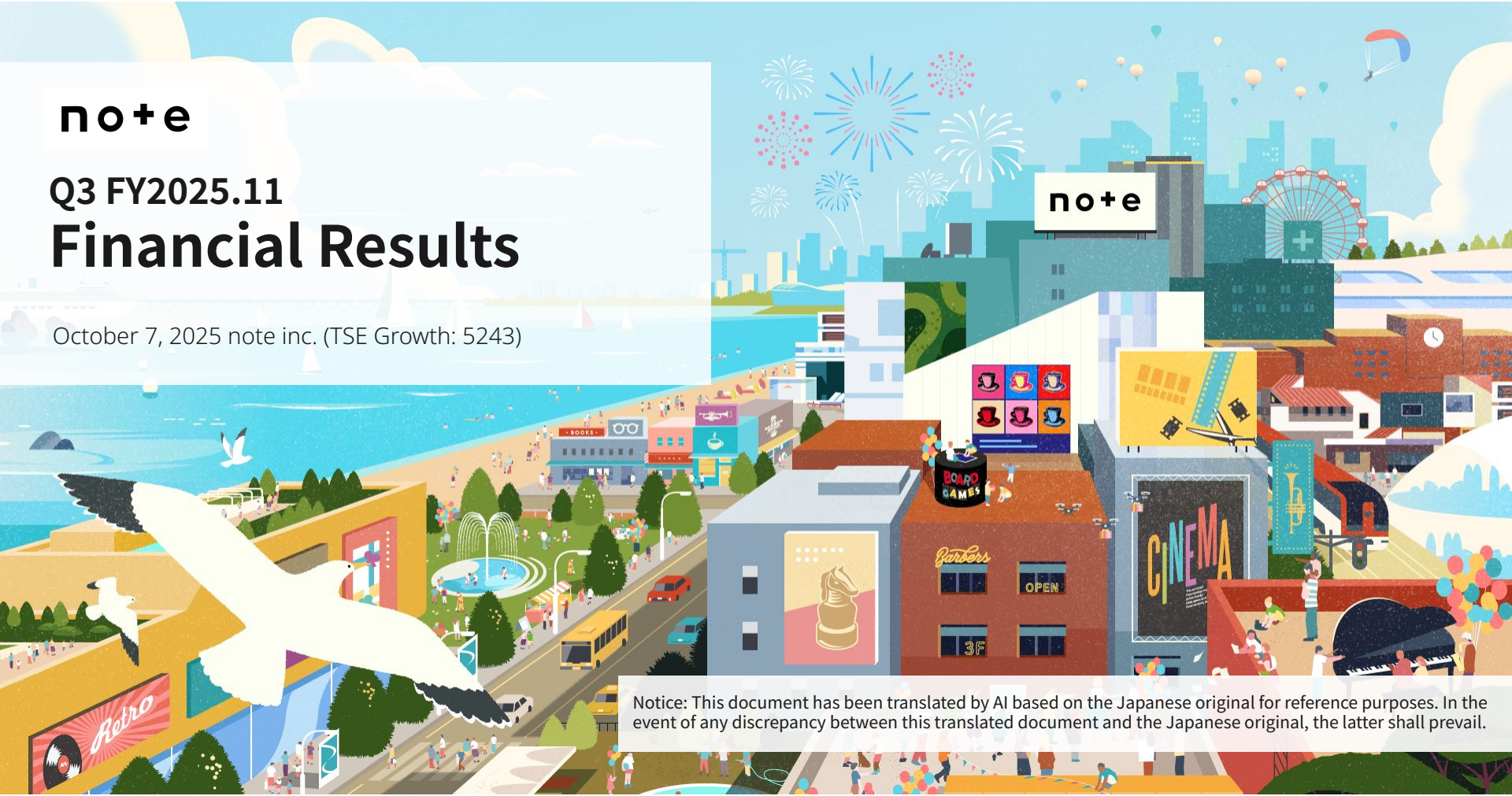
note

Q3 FY2025.11

Financial Results

October 7, 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 Q3 FY2025	● Increased GMV in the note business accelerated year-over-year growth in Q3, with r**evenue reaching 1,075 million yen (up 27.2% YoY)** and **gross profit hitting 1,004 million yen (up 27.2% YoY)**. Both figures also saw a significant increase compared to Q2. ● **Quarterly profit exceeded $100 million** for the first time, with **Adjusted EBITDA at 115 million yen and operating profit at 103 million yen in Q3**. ● Given the strong performance, which significantly exceeds initial projections, **we are revising our full-year earnings forecast upwards.**
note	● Subscriber count increased significantly, **accelerating GMV growth to 5,537 million yen in Q3 (up 27.4% YoY)**. ● Against the backdrop of the spread of generative AI, various KPIs, especially the number of published content and creators, also saw substantial growth.
note pro	● Sales activities are progressing smoothly, resulting in the expansion of **paid subscriptions to 933 (up 68 from the end of Q2) and ARR to 648 million yen (up 23.9% YoY)**. New features, such as the "Add LINE Friend" function, have also been well-received.
New Businesses	● We implemented various initiatives, including the **launch of the TALES mobile app** and **the book adaptation of our original IP titles**.

Summary of Consolidated Financial Results for Q3 FY2025

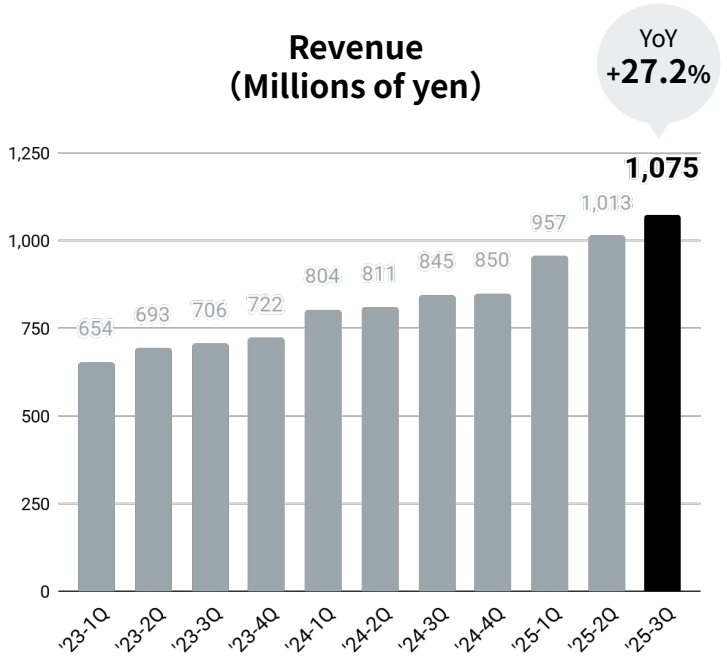
The revenue growth rate accelerated from +24.9% YoY in Q2 to +27.2% YoY. **We achieved significant increases in both revenue and profit** across all categories, driven by this accelerated growth and the progress in AI-driven operational efficiency, which allowed us to curb expenses such as recruiting and outsourcing costs.

Unit: Millions of yen	Q3 FY2025	Q3 FY2024	YoY change	First Three Quarters of FY2025	First Three Quarters of FY2024	YoY change	FY2025 full-year forecast (Published on January 14, 2025)	Progress rate
Net sales	1,075	845	+27.2%	3,046	2,461	+23.8%	4,010	76.0%
Gross profit	1,004	789	+27.2%	2,855	2,314	+23.4%	3,700	77.2%
Adjusted EBITDA	115	29	+296.5%	167	55	+199.3%	-	-
Operating profit	103	22	+366.9%	127	34	+271.3%	60	212.2%
Ordinary profit	104	34	+203.5%	139	50	+179.2%	80	175.0%
Profit attributable to owners of parent	141	33	+318.9%	212	47	+344.2%	110	193.3%

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

Revenue and Revenue Growth Rate Trend

Revenue growth **accelerated quarter-over-quarter, reaching +27.2% YoY.**

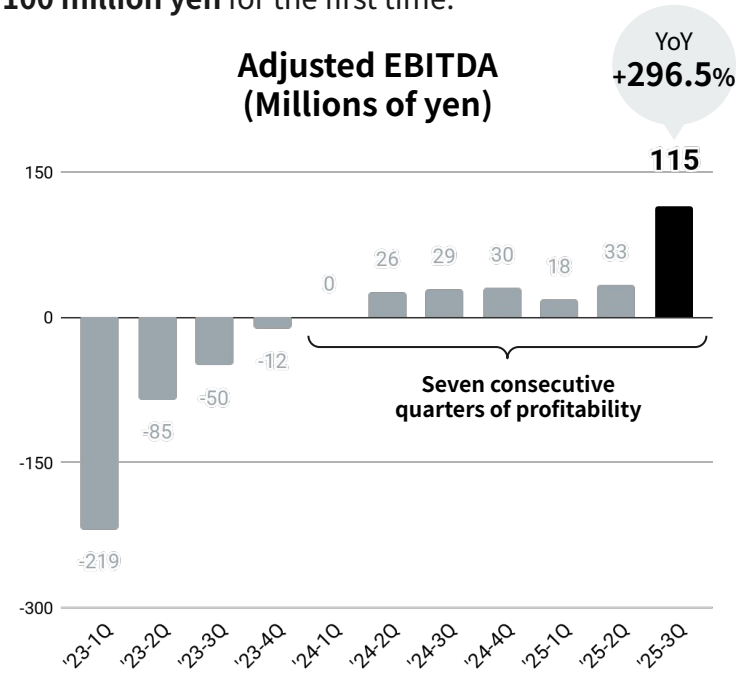


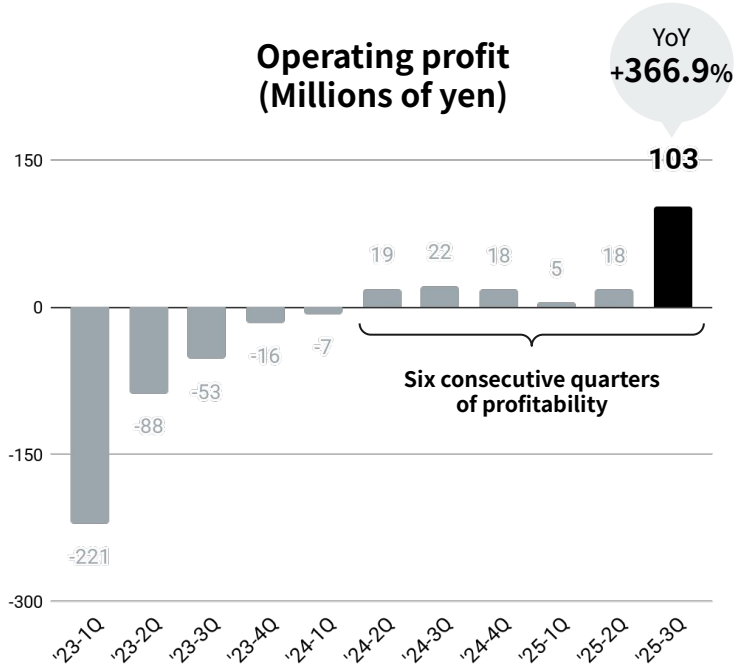
The track record of Revenue Growth Rate is as follows.
The growth rate accelerated starting in the FY2025.

	FY2023 Full Year	FY2024 Full Year	Q1 FY2025	Q2 FY2025	Q3 FY2025
Revenue Growth Rate YoY	+19.9%	+19.3%	+19.0%	+24.9%	**+27.2%**

Adjusted EBITDA and Operating Profit Trends

Adjusted EBITDA and Operating Profit saw a significant jump driven by revenue growth, with quarterly profit **exceeding 100 million yen** for the first time.

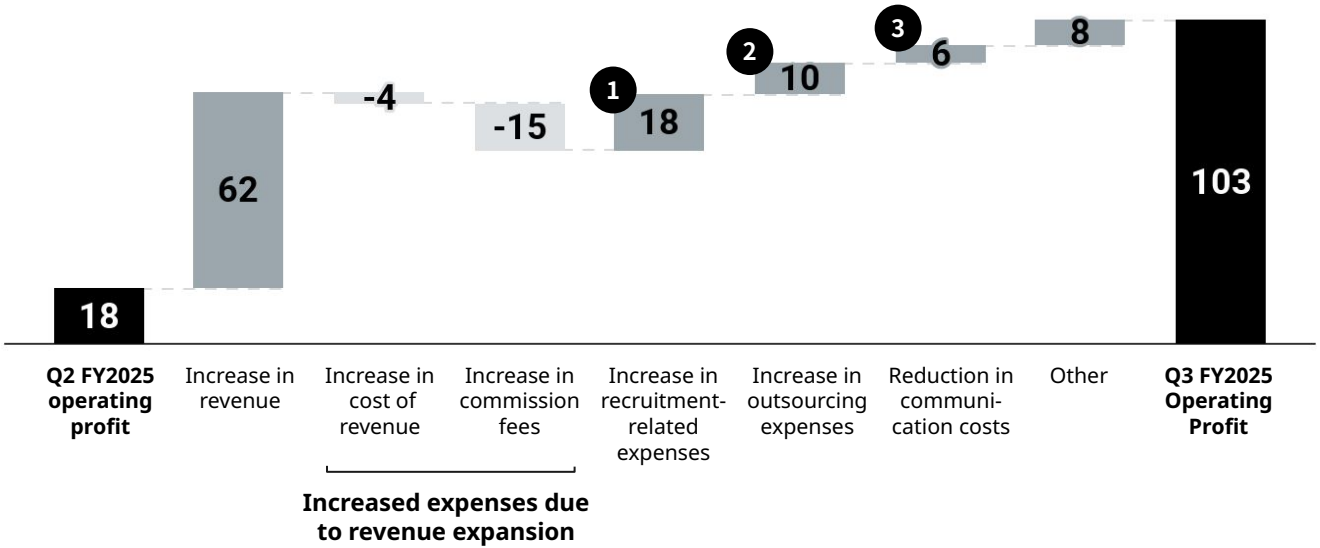




* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses
* Prior to FY2023, calculated as EBITDA (= Operating profit + Depreciation + Stock compensation expense)

Key Drivers of Significant Profit Increase (Q2 vs. Q3 Operating Profit Comparison)

The acceleration of revenue growth resulted in a **significant revenue increase of 62 million yen**. **This growth was further supported by cost-reduction efforts**, specifically through the active utilization of AI in business operations and development to curb outsourcing and recruitment-related expenses, along with effective management of communication costs.



