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February 27, 2026

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Financial Results FAQs for Q3 and 9M FYE 2/26

MEDIA DO Co., Ltd. ("the Company") discloses the main questions received from investors regarding the financial results for the nine months ended November 30, 2025, along with the respective answers, as follows.

To strengthen information dissemination to investors and ensure fair disclosure, the Company plans to compile and publish these responses at the end of the month following the financial results announcement (August, November, February, and May). While slight discrepancies may arise due to timing differences, the most recent responses are presented as the Company's latest policy at the time of disclosure.

For details, please refer to the attached Financial Results FAQs.

Additionally, materials related to the financial results for the nine months ended November 30, 2025, can be accessed below.

■ Consolidated Financial Results
URL: https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/195606/00.pdf

■ Financial Results Briefing
URL: https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/195598/00.pdf

■ Video of Financial Results Briefing (Japanese only)
URL: https://mediado.jp/ir/

■ Transcript of Presentation
URL: https://finance.logmi.jp/en/articles/383710



Financial Results FAQs

MEDIA DO Co., Ltd.
Financial Results for Q3 and 9M FYE 2/26
February 27, 2026

List of FAQs

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Financial Results FAQs

Q3 and 9M FYE 2/26

Q1 What is your assessment of Q3 FYE 2/26 results?

A

On a consolidated basis, both net sales and operating profit increased in Q3 FYE 2/26, and progress toward the full-year forecast is generally on track.

[Consolidated Results]

Net sales increased 6.7% YoY, driven by steady growth in existing distribution channels in the eBook Distribution business, as well as contributions from new distribution channels launched in July.

Operating profit rose 12.9% YoY, mainly reflecting improved profitability in the Strategic Investment businesses, particularly in the IP Solution business. In addition, profit attributable to owners of parent rose significantly to $10.4 million from $5.8 million in the same period of the previous year. This was due to the recording of a gain of $3.3 million from the sale of "MyAnimeList" in March 2025, which was already factored into the initial forecast.

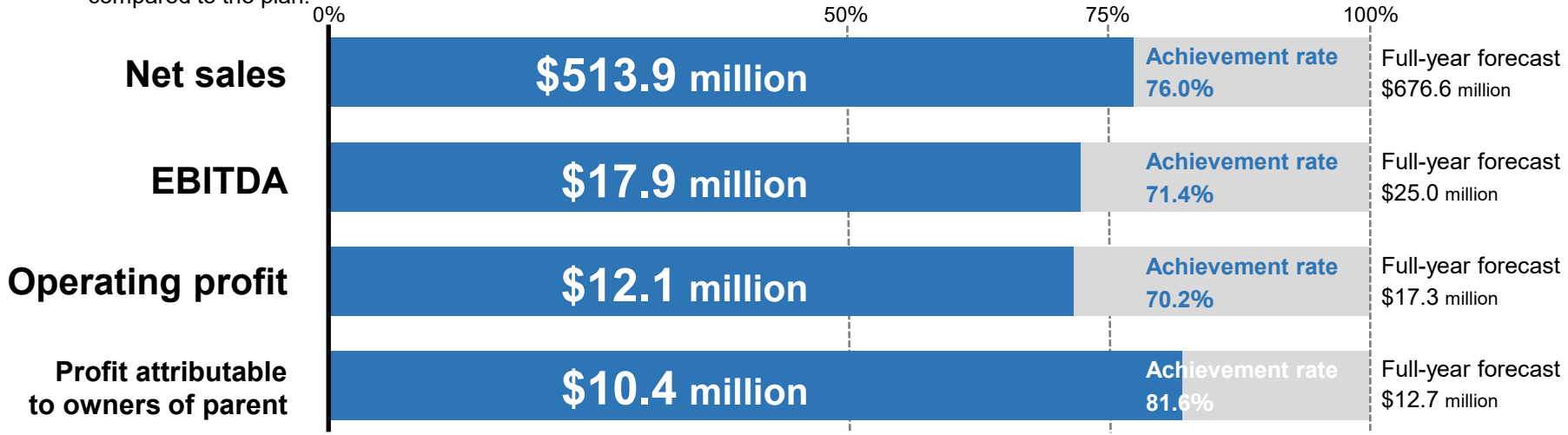
	9M FYE 2/25	9M FYE 2/26	YoY
Net sales	**$481.5 million**	**$513.9 million**	**+6.7%** (+$32.4 million)
EBITDA	**$17.0 million**	**$17.9 million**	**+5.1%** (+$0.9 million)
Operating profit	**$10.7 million**	**$12.1 million**	**+12.9%** (+$1.4 million)
Profit attributable to owners of parent	**$5.8 million**	**$10.4 million**	**+78.9%** (+$4.6 million) Impact of MAL gain on sale: +$3.3 million

* Calculated at the exchange rate as of January 7, 2026 ($1 = ¥156.66)

Q1 What is your assessment of Q3 FYE 2/26 results?

