

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. The Company assumes no responsibility for this translation or for direct, indirect, or any other forms of damages arising from this translation.



November 14, 2025

Non-consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: CELSYS, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3663
 URL: <https://www.celsys.com>
 Representative: Kei Narushima, President
 Inquiries: Ken Ito, Director
 Telephone: +81-3-6258-2904
 Scheduled date of commencing dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	6,987	—	2,236	—	2,226	—	1,360	—
September 30, 2024	—	—	—	—	—	—	—	—

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	44.50	44.43
September 30, 2024	—	—

(Note) The financial results for the fiscal year ended December 31, 2024 have been disclosed on a consolidated basis. However, beginning with the three months ended March 31, 2025, the financial results are disclosed on a non-consolidated basis. Accordingly, operating results (cumulative) for the nine months ended September 30, 2024 and the year-on-year percentage changes are not presented.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	7,958	5,221	64.8
December 31, 2024	8,156	5,264	63.7

Reference: Equity
 As of September 30, 2025: ¥5,154 million
 As of December 31, 2024: ¥5,195 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	12.00	—	12.00	24.00
Fiscal year ending December 31, 2025	—	22.00	—		
Fiscal year ending December 31, 2025 (Forecast)				14.00	36.00

- Notes: 1. Revision to the forecast for dividends announced most recently: None
2. The second quarter-end dividend for the fiscal year ending December 31, 2025 includes a commemorative dividend of 10 yen per share for listing on the Prime Market of the Tokyo Stock Exchange.

3. Non-consolidated financial results forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,262	12.9	2,900	35.1	2,859	25.4	1,400	0.0	45.80

- Notes: 1. Revision to the financial results forecast announced most recently: Yes
2. Due to the absorption-type merger of &DC3, Inc., a consolidated subsidiary, on January 1, 2025, the Group shifted from consolidated to non-consolidated financial results beginning with the fiscal year ending December 31, 2025. Accordingly, the percentage changes for the full year are calculated based on comparisons with the consolidated financial results for the fiscal year ended December 31, 2024.

*** Notes**

(1) Adoption of accounting methods specific to the preparation of quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to reasons other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	36,271,180 shares
As of December 31, 2024	36,271,180 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	5,937,064 shares
As of December 31, 2024	5,385,381 shares

(iii) Average number of shares outstanding during the period

Nine months ended September 30, 2025	30,564,252 shares
Nine months ended September 30, 2024	31,787,412 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of non-consolidated financial results forecast and other forward-looking information” on page 4 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

○ Table of Contents of the Attached Materials

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of operating results	2
(2) Explanation of financial position	4
(3) Explanation of non-consolidated financial results forecast and other forward-looking information.....	4
2. Quarterly Non-consolidated Financial Statements and Major Notes	6
(1) Quarterly non-consolidated balance sheet	6
(2) Quarterly non-consolidated statements of income.....	8
(3) Notes to quarterly non-consolidated financial statements	9
(Note on entity's ability to continue as going concern).....	9
(Notes in case of significant changes in shareholders' equity).....	9
(Adoption of accounting methods specific to the preparation of quarterly non-consolidated financial statements).....	9
(Segment information).....	10
(Notes to quarterly non-consolidated cash flow statements).....	10
(Significant subsequent events).....	10

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of operating results

The Company operates a business that develops and provides services and platforms in the globally expanding creator economy market. To achieve further growth, we are working to strengthen our revenue base and management structure.

Following structural reforms including the sale of the UI/UX business in 2023, the listing on the Prime Market of the Tokyo Stock Exchange in 2024, and the absorption-type merger with our subsidiary, &DC3, Inc., in January 2025, the Company has completed the development of its management structure to advance toward the next stage of growth. In light of this, we have formulated a new “Medium-Term Management Plan 2025–2027.” Under this Medium-Term Management Plan, we have set forth our vision as “Creating a More Passionate World.” Through providing services that support the “CREATOR JOURNEY”—the path through which creators produce works and audiences enjoy them in the creator economy market—we strive to create “a world that is more vibrant when everyone’s passions are connected.” As part of this Medium-Term Management Plan, we have designated a return on equity (ROE) of 30% or higher during the period as an important KPI. (Medium-Term Management Plan 2025–2027:

https://www.celsys.com/files/user/pdf/ir/info/2025/info_2025-0214a_en.pdf)

