Note: 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.

March 2, 2026

MEDIA DO Co., Ltd.
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(Securities code: 3678, TSE Prime)
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Notice Regarding the Acquisition of Membership Interests in Seven Seas Entertainment, LLC (Conversion to a Consolidated Subsidiary)

MEDIA DO Co., Ltd. (the "Company") announces that its Board of Directors, at a meeting held on March 1, 2026, resolved to acquire 100% of the outstanding membership interests of Seven Seas Entertainment, LLC (Headquarters: USA; "Seven Seas") through the Company's consolidated subsidiary, Media Do International, Inc. (Headquarters: San Diego, California, USA; "MD-i"), and to consolidate Seven Seas as a subsidiary (the "Acquisition"). Pursuant to this resolution, the Company entered into a membership interest purchase agreement on the same day, as detailed below.

1. Rationale and Objectives of the Acquisition

The MEDIA DO Group operates under the vision "MORE CONTENT FOR MORE PEOPLE!". Our mission is unleashing a virtuous cycle of literary creation by distributing a wide range of Japanese content to audiences worldwide.

As Japan's largest eBook distributor, we have established a dominant market position characterized by a continuous aggregation of virtually all domestic eBook titles, currently handling approximately 3.22 million titles.

Leveraging this robust domestic foundation built over the past two decades, our Medium-Term Management Plan (FYE 2/26 – FYE 2/30), announced in April 2025, aims to expand our role into a global "Gateway" for Japanese content.

The overseas sales of the Japanese content industry exceeded JPY 6 trillion in 2024, a scale surpassing the export values of the steel and semiconductor industries. Positioning the sector as a vital export industry, the Japanese government aims to expand overseas sales to JPY 20 trillion by 2033. To achieve this, the government has secured a related budget of JPY 55.63 billion in the FY2025 supplementary budget, more than double the previous year.

To fulfill our mission as the Gateway for Japanese content and leveraging this rapidly growing market environment as a tailwind, the Company has decided to consolidate Seven Seas as a subsidiary. Seven Seas is the No. 1 independent publisher in the North American manga market and holds an overwhelming position in terms of the diversity and comprehensiveness of its Japanese content.

Jason DeAngelis, the founder and CEO of Seven Seas, is a rare individual with a profound understanding of Japanese culture. Not only has he been deeply immersed in manga and Japanese literature since his youth, but he also lived in Japan for six years and built a career as a professional manga translator. Because Seven Seas is an "independent" publisher founded by Mr. DeAngelis 22 years ago and managed with its own capital, it has successfully handled a broad range of content from more than 100 publishers. Similarly, the Company is an "independent" eBook distributor that trades directly with more than 2,200 publishers and over 150 eBook retailers in the Japanese publishing industry, establishing a robust position and eBook distribution infrastructure where content consistently aggregates. Through this Acquisition, Seven Seas and the Company will maximize the synergy of our respective expertise and strengths as "independent" players, taking on the challenge of an integrated framework that extends to the merchandising of Japanese IP.

Furthermore, as print books still account for approximately 90% of the publishing market in the United States and globally, establishing a physical distribution network is the single greatest barrier to entering this massive JPY 20 trillion global market. Unlike eBooks, the distribution of print books requires an essential and highly multilayered physical process. This includes managing logistics networks that cover vast territories, adapting to complex local business practices, and above all, securing bookstore shelf space as the final point of sale. Through this Acquisition, the Company will acquire the local "distribution network" that has been the single greatest barrier to the overseas expansion of Japanese content. In addition, the Company's development of "MDTS" (MediaDo Translation System), an AI-assisted translation system designed to support translators, will significantly reduce the time required for translation. By integrating Seven Seas' production structure, we expect to substantially expand our translation production capacity.

Having broken through the formidable wall of distribution and secured a robust translation framework, the Company will establish the infrastructure necessary for Japanese publishers to expand overseas rapidly while mitigating risk. We will accelerate the global expansion of Japanese content and create an environment where Japanese content is loved worldwide.

2. Overview of the Subsidiary to be Acquired

(1) Company name	Seven Seas Entertainment, LLC		
(2) Location	United States of America		
(3) Name and title of representative	Jason DeAngelis, CEO		
(4) Businesses	Translation and publishing of Japanese, Chinese, and Korean manga and light novels		
(5) Capital	USD 1 (JPY 155)		
(6) Establishment	September 20, 2004		
(7) Major members and ownership ratio	Seven Seas Entertainment Holdco, Inc.: 100%		
(8) Relationship with the Company	Capital Relationship	None.	
	Personnel Relationship	None.	
	Business Relationship	None.	
(9) Financial results and financial position for the last three fiscal years (Note 1)			
Fiscal Year Ended	December 2022	December 2023	December 2024
Net Assets	USD 19.5 million (JPY 3.0 billion)	USD 20.5 million (JPY 3.2 billion)	USD 21.1 million (JPY 3.3 billion)