A

[Progress Against the Plan] Regarding the progress against the full-year forecast, although Q3 net sales are seasonally lower than Q2 and Q4, which include long holiday periods, net sales reached 76.0% of the full-year forecast. EBITDA and operating profit reached 71.4% and 70.2% of the full-year forecast, indicating steady progress in line with the plan.
[Results by Segment] By segment, the eBook Distribution business grew in both existing and new distribution channels, with both net sales and profit exceeding the plan. On the other hand, in the Strategic Investment businesses, although profit/loss improved YoY, progress is behind the plan. On a consolidated basis, the increased profit in the eBook Distribution business offset the delays in the Strategic Investment businesses compared to the plan.

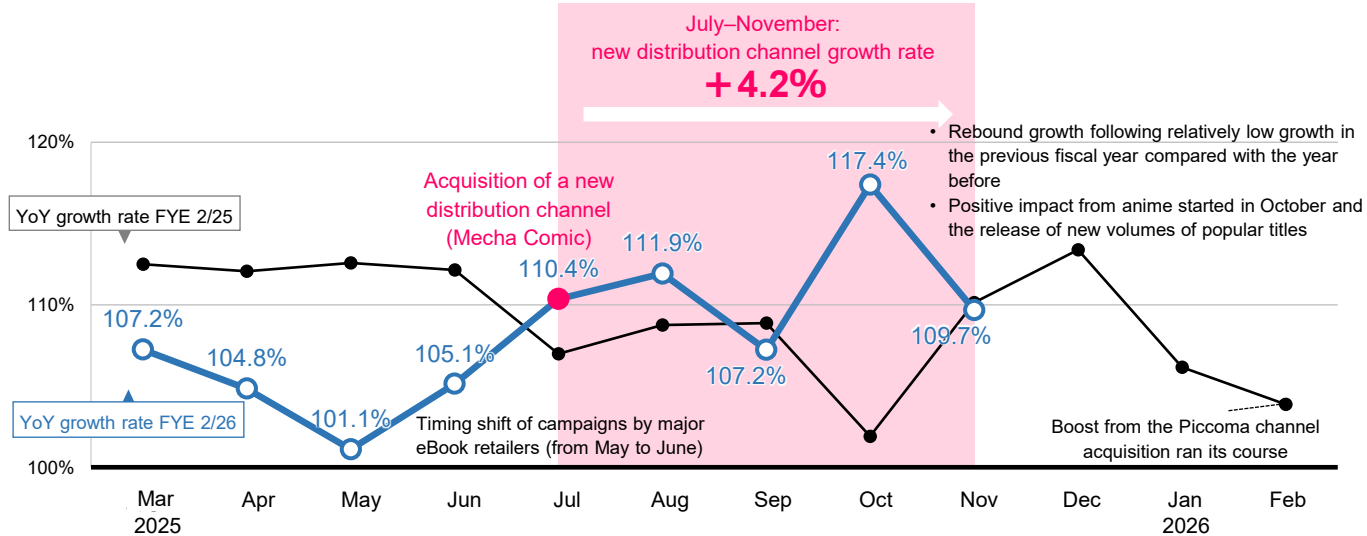


* Calculated at the exchange rate as of January 7, 2026 ($1 = ¥156.66)

Q2 What is the growth rate of the distribution business, broken down into existing and new distribution channels?

A

In the distribution business within the eBook Distribution business, the cumulative net sales growth rate for 9M FYE 2/26 was 108.3%. Of this, the growth rate in existing distribution channels was +5.7%, which exceeded the cumulative growth rate of 4.0% recorded in FYE 2/25. This was driven by active promotional campaigns at major eBook retailers, a rebound from the low growth recorded in October of the previous year, as well as the release of new volumes of popular titles and anime adaptations that began airing in October. The growth rate in new distribution channels was +2.6%. The launch of a new distribution channel with Mecha Comic in July 2025 drove the growth rate, with the growth rate in new distribution channels particularly from July to November tracking at the +4.2% level.



* Calculated at the exchange rate as of January 7, 2026 ($1 = ¥156.66)

Existing channels performing above FYE 2/25

Cumulative growth rate for 9M FYE 2/26	**+8.3%**
Existing channels: +5.7%	New Channels:+2.6%

