MEDIA DO REPORT 2026

MEDIA DO Co., Ltd. Integrated Report 2026

August 31, 2026 Issue

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Report: 30th Anniversary Appreciation Event

Building on 30 Years: What Will Remain Unchanged over the Next 30 Years

Media Do 30th Anniversary

Media Do

MEDIA DO's 30th Anniversary
Appreciation Event



May 19, 2026 (Peacock Room, Imperial Hotel, Tokyo)

Building on 30 Years: What Will Remain Unchanged over the Next 30 Years





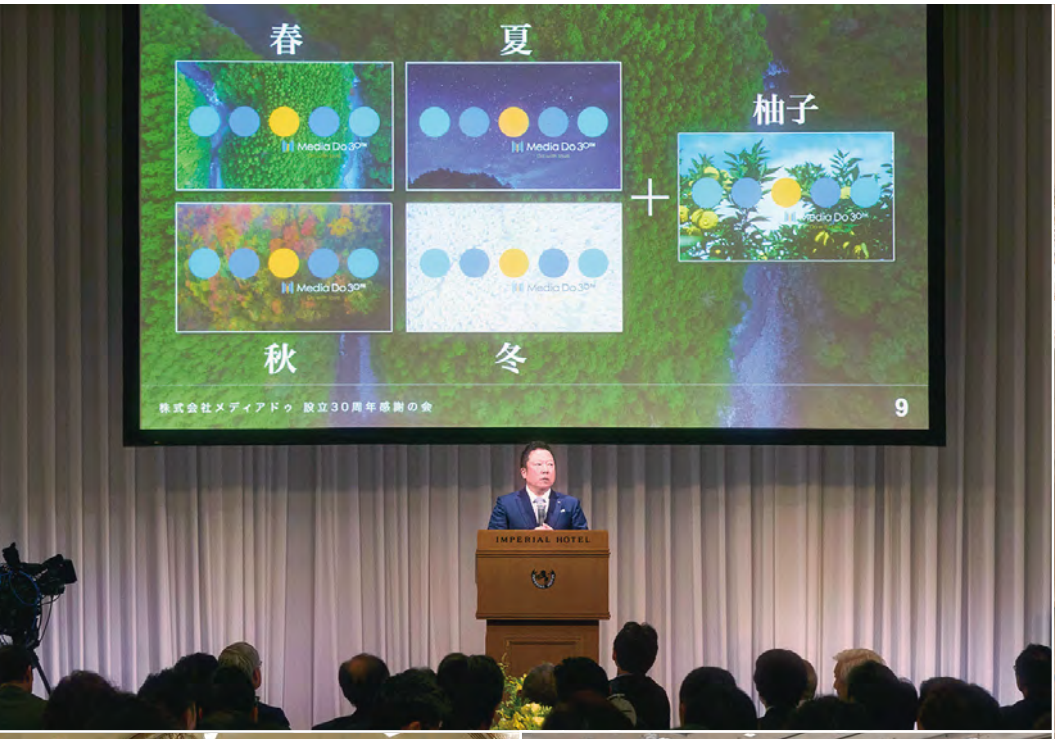


On May 19, 2026, MEDIA DO hosted the “MEDIA DO Co., Ltd. 30th Anniversary Appreciation Event” in the Peacock Room at the Imperial Hotel, Tokyo. The event brought together approximately 600 guests, including representatives of publishers, eBook retailers, shareholders, and former employees, as well as local companies and government organizations, based primarily in Tokushima Prefecture. Together with MEDIA DO officers and employees, total attendance reached approximately 660. Addressing the audience, President and CEO Yasushi Fujita delivered a speech of about 60 minutes, speaking as though directly addressing each individual.

Through the event, we sought to convey two core messages: what Fujita has valued in leading MEDIA DO over the past 30 years and how the Company intends to build its “next 30 years” on the foundation established during this period. At the same time, we hoped our guests would feel just how deeply MEDIA DO has been supported and enabled by so many people along the way.

MEDIA DO's 30th Anniversary

Appreciation Event









The Appreciation Event also served as the first opportunity to unveil a key visual that embodies the foundation of MEDIA DO's management—representing the values the Company has cherished over the past 30 years and will continue to uphold.

→p.05 Key Visual: Reflecting 30 Years of Management Principles

The attendance of over 600 guests stands as a testament to the long-term relationships MEDIA DO has cultivated—over the 30 years since its founding and the 20 years since its entry into the eBook business. At the core of MEDIA DO's business lies a commitment to "valuing people" —building on strong relationships, identifying fundamental issues, and steadily resolving them with the support of people both inside and outside the Company.