Total Assets	USD 32.6 million (JPY 5.1 billion)	USD 33.3 million (JPY 5.2 billion)	USD 27.0 million (JPY 4.2 billion)
Net Sales (Note 2)	USD 56.4 million (JPY 8.7 billion)	USD 56.8 million (JPY 8.8 billion)	USD 50.4 million (JPY 7.8 billion)
Operating Profit	USD 12.9 million (JPY 2.0 billion)	USD 6.7 million (JPY 1.0 billion)	USD 6.6 million (JPY 1.0 billion)
Adjusted Operating Profit (Note 3)	USD 16.6 million (JPY 2.6 billion)	USD 10.4 million (JPY 1.6 billion)	USD 10.3 million (JPY 1.6 billion)
Net Income (Note 4)	USD 13.0 million (JPY 2.0 billion)	USD 7.0 million (JPY 1.1 billion)	USD 6.8 million (JPY 1.1 billion)

(Note 1) Financial results and financial position represent figures prior to an accounting audit.
(Note 2) The U.S. publishing market experienced rapid growth driven by "stay-at-home" consumption during the COVID-19 pandemic, and Seven Seas' net sales increased 5.2 times from 2019 to 2023. Although sales declined in 2024 as a reaction to this surge, results for 2025 are expected to be approximately in line with 2024. According to JETRO reports, "the manga market in North America is also predicted to grow by double digits annually, reaching USD 935.2 million in 2023 and an estimated USD 3,887.4 million by 2030, achieving a compound annual growth rate (CAGR) of 23.2%." Accordingly, further revenue growth is expected in line with overall market expansion.
(https://www.jetro.go.jp/ext_images/_Reports/02/2024/c4e281f9a67a5ddb/2024-07.pdf)
(Note 3) Adjusted operating profit represents figures retrospectively adjusted to reflect a reduction in director compensation, which has been determined based on a review of the compensation structure to be implemented following the Acquisition.
(Note 4) Net income includes the impact of the U.S. S Corporation tax status that was applicable to Seven Seas. Because S Corporations are subject to pass through taxation, under which income is taxed directly at the member level rather than at the corporate level for federal income tax purposes, no corporate income tax expense has been recorded. As a result, these historical results are expected to differ from the profit level that will be reflected in the Company's consolidated financial statements, where this tax status will not apply.

3. Overview of the Subsidiary Undertaking the Acquisition

(1) Company name	Media Do International, Inc.
(2) Address	9920 Pacific Heights Blvd., Suite 150, San Diego, CA 92121 USA
(3) Name and title of representative	Daihei Shiohama, President and CEO
(4) Businesses	Support for the global expansion of Japanese content and oversight of overseas operations
(5) Capital	USD 26.7 million (JPY 4.1 billion)
(6) Establishment	June 1, 2016
(7) Major shareholders and ownership ratio	MEDIA DO Co., Ltd.: 100%

4. Overview of the Counterparty to the Membership Interests Acquisition

(1) Name	Seven Seas Entertainment Holdco, Inc.
(2) Location	USA

(3) Relationship with the Company	There are no capital, personnel, or business relationships, or any matters concerning related parties requiring disclosure.

5. Method of the Acquisition

MD-i intends to acquire 100% of the outstanding membership interests of Seven Seas for cash, pursuant to a membership interest purchase agreement resolved for execution on March 1, 2026. Regarding the funding for the Acquisition, the Company intends to procure the full amount through bank borrowings and subsequently provide a loan to MD-i. Further details will be disclosed promptly once finalized.

6. Status of Membership Interests Before and After the Acquisition and Acquisition Price

(1) Membership interests held prior to the Acquisition	0 % (Voting rights ownership ratio: 0.0 %)
(2) Membership interests to be acquired	100 %
(3) Acquisition Price	Membership interests of Seven Seas: USD 80.0 million (JPY 12.4 billion) (Note 1)
(4) Membership interests held after the Acquisition	100 % (Voting rights ownership ratio: 100%)

(Note 1) In addition to the aforementioned purchase price, the parties have agreed to pay additional consideration to the sellers, subject to the achievement of specific performance-based milestones and other criteria.

7. Schedule

(1) Date of Board of Directors Resolution	March 1, 2026
(2) Date of Contract Signing	March 1, 2026
(3) Date of Membership Interests Acquisition Execution	As soon as possible under the terms of the Acquisition agreement

8. Future Outlook

The Company is currently assessing the impact of this Acquisition on its consolidated financial results. Should any matters subject to disclosure arise in the future, the Company will announce them promptly.

(Note) The exchange rate applied in this document is USD 1= JPY 155.