In line with the formulation of the Medium-Term Management Plan, we reviewed our previous business segments and consolidated them into a single segment. Previously, our operations were divided into two segments: the “Content Production Solutions business,” which focused on development and sales of CLIP STUDIO PAINT, a software product for producing illustrations, manga, Webtoon, and animation; and the “Content Distribution Solutions business,” which included DC3 Solution and e-book Solution. As a result of the integration, the former has been redefined as the “Creator Support field” and the latter as the “Creator Platform field” from the fiscal year under review.

While continuing to further enhance the profitability of “CLIP STUDIO PAINT,” the Company will expand its business domain to encompass the entire creator economy market. By leveraging the trust and strengths earned from creators through its production solutions, as well as the assets accumulated through its distribution solutions, the Company aims to develop and provide new services in the Creator Platform field, establishing a new core pillar of its business.

In the fiscal year under review, focused on efforts to enhance corporate value, management focused on its software IP and strategic investment continued to be prioritized.

As a result, for the nine months under review, the Company’s net sales amounted to ¥6,987,959 thousand (up 15.9% year-on-year), and operating profit amounted to ¥2,236,027 thousand (up 39.0% year-on-year).

Ordinary profit amounted to ¥2,226,701 thousand (up 27.4% year-on-year) due to factors such as recording of ¥21,283 thousand in dividend income and ¥7,401 thousand in interest income as non-operating income, while ¥13,091 thousand in commission expenses for purchase of treasury shares and ¥25,553 thousand in foreign exchange losses were recorded as non-operating expenses. Profit amounted to ¥1,360,181 thousand (up 11.1% year-on-year) due to the recording of ¥480,307 thousand in loss on valuation of investment securities as extraordinary losses and the recording of ¥577,548 thousand in income taxes, despite the recording of ¥153,875 thousand in gain on extinguishment of tie-in shares as extraordinary income. The progress rates on the revised full-year financial results forecast announced today are 75.4% for net sales and 77.1% for operating profit.

It should be noted that the financial results for the nine months ended September 30, 2024 were on a consolidated basis, reflecting the performance of CELSYS, Inc. and its subsidiary, &DC3, Inc.

The Company emphasizes shareholder returns, and with regard to the acquisition of treasury shares, a cumulative total of ¥5,500,000 thousand was executed, including ¥1,000,000 thousand in the fiscal year ended December 31, 2022, ¥2,000,000 thousand in the fiscal year ended December 31, 2023, ¥1,500,000 thousand in the fiscal year ended December 31, 2024, and ¥1,000,000 thousand by October 2025.

Furthermore, as disclosed in “Notice Regarding Determination of Matters Concerning Acquisition of Treasury Shares” released today, the Company plans to acquire additional treasury shares worth ¥1,000,000 thousand in the fourth quarter of the current fiscal year. In addition, for the fiscal year ending December 31, 2025, the Company plans to pay an annual dividend of ¥36 per share (an increase of ¥12 from the previous year), comprising an interim dividend of ¥22, which includes a commemorative dividend of ¥10 per share for the listing on the Prime Market of the Tokyo Stock Exchange, and a year-end dividend of ¥14.

Net sales by field are as follows.

	(Consolidated) Nine months ended September 30, 2024 Amount (thousands of yen)	(Non-consolidated) Nine months ended September 30, 2025 Amount (thousands of yen)	Year-on- year change (%)
Creator Support (Expansion phase)	4,990,091	5,957,331	19.4
Creator Platform (Preparation phase)	1,041,270	1,030,628	(1.0)
Total	6,031,362	6,987,959	15.9

<Creator Support field>

The Creator Support field provides services related to content production worldwide through CLIP STUDIO PAINT, the illustration, manga, Webtoon and animation app, which supports the creative activities of creators active in the graphics industry.