1 Increase in recruitment-related expenses
Since recruiting progressed significantly in the first half, we adopted a policy of more selective hiring for the second half.

2 Increase in outsourcing expenses
Reduced due to increased operational productivity driven by the active utilization of AI and other measures.

3 Reduction in communication costs
Expenditures had been increasing due to the expansion of the platform, so we strengthened cost management.

KPI Summary for Q3 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)
5,537 million yen
(YoY ＋27.4%)

note pro ARR
648 million yen
(YoY ＋23.9%)

Registered User Accounts
10.52 million
(YoY ＋23.3%)

Amount of Published Content
64.07 million creations
(YoY ＋33.1%)

Number of Creators
1.88 million
(YoY ＋29.5%)

Upward Revision to Full-Year Earnings Forecast for FY2025

Given the strong progress across all business segments, significantly exceeding expectations, we have substantially revised our full-year financial forecast upward.
Please refer to the following pages for the specific factors driving this revision.

Unit: Millions of yen	**FY2025 Current Forecast**	FY2025 Previous Forecast	Change in Forecast	FY2024 Full-Year	YoY Increase Rate	First Three Quarters of FY2025	Progress Rate Against Revised Forecast
Net sales	**4,125**	4,010	+115	3,312	+24.5%	3,046	73.9%
Gross profit	**3,860**	3,700	+160	3,110	+24.1%	2,855	74.0%
Operating profit	**200**	60	+140	52	+278.5%	127	63.7%
Ordinary profit	**210**	80	+130	75	+179.3%	139	66.7%
Profit attributable to owners of parent	**330**	110	+220	98	+233.5%	212	64.4%

Background for Upward Revision: Overall Picture

Revenue growth is accelerating as all business segments are performing better than expected. Cost of revenue and SG&A expenses are lower than anticipated. Although SG&A is expected to increase in Q4 compared to Q3, revenue is projected to remain at a similar level to Q3, resulting in full-year results significantly exceeding our initial plan.

Results Year-to-Date through Q3

We achieved significant increases in both revenue and profit, driven by strong performance across all business segments, coupled with SG&A cost control and the recording of an adjustment for corporate taxes.

Revenue	**All business segments performed strongly and exceeded expectations.** **⇨For details, please refer to p.12-14**
COGS and SG&A	**Expenses lower than anticipated.** **⇨For details, please refer to p.8.** Expenses were reduced, particularly in Q3, due to the following factors: • Reduction in outsourcing and communication costs (Cost-saving effects materialized from Q3 onwards) • Decrease in recruitment-related expenses in Q3.
Income Taxes Adjustment	**Increase driven by the recognition of deferred tax assets** Recorded an adjustment for corporate taxes (benefit) based on solid financial performance.

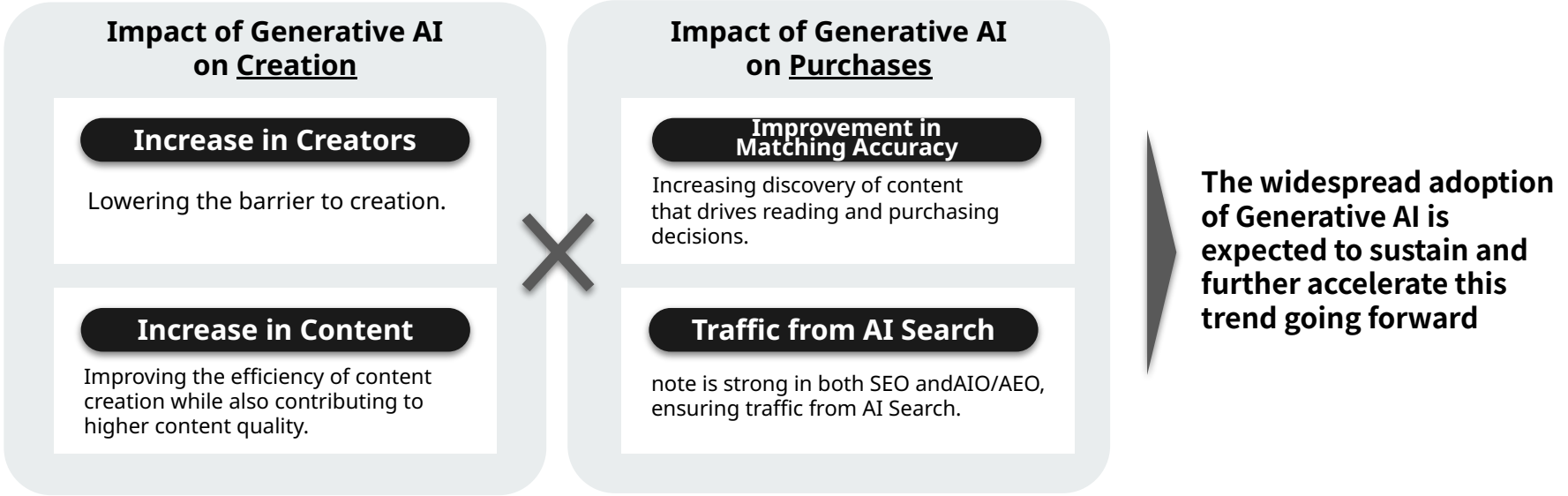
Q4 Outlook

Although SG&A expenses are expected to increase compared to Q3, revenue is projected to remain stable at the Q3 level, leading to a full-year result that will significantly surpass our initial projections.

Revenue	**Expected to be on par with Q3** The favorable trend is anticipated to continue in Q4 and beyond.
COGS and SG&A	**Expected to increase compared to Q3** This increase is mainly due to the following SG&A expenses: • Creative Award-related expenses • Shareholder benefit-related expenses • Recruitment-related expenses (Rebound effect from lower-than-expected Q3 spending)
Income Taxes Adjustment	**Expected to be on par with Q3** We anticipate recording an adjustment for corporate taxes (benefit) in Q4 as well.

Background for Upward Revision: ①note Business

The widespread adoption of Generative AI is accelerating the pace of growth for creators and content. AI is also contributing to the connection between readers and content, driving an increase in subscriptions and purchases, and thereby accelerating platform growth. We anticipate this trend will continue going forward.



Background for Upward Revision: ②note pro Business

Backed by the expansion of note users, the benefits for corporate users have increased, leading to higher demand.
The acceleration in contract acquisition is a result of successfully enhancing sales measures, including running campaigns, and the continuous addition of features that directly contribute to corporate profitability.

Expansion of note Usage	The growing number of note users enhances the platform's overall attractiveness, which in turn expands the benefits for companies utilizing note for their communication and outreach.
Enhancement of Features and Offerings	We enhanced support for effective corporate communication by developing optional menus that sustain continuous publishing while also expanding features that directly link to business results, such as recruiting and marketing.
Strengthening of Marketing Efforts	In addition to strengthening our sales organization, we enhanced awareness and contract acquisition through the aggressive deployment of campaigns.

Contracts Exceeded 1,000
(as of end of September 2025)

We aggressively utilized campaigns this term, resulting in the acquisition of numerous contracts. We aim for further growth in the number of contracts while strengthening churn prevention measures through the enhancement of features, services, and support.

Background for Upward Revision: ③New Businesses

We have reflected the performance of Tales' IP and Content Creation business through Q3 in the updated earnings forecast. Regarding data sales, we revised the terms of service in August 2025 and are currently in negotiations with multiple AI service providers. These data sales are not factored into the current earnings forecast at this time.

Businesses Managed by Tales & Co.

①Platform Operation Business

Jointly manages the story-posting website TALES with note Inc.

②Original IP Development Business

Promotes the development of proprietary IP based on content discovered through the operation of TALES and other sources.

③BtoB Editorial Business

Produces content under contract, collaborating with creators upon request from media companies and other clients.

⇨ **These businesses' performance through Q3 (cumulative revenue of 55.46 million yen) and future outlook have been reflected in the full-year earnings forecast.**

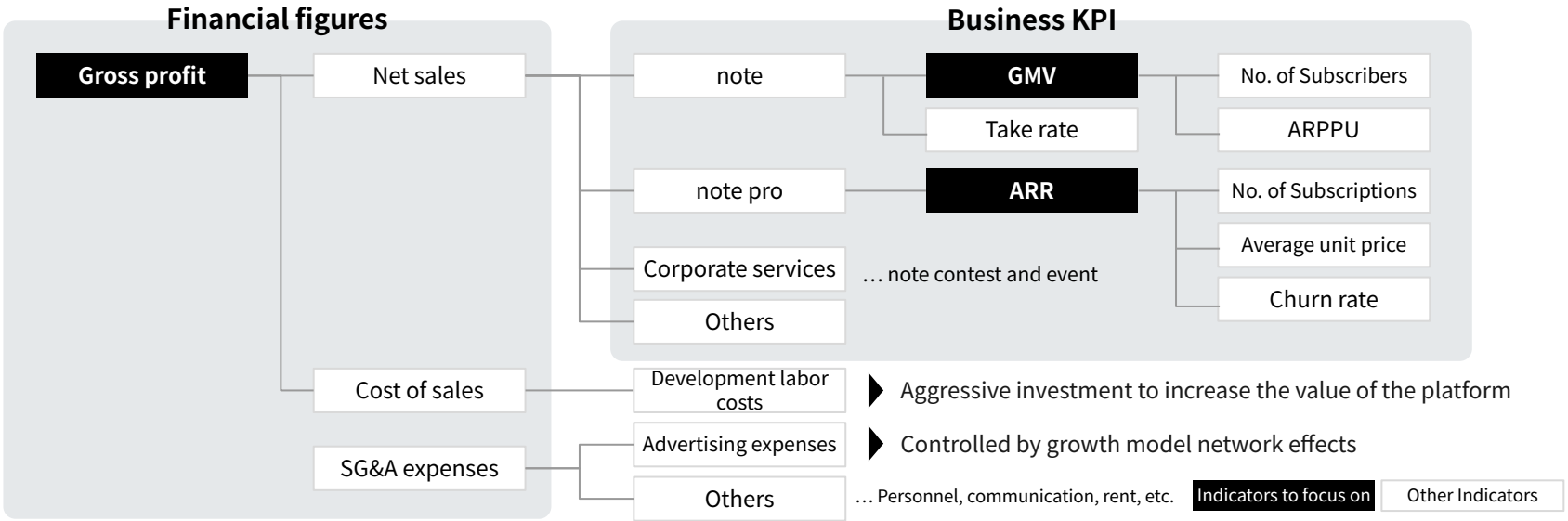
Data Provision to AI Service Providers

- We have launched an initiative to provide content from the note platform to AI service providers and return the proceeds to the creators. (Details on p.56)
- Following several proof-of-concept (POC) tests, we revised the Terms of Service in August 2025, completing the framework to provide data to AI service providers.
- We are currently in negotiations with multiple AI service providers.

⇨ **This revenue is not factored into the current earnings forecast as the timing of revenue recognition is still undetermined.**

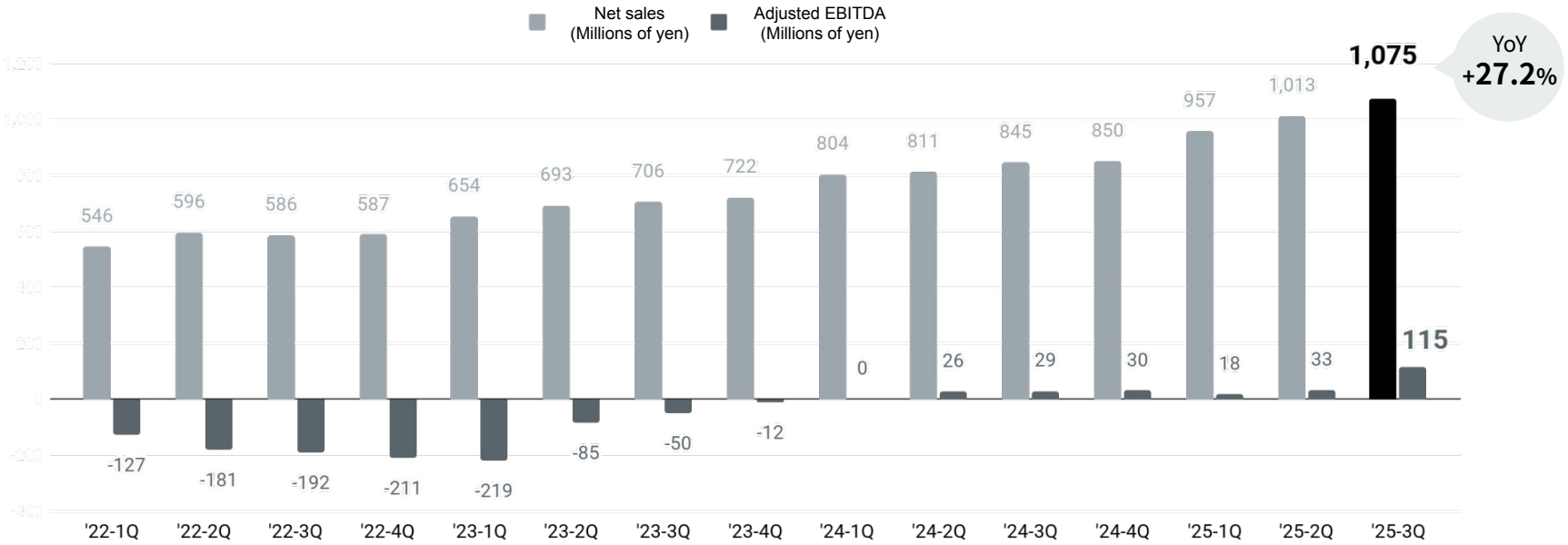
Reference: Financial Structure and Key Indicators

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 +27.2% YoY, representing a further acceleration of the growth rate from Q2.
Adjusted EBITDA **expanded to over 100 million yen for the first time** on a quarterly basis.