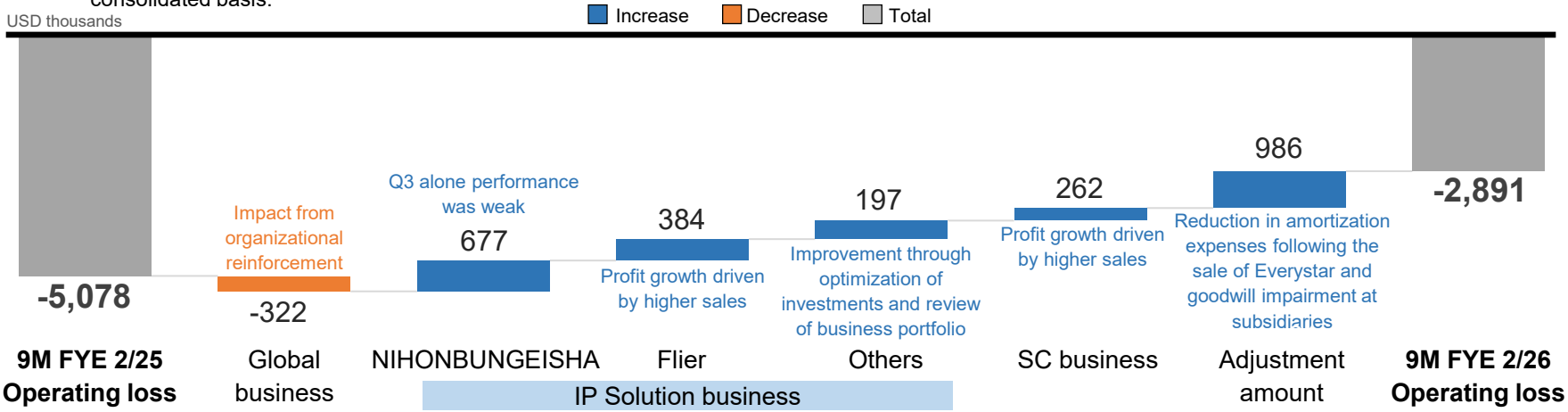
Full-year cumulative growth rate for FYE 2/25	**+8.9%**
Existing channels: +4.0%	New Channels:+4.9%

Impact from the acquisition of the Piccoma distribution channel

Q3 What were the factors behind the improvement in operating profit/loss in the Strategic Investment businesses in Q3 FYE 2/26, and what is the future outlook?

A

Operating loss in the Strategic Investment businesses through Q3 FYE 2/26 narrowed to -$2.8 million (an improvement of $2.1 million YoY), driven by profitability improvements across businesses. Key contributing factors were: (1) Progress in structural reforms at NIHONBUNGEISHA (+$0.67 million), (2) Higher profit from increased revenue at Flier (+$0.38 million), (3) Optimization of investments and review of the business portfolio in other IP Solution business (+$0.19 million), and (4) Reduction in amortization expenses following the sale of a subsidiary and goodwill impairment recorded at the end of FYE 2/25 (+$0.98 million). On the other hand, at NIHONBUNGEISHA, although profit/loss improved YoY, performance in Q3 alone was weak, as reforms in the comic business are still in progress. As a result, the cumulative operating loss for the Strategic Investment businesses through Q3 was $2.8 million, currently exceeding the full-year forecast of an operating loss of -$2.6 million. Although the operating profit/loss for the Strategic Investment businesses is expected to fall short of the initial forecast, the consolidated earnings forecast remains unchanged because the eBook Distribution business is tracking above the plan on a consolidated basis.



* Calculated at the exchange rate as of January 7, 2026 ($1 = ¥156.66)

Q4 What were the factors behind the deterioration in operating profit at NIHONBUNGEISHA in Q3 FYE 2/26, and what is the future outlook?

A

[Factors behind the deterioration in operating profit]

At NIHONBUNGEISHA, fundamental structural reforms, including a change in management, have been underway since FYE 2/25. The sales composition is broadly divided into practical books and comics. While practical books are already showing the results of the reforms, reforms in comics are still in progress. Under these circumstances, the fading of the effects of media adaptations that had driven sales growth through Q2, coupled with the completion of popular titles, led to a decrease in comic sales and profit, resulting in a deterioration in overall operating profit.

[Future outlook]

Practical books

Since FYE 2/25, we have been expanding genres to address a broader market and concentrating resources by carefully selecting the number of new titles. These efforts have been successful, and the profit for practical books in Q3 achieved a record-high level. We will continue to strengthen the business under this same policy going forward.

Comics

Through Q2, challenges included a bias toward specific genres based on past hit titles and a decline in profit margins due to the dispersion of production resources. Currently, we are applying the knowledge gained from the reforms in practical books to comics, and proceeding with the restructuring and strengthening of the editorial department. Specifically, we are expanding the editorial structure to broaden the range of title genres and increase market adaptability, while aiming to improve profitability by concentrating sales resources. While building the organizational structure and developing talent will take some time, we will steadily build a foundation for performance recovery from the next fiscal year onward by pursuing cost reductions in parallel.

Q4 What were the factors behind the deterioration in operating profit at NIHONBUNGEISHA in Q3 FYE 2/26, and what is the future outlook?