We received comments from many attendees, such as, "I gained a clear understanding of what MEDIA DO has valued" and "Learning about the Company's origins and underlying principles deepened my understanding of its current challenges." Having marked our 30th anniversary with this Appreciation Event, we have etched the values expressed in the key visual into our hearts, renewing our resolve to achieve further growth over the next 30 years.



MEDIA DO's 30th Anniversary Video

Watch the commemorative video produced to mark MEDIA DO's 30th anniversary.

https://www.youtube.com/watch?v=C_USu0k2xzI (Japanese only)

Scenes from the Appreciation Event (Video)

Watch highlights from the Appreciation Event.

https://www.youtube.com/watch?v=Bcm9iVzBA8I (Japanese only)

MEDIA DO 30-Year History (PDF)

Explore MEDIA DO's 30-year journey through this publication, produced and distributed to mark the Company's 30th anniversary.

• Our History

1994 – 2007 Founding Phase

1994.6 President and CEO Yasushi Fujita founded the business while in his third year at university
1996.4 Established Fuji Techno Ltd. in Naka-ku, Nagoya
1999.4 Established MEDIA DO Co., Ltd. in Meieki, Nakamura-ku, Nagoya
2000.10 Entered the internet-related business
2001.11 Absorbed Fuji Techno Ltd. through a merger and relocated its head office to Meieki Minami, Nakamura-ku, Nagoya
2003.11 Opened a Tokyo Sales Office in Nishi-Shinjuku, Shinjuku-ku, Tokyo
2004.7 Launched a Chaku-Uta® distribution service
2006 Expanded and relocated the Tokyo Sales Office to Akebonobashi
2006.10 Developed proprietary "md-dc" content distribution system in-house
2006.11 Launched its eBook distribution service
2007.2 Launched "Contents Agency System (CAS)" content distribution platform
2007 Expanded and relocated the Tokyo Sales Office to Jimbocho
2007.10 Opened Tokushima Kito Office in Naka Town, Naka-gun, Tokushima Prefecture
2007.11 Began transactions with Kodansha Ltd. (which made an equity

2008 – 2019 Expansion Phase

2010.1 Began transactions with Shogakukan Inc. (which made an equity investment the following year)
2010.4 Began providing "CAS" to NTT DOCOMO, INC.
2013.4 Began eBook distribution for "LINE Manga"
2013.11 Listed on Mothers market of Tokyo Stock Exchange
2016.2 Transferred listing to First Section of Tokyo Stock Exchange
2016.6 Established U.S. subsidiary Media Do International, Inc.
2016.7 Relocated head office to Palaceside Building (Takebashi), Chiyoda-ku, Tokyo
2016.11 Made Flier Inc. a subsidiary
2017.2 Shueisha Inc. made an equity investment
2017.3 Acquired Digital Publishing Initiatives Japan Co., Ltd. (then Japan's largest eBook distributor)
Established MEDIA DO TECH TOKUSHIMA Co., Ltd. in Tokushima, Tokushima Prefecture
2017.6 Acquired 100% of shares of Digital Publishing Initiatives Japan, making it a wholly owned subsidiary

2020 – 2026 Mode Change / N-Shaped Recovery and Renewed Growth

2020.1 Jointly established TOKUSHIMA INNOVATION BASE ASSOCIATION with The Tokushima Shimbun, Shikoku Broadcasting Co., Ltd., The Awa Bank, Ltd., and The Tokushima Taisho Bank, Ltd.
2021.3 Made NIHONBUNGEISHA Co., Ltd. a subsidiary
2022.4 Established GAMBAROU TOKUSHIMA Co., Ltd., a subsidiary operating the TOKUSHIMA GAMBAROUS basketball club, with 22 local partners in Tokushima Prefecture
Transferred listing to Prime Market of Tokyo Stock Exchange
2023.4 Ended the exclusive partnership for "LINE Manga" backend operations, entering a temporary two-year downturn while restructuring the business portfolio and expanding its eBook Distribution Business
2023.7 TOKUSHIMA GAMBAROUS joined the B3 League
2024.6 Began system integration with the eComic and novel service "Piccoma" for eBook data delivery
2025.2 Partnered with Amutus Corporation (now Mecha Comic Co., Ltd.) to expand eBook distribution transactions
Achieved an "N-shaped recovery", returning to year-on-year growth in both net sales and profit for the first time since FYE 2/22
2025.4 Launched the SC (Sustainability Creation) business
2026.3 Acquired an equity interest in Seven Seas Entertainment, LLC through Media Do International, Inc., making it an indirect subsidiary of the Company
2026.7 TOKUSHIMA GAMBAROUS joined B.LEAGUE ONE