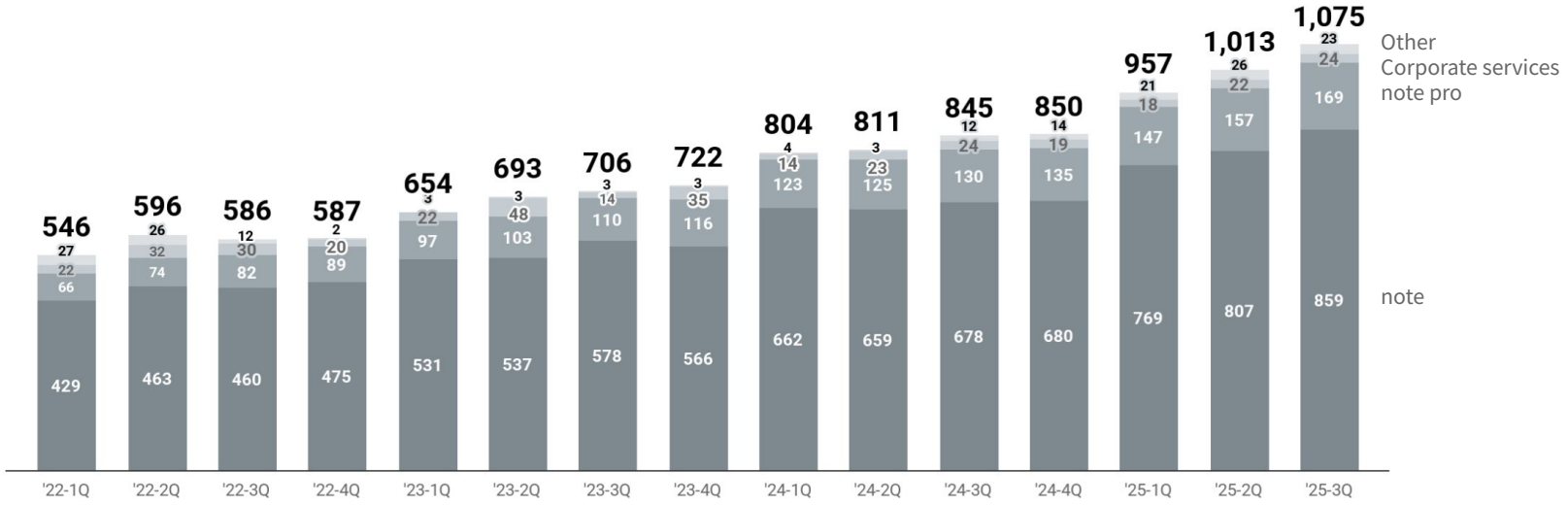


* Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses
* Prior to FY2023, calculated as EBITDA (= Operating profit + Depreciation + Stock compensation expense)

Net Sales Breakdown Trends

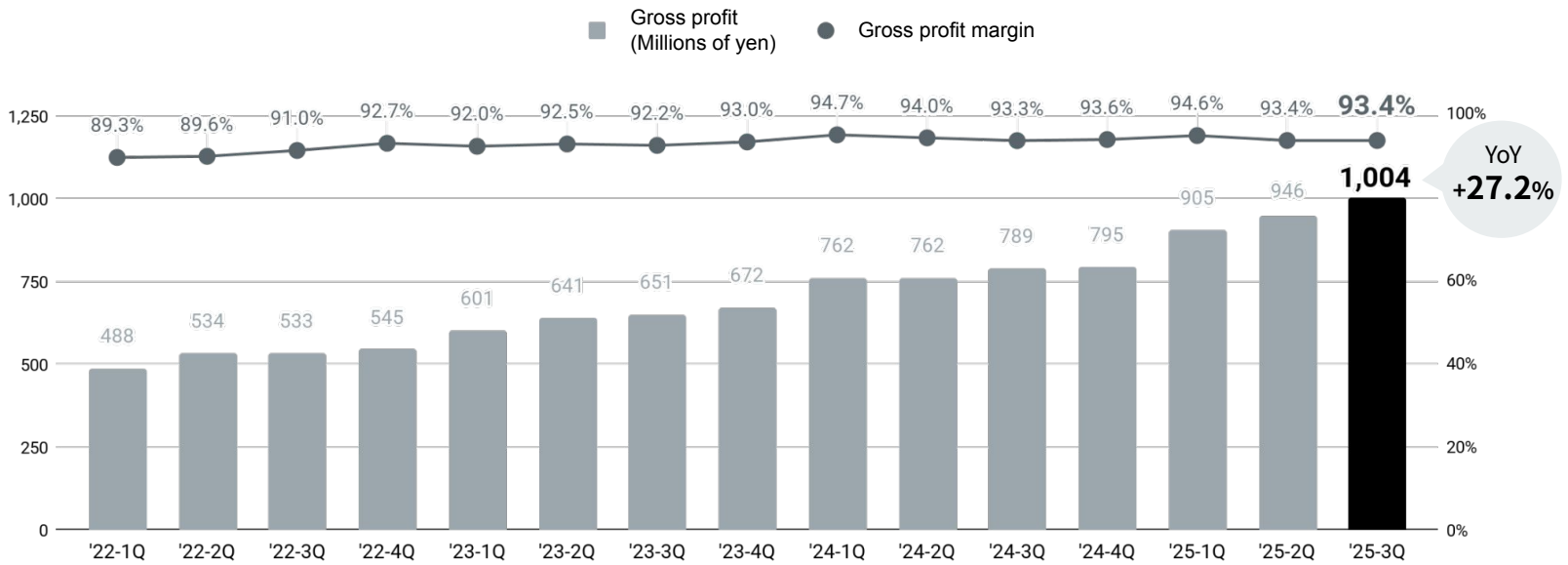
Both core businesses, note and note pro, continued to perform steadily, driving sales growth.

Net sales breakdown (Millions of yen)



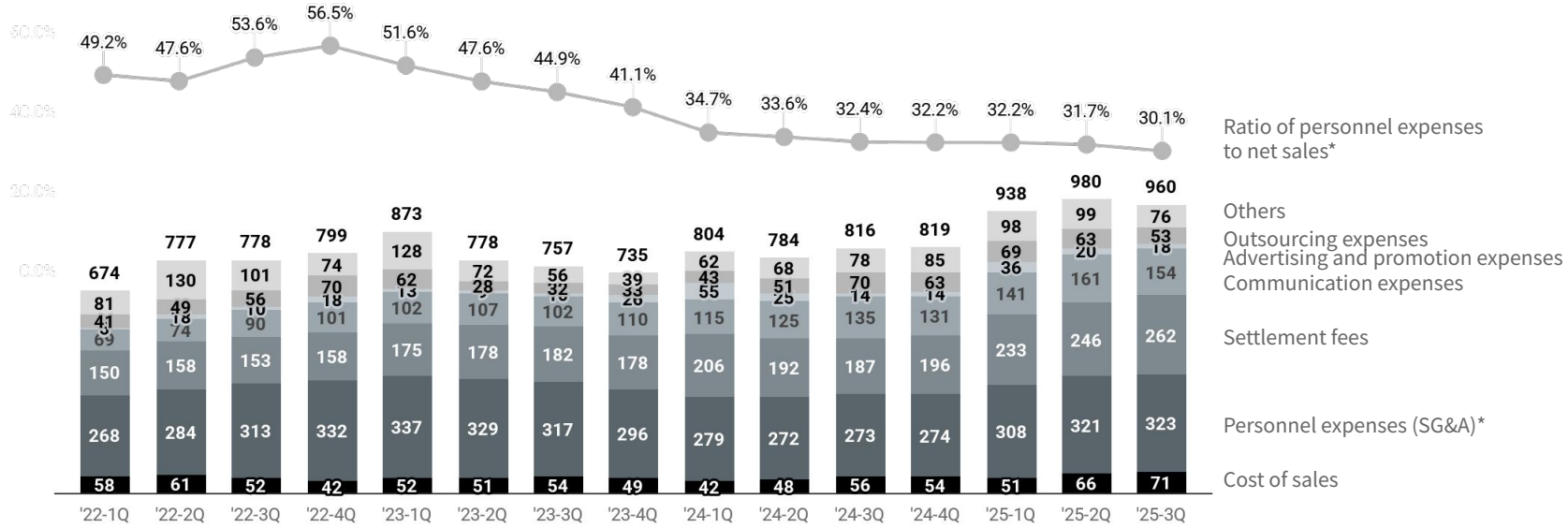
Quarterly Gross Profit and Gross Profit Margin Trends

Gross profit, our key metric, **increased by +27.2% YoY**. The gross profit margin also remained high, exceeding 90%.



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

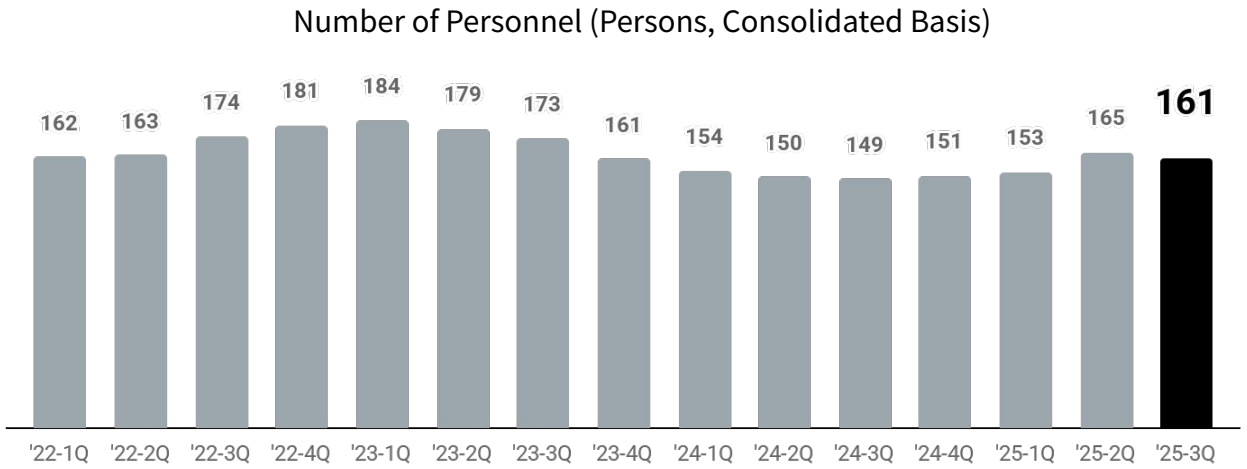
Sales growth is accelerating, while **expenses have decreased since Q2** due to reduced hiring-related costs and outsourcing fees, as well as lower communication costs. Although personnel expenses slightly increased, **the ratio of personnel expenses to net sales continues to decline due to expanding net sales**.



* 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)

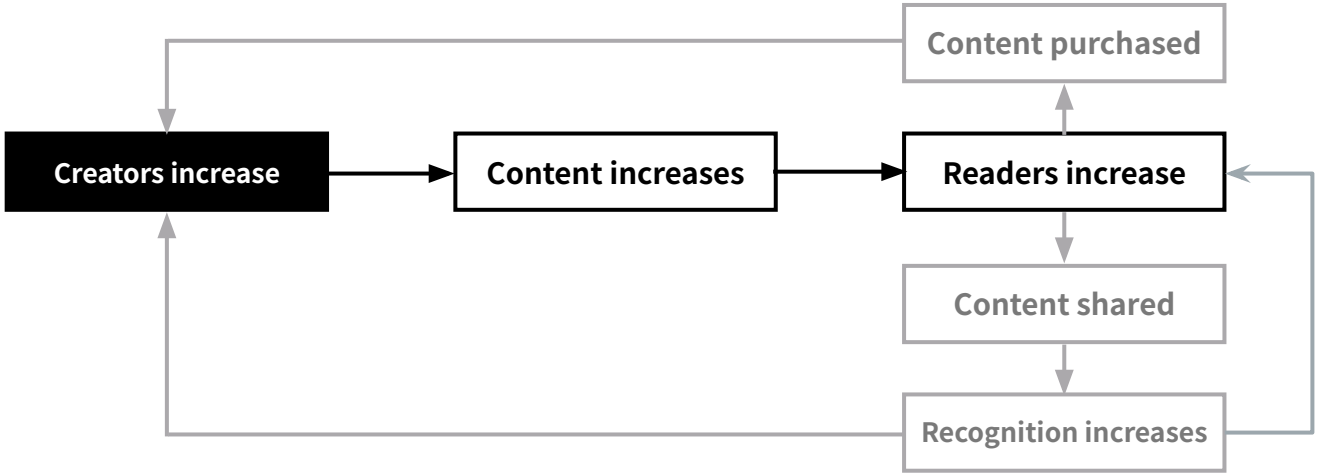
Due to successful talent acquisition in the first half, primarily driven by the announcement of the capital and business alliance with Google, we will implement a more highly selective hiring policy in the second half. We will continue to build the optimal personnel structure to achieve further profitability improvements.



* 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.