	Strong performance Practical books	Current focus Comics
Through Q2	**Fundamental reforms are progressing** Genres: Fragmentation — Expanding genres and types of titles to address a broader market Human resources: Focus — Carefully selecting the number of new titles and concentrating resources	**Content genres became overly concentrated, creating a disadvantage in the market** Genres: Focus — Focused on specific genres that had previously generated hit titles Human resources: Fragmentation — Inefficient allocation of resources per title, leading to declining profit margins
Q3 The cumulative loss through Q3 improved, while performance in Q3 alone deteriorated	**Profitability reached a record-high level**	**The decline of revenue growth factors that had contributed through Q2** Media adaptations of titles / Completion of popular titles
From Q4 onward	**Continuing these initiatives**	**Applying the success of the practical books business to comics and strengthening the editorial function** Genres: Fragmentation — Reorganizing and strengthening the editorial structure to expand genre coverage and address a broader market Human resources: Focus — Concentrating sales resources to improve profitability

Q5 Please explain the background of introducing the takeover defense measures in December 2025.

A

In light of the rapid changes in the business environment in the publishing and content industry in recent years, we have determined that maintaining a policy of neutral and independent business operations into the future as a company providing industry infrastructure is essential for the development of the publishing industry and the sustainable enhancement of our corporate value.

Standing between numerous publishers and eBook retailers and handling eBook distribution, the Company deals with highly confidential transaction data and sales information as a "neutral and independent infrastructure for the publishing industry". Given this position, we recognize that the influence of specific capital through unintended acquisitions could potentially impede the sound transactions and security of the industry as a whole. We have always built good relationships with our shareholders through regular dialogue; however, a specific shareholder's holding ratio exceeding a certain level may affect the trust in our position within the industry, regardless of whether there is actual influence or not.

Therefore, we concluded that a framework is necessary to confirm the investment purpose and business policy in advance when share accumulations exceed a certain level, and to secure the information and time for general shareholders and business partners to make appropriate judgments.

This measure is not intended to exclude specific investors, but strictly to ensure neutral and independent operations as an industry infrastructure and to maximize medium- to long-term corporate value. We will continue to pursue optimal corporate governance through constructive dialogue with our stakeholders.

Financial Results FAQs

Year-round

Q6 What is your financial forecast for FYE 2/26?

A

Our financial forecast for FYE 2/26 is as follows: net sales of $692.0 million (+4.0% YoY), operating profit of $16.8 million (+9.9%), and profit attributable to owners of parent of $13.5 million (+46.7%). Note that the forecast includes a $3.67 million gain from the sale of shares in MyAnimeList, an equity-method affiliate, which significantly boosts profit attributable to owners of parent.

USD millions	FYE 2/25 Results	FYE 2/26 Forecast	YoY
Net sales	**$692.0mn**	**$719.8mn**	**+4.0%** (+$27.0mn)
Operating profit	**$16.8mn**	**$18.4mn**	**+9.9%** (+$1.6mn)
Ordinary profit	**$16.0mn**	**$18.3mn**	**+14.4%** (+$2.3mn)
Profit attributable to owners of parent	**$9.2mn**	**$13.5mn**	**+46.7%** (+$4.3mn) * Gain on sales of shares of affiliated company ($3.67mn) due to the transfer of shares of MyAnimeList, an equity-method affiliate
EBITDA	**$25.7mn**	**$26.6mn**	**+3.7%** (+$0.9mn)
ROE	**8.1%**	**10.9%**	**+2.8pt**

* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q7 What is the summary of the Medium-Term Management Plan announced in April 2025?

A

In April 2025, we announced a five-year Medium-Term Management Plan starting in FYE 2/26. As Japan's largest eBook distributor, MEDIA DO has established a unique position with partnerships covering nearly all publishers and eBook retailers, and handles the largest volume of digital content in the country (approx. 3.17 million files). In this Medium-Term Management Plan, the vision has been redefined as "MORE CONTENT FOR MORE PEOPLE!", shifting from Phase 1, where we focused on aggregating "as much content as possible" (MORE CONTENT), to Phase 2, where our focus is distributing Japanese content to the global population of 8 billion, "as many people as possible" (MORE PEOPLE), further advancing our mission of "unleashing a virtuous cycle of literary creation".

Key initiatives include the following two points:

1. Evolving into a book distribution solutions company

To promote the multi-use of Japanese content, we have developed MDTS (MediaDo Translation System), an AI-based platform that supports multilingual translation and voice synthesis, establishing a framework to translate eBook files into multiple languages within a short period at low cost. The translated content will be distributed in formats tailored to the needs and market conditions of each country, such as eBooks, audiobooks, and print books.

2. SC (Sustainability Creation) business

Expanding profit contribution through the operation of the men's professional basketball club "TOKUSHIMA GAMBAROUS," which achieved early profitability, and expanding social contribution and trust and recognition from society through broader activities including entrepreneurship support.

*For details, please refer to the disclosure titled "Medium-Term Management Plan FYE 2/26 - 2/30" issued April 14, 2025.