Cumulative shipments of CLIP STUDIO PAINT, the Company's core service, reached a total of 55.98 million units by September 2025 (up 26.2% year-on-year). In addition, the Annual Recurring Revenue (ARR) for SaaS provided under a subscription model of the same application was ¥5.1 billion in September 2025 (up 25.3% year-on-year), marking a record high.

For the provision of a license to use CLIP STUDIO PAINT via a subscription model, the Company's focus, subscription plans may lower the barriers to using the software by offering the software at a low price, but the short-term profitability is limited compared with the one-time purchase versions. That being said, the aim of increasing subscription model contracts will continue, as stable earnings in the medium to long term are expected to be generated with continued use.

The monthly churn rate of CLIP STUDIO PAINT subscription contracts was 4.9% at the end of September 2025.

CLIP STUDIO PAINT is offered in 11 languages and has reached approximately 80% for overseas shipments of non-Japanese versions. To further increase sales and the number of users, the Company will continue to strengthen localization efforts, including marketing for the languages, not only for widely used languages such as English, Spanish, German, and Korean, but also for languages with high growth potential, such as simplified Chinese, Thai, Indonesian, and Brazilian Portuguese, as well as enhancing payment options.

In the nine months ended September 30, 2025, we made a major update of CLIP STUDIO PAINT in March 2025, with the aim of boosting both sales and the number of users of CLIP STUDIO PAINT, and Version 4.0 was released. Version 4.0, which was released globally, received a strong response and achieved sales results that exceeded the initial plan.

The Company has implemented an offering model under which customers who have purchased outright are required to sign an additional subscription contract or buy the new version on special offer to make use of all the latest functions available in Version 4.0 or later. This offering model has led to an increase in subscription contracts and improved sales from existing outright purchase users purchasing the new version.

In conjunction with the major version update, the Company also revised the price of the one-time purchase version with the aim of improving profitability and ensuring the continued provision of services, implementing a price increase of up to 8%. The price will be revised to match the increased value of services with the regular release of major updates in the future.

The Company released the simplified Chinese version license of CLIP STUDIO PAINT for PC in July 2025, and the price of the simplified Chinese version of CLIP STUDIO PAINT for iPad, which was released earlier, has been revised, further bolstering global expansion.

Also, as disclosed in "Notice Regarding Establishment of Subsidiary" released on August 6, 2025, the Company established a subsidiary overseas to enhance payment options for CLIP STUDIO PAINT worldwide. By implementing this initiative that enables more users to make payments smoothly, the Company aims to increase revenue.

In January 2025, the Company began offering a paid add-on subscription service to expand cloud storage capacity, with the aim of enhancing user convenience and increasing revenue opportunities within the subscription model.

In March 2025, the CLIP STUDIO PAINT Volume License for enterprises and educational institutions was adopted in the curriculum of ZEN University, an online university newly established by the Educational Institute of The Nippon Foundation and DWANGO. This initiative contributes to increased recognition and a broader user base among younger generations. CLIP STUDIO PAINT has already been introduced at N High School, S High School, and N Middle School, which are affiliated schools of ZEN University and operated by KADOKAWA DWANGO Educational Institute.

In July 2025, CLIP STUDIO PAINT began to be provided globally as a bundled offering with Wacom's new Wacom MovinkPad 11. The bundled CLIP STUDIO PAINT adopts a model in which, after a certain period of use, users transition to a subscription contract, and it is hoped to increase new users and expand reach to overseas users.

In September 2025, the Company provided WEBTOON Entertainment with CLIP STUDIO PAINT for corporate users. This application enables increased efficiency in production, translation, and distribution of Webtoon content, for which global demand has been expanding, as we work to vitalize the market.

<Creator Platform field>

In the Creator Platform field, the Company aims to expand its business and stimulate creative activities by developing, providing and operating new services that leverage the trust and strengths cultivated through its content production solution in the Creator Support field, as well as the assets accumulated through its distribution solutions.

In the nine months ended September 30, 2025, the Company promoted the planning and consideration of new platform services, while conducting research on the ecosystem, global industry trends, and service models in the creator economy market. Development began in July 2025, with the aim of launching the official service in 2026. At the same time, efforts have been made to strengthen the organizational structure to support the development of new services, by optimizing human resources through internal reassignments.

