Translation

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November 4, 2025


Company Name note inc.
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**Main Questions and Answers on the Q3 FY2025 Financial Results**

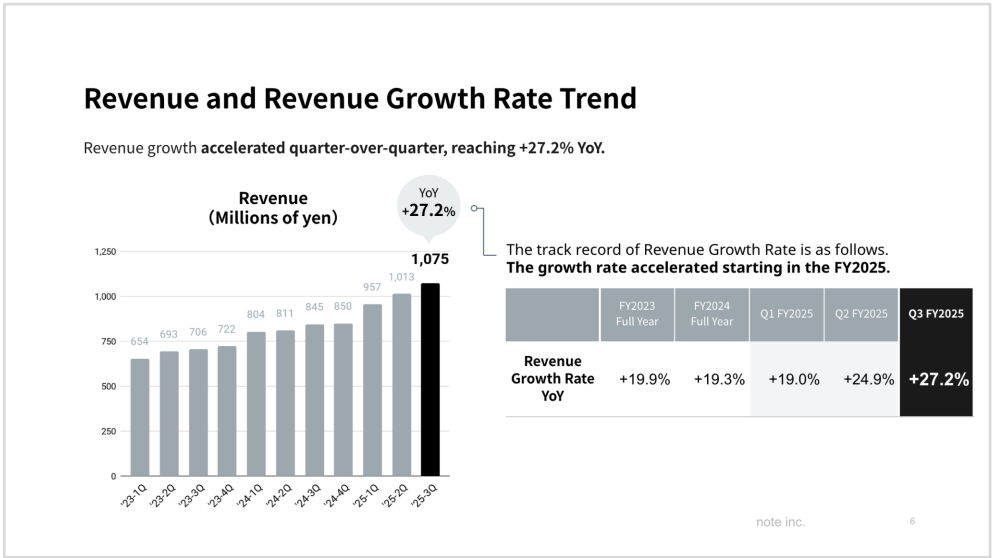
We would like to thank you for your ongoing interest in our business activities.

Regarding the financial results for the third quarter of the fiscal year ending November 2025, announced on Tuesday, October 7, 2025, we are publishing the main questions and answers below from the viewpoint of fair disclosure. These questions were gathered from our meetings with institutional investors and through inquiries from shareholders and other investors.

Please note that to promote a deeper understanding, the questions have been edited or rephrased without altering their original intent. Furthermore, please be aware that the answers provided reflect the Company's judgments and views as of the date of this disclosure, and that actual results may differ due to future events or other factors.

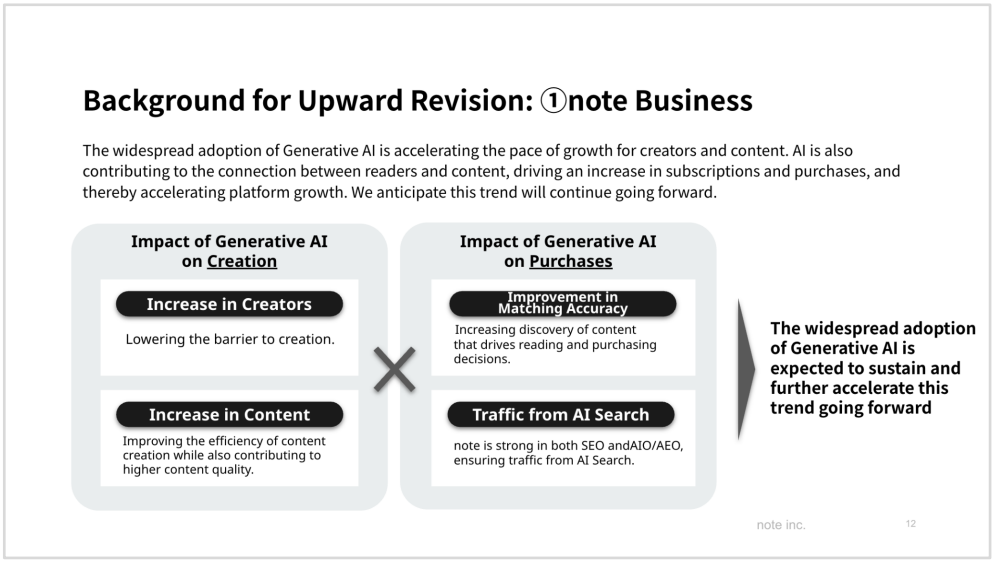
**Q. What is the background behind the further acceleration in revenue growth in the Q3 financial results?**

A. As shown in the image below, our Q3 revenue growth rate was +27.2% year-over-year (YoY), showing an acceleration from Q1's +19.0% and Q2's +24.9%.