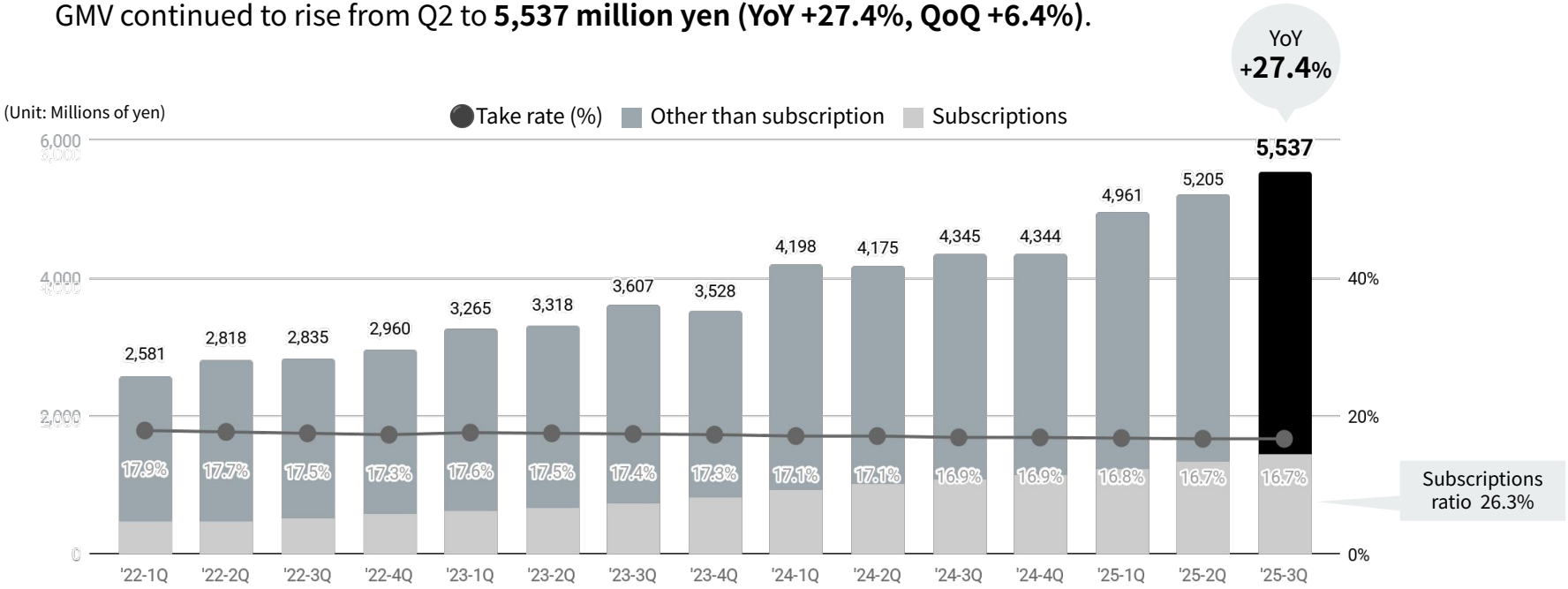
Growth Model of note

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 24.4% of all articles published on note (as of August 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

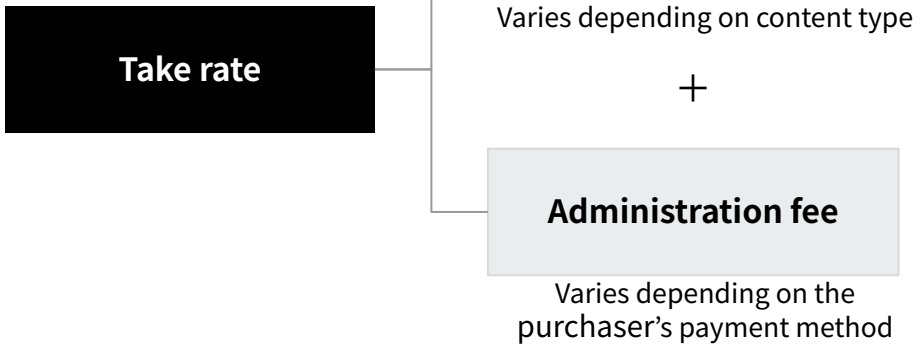
GMV continued to rise from Q2 to **5,537 million yen (YoY +27.4%, QoQ +6.4%)**.



* 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.

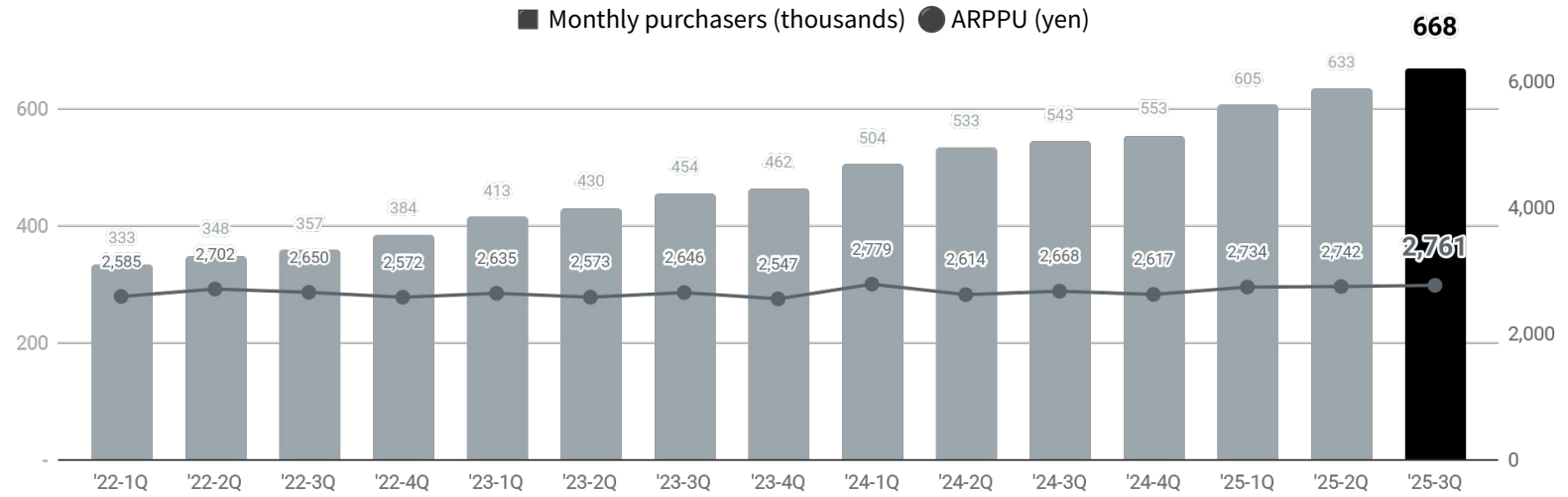


- Paid one-time content : 10%
- Paid magazine : 10%
- Support : 10%
- Membership : 10%
- Subscription magazines : 20%

- 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 showing an upward trend, reaching the ¥2,700 range.

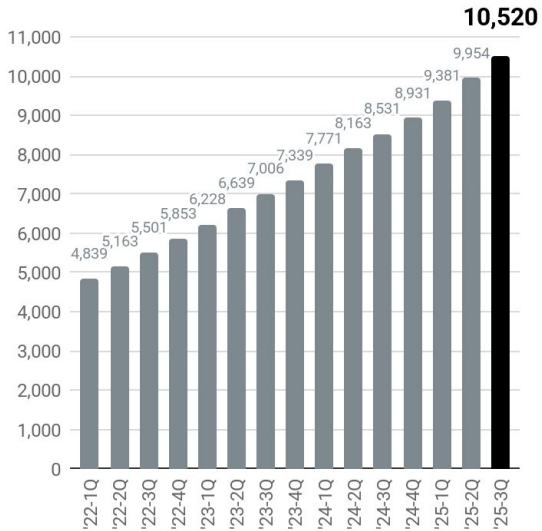


* The number of monthly purchasers is the average number of accounts per month that made payments on note during each quarter. (Including non-login purchases of guest users)
* ARPPU=Average Revenue Per Paid User is the average monthly purchase per purchaser for each quarter.

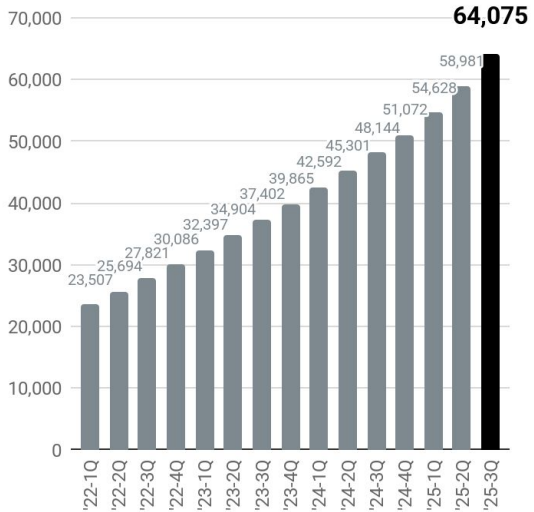
Growth of note, a Creative Community

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

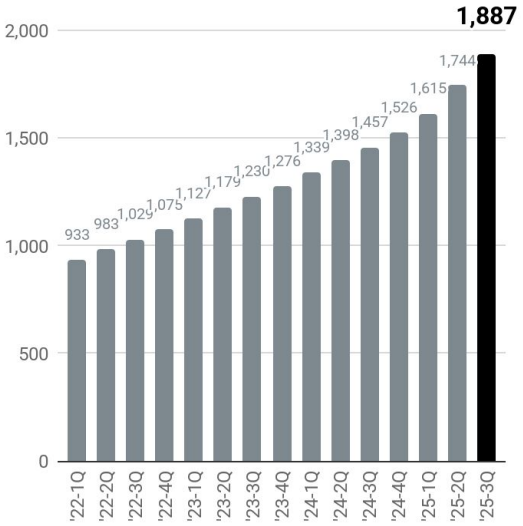
Registered User Accounts (thousand)



Amount of Published Content*1 (thousand)



Number of Creators *2 (thousand)

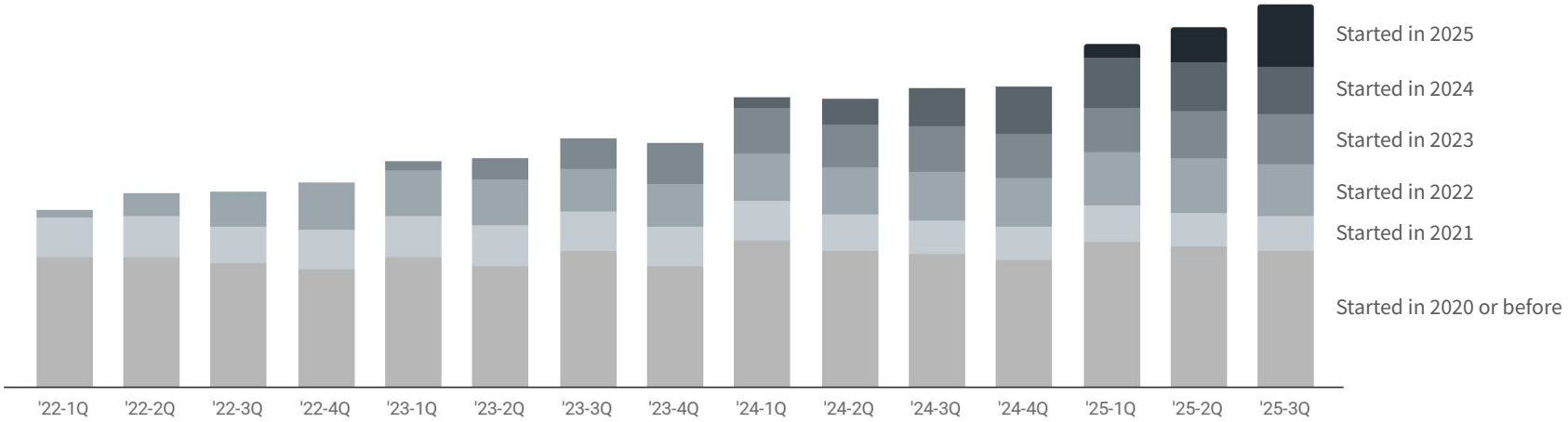


*1 Amount of published content is the total number of contents currently published on note as of the end of each month.
*2 Number of creators is the total number of accounts that have posted content on note in the past (including those that have been deleted).

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

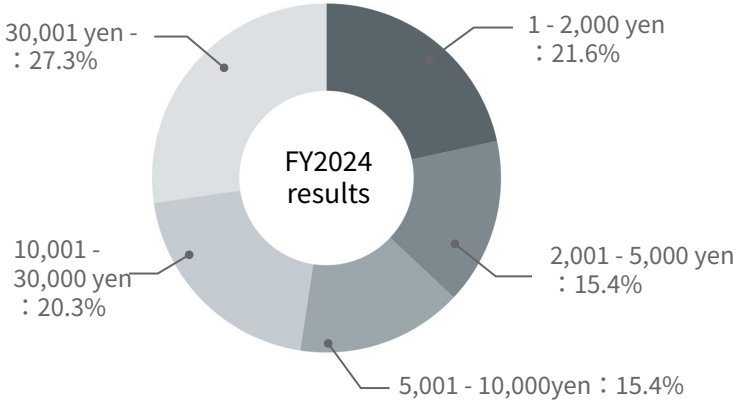


* The start year of creators posting articles is based on the date when the first article was created and published on note, regardless of whether it was a paid or free article. The graph was created by excluding some articles for which the date of publication could not be determined.