In addition, the Company continued to operate its existing community services that support the use of CLIP STUDIO PAINT, while implementing continuous functional improvements to enhance user retention among subscription users. The Company also worked to increase the number of users of its platform services through initiatives such as operating Mochikomi online, a service that supports matching aspiring manga artists and manga editors seeking new talent, as well as implementing functional updates.

As of March 2025, the number of users worldwide of the Company's creator platform services exceeded 10 million (up 18.3% year-on-year).

In June 2025, the Company's proofreading tool for digital book data was adopted by Freedia Comics, a digital comics label of TOHAN CORPORATION, a major publication distributor.

Furthermore, the Company cooperated with Sony Corporation and began to offer motion materials from XYN Motion Studio, Sony's integrated application for motion production, on CLIP STUDIO ASSETS, the material library operated by the Company. This has not only helped to attract new users for CLIP STUDIO PAINT and improve the satisfaction of existing users, but has also revitalized CLIP STUDIO ASSETS.

In August 2025, the Company and SHOGAKUKAN Inc. began to offer a menu that enables an editorial office to hold a mochikomi event independently on Mochikomi online, a service that supports aspiring manga artists to showcase their work to manga editors.

(2) Explanation of financial position

Total assets at the end of the third quarter under review amounted to ¥7,958,310 thousand, down ¥198,347 thousand from the end of the previous fiscal year. The main factors include increases of ¥167,007 thousand in software in progress and ¥163,504 thousand in other current assets, and decreases of ¥473,029 thousand in cash and deposits mainly due to share buybacks and ¥67,452 thousand in investment securities.

Liabilities at the end of the third quarter under review amounted to ¥2,736,612 thousand, down ¥155,126 thousand from the end of the previous fiscal year. The main factors include increases of ¥212,931 thousand in advances received, ¥74,699 thousand in provision for bonuses, ¥66,268 thousand in accounts payable - trade, and ¥31,195 thousand in provision for retirement benefits, and decreases of ¥44,271 thousand in accounts payable - other and ¥511,876 thousand in income taxes payable.

Total net assets at the end of the third quarter under review amounted to ¥5,221,698 thousand, down ¥43,220 thousand from the end of the previous fiscal year. The main factors include increases of ¥318,475 thousand in retained earnings and ¥415,834 thousand in valuation difference on available-for-sale securities, and an increase of ¥784,342 thousand in treasury shares due to share buybacks. The equity-to-asset ratio was 64.8%.

(3) Explanation of non-consolidated financial results forecast and other forward-looking information

The full-year financial results forecast for the fiscal year ending December 31, 2025 was revised from the initial plan disclosed on February 14, 2025. In the full-year financial results forecast, net sales, operating profit, and ordinary profit were revised upward from the initial forecasts in light of recent progress in business performance.

The Company is strengthening its corporate governance system and promoting business innovation that takes perspectives of shareholders and investors into consideration to achieve sustainable growth, and as part

of its efforts, it has resolved to abolish the officer retirement benefit system. In addition, the founding officers are to retire for the purpose of rejuvenating the management structure of the Company, and a reward to the founders is expected to be recorded as transient extraordinary losses for the fourth quarter of the current fiscal year.

Furthermore, the Company plans to acquire additional treasury shares of 1.0 billion yen in the fourth quarter of the current fiscal year, focusing on ROE of 30%, a target of its Medium-Term Management Plan.

For details, please refer to the “Notice Regarding Revision to Full-Year Financial Results Forecasts for the Fiscal Year Ending December 31, 2025 and Recording of Extraordinary Losses,” “Notice Regarding Abolition of the Officer Retirement Benefit System and Presentation of a Reward to the Founders,” and “Notice Regarding Determination of Matters Concerning Acquisition of Treasury Shares” disclosed today.

As for the fiscal year-end dividend for the fiscal year ending December 31, 2025, the forecast for the dividend of 14 yen disclosed on February 14, 2025 remains unchanged.