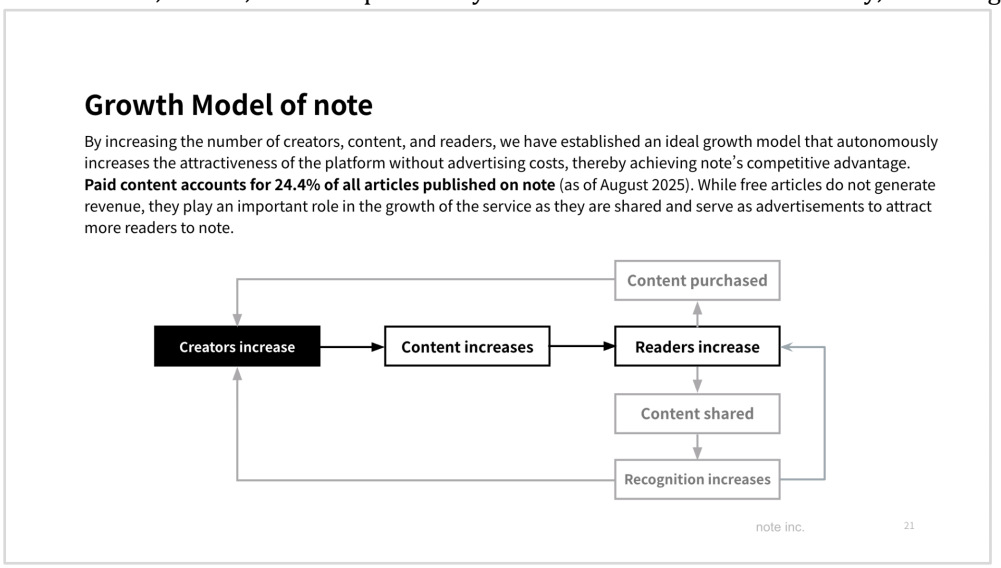


This acceleration is due to the strong performance across all our businesses: the note business, the note pro business, and the New Business (TALES IP development business). However, the expansion of Gross Merchandise Value (GMV) in our core note business has been the primary growth driver.

One key reason for the expanding GMV is the effect of the proliferation of Generative AI.
The spread of Generative AI has led to an increase in both creators and content. Furthermore, it has positively impacted both content creation and content consumption/purchase through effects like improved matching accuracy between content and readers, and increased traffic from AI search.

