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Notice of monthly business progress report for March 2025

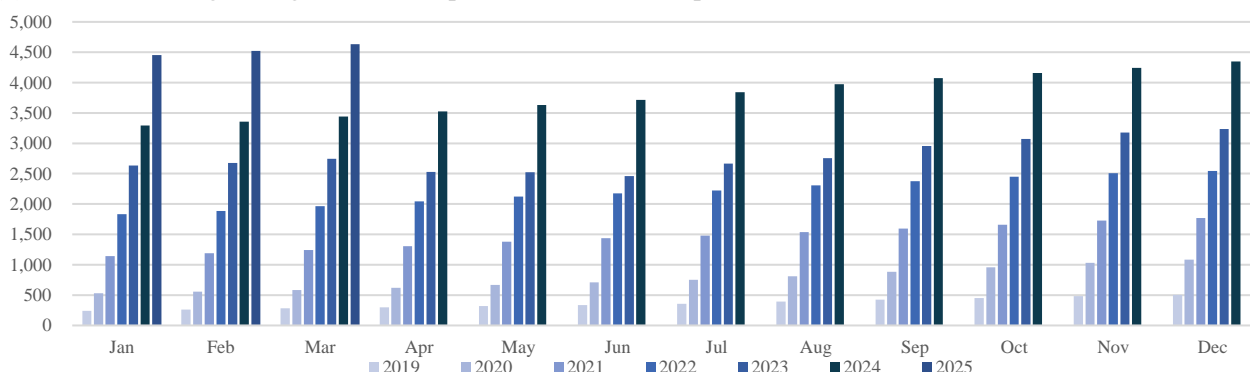
We would like to present the following monthly business progress report for March 2025.

Information on the marketing, alliances, and other qualitative activities of company is posted on our website as needed. (https://www.celsys.com/en/irinfo_celsysnews/)

We have posted an IR survey on our website. We have made changes to the IR report and this report based on feedback we received.

(Creator Support field)

(1) 3-month moving average ARR of Clip Studio Paint subscription sales

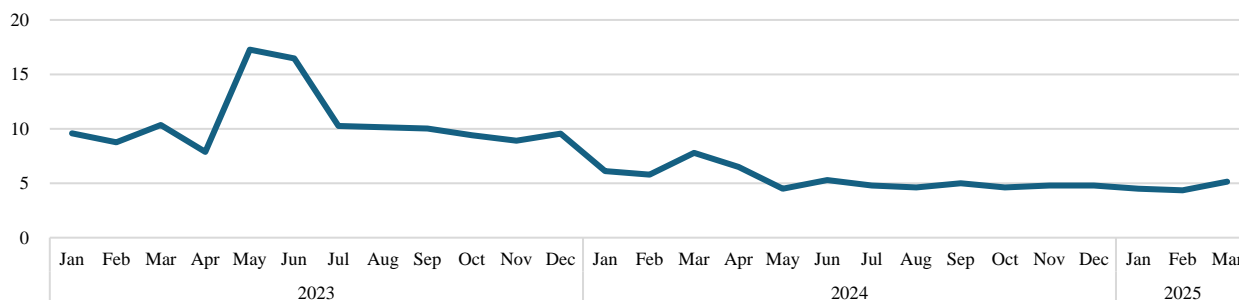


(Unit: One million yen)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	240	259	280	299	318	334	356	393	424	453	481	503
2020	530	556	585	620	668	710	752	811	882	959	1,032	1,084
2021	1,144	1,191	1,242	1,306	1,380	1,436	1,480	1,538	1,595	1,660	1,725	1,768
2022	1,834	1,884	1,966	2,046	2,124	2,173	2,225	2,309	2,375	2,450	2,506	2,545
2023	2,633	2,676	2,746	2,531	2,523	2,462	2,668	2,755	2,956	3,074	3,178	3,236
2024	3,293	3,358	3,439	3,527	3,631	3,713	3,840	3,972	4,075	4,158	4,240	4,347
2025	4,451	4,524	4,631									

Note: ARR (an abbreviation for Annual Recurring Revenue, which is the revenue assumed to be earned in a year, assuming that all contracts are renewed at the time of contract renewal) is a three-month moving average due to monthly fluctuations caused by the number of days per month (28 business days for regular months and 35 business days for special months) depending on the settlement method and the fact that the settlement is adjusted for each quarter-end month.

