is being reprinted.
- Multiple included works are in progress towards commercialization.



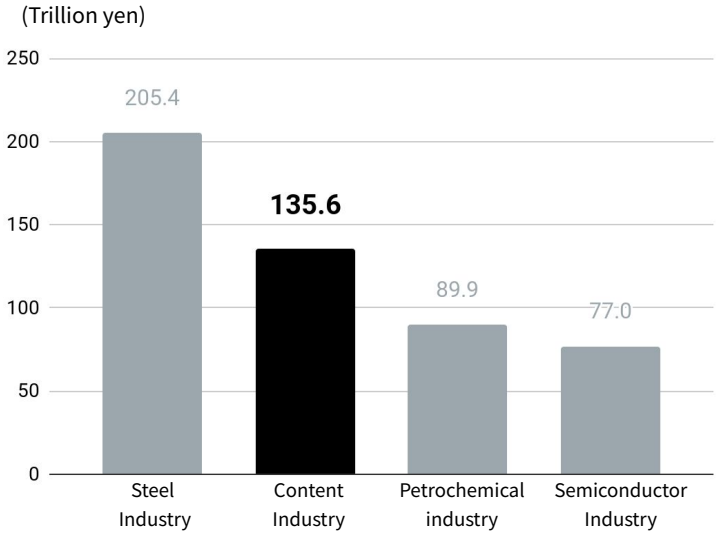
App game scenario "Hypnosis Mic -Dream Rap Battle-"

- Received an order from Odd Number, the app developer, for game scenario production.

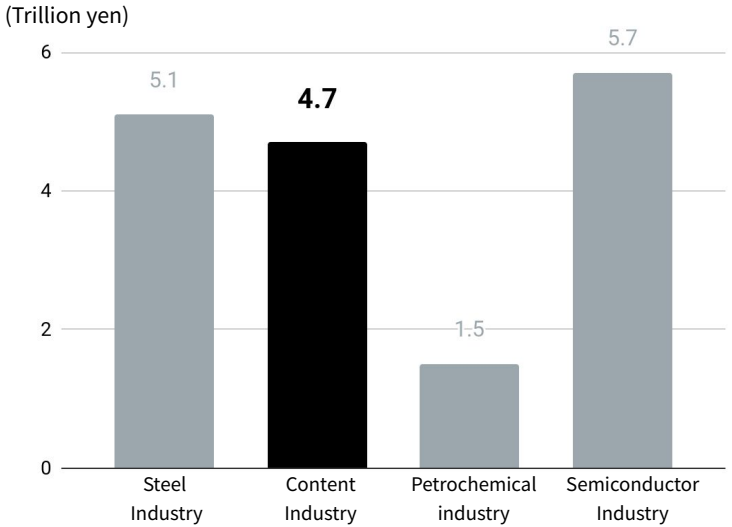
The Appeal of the Entertainment/Content Market

Content is one of the major fields in Japanese industry that has international appeal. Tales & Co. also aims to create appealing content and IP that can succeed globally.

Global Content Industry Market Size*



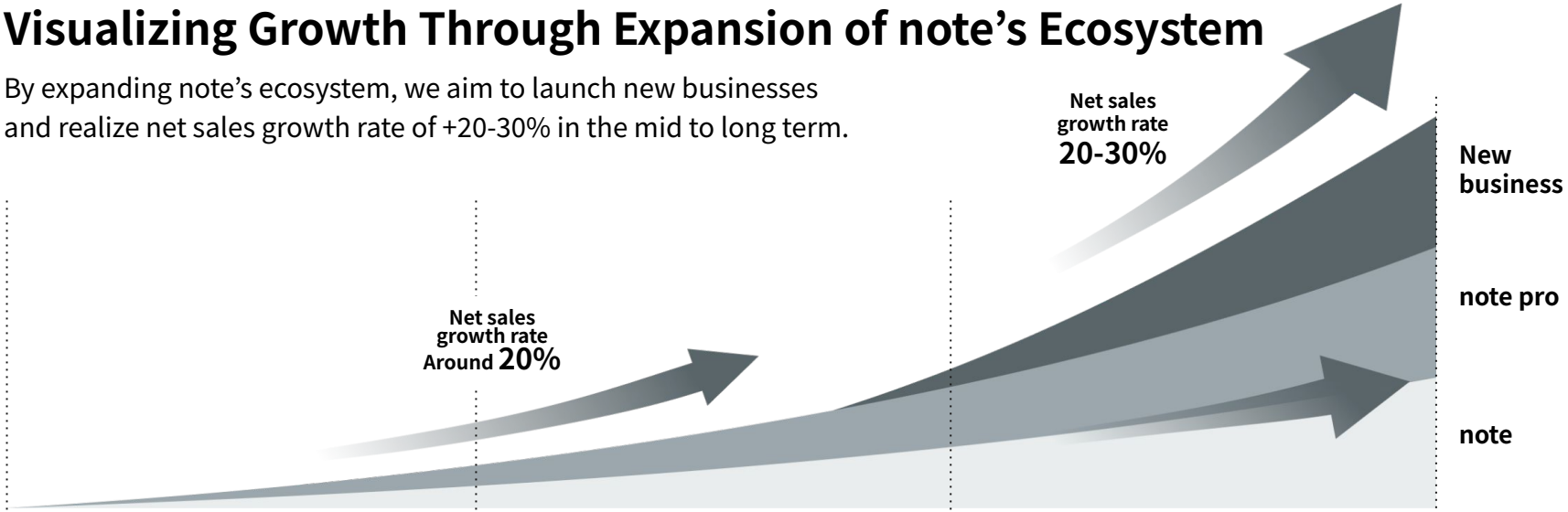
Export Scale of Japanese Content Industry*



