Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

November 13, 2026

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2026 [Under Japanese GAAP]

Company name: Beaglee Inc.
Listed on: Tokyo Stock Exchange
Securities code: 3981
URL: https://www.beaglee.com
Representative: Jimpei Yoshida, President and Representative Director
Contact: Tatsuji Miyoshi, Executive Officer and General Manager, Corporate Management Division
Tel: +81-3-6706-4000

Date for commencement of dividend payments: -
Supplementary notes to financial statements: Yes
Briefing on financial statements: None

(Rounded down to nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2026 (January 1 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter of the fiscal year ending December 31, 2026	11,608	(8.5)	1,386	(20.2)	666	(33.6)	629	(35.0)	231	(52.5)
Third quarter of the fiscal year ended December 31, 2025	12,688	(11.0)	1,736	(19.5)	1,003	(28.9)	968	(29.3)	486	(32.8)

For reference: Comprehensive income
Third quarter of the fiscal year ending December 31, 2026: 231 million yen (-52.5%)
Third quarter of the fiscal year ended December 31, 2025: 486 million yen (-32.8%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
Third quarter of the fiscal year ending December 31, 2026	41.37	41.32
Third quarter of the fiscal year ended December 31, 2025	87.16	86.94

Note: Adjusted EBITDA = Operating profit + Depreciation (including amortization of publishing rights) + Amortization of goodwill + Amortization of leasehold deposits + Share compensation expenses ± Other adjustment items

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Millions of yen	Millions of yen	%
September 30, 2026	14,274	8,072	56.4
December 31, 2025	16,556	8,063	48.6

For reference: Shareholders' equity
As of September 30, 2026: 8,053 million yen
As of December 31, 2025: 8,050 million yen

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	0.00	–	42.00	42.00
Fiscal year ending December 31, 2026	–	0.00	–		
Fiscal year ending December 31, 2026 (Forecast)				45.00	45.00

Note: Revisions from the most recently announced dividend forecast: None

Note: The Company's date of record for dividends is the final day of the second quarter and the final day of the fiscal year per the provisions of the Articles of Incorporation. At present, however, the Company's basic policy is to provide a dividend of surplus one time per year as a year-end dividend.

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2026 (January 1 to December 31, 2026)

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,263	(8.7)	1,675	(28.6)	745	(45.5)	698	(47.1)	271	(60.3)	48.55

Note: Revisions from the most recently announced earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the third quarter under review: None
New: None Exclusion: None

(2) Application of special accounting treatment for the preparation of the quarterly consolidated financial statements: Yes

Note: For details, refer to page 9 of the supplemental materials entitled "(3) Notes to Quarterly Consolidated Financial Statements, (Application of Special Accounting Treatment for the Preparation of Quarterly Consolidated Financial Statements)."

(3) Changes in accounting policy and changes and restatements of accounting estimates
(a) Changes in accounting policy accompanying the revision of accounting standards: None
(b) Changes in accounting policy other than those listed in (a): None
(c) Changes in accounting estimates: None
(d) Restatements: None

(4) Number of shares issued (common stock)
(a) Number of shares issued at end of period (including treasury shares)

September 30, 2026	6,301,986 shares	December 31, 2025	6,301,986 shares

(b) Number of treasury shares at end of period

September 30, 2026	708,210 shares	December 31, 2025	713,699 shares

(c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

September 30, 2026	5,591,504 shares	September 30, 2025	5,586,321 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit corporation: None

* Appropriate use of earnings forecasts and other pertinent information

(Cautionary Statement with Respect to Forward-Looking Statements)

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors. For the notes on the underlying assumptions about the earnings forecasts and the use of the earnings forecasts, refer to page 4 of the supplemental materials entitled "1. Qualitative Information on the Quarterly Financial Results, (3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts."

○ Supplemental Materials

1. Qualitative Information on the Quarterly Financial Results 2
   (1) Explanation of Operating Results 2
   (2) Explanation of Financial Condition 3
   (3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts 4
2. Quarterly Consolidated Financial Statements and Notes 5
   (1) Quarterly Consolidated Balance Sheet 5
   (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income 7
   (3) Notes to Quarterly Consolidated Financial Statements 9
   (Application of Special Accounting Treatment for the Preparation of Quarterly Consolidated Financial Statements) 9
   (Notes to Segment Information, etc.) 10
   (Notes on Significant Changes in the Amount of Shareholders' Equity) 11
   (Notes on the Going-Concern Assumption) 11
   (Notes on the Statement of Cash Flows) 11

1. Qualitative Information on the Quarterly Financial Results

The forward-looking statements appearing below are based on information available as of the end of quarter under review.