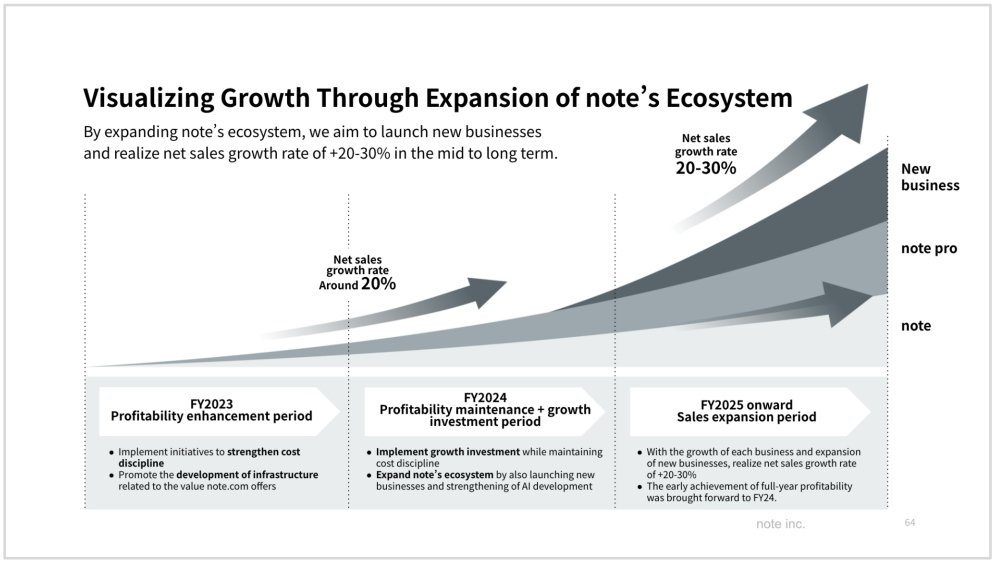



In addition, the network effect of our platform is also a contributing factor. Our fundamental policy for platform expansion, the "Growth Model" (see figure below), is functioning effectively, resulting in a high growth rate in the number of note creators and content postings. As content increases, users have more opportunities to discover and purchase paid content. This, in turn, creates a positive cycle that drives GMV and ultimately, revenue growth.



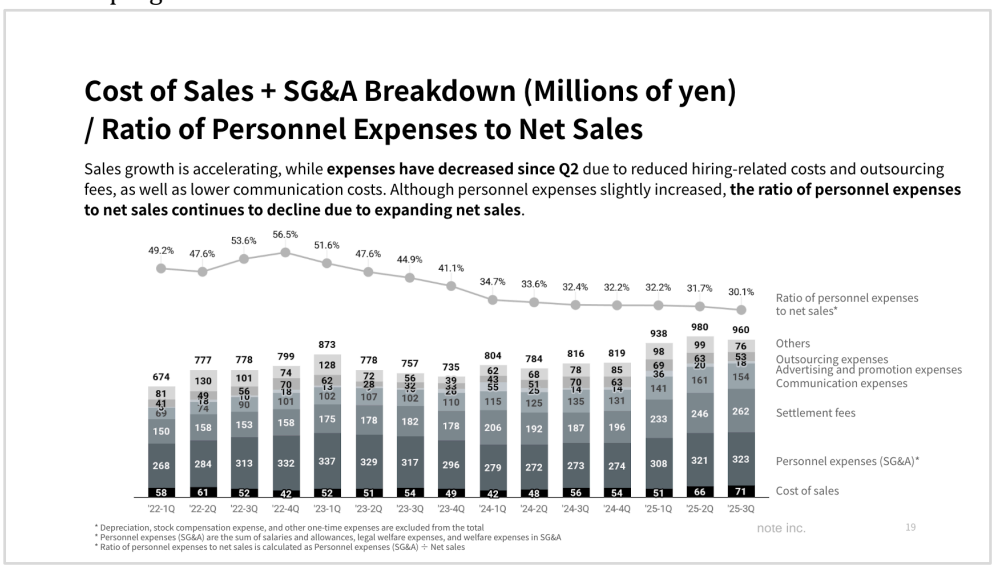

**Q. Do you expect this acceleration in revenue growth to continue?**
A. We believe the proliferation of Generative AI is a sustained trend, and the platform's network effect strengthens as its scale increases. Therefore, we expect relatively high revenue growth rates to continue.

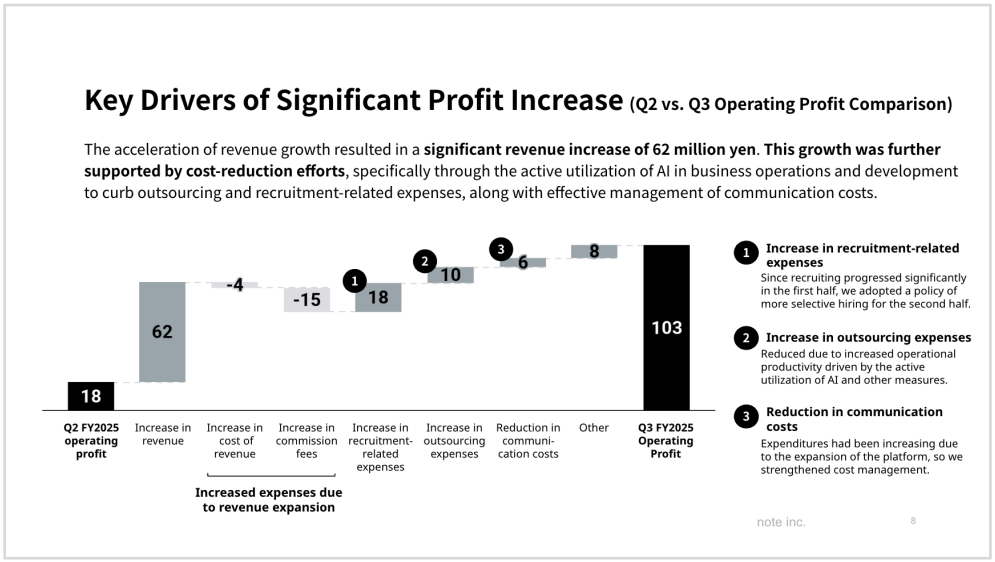
As we have previously communicated (see figure below), we are targeting a revenue growth rate of approximately 20-30% from the fiscal year ending November 2025 onwards, driven by the growth of the note business, note pro business, and New Business. We are committed to further growing each business to maintain, and potentially increase, this high growth rate.