Key Visual

Reflecting 30 Years of Management Principles



MEDIA DO has grown by placing the highest value on the altruistic spirit of acting “for others.” This spirit is not a short-term perspective focused merely on the present or the next few years. It means carrying forward the baton from the past and acting responsibly for the future and the next generation over a longer time horizon. It also means having “love”—caring about people and society and treating others with gratitude and respect. This is MEDIA DO’s management approach. The Company’s growth is grounded in relationships of trust built by living and acting with “integrity” and “grace.” We remain mindful that broad acceptance requires both “what is right for society” and “beauty that everyone can understand.” By continuing to take on challenges to create unprecedented value, MEDIA DO can achieve strong, sustainable growth. The five circles in this key visual commemorating our 30th anniversary represent a view from above of MEDIA DO’s five-line corporate logo and use the same colors. Through this visual, we will carry forward into the next 30 years the five elements MEDIA DO has cherished over the past 30 years: “Space,” “Time,” “People,” “Hometown,” and “Love.”

Time

We constantly reflect on how best to use our finite time and whether we are being good ancestors to future generations, continuously choosing to use our time responsibly for the future.

Space

It is a place where we can sense another person’s stance and values before words are spoken. Spatial design that naturally conveys what we value is also a way of expressing how we engage with others.

Love

Striving to understand others, thinking deeply about “for whom and for what” rather than pursuing self-interest, and continuing to take on creative challenges.These principles form the foundation of our management, carried forward as an organization and passed on to future generations.

People

The world consists only of “people” and “space.” We respect others—including our colleagues and business partners—and build relationships of mutual respect where we celebrate each other’s growth looking toward the future.

Hometown

We cherish our families and the smallest and most immediate units of society, taking the future of our hometowns personally. This is the origin of our commitment to leveraging accumulated assets and experience for the benefit of society.

Media Do 30TH

Do with love.

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MEDIA DO Integrated Report

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August 31, 2026 Issue

Period Covered

This report covers the fiscal year ended February 2026 (March 1, 2025–February 28, 2026) and includes some information from outside this period.