(1) Explanation of Operating Results

During the consolidated cumulative third quarter under review, against the backdrop of improved employment and income environment and an increase in demand driven by inbound tourism, the Japanese economy continued to recover gradually. On the other hand, the business environment remained uncertain due to factors such as the impact of continued price hikes on personal consumption, trends in U.S. trade policy, prolonged geopolitical risks stemming from the situation in the Middle East, and fluctuations in the yen exchange rate.

According to “eBook marketing report 2026,” Impress Corporation estimates that the growth rate of the e-book market will be around 2% in fiscal 2026.

On the other hand, competition in the e-book publication market is intensifying due to market maturation, as well as increasing competition for consumers’ disposable income as they return to spending on real-world experiences such as travel and dining out. In addition, with the printed publication market continuing to shrink, the business environment surrounding the Company is becoming increasingly challenging.

Given this market environment, in the Platform Segment, the Group pursued efficient investments while focusing on building the brand of e-comic distribution service Manga Kingdom, and in the Contents Segment, the Group continued to create new works, controlled the number of distributions, and implemented other measures.

As a result, net sales for the consolidated cumulative third quarter under review totaled 11,608,046 thousand yen (down 8.5% year on year), adjusted EBITDA was 1,386,637 thousand yen (down 20.2% year on year), operating profit was 666,301 thousand yen (down 33.6% year on year), ordinary profit was 629,937 thousand yen (down 35.0% year on year) and profit attributable to owners of the parent totaled 231,320 thousand yen (down 52.5% year on year).

The management results for each segment are presented below.

(Platform Segment)

In terms of the comic distribution service Manga Kingdom, a mainstay service in the Platform Segment, the Company strived to increase the number of subscribers and customer spending by promoting the flow of visit, retention, and purchase among users. The Company actively implemented sales promotions to acquire a wide range of users, including its continued efforts to encourage high spending through the “No. 1 sense of value” strategy to nurture loyal customers. In addition, the Company’s original work, “He’s a Total Catch—But My Sister-in-Law Wants to Steal Everything That’s Mine,” recorded strong distribution net sales by other companies.

On the other hand, despite the Company’s focus on the efficient management and optimization of advertising intended to retain and nurture heavy users, it was unable to offset the continued decline in the number of active users since the previous fiscal year. As a result, Manga Kingdom net sales decreased 6.2% year on year.

In addition, the Company has started social media marketing leveraging short videos to acquire new users and raise awareness of Manga Kingdom.

Furthermore, the Company has fully launched various initiatives to acquire new users for the Hulu digital comic distribution service.

On the profit front, gross profit decreased year on year, while selling, general and administrative expenses also fell significantly, mainly due to lower advertising and promotional expenses.

As a result, segment net sales totaled 7,644,722 thousand yen (down 5.2% year on year) and operating profit came in at 414,063 thousand yen (up 70.2% year on year).

(Contents Segment)

In the Contents Segment, the Company increased the number of publications, mainly as digital contents, and actively conducted sales promotion activities tailored to the characteristics and readers' needs of each e-bookstore. In printed publishing, in consideration of the shrinking market for such publishing, the Company implemented cost controls such as management of distribution numbers and pricing.

In digital publishing, while the Company promoted the creation of content tailored to readers' tastes and the expansion of genres, net sales decreased 14.6% year on year due to the limited boost to sales from hits among newly released works.

In printed publishing, as a result of implementing measures such as controlling the number of distributions, net sales decreased 16.7% year on year.

In addition, the BK Label, which publishes works primarily in the high fantasy and isekai romance genres, held the 2nd BK Novel Award, a contest held in collaboration with Shosetsuka ni Naro, and focused on discovering new titles and creating new content by soliciting a wide range of works with guaranteed publication in book form and manga adaptation.

Moreover, "Stealing Back My Marriage," a work published by Bunkasha, was made into a TV drama in January 2026, and "Ten Months of DINKs ～Is it Wrong Not to Have Kids?～," another work published by Bunkasha, was also made into a TV drama in March 2026. Both dramas were broadcast on TV Tokyo.

Furthermore, "Are the sexy buttocks not good?," a work published by Kaiohsha, was made into a TV drama in July 2026, and was broadcast on TOKYO MX, while "Perfect Addiction" was made into an anime and was broadcast on TV Kanagawa.

On the profit front, earnings in digital publishing decreased year on year due to a decrease in net sales from the digital domain and an increase in cost of sales, including manuscript fees, while earnings in printed publishing also decreased year on year due to a decrease in net sales from printed publishing.

As a result, segment net sales totaled 4,107,625 thousand yen (down 15.0% year on year) and operating profit came in at 252,095 thousand yen (down 66.8% year on year).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the current consolidated third quarter amounted to 14,274,563 thousand yen, down 2,282,199 thousand yen compared to the end of the previous fiscal year.