**Q. It appears that cost reduction is progressing. Could you elaborate on the details and background?**

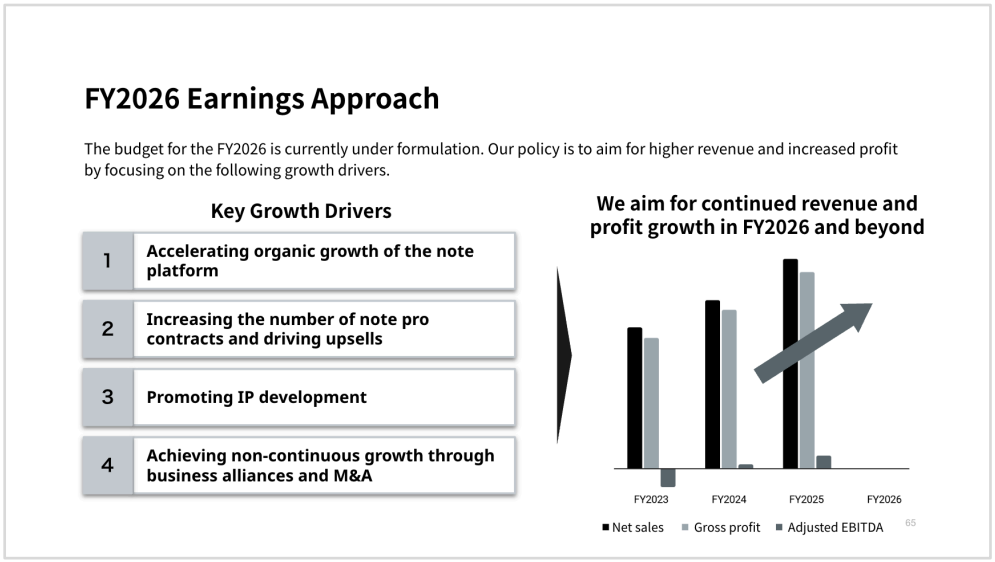
A. While Cost of Goods Sold (COGS) and Selling, General and Administrative (SG&A) expenses generally increase with business scale, we are implementing various measures to minimize the rate of increase. In Q3, effective management of communication expenses contributed to cost reduction. Additionally, the promotion of AI utilization in our operations helped contain outsourcing expenses. Furthermore, recruitment-related costs have decreased because we shifted our policy to highly selective hiring in the second half of the year, following significant recruitment progress in the first half.