Q8 What are the numerical targets of the Medium-Term Management Plan announced in April 2025?

A

The numerical targets assume organic growth excluding M&A and new overseas expansion. By FYE 2/30, we aim to achieve consolidated net sales of $848.8 million and operating profit of $27.1 million, driven by sustainable growth in existing businesses and expansion of new businesses.

	FYE 2/25	→ (5th year of mid-term plan) FYE 2/30	Increase amount
Net sales	$**692.0**mn	**$848.8mn**	**$156.8mn**
Operating profit	$**16.8**mn	**$27.1mn**	**$10.3mn**

***Numerical plan does not include planned figures for new overseas expansion**

	FYE 2/25	1st year of mid-term plan FYE 2/26	3rd year of mid-term plan FYE 2/28	5th year of mid-term plan FYE 2/30
Net sales	$692.0mn	$719.8mn	$780.9mn	$848.8mn
Operating profit	$16.8mn	$18.4mn	$21.8mn	$27.1mn
EBITDA	$25.7mn	$26.6mn	$30.5mn	$35.3mn
Profit attributable to owners of parent	$9.2mn	$13.5mn	$14.6mn	$16.9mn

* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q9 What is your capital allocation plan during the period of the Medium-Term Management Plan announced in April 2025?

A

We expect to generate over $149.3 million in cumulative operating cash flow during the five-year period. We will actively pursue growth investments, including strategic investments and M&A, while also enhancing shareholder returns.

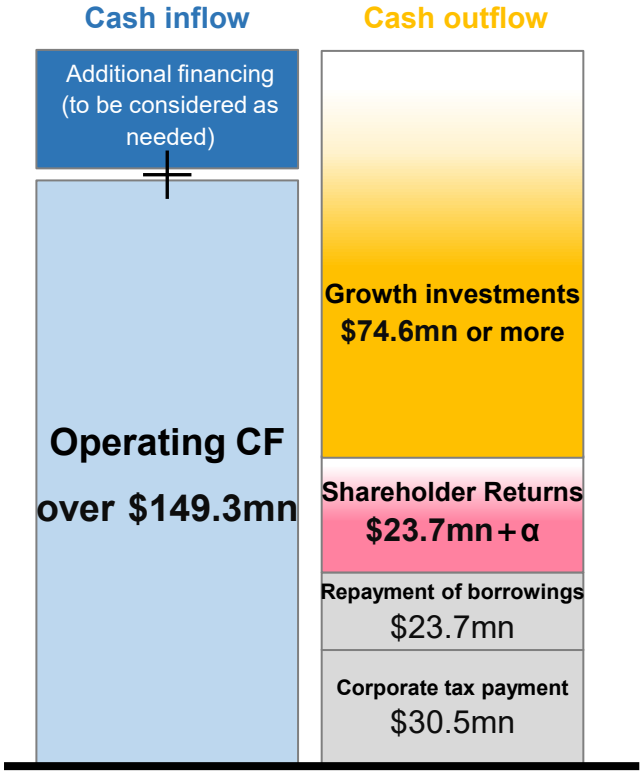
The breakdown is as follows:

(1) **Growth investments: $74.6 million or more**
M&A and other investments targeting ROIC of 15% or higher within three years of investment (e.g., strengthening our position in eBook distribution, leveraging our network for profitability improvement, expanding overseas distribution, and adopting advanced technologies such as AI and Web3)

(2) **Shareholder returns: Over $23.7 million**
Maintaining a total return ratio of 30% and executing share buybacks flexibly

(3) **Repayment of borrowings: Approx. $23.7 million**
Borrowings incurred for past acquisitions, including the 2017 acquisition of Digital Publishing Initiatives Japan, have been largely repaid

(4) **Corporate taxes payment: Approx. $30.5 million**

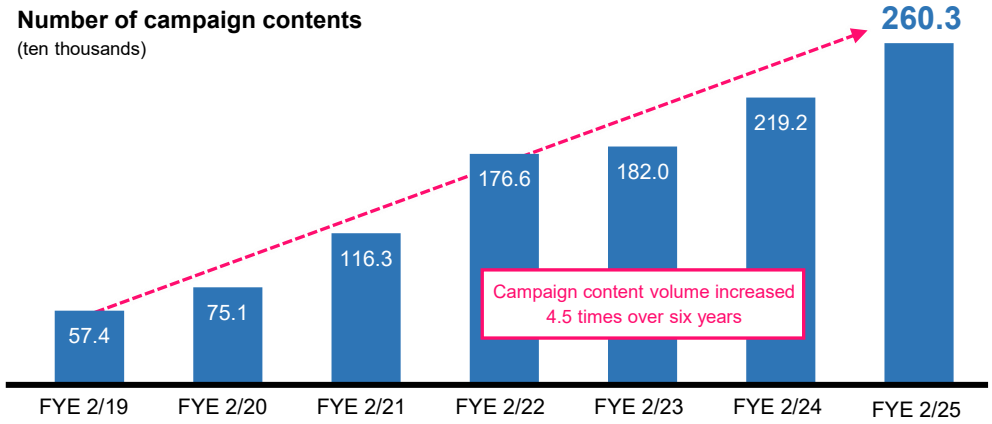


* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q10 Do you expect the approximately 40% share of eBook distribution conducted via distributors to continue increasing?