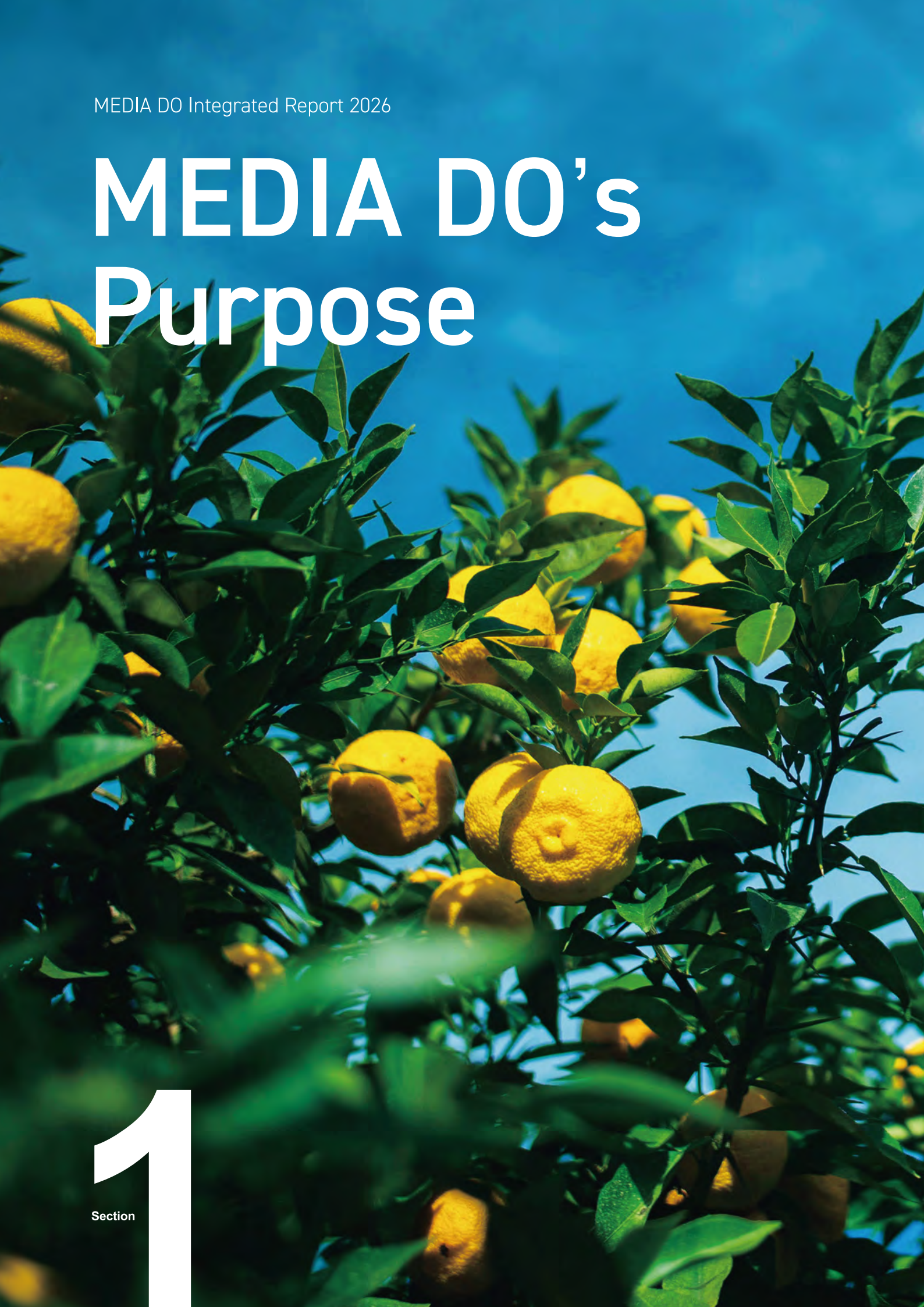
Editorial Policy

The MEDIA DO Co., Ltd. Integrated Report 2026 (MEDIA DO Report 2026) is published as an integrated communication tool for all stakeholders, including shareholders and investors, business partners, and employees. It aims to clearly communicate, from both financial and non-financial perspectives, the direction and progress of the Group's business strategies and sustainability activities aimed at realizing the Group's philosophy. In this report, "the Company" refers to MEDIA DO Co., Ltd., while "the Group" refers to the Company, its consolidated subsidiaries, affiliates, and jointly controlled entities.

Cautionary Note on Forward-Looking Statements

The current plans, forecasts, strategies, and other information presented in this report include forward-looking statements made by the Company based on information available at the time of preparation. Please note that actual future results may differ materially from these forecasts due to various factors. Risks and uncertainties that may affect performance include economic conditions in the Company's business environment, market competition, exchange rates, taxes, and other regulatory frameworks.

MEDIA DO's Purpose



Section 1



Yuzu / The Golden Fruit

"Kito Yuzu," synonymous with Kito in Naka Town, Tokushima Prefecture.
A premium fruit with thick flesh and a rich aroma, nurtured by dramatic temperature variations and pristine water.

Section 2 MEDIA DO's Value Creation — The Value We Create

Section 3 Value Creation Strategy — How We Create Value

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Section 5 Data / Corporate Information

CEO MESSAGE



“Achieving Step-Change Business Growth with People-Centered Management at its core”

MEDIA DO Co., Ltd.
President and CEO

Yasushi Fujita

Marking the 30th Anniversary

On April 1, 2026, the Company celebrated its 30th anniversary. Looking back, those 30 years may seem long, but they passed in the blink of an eye. My entrepreneurial journey began in my third year at university, when I decided not to seek employment and started a business to fund my studies abroad.

We held the “MEDIA DO 30th Anniversary Appreciation Event” at the Imperial Hotel on May 19. The event brought together approximately 660 guests, including approximately 400 members of the publishing industry.

At the Appreciation Event, I expressed my gratitude to everyone within and outside the Company who has been involved with us over the years. I also spoke about the principles I have upheld throughout my 30 years in management and the core of MEDIA DO, which will remain unchanged in the years ahead.

I was delighted that so many people joined us, particularly those from the publishing industry who have been with us for many years. Their presence was itself a testament to the support that has sustained MEDIA DO to this day, and I believe it also gave our officers and employees an opportunity to reaffirm our purpose.

We launched our eBook Distribution business in 2006. In 2017, we acquired Digital Publishing Initiatives Japan Co., Ltd., then the industry’s leading eBook distributor, and secured the No. 1 position just 11 years after entering the business. Our position today is due not only to the efforts of each employee, but also to the trust we have built with publishers, eBook retailers, and many other stakeholders.