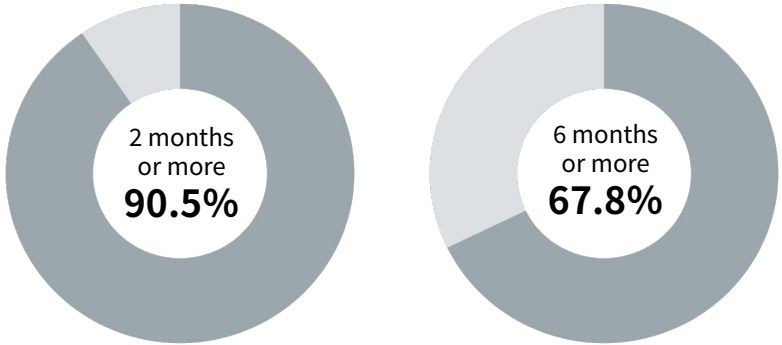
note: Purchaser Data (FY2024)

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)



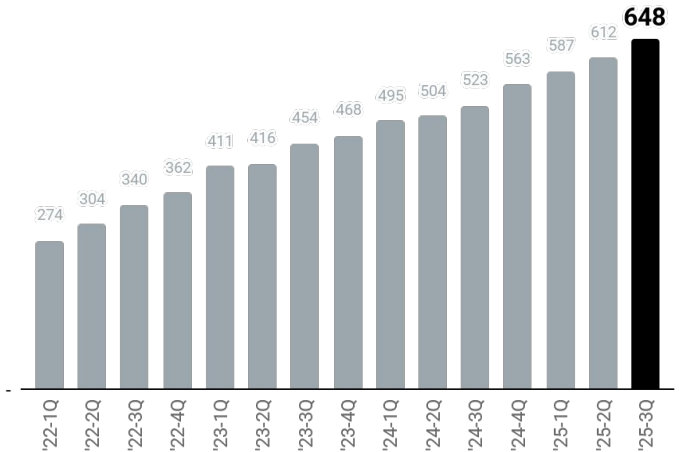
* “Total purchases composition by monthly billing amount” is the ratio of total purchases based on monthly billing amount.

note pro: ARR / Churn Rate

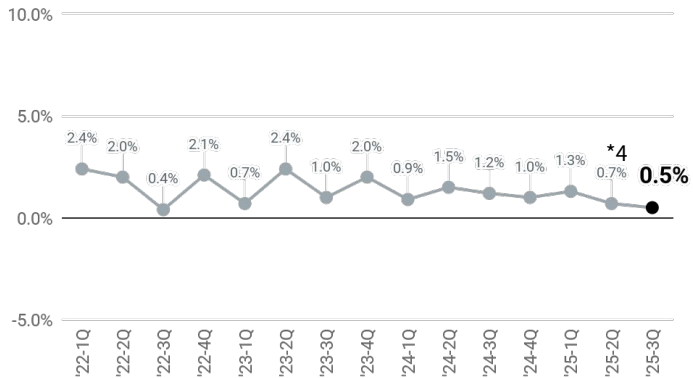
Owing to the increase in the number of paid contracts (see next page), ARR has continuously increased, up 23.9% YoY.

ARR*2 (Millions of yen)

YoY +23.9%



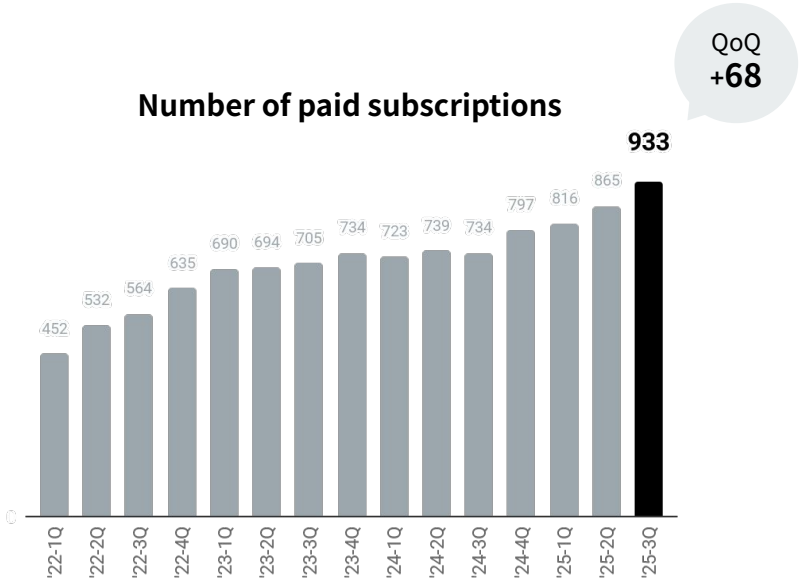
Average quarterly revenue churn rate*3

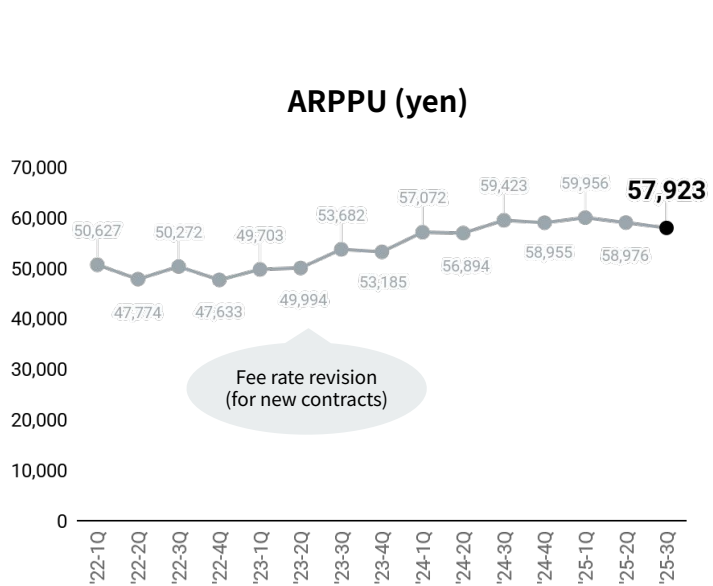


*1 Fee rate revision was conducted for new contracts concluded in February 2023 or after, changing the monthly fee from 50,000 yen (excluding tax) to 80,000 yen (excluding tax).
Usage fees for existing contracts concluded in January 2023 or before remain unchanged at 50,000 yen.
*2 ARR = Annual Recurring 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.
*4 The figures have been revised due to an error in the "Financial Results Presentation Material for the Second Quarter of the Fiscal Year Ending November 2025" disclosed on July 8, 2025.

note pro: Number of Paid Subscriptions / ARPPU

The three-month free campaign conducted in June and July led to **a significant increase in paid subscriptions of +199 QoQ and +68 QoQ**. Average Revenue Per Paying User (ARPPU) remains stable in the high ¥50,000 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 status of the Balance Sheet is as follows. Shareholders' Equity increased due to the investment from Google in January and strong business performance. Investment Securities were recorded following the acquisition of Coconala shares in April. A ¥700 million loan was secured in June to support further business expansion.

Unit: Millions of yen	End of November 2024	**End of August 2025**	Change (Amount)
Assets	**3,769**	**6,018**	**+2,249**
Cash and Deposits	2,154	2,884	+729
Accounts Receivable	1,209	1,597	+388
Investment Securities	-	1,084	+1,084
Others	404	452	+47
Liabilities	**2,046**	**3,220**	**+1,173**
Deposits Received	1,577	1,988	+410
Borrowings	80	780	+700
Others	389	451	+62
Net Assets / Equity	**1,722**	**2,798**	**+1,076**
Shareholders' Equity	1,702	2,513	+811
Others	19	285	+265
Shareholders' Equity Ratio	**45.2%**	**45.6%**	**+0.4p**

Increase due to the acquisition of Coconala's shares.

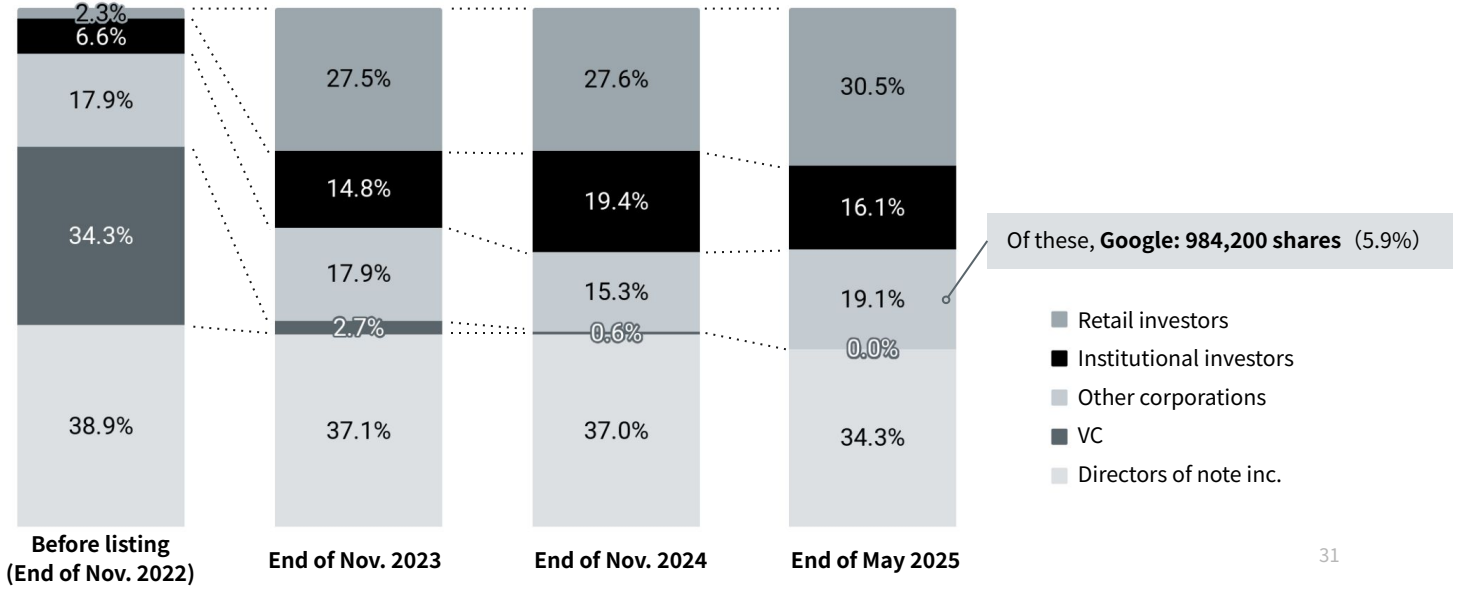
Increase resulting from securing a ¥700 million loan.

Increase driven by the investment from Google and strong business performance.

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



Establishment of a New Shareholder Benefit Program

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

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

Key Initiatives for the Q3 of FY2025

- June: Google Gemini and note collaboration contest
- June: note exceeds 10 million registered users
- July: note pro launches new feature: 'LINE Friend Addition'
- July: note makes first startup investment in StoryHub Inc.
- July: note introduces audio data embedding feature for articles
- July: note launches "AI Writing Support Review Plus"
- August: Implemented revisions to the Terms of Service for the data provision program for AI training
- August: Introduction of a shareholder benefit program
- August: Google Gemini collaboration contest series launches
- September: Wakayama prefectural board of education implements note pro across the board
- September: Netflix and note launch collaborative submission contest
- September: Story-sharing platform TALES launches mobile app
- October: TALES launches novel submission contest to transform stories into live reading dramas
- October: note pro exceeds 1,000 subscribers
- October: note launches new messaging feature

Content

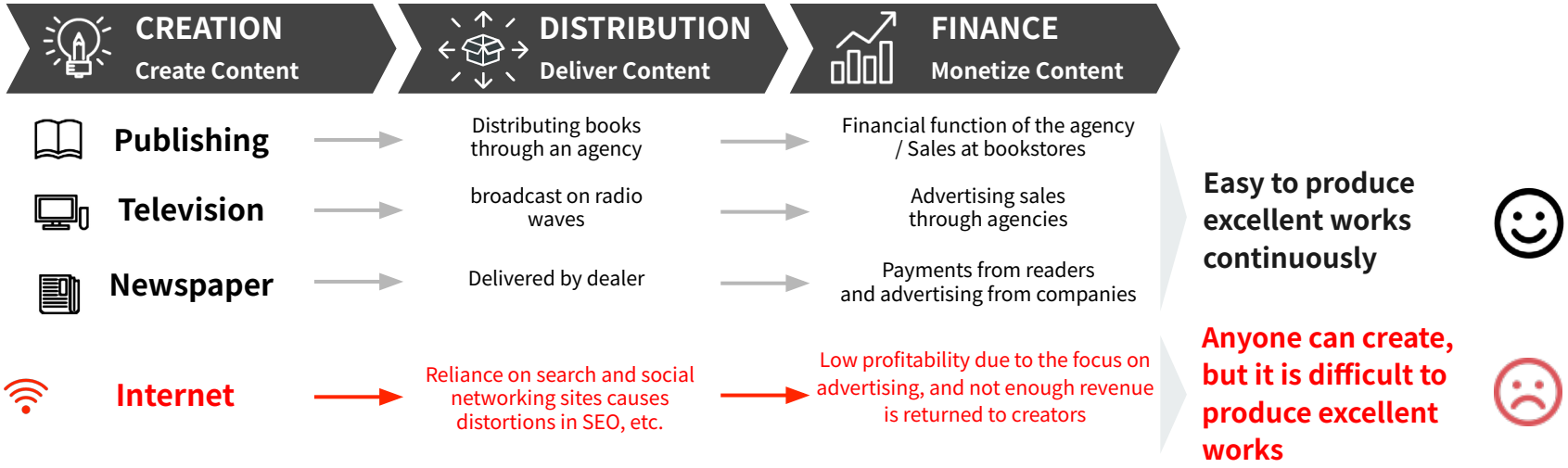
01 Summary of Financial Results and Earnings Forecasts

02 Future Growth Strategies and Latest Initiatives

03 Notice

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.

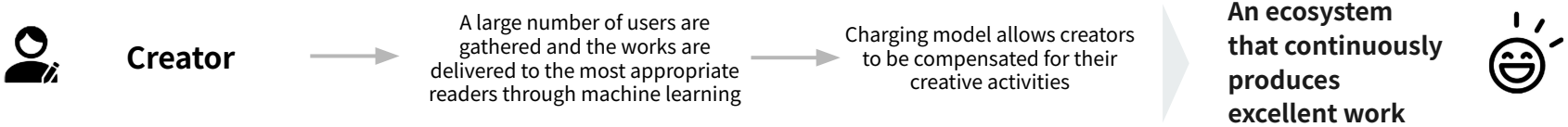


The Value Provided by note

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.