(2) Clip Studio Paint churn rate (paid subscriptions)



(Unit: %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	9.6	8.7	10.3	7.9	17.3	16.5	10.3	10.1	10.0	9.4	8.9	9.5
2024	6.1	5.8	7.8	6.5	4.5	5.3	4.8	4.6	5.0	4.6	4.8	4.8
2025	4.5	4.4	5.1									

Note 1: This indicator is the cancellation rate (customer churn rate) based on the number of customers with paid subscription contracts for the SaaS version of Clip Studio Paint. It is calculated based on the number of cancellations during the month relative to the number of subscriptions as of the end of the previous month; if one customer has multiple subscriptions, each subscription is calculated as a separate subscription. In addition, due to the nature of the product, which offers monthly subscription plans that can be used only when necessary, in addition to annual subscription plans, there are cases where the same customer repeatedly subscribes and cancels subscriptions.

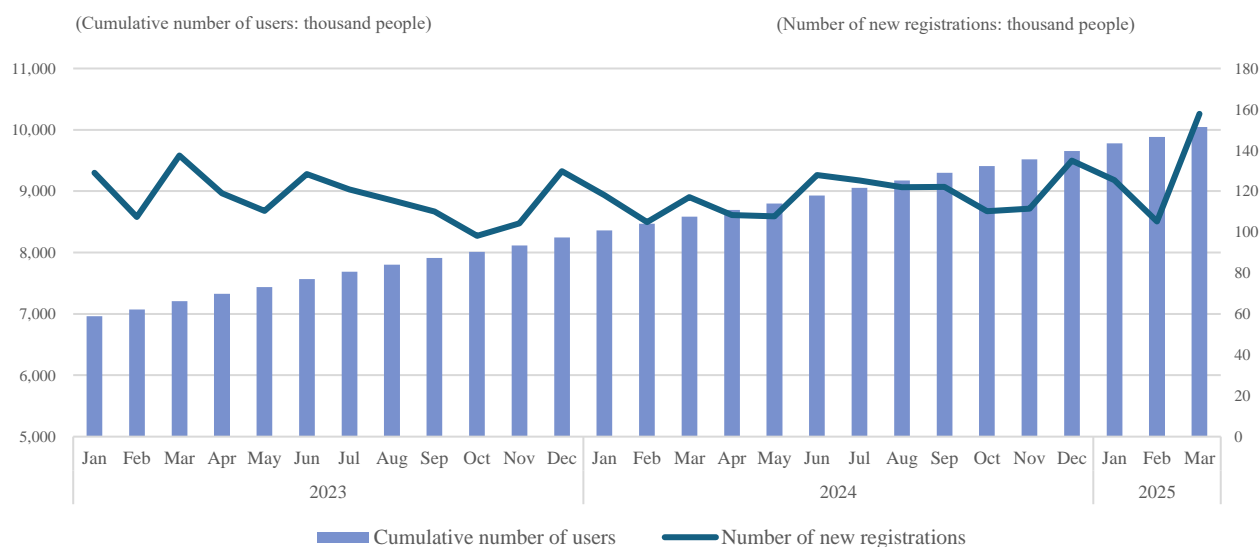
Note 2: In May 2023, we made changes to the payment system used for subscription contract payments from Windows and macOS environments, with the aim of strengthening security to prevent normal payments from being hindered due to unknown attacks. Although the churn rate temporarily increased as some subscribers did not re-register and some contracts were canceled by the re-registration deadline at the end of May, the number of new contracts continued to trend steadily. It has been stable since July 2023.

<March Topic>

Similar to when the major version upgrades for Clip Studio Paint were launched in March 2023 and March 2024, the churn rate increased during this month due to the launch of major version 4.0. The churn rate is expected to return to normal from next month.

(Creator Platform field)

(1) Number of platform users



(Unit: thousand people)

	Number of users	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	Cumulative	6,964	7,071	7,209	7,328	7,438	7,567	7,688	7,803	7,913	8,011	8,116	8,245
	New registration	129	107	138	119	110	128	121	116	110	98	104	130
2024	Cumulative	8,363	8,468	8,585	8,694	8,801	8,929	9,055	9,177	9,299	9,409	9,520	9,655
	New registration	118	105	117	108	108	128	125	122	122	110	111	135
2025	Cumulative	9,781	9,886	10,044									
	New registration	125	105	158									

Note: The number includes users of services provided in the Creator Platform field as well as users of “CLIP STUDIO ASSETS” and other surrounding services related to CLIP STUDIO PAINT.