Regarding the recent U.S. tariff measures, the Company is not directly affected, as the majority of its business consists of digital services that do not involve the import or export of physical products and are therefore not subject to tariffs. Accordingly, the Company expects no impact on the full-year financial results forecast.

In the Company’s overseas operations, sales of CLIP STUDIO PAINT are settled in currencies other than Japanese yen, and server usage fees and advertising expenses are also invoiced in foreign currencies. As such, fluctuations in sales and expenses tend to offset each other. Consequently, the impact of exchange rate fluctuations on profit is considered to be minor, and there is no significant impact on the full-year financial results forecast. Additionally, the Company’s international transactions are conducted in a variety of currencies, including not only the U.S. dollar but also the euro, Korean won, and others. Therefore, fluctuations in any single currency do not have a significant impact on the full-year financial results forecast.

2. Quarterly Non-consolidated Financial Statements and Major Notes

(1) Quarterly non-consolidated balance sheet

(Unit: thousands of yen)

	Previous non-consolidated fiscal year (December 31, 2024)	Nine months under review (September 30, 2025)
Assets		
Current assets		
Cash and deposits	5,188,846	4,715,816
Accounts receivable - trade	220,827	376,178
Finished goods	18,837	15,981
Raw materials and supplies	142,483	115,359
Prepaid expenses	111,979	110,467
Accounts receivable - other	323,374	297,750
Other	45,704	209,208
Allowance for doubtful accounts	(154)	(85,637)
Total current assets	6,051,898	5,755,125
Non-current assets		
Property, plant and equipment		
Buildings	185,650	187,599
Accumulated depreciation	(88,556)	(98,805)
Buildings (net)	97,094	88,794
Tools, furniture and fixtures	268,004	306,053
Accumulated depreciation	(219,441)	(234,473)
Tools, furniture and fixtures (net)	48,563	71,580
Total property, plant and equipment	145,657	160,374
Intangible assets		
Patent right	24,273	22,817
Trademark right	33,632	30,219
Software	905,316	916,999
Software in progress	46,552	213,559
Other	31,796	43,996
Total intangible assets	1,041,571	1,227,592
Investments and other assets		
Investment securities	663,486	596,033
Shares of subsidiaries and associates	44,915	10,056
Leasehold and guarantee deposits	131,364	131,364
Deferred tax assets	77,763	77,763
Total investments and other assets	917,529	815,218
Total non-current assets	2,104,759	2,203,185
Total assets	8,156,658	7,958,310

(Unit: thousands of yen)

	Previous non-consolidated fiscal year (December 31, 2024)	Nine months under review (September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	67,966	134,234
Accounts payable - other	162,976	118,704
Advances received	1,091,638	1,304,570
Accrued expenses	74,199	49,102
Income taxes payable	723,354	211,478
Provision for bonuses	64,064	138,764
Other	196,201	206,870
Total current liabilities	2,380,401	2,163,724
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	192,642	212,252
Provision for retirement benefits	297,741	328,937
Other	20,953	31,698
Total non-current liabilities	511,336	572,887
Total liabilities	2,891,738	2,736,612
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus		
Legal capital surplus	2,500	2,500
Other capital surplus	6,386,067	6,395,663
Total capital surplus	6,388,567	6,398,163
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,741,289	4,059,765
Total retained earnings	3,741,289	4,059,765
Treasury shares	(4,678,793)	(5,463,136)
Total shareholders' equity	5,461,063	5,004,792
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(265,744)	150,090
Total valuation and translation adjustments	(265,744)	150,090
Share acquisition rights	69,600	66,816
Total net assets	5,264,919	5,221,698
Total liabilities and net assets	8,156,658	7,958,310

(2) Quarterly non-consolidated statements of income
 Nine months ended September 30, 2025

	(Unit: thousands of yen)
	Nine months under review (From January 1, 2025 to September 30, 2025)
Net sales	6,987,959
Cost of sales	2,788,705
Gross profit	4,199,254
Selling, general and administrative expenses	1,963,226
Operating profit	2,236,027
Non-operating income	
Interest income	7,401
Dividend income	21,283
Other	999
Total non-operating income	29,683
Non-operating expenses	
Commission expenses	13,091
Foreign exchange losses	25,553
Other	364
Total non-operating expenses	39,009
Ordinary profit	2,226,701
Extraordinary income	
Gain on extinguishment of tie-in shares	153,875
Other	37,460
Total extraordinary income	191,335
Extraordinary losses	
Loss on valuation of investment securities	480,307
Total extraordinary losses	480,307
Pre-tax net profit	1,937,730
Income taxes - current	577,548
Profit	1,360,181

- (3) Notes to quarterly non-consolidated financial statements
(Note on entity's ability to continue as going concern)
Not applicable.