A

We believe that the share of eBook distribution conducted via distributors will continue to expand going forward. In the early stages of the eBook market, most transactions were conducted directly between publishers and eBook retailers. However, as the market has grown and the operational burden associated with eBook distribution has increased, transactions conducted via distributors now account for approximately 40% of the market. In addition to the continued year-on-year expansion of the domestic eBook market, operational burden has been rising every year due to the increasing number of promotional campaigns and the diversification of distribution formats, including episode-based distribution. Even major eBook retailers now face resource constraints as operational requirements intensify, further heightening the need for distributor services. In this context, we aim to continue expanding our acquisition of new distribution channels. Recent examples include Piccoma, added in February 2024, and Mecha Comic, launched as a new distribution channel in July 2025.



Even major eBook retailers face resource crunch due to increased operational burden

Promote purchasing by strengthening sales measures (campaigns, episode-based distribution, etc.) for continuous sales growth

The need for distributor services is becoming more crucial

- ✓ Reducing operational burdens and accelerating execution by leveraging professional distributors
- ✓ Proposing and implementing sales measures based on market trends and industry expertise

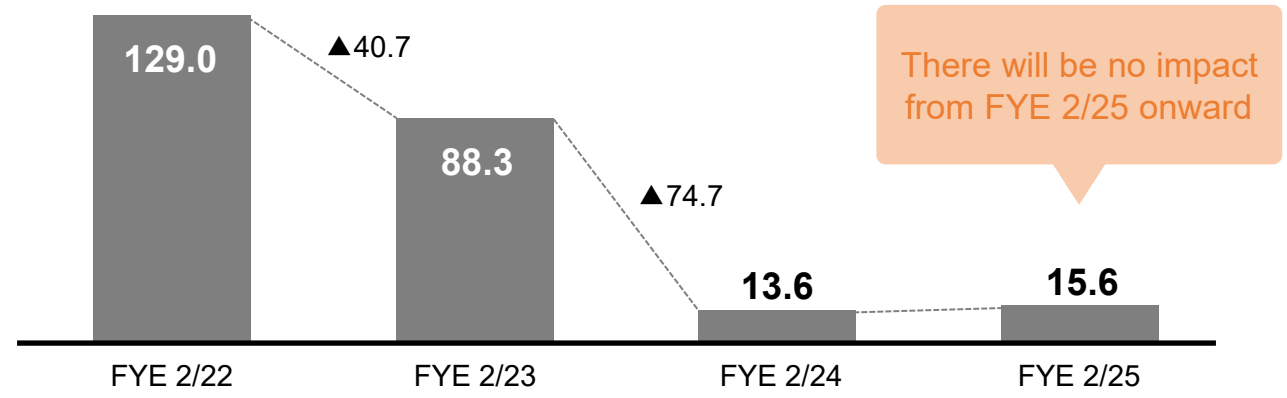
Q11 Has the impact of the decline in sales due to the transfer of LINE Manga run its course?

A

Although there was a negative revenue impact of approximately $40.7 million in FYE 2/23 and approximately $74.7 million in FYE 2/24, we do not expect any further revenue decline associated with the transfer from FYE 2/25 onward. In addition, for certain transactions, including those with publishers under exclusive contracts, we expect to continue providing distribution services going forward.