Current assets totaled 6,837,402 thousand yen, down 1,786,396 thousand yen from the previous fiscal year end. This is mainly attributable to a decrease in cash and deposits of 1,197,297 thousand yen and a decrease in accounts receivable - trade of 569,005 thousand yen.

Non-current assets totaled 7,437,160 thousand yen, down 495,802 thousand yen compared to the previous fiscal year end. This was mainly attributable to a decrease in intangible assets of 522,211 thousand yen.

(Liabilities)

Total liabilities at the end of the current consolidated third quarter amounted to 6,202,532 thousand yen, down 2,290,507 thousand yen compared to the end of the previous fiscal year.

Current liabilities totaled 6,202,532 thousand yen, down 1,525,507 thousand yen over the previous fiscal year end. This was mainly attributable to decreases of 727,535 thousand yen in notes and accounts payable - trade, 500,000 thousand yen in short-term loans payable, 127,194 thousand yen in income taxes payable, 103,598 thousand yen in contract liabilities, and 44,830 thousand yen in refund liabilities.

Non-current liabilities fell to zero, down 765,000 thousand yen from the end of the previous fiscal year. This was mainly attributable to a decrease in long-term loans payable of 765,000 thousand yen.

(Net assets)

Total net assets at the end of the current consolidated third quarter amounted to 8,072,030 thousand yen, up 8,308 thousand yen compared to the end of the previous fiscal year. This was mainly attributable to a decrease of 7,997 thousand yen in treasury shares.

As a result, the shareholders' capital ratio came to 56.4%.

(3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts

There have been no changes to the consolidated earnings forecast announced in "Notice Regarding the Revisions of the Full-year Consolidated Earnings Forecast" released on August 14, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated Third Quarter (As of September 30, 2026)
Assets		
Current assets		
Cash and deposits	5,293,996	4,096,699
Notes receivable	14,660	7,330
Accounts receivable - trade	3,139,921	2,570,916
Merchandise and finished goods	50,477	50,757
Supplies	323	231
Advance payments - trade	38,832	51,615
Prepaid expenses	81,205	66,297
Accounts receivable - other	8,869	872
Consumption taxes receivable	4,772	–
Other	340	1,452
Allowance for doubtful accounts	(9,601)	(8,770)
Total current assets	8,623,798	6,837,402
Non-current assets		
Property, plant and equipment		
Buildings	22,585	22,585
Facilities attached to buildings	91,934	92,451
Tools, furniture and fixtures	176,525	186,508
Accumulated depreciation	(158,470)	(182,245)
Accumulated impairment loss	(1,591)	(1,591)
Total property, plant and equipment	130,982	117,707
Intangible assets		
Goodwill	7,147,072	6,704,084
Software	93,161	96,316
Content assets	219,080	253,669
Software in progress	197	217
Content assets in progress	5,680	6,693
Publishing rights	118,000	–
Other	1,032	1,032
Total intangible assets	7,584,225	7,062,014
Investments and other assets		
Leasehold and guarantee deposits	129,666	126,291
Deferred tax assets	69,416	110,244
Others	18,671	20,901
Total investments and other assets	217,755	257,438
Total non-current assets	7,932,963	7,437,160
Total assets	16,556,762	14,274,563

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated Third Quarter (As of September 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,089,881	2,362,346
Short-term loans payable	2,000,000	1,500,000
Current portion of long-term loans payable	1,020,000	1,020,000
Accounts payable - other	277,558	246,803
Accrued expenses	75,282	67,524
Income taxes payable	291,223	164,028
Accrued consumption taxes	31,983	36,055
Contract liabilities	556,739	453,141
Refund liabilities	191,287	146,456
Deposits received	48,555	78,715
Other	145,526	127,459
Total current liabilities	7,728,039	6,202,532
Non-current liabilities		
Long-term loans payable	765,000	–
Total non-current liabilities	765,000	–
Total liabilities	8,493,039	6,202,532
Net assets		
Shareholders' equity		
Capital stock	1,910,859	1,910,859
Capital surplus	1,910,491	1,910,359
Retained earnings	5,268,416	5,264,161
Treasury shares	(1,039,647)	(1,031,650)
Total shareholders' equity	8,050,119	8,053,730
Share acquisition rights	13,603	18,300
Total net assets	8,063,722	8,072,030
Total liabilities and net assets	16,556,762	14,274,563