**Q. What is your outlook for the next fiscal year? Which business will be the growth driver?**

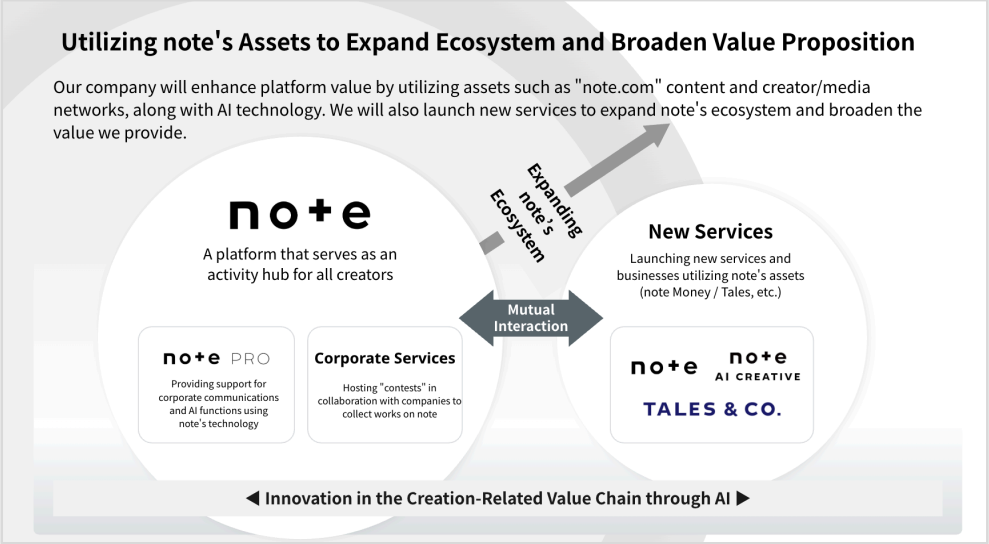
A. Specific earnings forecasts will be disclosed at the time of our annual financial results announcement, so we will refrain from commenting at this time. However, we aim for increased revenue and increased profit by focusing on the four growth drivers outlined in the figure below.




Among the four drivers, we are particularly committed to the IP Development Business to make it the third pillar of our business, following the note and note pro businesses, in the near future. However, since we expect our core note business to continue achieving a high growth rate, it is projected to be the primary earnings driver.

**Q. You mentioned strengthening M&A and business alliances next year. What type of companies are you considering acquiring?**

A. Our growth strategy centers on expanding the note ecosystem, as illustrated in the figure below. Therefore, we are broadly exploring M&A and business alliances with companies that will contribute to this expansion, including alliances with major corporations. Specific examples include C-to-C services with expected synergy with note, and companies that own or develop Intellectual Property (IP). However, since our existing business is growing well, M&A is not essential for growth. We plan to carefully select companies where we believe significant synergies can be realized.




**Q. Does the strong SEO performance of note result from the capital and business alliance with Google?**
A. While we received an investment from Google in January 2025, we understand that this does not grant us preferential treatment. Our SEO ranking is based purely on standard SEO criteria. SEO is said to prioritize expertise and trustworthiness. We believe note's strong SEO is a result of the high volume of quality content aggregated on our platform.

**Q. It is said that online behavior is shifting from Google Search to AI Search. How does this affect note?**
A. Because note has strong SEO, some might suggest that the shift from Google Search to AI Search could reduce site traffic. However, in reality, note is strong not only in SEO but also in AI search, which we believe increases our advantage compared to other webpages.
According to a survey* (reference below), articles that are chosen by AI and read by users often feature in-depth content based on the writer's experience and expertise, and are easily readable with a well-structured format using headings and tables of contents. These characteristics align well with note, leading to a tendency for note to gain more traffic via Generative AI compared to other sites. We believe this trend may lead to a future where creators think, "I should post on note to get my content read."

* We have published a research report demonstrating note's advantage in acquiring traffic via Generative AI and search. Please refer to it for more details: https://note.jp/n/n25805fb74add (Japanese Only)

**Q. Is there a risk of an increase in low-quality content due to the proliferation of Generative AI?**
A. We recognize the risk that as Generative AI streamlines content creation, some individuals may focus on mass-producing content, even if it is of lower quality. Conversely, Generative AI also has positive effects, such as enhancing content quality and boosting the productivity of creators who produce high-quality work. This highlights the growing need for mechanisms to ensure that high-quality content, regardless of AI usage, reaches the right people.

We have consistently implemented AI-powered content checks and patrols to maintain the integrity of our platform. We control the visibility of content suspected of being mechanically mass-posted using Generative AI by, for instance, reducing its frequency of display on note. As we anticipate a continuous increase in content, we will enhance our system for managing this vast volume, improve the accuracy of our content quality checks, and strengthen the mechanism for delivering the best content to the optimal readers.

＜Inquiries regarding this matter＞
note inc. IR inquiry desk: https://ir.note.jp/inquiry