Net sales to LINE Manga* by fiscal year

USD millions



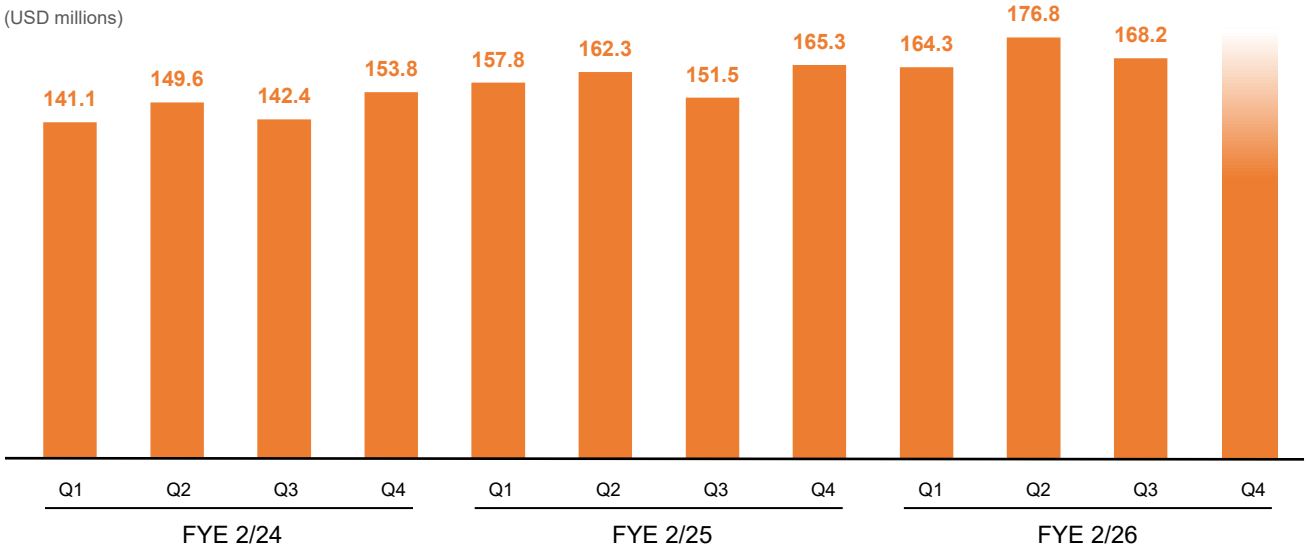
* Figures given are for net sales to LINE Digital Frontier Corporation, which operates LINE Manga
* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q12 What is the seasonality of net sales?

A

Typically, net sales tend to be higher in Q2 and Q4, which include long holiday periods (such as summer and year-end/new year holidays).

Net sales trends in the eBook Distribution business



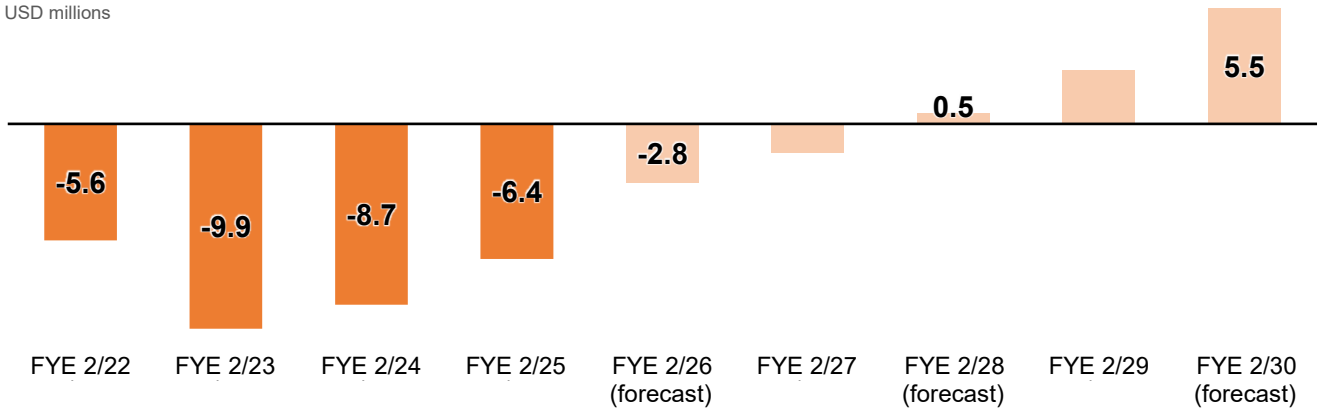
* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q13 When do you expect the Strategic Investment Business to turn profitable?

A

We aim to achieve profitability in this segment by FYE 2/28. In FYE 2/25, the Strategic Investment businesses recorded an operating loss of $6.4 million. The main factors contributing to profit improvement are: (1) steady accumulation of enterprise contracts in our SaaS-based Global business and Flier, (2) the turnaround at NIHONBUNGEISHA, which experienced challenges in FYE 2/24 and FYE 2/25, and (3) ongoing portfolio optimization, including exits and divestitures from unprofitable businesses. Based on these initiatives, we expect to achieve profit improvement of approximately $6.9 million compared with FYE 2/25 by FYE 2/28.

Operating Profit Trends in the Strategic Investment businesses*



* Actual results for FYE 2/25 are calculated based on the new sub-segment; operating profit/loss based on the old segment as in FYE 2/23 and FYE 2/24 is -¥994 million.
* Calculated at the exchange rate as of October 3, 2025 ($1 = ¥147.26)

Q14 What are the criteria for reviewing the business portfolio?