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Consolidated Cumulative Third Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative Third Quarter (January 1 to September 30, 2025)	Current Consolidated Cumulative Third Quarter (January 1 to September 30, 2026)
Net sales	12,688,167	11,608,046
Cost of sales	8,316,112	7,872,333
Gross profit	4,372,055	3,735,713
Selling, general and administrative expenses	3,369,004	3,069,411
Operating profit	1,003,050	666,301
Non-operating income		
Interest income	3,749	7,088
Dividend income	107	95
Refunds received	1,167	–
Gain on sale of businesses	10,000	–
Other	513	1,277
Total non-operating income	15,538	8,461
Non-operating expenses		
Interest expenses	45,185	41,747
Borrowing expenses	2,875	1,549
Other	1,910	1,527
Total non-operating expenses	49,971	44,824
Ordinary profit	968,617	629,937
Extraordinary losses		
Loss on retirement of non-current assets	12,990	–
Office relocation expenses	20,560	–
Total extraordinary losses	33,550	–
Profit before income taxes	935,067	629,937
Income taxes – current	448,138	398,617
Total income taxes	448,138	398,617
Profit	486,928	231,320
Profit attributable to owners of the parent	486,928	231,320

Quarterly Consolidated Statement of Comprehensive Income

Consolidated Cumulative Third Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative Third Quarter (January 1 to September 30, 2025)	Current Consolidated Cumulative Third Quarter (January 1 to September 30, 2026)
Profit	486,928	231,320
Comprehensive income	486,928	231,320
(Breakdown)		
Comprehensive income related to owners of the parent	486,928	231,320

(3) Notes to Quarterly Consolidated Financial Statements

(Application of Special Accounting Treatment for the Preparation of Quarterly Consolidated Financial Statements)

Calculation of Tax Costs

Tax costs are calculated by reasonably estimating the effective tax rate for each business year's profit before income taxes, including in the current third quarter, after the application of tax effect accounting and then multiplying this estimated effective tax rate by profit before income taxes.

However, in the event that the calculation of tax costs using the estimated effective tax rate yields a result that is notably lacking in rationality, then tax costs are calculated using the effective statutory tax rate.

(Notes to Segment Information, etc.)

Previous Consolidated Cumulative Third Quarter (January 1 to September 30, 2025)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	7,538,609	–	7,538,609	–	7,538,609
Others' distribution	271,762	3,609,325	3,881,088	–	3,881,088
Printed publishing	–	781,837	781,837	–	781,837
Others	216,291	270,340	486,631	–	486,631
Revenue from contracts with customers	8,026,663	4,661,504	12,688,167	–	12,688,167
Net sales to external customers	8,026,663	4,661,504	12,688,167	–	12,688,167
Intersegment sales and transfers	41,100	173,079	214,179	(214,179)	–
Total	8,067,763	4,834,583	12,902,347	(214,179)	12,688,167
Segment profit	243,235	759,672	1,002,907	143	1,003,050

Notes: 1. Adjustments of segment profit of 143 thousand yen represent company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

Current Consolidated Cumulative Third Quarter (January 1 to September 30, 2026)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	7,091,923	–	7,091,923	–	7,091,923
Others' distribution	328,797	3,130,170	3,458,968	–	3,458,968
Printed publishing	–	552,744	552,744	–	552,744
Others	180,800	323,609	504,410	–	504,410
Revenue from contracts with customers	7,601,522	4,006,524	11,608,046	–	11,608,046
Net sales to external customers	7,601,522	4,006,524	11,608,046	–	11,608,046
Intersegment sales and transfers	43,200	101,101	144,301	(144,301)	–
Total	7,644,722	4,107,625	11,752,347	(144,301)	11,608,046
Segment profit	414,063	252,095	666,158	143	666,301

Notes: 1. Adjustments of segment profit of 143 thousand yen represent company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Current Consolidated Cumulative Third Quarter (January 1 to September 30, 2026)

1. Dividend payment

Resolution	Type of shares	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Date of record	Date of effect	Source of dividends
Annual General Meeting of Shareholders held on March 27, 2026	Common stock	234,708	42.00	December 31, 2025	March 30, 2026	Retained earnings

2. Dividends whose record date belongs to the current consolidated cumulative third quarter but whose effective date is after the end of the current consolidated cumulative third quarter
   N/A

3. Significant changes in the amount of shareholders' equity
   On April 24, 2026, the Company disposed of 5,489 treasury shares based on a resolution at the meeting of the Board of Directors held on March 27, 2026, as restricted share compensation paid to the Company's directors. As a result, during the current third quarter, retained earnings decreased by 866 thousand yen and treasury shares decreased by 7,997 thousand yen. As of the end of the current third quarter, retained earnings totaled 5,264,161 thousand yen and treasury shares totaled 1,031,650 thousand yen.

(Notes on the Going-Concern Assumption)

N/A

(Notes on the Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the current consolidated cumulative third quarter has not been prepared. Depreciation (including amortization of intangible assets, excluding goodwill) and amortization of goodwill for the current consolidated cumulative third quarter are as follows.

	Previous Consolidated Cumulative Third Quarter (January 1 to September 30, 2025)		Current Consolidated Cumulative Third Quarter (January 1 to September 30, 2026)	
Depreciation	267,155	thousand yen	265,833	thousand yen
Amortization of goodwill	442,987	thousand yen	442,987	thousand yen