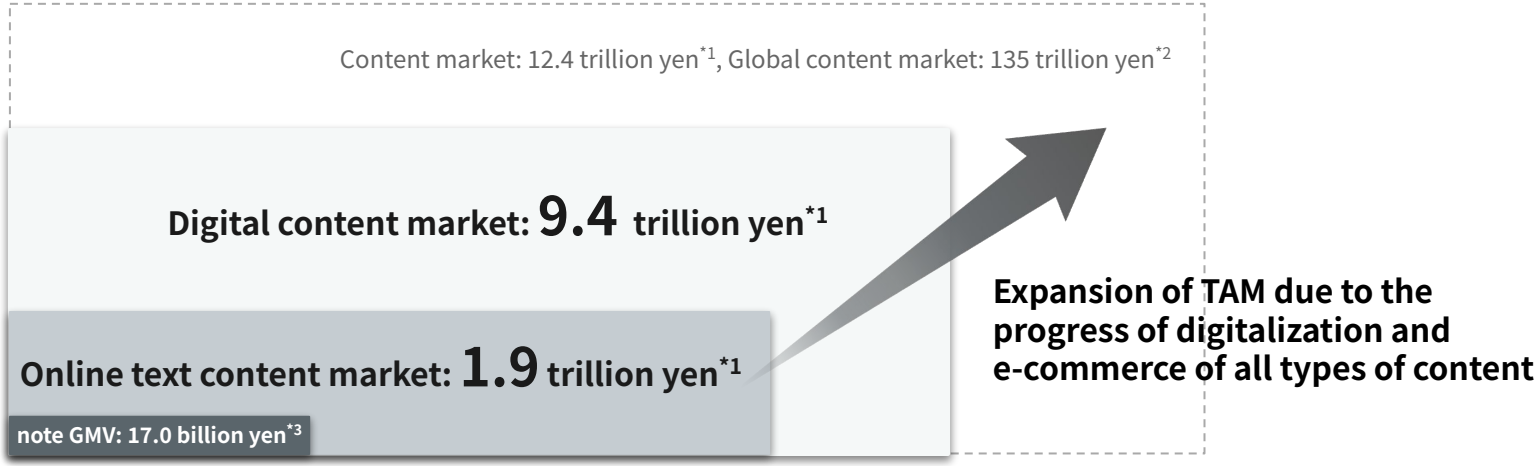




note promotes the creator economy by creating a mechanism for creators to connect directly with appropriate fans.

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.

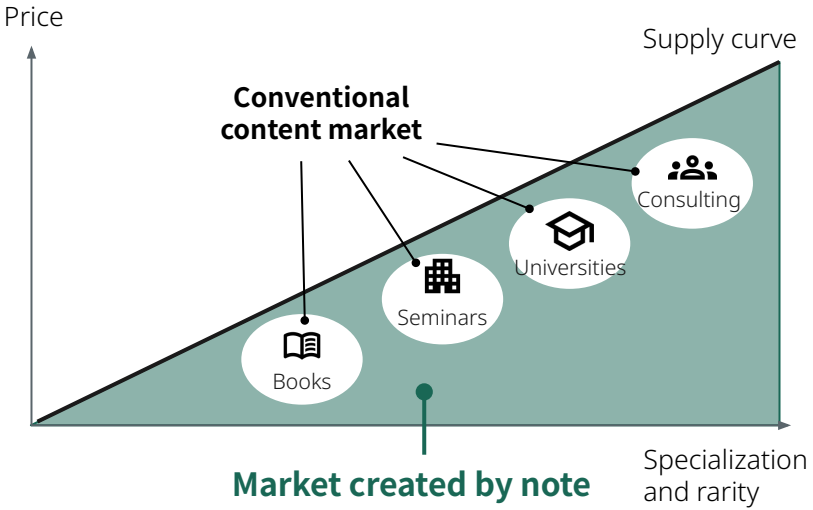


*1 Source: National Institute of Information and Communications Policy, Ministry of Internal Affairs and Communications, “Survey on Media Software Production and Distribution (June 2024).” Market size is for 2022.
*2 Source: Ministry of Economy, Trade and Industry "Entertainment & Creative Industry Policy 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 ＞

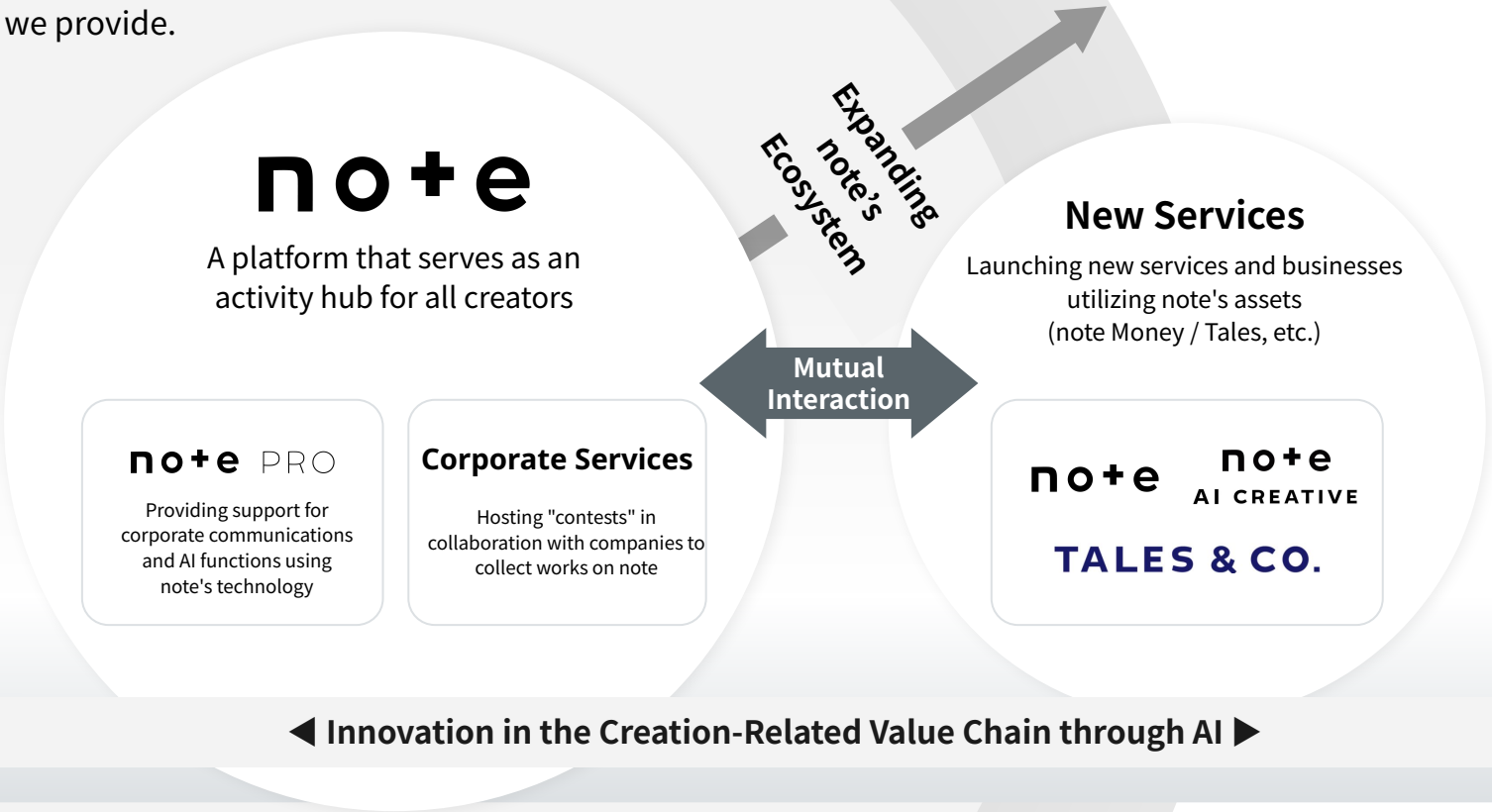


- **Generally, the more specialized and rare the content, the higher the price of the content**
- **With many constraints, the conventional content market has had its limits**
  - Physical constraints on the offering package and distribution network
  - Limited provision method and restricted price setting 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.



Discontinuous growth through the utilization of business alliances and M&A

In addition to initiatives within each business area, we have executed various corporate actions, including the capital and business alliance with Google. We will continue to actively pursue business alliances and M&A with external companies to achieve discontinuous growth.

2025 Achievements

- **Google:** Concluded a capital and business alliance in January 2025. We are engaged in ongoing technical discussions regarding AI utilization and search and marketing collaboration, including the "Gemini Collaboration Contest."
- **Coconala:** Acquired shares in April 2025 and are conducting continuous discussions.
- **StoryHub:** Made an investment in July 2025. We are jointly developing a plan to support corporate IR (Investor Relations) communication for note pro users.

Future Strategy

We will promote business alliances and M&A with external companies as necessary to acquire resources currently lacking at note and to maximize the utilization of note's existing resources.

【Future Strategy】

- We will aggressively explore a wide range of business alliances and M&A that contribute to the expansion of the note ecosystem.
- We will also actively pursue alliances with major corporations.

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 ennancıng exıstıng 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.

Maximizing the value that note provides

	CREATION Create Content	DISTRIBUTION Deliver Content	FINANCE Monetize Content
Issues to be tackled	• Increase creators • Make content creation easier	• Increase the number of readers • Extend duration of stay • Improve matching accuracy	• Increase the variety of creator success • Make payment easier
Specific measures	• **Strengthen AI functions utilizing Gemini** • Plan and operate events such as the “Creative Award” • Collaborate with diverse creators • Deepen specific categories	• **Enhance AI/recommendation function accuracy** • Enhance app functionality • Further improve SEO • note recognition and branding	• Promote point system utilization • Enhance membership • Improvement of functions related to payment • Diversify revenue opportunities

Message Feature Release

We added a Message feature allowing users to exchange one-on-one text and files with accounts they follow. This enables users to directly share feedback on work, ask for advice, or make work requests within note, without relying on external tools.

Message Feature Overview

【Key Features】

- Allows sending and receiving of both text and files.
- Built-in mechanisms for safe usage, such as age verification and requiring mutual following.
- AI checks the text and displays an alert for inappropriate language.

【Use Case Examples】

When a user wants to discuss collaboration or contribution.
When a user wants to request work from a creator.
When a user wants to provide individual feedback on an article.

This feature will deepen connections among creators and **foster broader creator success, including new encounters and business opportunities.**



Image of message feature usage

Audio Embedding Feature Release

We have introduced a feature that allows embedding MP3 and AAC audio data into article content, enabling playback at speeds ranging from 0.5× to 4×. This initiative will expand the range of creative expression and contribute to growing the creator base.

Audio Embedding Feature Overview

In addition to allowing audio files to be inserted at any point, just like text or images, enabling playback speed selection (from 0.5× to 4×) will support creation utilizing audio sources.

【Use Case Examples】

- Posting Podcast audio data along with behind-the-scenes stories or related links.
- Uploading and selling audio sources in the paid section of an article.
- The application will also allow users to record audio directly on the spot.

This will broaden the scope of creation and contribute to **the expansion of the creator base on note,** particularly among audio creators.

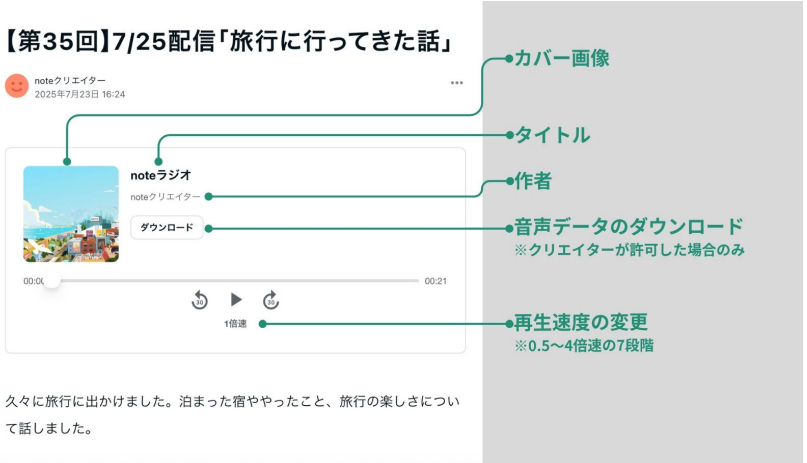


Image of embedded audio data

Concluded Partnership Agreement with Wakayama Prefectural Board of Education

We have signed a partnership agreement with the Wakayama Prefectural Board of Education to provide note pro for free to all 60 prefectural schools and prefectural educational facilities. This collaboration aims to expand the user base and enhance the platform's reliability by supporting information dissemination by educational institutions on note.

Overview of the Partnership Agreement

We will enhance the discoverability of information by consolidating content scattered across individual school websites onto note, and we will provide various support services to ensure the continuous communication of Wakayama's educational appeal.

【Specific Initiatives】

- Free provision of note pro to all 60 prefectural schools and prefectural educational facilities.
- Establishment of the Prefectural Board of Education's owned media on note.
- Implementation of operational support and training sessions.

This contributes to **the expansion of note's user base**, particularly among younger demographics and public institutions, while also **improving the platform's trustworthiness.**



(Left) Hiroyuki Imanishi, Superintendent of Education, Wakayama Prefectural Board of Education
(Right) Sadaaki Kato, CEO, note inc.

Initiatives for "note Money," a Site for Investor Insights

Launched in March 2025 following the growing interest in the investment and economics category on note. We are developing new initiatives, including adding useful features for article creation (such as chart embedding and a stock comparison function) and running advertising focused exclusively on investment and economic themes.

Features of note Money

【Value Provision Focused on Investment and Economic Fields】

- Curates note articles across diverse perspectives, including information useful for market understanding and asset building, and relevant individual stock information.
- Introduced features such as chart embedding for stock indices (e.g., Nikkei 225, S&P 500) and individual stock prices, as well as a stock comparison function.
- Conducts submission campaigns and article series on money-related themes, such as investment, finance, and asset building.