A

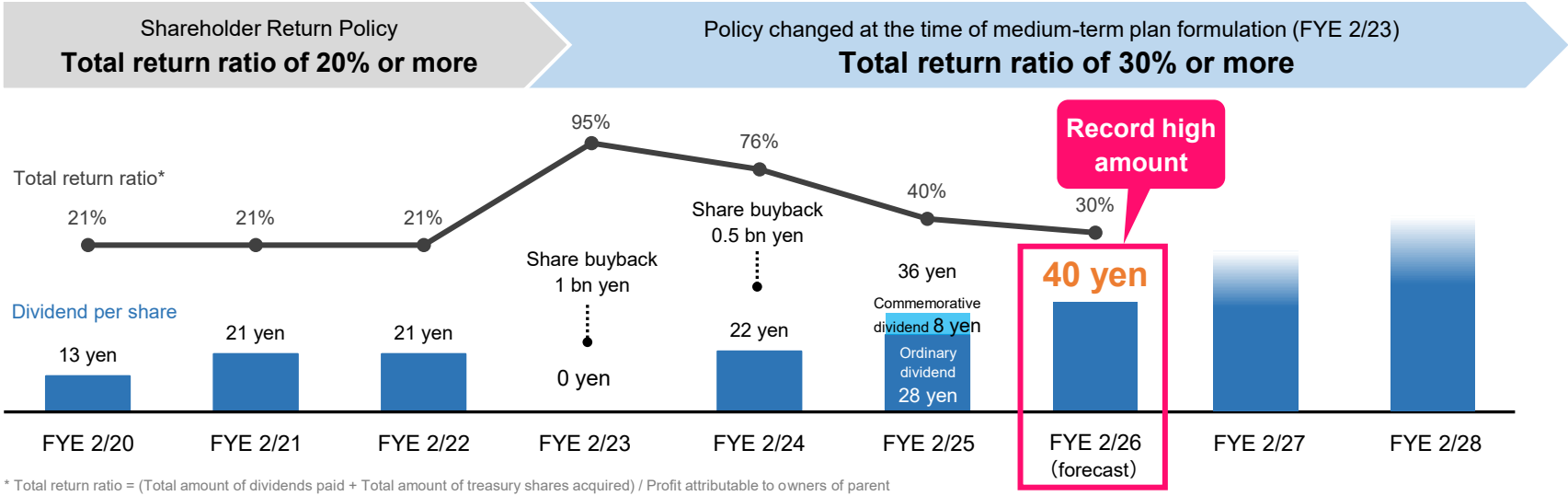
We apply an ROIC threshold of 8% as a criterion for reviewing our business portfolio. If a business is expected to fall below this ROIC threshold in third year following an acquisition, we consider initiatives such as pivoting the business, replacing its management, or pursuing a sale or exit. In recent years, we have taken the following actions, and we will continue to appropriately review and optimize our business portfolio going forward.

-FYE 2/23: Submitted application for Nagisa's MBO and liquidated Manga Shimbun
-FYE 2/24: Sold J-Comic Terrace; revised the executive structure at NIHONBUNGEISHA; terminated original content production in the vertical scrolling comics business in collaboration with a Korean studio (shifting focus to distribution); and sold investment securities
-FYE 2/25: Replaced the representative director at NIHONBUNGEISHA; discontinued JIVE's print book business (shifting focus to eBook production and sales); transferred the PUBNAVI business; soled investment securities; and sold Everystar
-FYE 2/26: Sold MyAnimeList (MAL), sold PUBFUN, and sold investment securities

Q15 What is your shareholder return policy going forward?

A

Since FYE 2/23, we have raised our target total return ratio to 30% or more. In FYE 2/25, we paid a total dividend of 36 yen per share, consisting of an ordinary dividend of 27 yen, a 30th anniversary commemorative dividend of 8 yen, and an additional 1 yen dividend based on performance. Total dividends amounted to 540 million yen, resulting in a total return ratio of 40 percent. For FYE 2/26, the planned dividend of 40 yen per share is expected to again exceed a 30% total return ratio. Although we do not currently plan to repurchase our own shares, we will continue to monitor our performance and share price and make decisions flexibly as appropriate.



* Total return ratio = (Total amount of dividends paid + Total amount of treasury shares acquired) / Profit attributable to owners of parent

Q16 What is the Company's compliance status with all criteria required to maintain its listing on the Prime Market?

A

As of the end of FYE 2/25 (February 28, 2025), we confirmed that we met all of the Prime Market listing maintenance criteria. We remain committed to achieving sustainable growth and further enhancing corporate value.
For details, please refer to the disclosure titled “Notice Regarding Compliance with Listing Maintenance Criteria” issued April 14, 2025.

Forward-looking statement and unaudited information disclaimers

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Information presented herein includes forward-looking statements. These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks, all of which entail uncertainties that could lead to outcomes that substantively differ from the forward-looking statements' content.

Such risks and uncertainties include general industry and market conditions and general domestic and international economic conditions, including interest rate and exchange rate movements. MEDIA DO assumes no responsibility to update or revise forward-looking statements contained herein, even if new information becomes available or unanticipated events occur.

Financial information that was not independently audited is also contained herein. MEDIA DO does not warrant the accuracy of any such unaudited information. Readers are accordingly advised against making investment or other decisions in sole reliance on information contained herein.

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