(Notes in case of significant changes in shareholders' equity)

The Company acquired 401,300 shares of treasury shares upon the resolution of the Board of Directors meeting held on December 20, 2024. In addition, the Company disposed of 18,000 shares of treasury shares as part of compensation for granting restricted stock to Directors of the Company upon the resolution of the Board of Directors meeting held on March 28, 2025.

Furthermore, the Company acquired 174,300 shares of treasury shares upon the resolution of the Board of Directors meeting held on August 8, 2025.

As a result, treasury shares increased by ¥784,342 thousand to ¥5,463,136 thousand at the end of the third quarter under review.

(Adoption of accounting methods specific to the preparation of quarterly non-consolidated financial statements)
Calculation of tax expenses

The Company calculates tax expenses by multiplying profit before income taxes by a reasonably estimated effective tax rate for profit before income taxes for the fiscal year under review after the application of tax effect accounting.

(Segment information)

[Segment information]

Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

This is as stated in “Nine months ended September 30, 2025 (Information on changes in reportable segments).”

Nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

Segment information is omitted as the Company operates a single reportable segment.

(Information on changes in reportable segments)

The Company has previously reported two businesses as reportable segments: the “Content Production Solutions business” and the “Content Distribution Solutions business.” However, beginning with the first quarter of the current fiscal year, these have been consolidated into a single reportable segment. The “Content Production Solutions business” is redefined as the “Creator Support field” and the “Content Distribution Solutions business” is redefined as the “Creator Platform field.” As a result of the change, the Company now operates a single segment, and therefore, segment information for both the nine months ended September 30, 2024 and the nine months ended September 30, 2025 has been omitted.

(Notes to quarterly non-consolidated cash flow statements)

The Company has not prepared the quarterly non-consolidated cash flow statements for the nine months ended September 30, 2025. Depreciation (including amortization related to intangible assets) for the nine months ended September 30, 2025 is as follows.

	Nine months under review (from January 1, 2025 to September 30, 2025)
Depreciation	¥514,189 thousand

(Significant subsequent events)

(Acquisition of treasury shares)

The Company resolved, at a meeting of the Board of Directors held on November 14, 2025, the matters concerning the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act. The details are described below.

1. Reason for acquisition of treasury shares

The Company has decided to acquire treasury shares in order to further enhance capital efficiency and execute flexible capital policy in line with the business environment, while being mindful of the target of a return on equity (ROE) of 30% set forth in the medium-term management plan.

2. Details of matters related to acquisition

(1) Class of shares to be acquired

Common shares

(2) Total number of shares to be acquired

Up to 1,000,000 shares

(3.31% of total number of issued shares (excluding treasury shares))

(3) Total amount of share acquisition costs

Up to ¥1,000,000 thousand

(4) Acquisition period

From November 17, 2025 to December 31, 2025

(5) Acquisition method

Purchase at the Tokyo Stock Exchange (through discretionary investment by a securities company)

(Reward to the founders)

The Company resolved, at a meeting of the Board of Directors held on November 14, 2025, to present a reward to the founders of ¥555,180 thousand to Mr. Yosuke Kawakami and Mr. Shinya Nozaki, in recognition of their distinguished achievements and contributions during their tenure, on the assumption that it will be approved at the 14th Annual General Meeting of Shareholders to be held in March 2026. Mr. Yosuke Kawakami is to retire from the position of Director of the Company effective as of December 31, 2025.

Accordingly, a reward to the founders of ¥555,180 thousand will be recorded as extraordinary losses for the fourth quarter of the fiscal year ending December 31, 2025.