【Initiatives Unique to a Vertical Media Platform】

- **Advertisements are strictly focused on investment and economic themes.**
- **Posts from note pro corporate users are featured as official corporate information.**



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: LINE Friend Addition

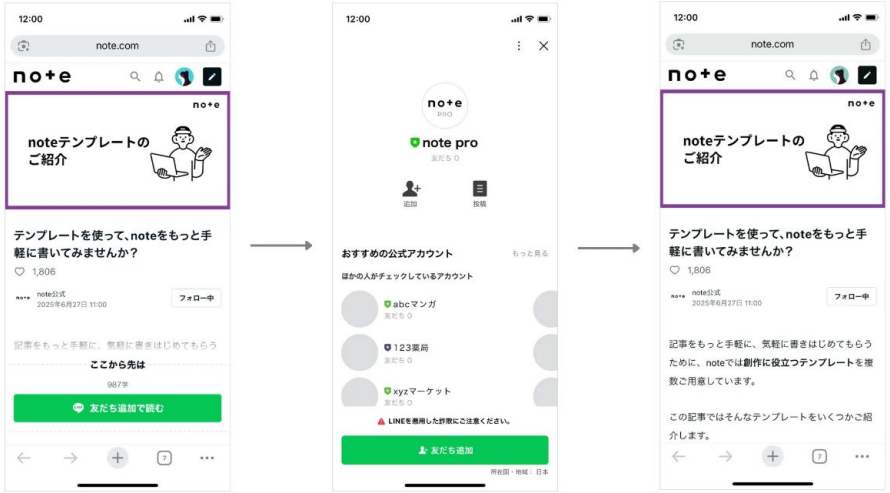
We released the "LINE Friend Addition" feature as a monthly option for ¥9,800. This allows users to increase friends on their official LINE account via their note articles, enabling them to directly deliver exclusive information, coupons, and event announcements.

LINE Friend Addition Mechanism

1. A reader becomes interested in continuing a note article.
2. The reader adds the official LINE account as a friend.
3. The reader can now view exclusive content (event information, coupons, etc.) in the remainder of the article.
4. The reader can continue to receive information via LINE thereafter.

This feature enables direct reader guidance from note articles to the official LINE account, f**acilitating a direct connection with engaged readers.**

As this feature is also expected to be useful for individual users, **we plan to offer it as an option to non-note pro users by the end of the year.**



Screen image

First Startup Investment in StoryHub Inc.

We made our first startup investment in StoryHub Inc., the provider of the all-in-one AI editing assistant "StoryHub." We are jointly developing a writing plan for note pro users.

Background of the Investment

【Company and Service Overview:】
Company Name：StoryHub Inc.
Main Service："StoryHub," an all-in-one AI editing assistant

【Background and Objective of the Investment】
The investment aims to expand the note ecosystem by jointly developing services with StoryHub, a company that possesses advanced AI technology and an established track record of supporting numerous media organizations (including TV stations, newspapers, and publishers) through its "StoryHub" service.

The first phase involves **jointly developing a writing plan to support IR (Investor Relations) communication** for note pro users.



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

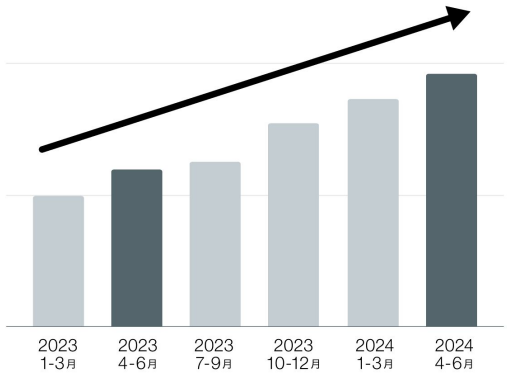
C Expansion of Corporate Services

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

Contest Example: Collaboration with Netflix

We recently held a collaboration contest to commemorate the 10th anniversary of Netflix's service in Japan. Since reviews of movies and dramas are a popular content category on note, this initiative also contributed to further boosting activity on the platform.

Collaboration Contest Overview

- **Call for Entries:**
  Submissions of reviews and memories related to content available on Netflix (any submission format was accepted, including text, photos, manga, or illustrations).

- **Application Schedule:**
  From September 3, 2025 (Wed) 11:00 AM to September 30, 2025 (Tue) 11:59 PM.

- **Prizes:**
  Five randomly selected entrants will receive a ¥10,000 gift card and a Netflix merchandise set.



Contest Example: Google Gemini Collaboration Contest Becomes a Series

The collaboration contest, initially held to share ways to utilize and experience Gemini, has been expanded into a series due to its positive reception. The first installment, "#AIとやってみた" (I Tried It with AI), held in June, gathered over 24,000 submissions detailing AI usage methods and unique experiences.

The 3rd Contest Overview

- **Call for Entries:**
  Submissions on the theme "#AIと旅行" (AI and Travel) were requested on note (any format, such as manga, essays, illustrations, or novels, was accepted).

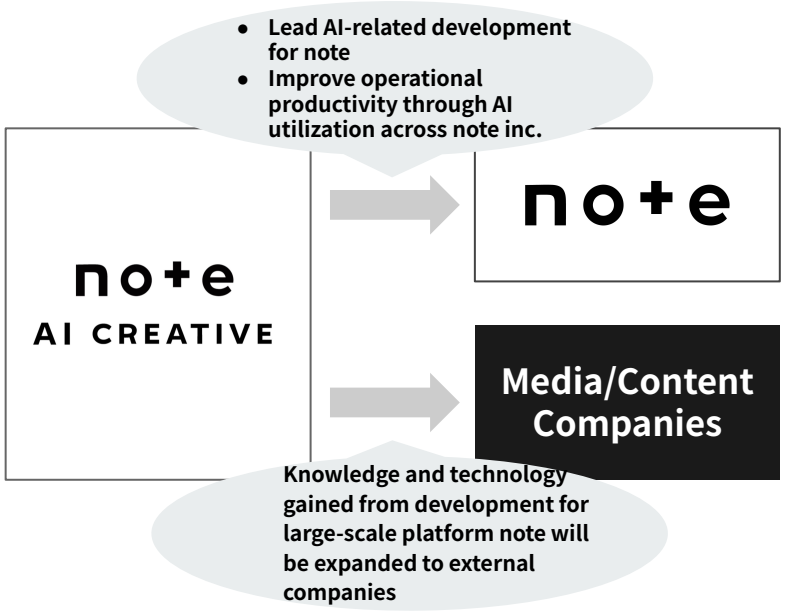
- **Application Schedule:**
  Submission Period: From September 11, 2025 (Thu) 11:00 AM to October 1, 2025 (Wed) 11:59 PM.
  Results Announcement: Scheduled for mid-November 2025.

- **Prizes:**
  Grand Prize: 1 winner (¥100,000 gift card)
  Google Gemini Prize: 2 winners (¥50,000 gift card each)
  All winners will receive a three-month free subscription to the 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.

AI Writing Support Review Plus: External SaaS Offering for Businesses Launched

We have significantly updated the "AI Writing Support" feature for note pro users and are now offering it externally as a SaaS solution for businesses. This upgraded service, named "Review Plus," includes new functions such as flame-risk review and the ability to reflect internal company writing rules.

Service Overview

The service automatically generates drafts based on audio, video, and text data. It also includes functions to review content for flame-risks (controversy) and adherence to company writing rules, enabling the publication of high-quality content regardless of the user's experience or skill level. This service is available to all businesses, regardless of whether they have a note account.

【Key Features】
Automatic Draft Generation, Flame-Risk Review,
Text Flow/Cohesion Review, Word Count Adjustment,
Company Writing Rule Review, Tone & Manner Review



Usage flow

【Pricing Structure】

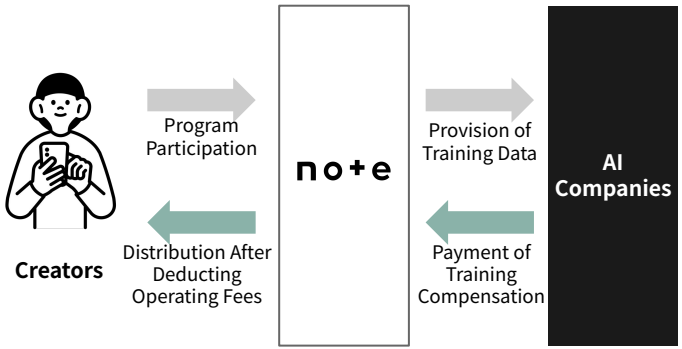
- 2 Articles per Month Plan: ¥10,000 / month (excl. tax) 1 st month free
- Unlimited Articles per Month Plan: ¥80,000 / month (excl. tax)

Creating New Revenue Opportunities Through Data Provision to AI Companies

We revised the Terms of Service in August 2025 to enable the initiative of providing note content to AI businesses and compensating creators with the proceeds. We are currently conducting discussions with multiple domestic and international AI businesses to provide content and receive compensation. This aims to create new revenue opportunities for both creators and the company, establishing a new ecosystem in the age of AI.

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>

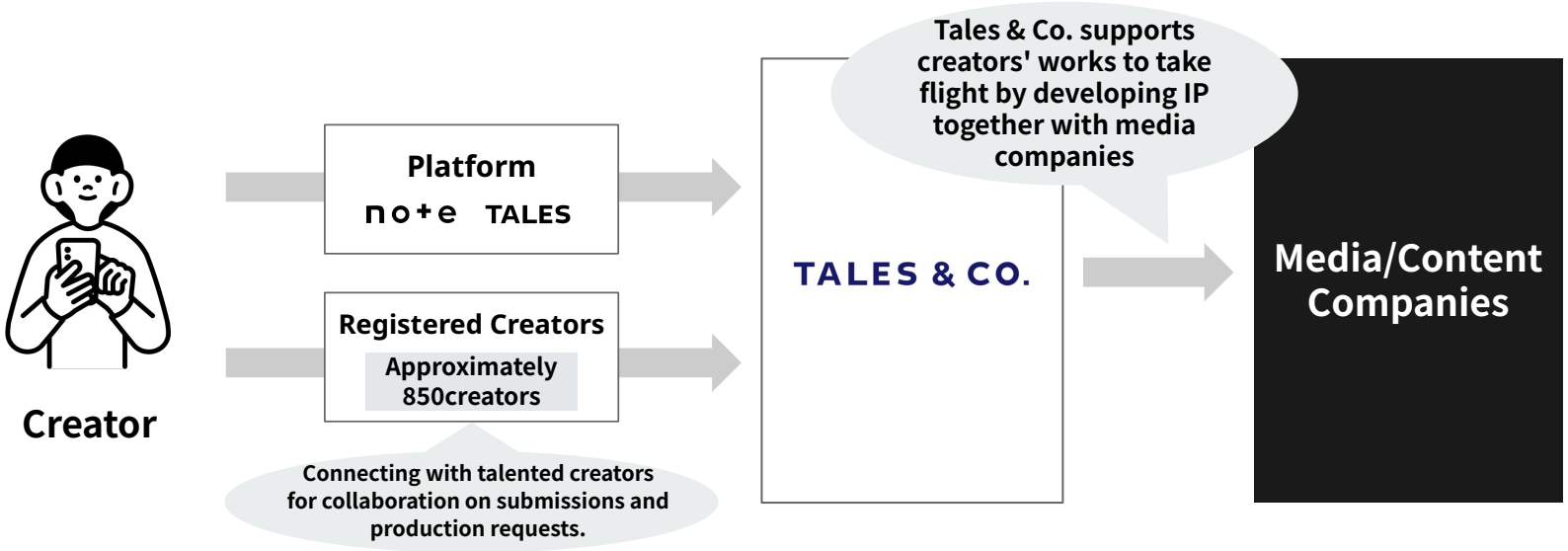
- Can utilize note's content (including paid content and memberships) comprehensively to improve AI quality

<note>

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

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

Strengths of Tales & Co.

Tales & Co. is strengthened by its team of proven editors—including CEO Hagiwara and Director Kato—who have a track record of producing numerous hit works. Our capability lies in establishing a system for IP development by identifying a work's potential and realizing the optimal media mix.

▶ President and CEO: Takeshi Hagiwara

After working at Gyosei Corporation and Gentosha Comics, he joined Fujimi Shobo (now KADOKAWA). He held several key roles, including Deputy Editor-in-Chief of Fujimi Fantasia Bunko, Founding Editor-in-Chief of Fujimi L Bunko and Kadokawa BOOKS, and Founding Editor-in-Chief of Kakuyomu.
In 2017, he became independent and co-founded Balus Inc. as a Director and CCO. He joined note inc. in 2022 and currently serves as the CEO of Tales & Co.



Major Projects Launched

Saekano: How to Raise a Boring Girlfriend

Kakuriyo: Bed and Breakfast for Spirits

Lycoris Recoil

Love Live! Hasunosora Jogakuin School Idol Club



▶ Director: Sadaaki Kato (note CEO)

Worked as an editor at ASCII and Diamond, Inc. As one of Japan's leading editors, he has produced numerous bestsellers, including What If the Manageress of a High School Baseball Team Read Drucker's “Management” (Natsumi Iwasaki) and Zero (Takafumi Horie). He launched the content distribution site "cakes" in 2012 and the media platform "note" in 2014.



Major Works Edited

What If the Manageress of a High School Baseball Team Read Drucker's “Management” (Natsumi Iwasaki)

Zero (Takafumi Horie)

At the End of the Matinee (Keiichiro Hirano)



Key Works by Tales & Co.: Original IP

The IP "I've Fallen in Love with My Childhood Friend" saw its manga and novel adaptations published by KADOKAWA in August. Additionally, multiple other works are currently being prepared for commercialization.