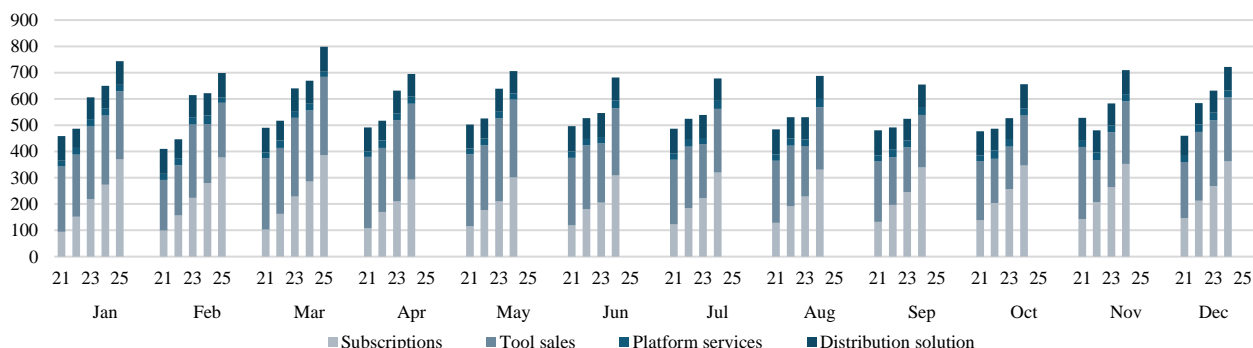
<March Topic>

The number of platform users exceeded 10 million. For more details, please refer to this news release.

(<https://www.celsys.com/en/topic/20250403>)

Overall Company

(1) Three-month moving average sales breakdown of content creation solutions business and content distribution solutions business



(Unit: One million yen)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	E-Books	94	95	93	92	92	96	95	95	94	92	88	77
	Services	22	23	22	21	22	24	24	24	22	22	23	23
	Tool sales	248	193	272	271	274	257	245	237	232	225	274	213
	Subscriptions	95	99	103	108	115	119	123	128	132	138	143	147
2022	E-Books	72	71	76	76	76	79	80	81	82	83	84	82
	Services	26	27	28	27	26	25	25	27	31	32	30	28
	Tool sales	236	191	250	244	246	242	234	230	181	168	159	262
	Subscriptions	152	157	163	170	177	181	185	192	197	204	208	212
2023	Distribution solutions	83	85	86	88	88	91	88	86	83	83	84	84
	Services	28	27	26	24	24	24	23	24	25	26	26	29
	Tool sales	276	280	300	310	317	226	206	192	170	162	209	249
	Subscriptions	219	223	228	210	210	205	222	229	246	256	264	269
2024	Distribution solutions	85	86	87	87	86	86	86	87	89	91	92	90
	Services	28	32	26	26	22	30	30	32	27	28	27	26
	Tool sales	263	225	270	289	296	256	242	237	200	191	238	244
	Subscriptions	274	279	286	293	302	309	320	331	339	346	353	362
2025	Distribution solutions	91	93	95									
	Platform services	24	20	19									
	Tool sales	259	208	299									
	Subscriptions	370	377	385									

Note: Three-month moving averages are used because the amount fluctuates on a monthly basis due to the number of days in a month (28 business days for regular months and 35 business days for special months) depending on the means of settlement and the fact that settlement adjustments are made for each quarter-end month.

Differences from consolidated results and other indices may arise due to the inclusion of internal sales and the fact that amounts less than one million yen are rounded down in the calculation process.

“Subscriptions” is the sales from Clip Studio Paint subscriptions.

“Tool sales” includes sales of the downloadable version of the one-time purchase model and corporate licenses.

“Platform services” include sales of CLIP STUDIO WEB services.

“Distribution solution” include sales related to e-books and DC3.

<March Topic>

1. Single month sales exceeded 1 billion yen for the first time, reaching a record high. (The metrics show the three-month moving averages, so they are lower than the sales results for March only.) For details, please refer to this news release. (<https://www.celsys.com/en/topic/2025040302>)

2. Tool sales increased due to an increase in purchases of Clip Studio Paint version upgrades following the launch of a new major version upgrade, as well as a sales promotion for the one-time purchase model implemented at the same time to attract new users.