*Source: Ministry of Economy, Trade and Industry "1st Entertainment/Creative Industry Policy Research Meeting Secretariat Materials (November 2024)". Figures are from 2022 data, except for domestic industry export value for petrochemical industry which is from 2021.

Visualizing Growth Through Expansion of note's Ecosystem

By expanding note's ecosystem, we aim to launch new businesses and realize net sales growth rate of +20-30% in the mid to long term.



FY2023
Profitability enhancement period

- Implement initiatives to **strengthen cost discipline**
- Promote the **development of infrastructure** related to the value note.com offers

FY2024
Profitability maintenance + growth investment period

- **Implement growth investment** while maintaining cost discipline
- **Expand note's ecosystem** by also launching new businesses and strengthening of AI development

FY2025 onward
Sales expansion period

- With the growth of each business and expansion of new businesses, realize net sales growth rate of +20-30%
- The early achievement of full-year profitability was brought forward to FY24.

Medium- to Long-Term Business Outlook and Financial Policy

Medium- to long-term business outlook and financial policy are as follows.

Sales	● Aim for continuous growth, without slowing the growth rate, through the expansion of each business centering on note and note pro ● **Aim for net sales growth rate of +20-30%** by working on new businesses to expand note's ecosystem
Profit	● **Achieve full-year profitability in FY24**, emphasizing a balance between sales growth and profitability. ● Allocate a portion of expanding profits to mid-to-long-term growth investments, focusing on **AI and new businesses** as key themes for FY25.
Platform size	● **Achieving 10 million note IDs in June 2025**, while further enhancing the appeal of note as a platform and expanding the note ecosystem.
Finance	● Securing investment capacity through strategic utilization of **the capital and business alliance with Google** announced on January 14, and borrowings. ● Explore opportunities for M&A and investments to further expand the note ecosystem.

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.

Content

01 Summary of Financial Results
02 Earnings Forecasts
03 Future Growth Strategies and Latest Initiatives
04 Notice

Launched IR note Magazine to Distribute IR Articles of 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 June 30, 2025



No. of participating companies	No. of followers
119 companies	Over 2,000

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

Dissemination of IR Information

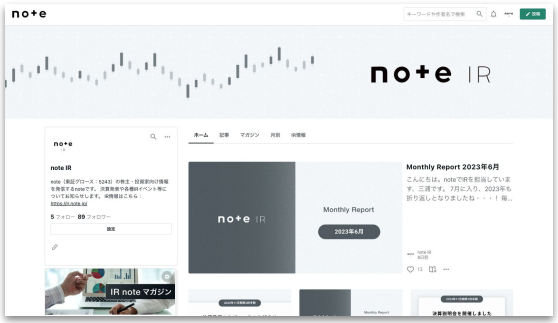
note disseminates its IR information through its IR website and note, in addition to disclosing information on TDnet. They are available at the following URL and QR code. For any requests or inquiries related to IR, please feel free to contact our IR inquiry desk.

- **IR website**



https://ir.note.jp/en

- **IR on note**



https://note.com/note_ir

IR Interview Article Published: AI Strategy

To provide a deeper understanding of our AI business strategy and direction, we conducted an interview dialogue between CEO Kato and CXO Fukazu for shareholders and investors. Please read the full interview on IR note.



Main Topics

- Dramatic Changes in Creative Environment Due to AI: A New Era Where Opportunities and Risks Coexist
- note's AI Strategy: Creator Ecosystem Supported by Three Pillars
- Future Business Opportunities: Platform Advantages Brought by Content Growth

...and more. Kato and Fukazu share their respective thoughts on the changes AI brings to creative activities and the vision note envisions.

Please see this URL for more details. (Japanese only)

➢ Part 1：https://note.com/note_ir/n/n858393bef18a

➢ Part 2：https://note.com/note_ir/n/n4a9098319c3c

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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