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

(Original: Fumiaki Maruto, Manga: Yomu)

- The manga and novel were published by KADOKAWA in August.
- The Chinese translated edition of the dōjinshi was published in September.
- The release of the French translated edition of the commercial version is also confirmed.



Entertainment novel MOOK 「Distillery」Blue,Red,Music

- The initial print run of the new Music publication sold out, necessitating a reprint.
- Multiple featured works are in progress for commercialization, including novel and comic adaptations.



"Girls x Vampire"

(Original: Mikami Teren, Manga: Minori Chigusa)

- Self-published (Dōjinshi) sales started.
- The German translated edition of the dōjinshi has been confirmed for release.
- Multiple works are currently in progress for commercialization.

Key Works by Tales & Co.: B2B Editing Business

Projects contracted for production from media and distribution platforms are also increasing in number.



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

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



Stream Distribution Game Scenario:
"Hamukoi - The Sweet Daily Lives of Me Reincarnated as a Hamster and Three Sisters -"

●Received an order from Kodansha the game developer, for game scenario production.

Other Production Track Records

- Original work for video production (animation and live-action)
- Manga original story
- Game scenarios
- Novel editing

and others.

Story Submission Site TALES

We launched the story submission site TALES in April 2025, jointly operated with note inc. The goal is to match submitted works with diverse media—such as publishers, video production companies, and streaming platforms—to create globally appealing Intellectual Properties (IPs).

Key Features of TALES

①Operational Structure Enabling Diverse Media Expansion

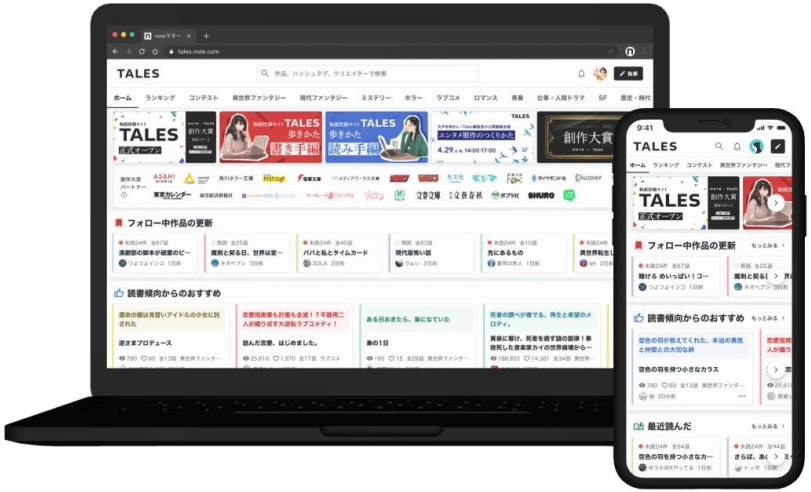
Not bound to specific labels, capable of partnering with various publishers, film companies, and video streaming platforms

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 Story Submission Site TALES

We are implementing various measures, such as mobile app releases and contests, to boost the platform and increase the number of creators and content.

Latest OS Support & Mobile App Release

We began offering a mobile app compatible with the latest operating systems. It features functions like "text-to-speech" (currently only on iOS, with Android support planned) to allow users to listen to stories anywhere, and the "AI Assistant (β)" (for certain devices/iOS only) to support creation. These features aim to expand the user base and improve user engagement.



Recitation Drama Contest

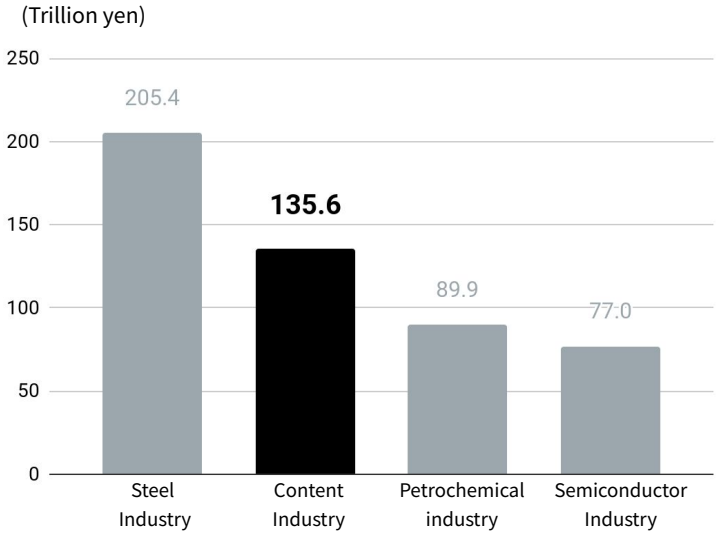
We held a contest in collaboration with the voice actor agency Raccoon Dog to adapt submitted novels into a recitation drama. Popular voice actor Nobuhiko Okamoto—known for his role as Katsuki Bakugo in My Hero Academia and who serves as the agency's representative—fully produced the project, from judging to direction.



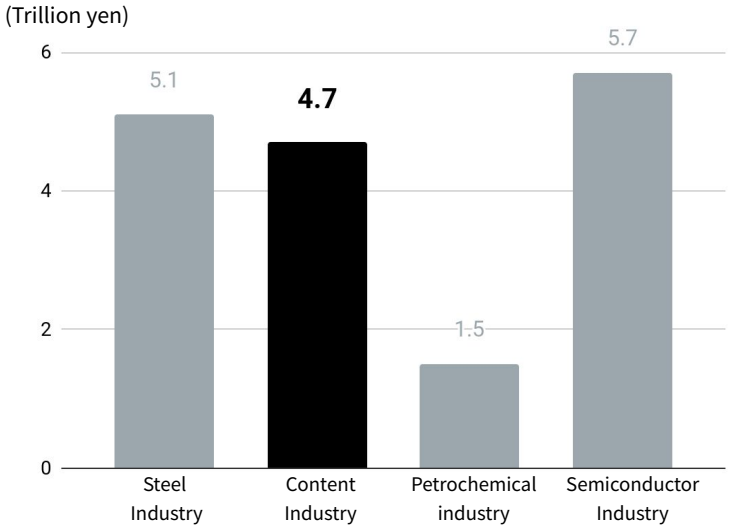
The Appeal of the Entertainment/Content Market

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*



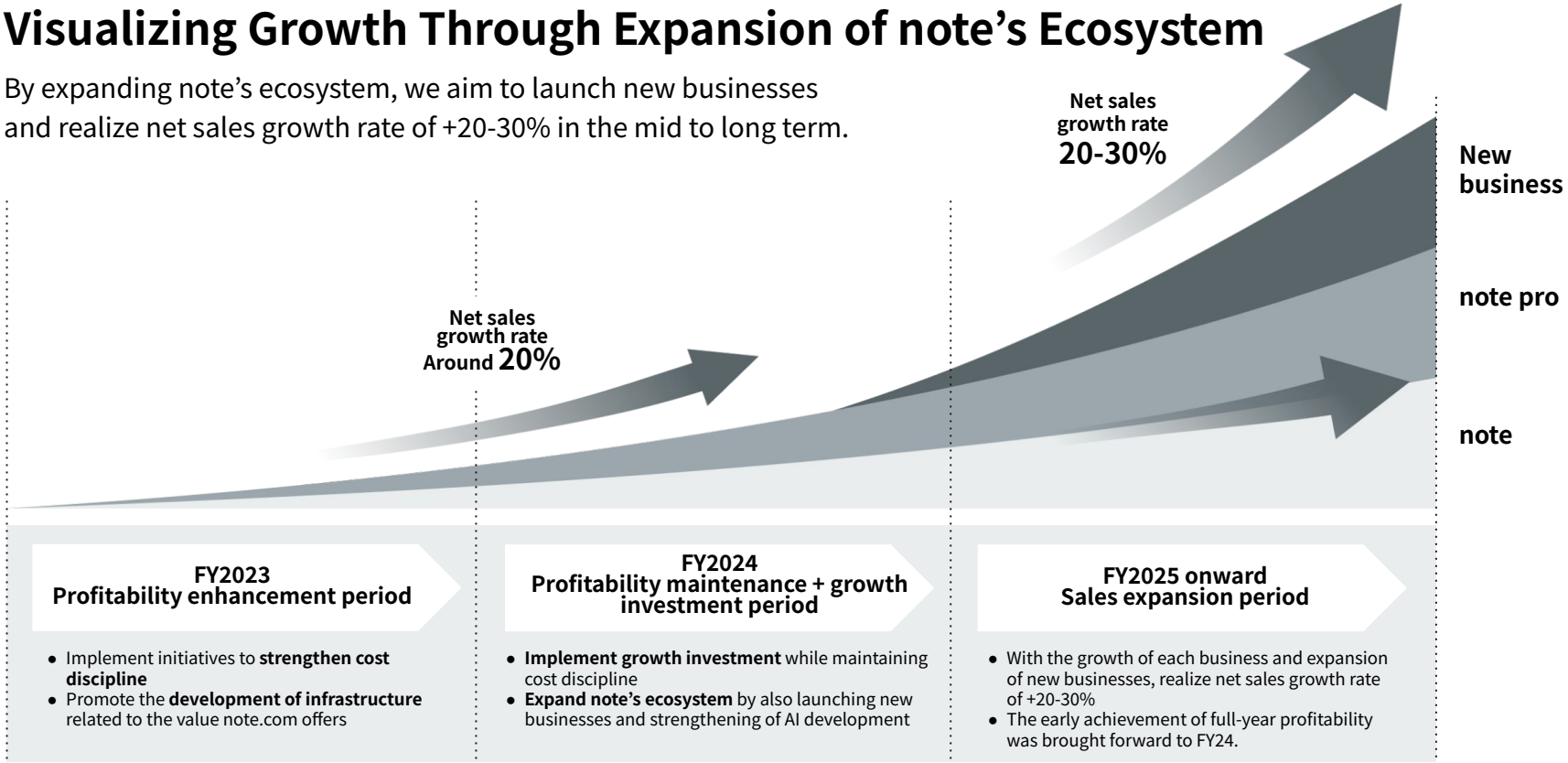
Export Scale of Japanese Content Industry*



*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.

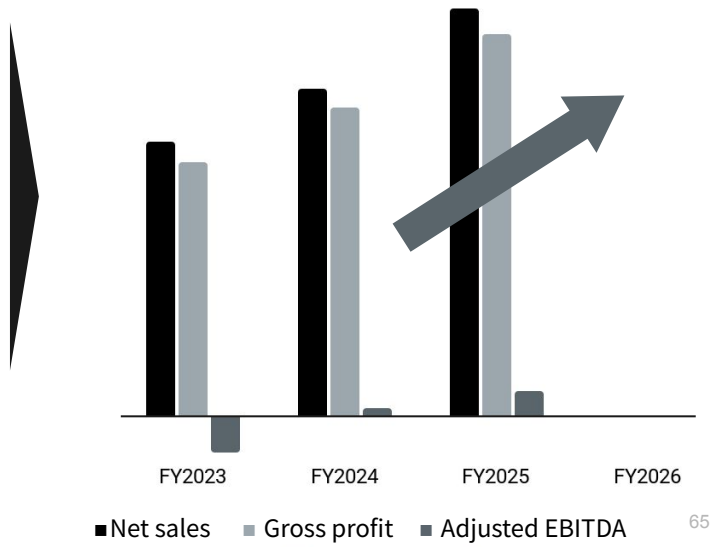
FY2026 Earnings Approach

The budget for the FY2026 is currently under formulation. Our policy is to aim for higher revenue and increased profit by focusing on the following growth drivers.

Key Growth Drivers

1	**Accelerating organic growth of the note platform**
2	**Increasing the number of note pro contracts and driving upsells**
3	**Promoting IP development**
4	**Achieving non-continuous growth through business alliances and M&A**

We aim for continued revenue and profit growth in FY2026 and beyond



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 and Earnings Forecasts
02 Future Growth Strategies and Latest Initiatives
03 Notice

Announcement of Participation in Private Investor Seminar

To deepen private investors' understanding of our company, we are scheduled to speak at the following IR event. Please join us for this event, which will be held in-person (Nagoya) and broadcast online via Zoom, YouTube, and X.

【Event Details】

- Title　Kabu Berry Lab
- Date　Saturday, October 25, 2025
  12:30 PM - 4:55 PM JST
  (note Inc. scheduled to speak from 12:30 PM to 1:50 PM JST)
- Format　In-person (Nagoya) and Online
- Venue　Nagoya Kaigishitsu
  Nakato Marunouchi Bldg.
  (3-17-6 Marunouchi, Naka Ward, Nagoya, Aichi)
- Fee　Free
- Speaker　Yukihiro Kashima, Director and CFO
- Registration　Please register in advance using the following.
  https://kabuberry.com/lab386/



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 September 30, 2025



No. of participating companies	No. of followers
131 companies	Over 2,100

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

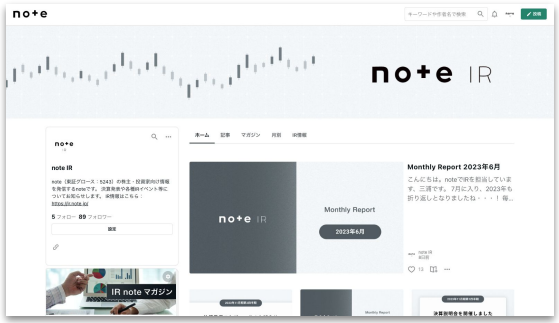
note disseminates its IR information through its IR website and note, in addition to disclosing information on TDnet. They are available at the following URL and QR code. For any requests or inquiries related to IR, please feel free to contact our IR inquiry desk.

- **IR website**



https://ir.note.jp/en

- **IR on note**



https://note.com/note_ir

IR Interview Article Published: AI Strategy (Published July 2025)

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

Disclaimer

Handling of this document

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

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

The Company assumes no obligation to update or revise any forward-looking information contained in this document in the event of new information or future events.

The information contained in this material regarding other companies is quoted from publicly available information, and the Company has not verified. It does not guarantee the accuracy or appropriateness of such information.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