Review of Group's Consolidated Performance

In the fiscal year ended February 2026, the Group's net sales reached a record high for the first time in four years at 108.53 billion yen (up 6.5% year on year; 102.4% of the initial forecast), driven by stronger-than-expected growth across both existing and new distribution channels in the eBook Distribution business. Profit attributable to owners of parent rose to 1.81 billion yen (up 33.3% year on year; 90.9% of the forecast), supported by a gain on the sale of shares in MyAnimeList recorded in the first quarter. However, operating profit remained at 2.45 billion yen (down 0.9% year on year; 90.2% of the forecast), highlighting challenges against our initial plan.

This performance reflected strong results in the eBook Distribution business that exceeded our initial plan but offset by delayed profit recovery in the Strategic Investment businesses during the second half, alongside system development investments to accelerate overseas expansion.

For the fiscal year ending February 2027, the Group forecasts consolidated net sales of 118.0 billion yen (up 8.7% year on year), operating profit of 2.4 billion yen (down 2.2% year on year), and profit attributable to owners of parent of 1.2 billion yen (down 34.0% year on year). While we will continue to drive net sales expansion—with EBITDA, which reflects our core cash-generating capacity, expected to hit a record high of 4.1 billion yen (up 11.8% year on year) — operating profit and profit attributable to owners of parent are expected to decline temporarily due to investments in key growth areas under the Medium-Term Management Plan (the eBook Distribution business, Global business, and SC business).

Despite near-term pressure on profits, the five-year Medium-Term Management Plan FYE 2/26–FYE 2/30 (ending February 2030) targets final-year net sales of 125.0 billion yen and operating profit of 4.0 billion yen. Since the plan was first formulated, both our external and internal environments have shifted significantly, including an M&A transaction completed in March 2026. Financial soundness and capital efficiency are improving steadily, with ROE reaching 9.9% (up 1.9 pts) and EPS rising to 119.9 yen (up 29.8 yen). We remain dedicated to managing the business with a strong focus on investor value. By allocating cash flow generated by our core business to support strategic growth, we will push forward as a unified team to achieve our targets.

Contributing to the Publishing Industry and Japan

Digital formats now make up roughly 40% of Japan's publishing market, representing a 684.6 billion yen industry. Despite its size, the market expands by about 3% annually and is on track to hit 751.0 billion yen by 2030.

Within this market, the Company holds an approximately 30% share of domestic eBook distribution. Domestic eBook distribution can be broadly divided into three channels: A) "direct distribution," where publishers supply eBooks directly to eBook retailers; B) "intermediary distribution," through a distributor such as the Company; and C) "direct sales by publishers," where publishers sell eBooks themselves.

The fundamental risk in this business is that growth could slow if we fail to expand our current distribution share. Our strategy is clear: further increase our share in intermediary distribution channel B while shifting direct distribution channel A into our network. The key to growth is how much share we can capture across these two channels, which together account for up to roughly 90% of the market.

To achieve this, we need to provide value that goes beyond conventional distribution. By taking on end-to-end operations, we cut costs for both publishers and eBook retailers. At the same time, by serving as a hub connecting publishers and eBook retailers, we offer capabilities unique to MEDIA DO—such as integrated sales analytics and campaign management. By building a faster, error-free distribution network and enabling each party to focus on its core strengths, we aim to evolve from "No. 1" to a truly "only-one" presence.

Overseas markets present a starkly different structure: print accounts for over 80%, while digital formats—including eBooks and audiobooks—make up under 20%, significantly different from Japan's. To bring Japanese publications to readers worldwide, the Company must take on challenges in an uncharted area: printing and distributing print books, in addition to digital distribution.

As an important step toward this goal, in March of this year we acquired U.S.-based Seven Seas Entertainment, LLC, one of the world's largest publishers specializing in translations of Japanese publications. The company translates and publishes more than 1,000 titles annually from a wide range of Japanese publishers, from independent houses to major publishing giants. Going forward, we will leverage the strong trust built with Japanese publishers to expand title volume and proactively secure translation and publishing rights to compelling works—driving growth for Seven Seas while

FYE 2/26 Performance Summary

	FYE 2/25 results	FYE 2/26 results	YoY
Net sales	¥101.91 billion	¥108.53 billion	+6.5% (+¥6.62 billion)
EBTDA	¥3.78 billion	¥3.66 billion	-3.2% (-¥0.13 billion)
Operating profit	¥2.47 billion	¥2.45 billion	-0.9% (-¥0.02 billion)
Profit attributable to owners of parent	¥1.36 billion	¥1.81 billion	+33.3% (+¥0.45 billion)
ROE	8.1%	9.9%	+1.9pt
EPS	¥90.1	¥119.9	+¥29.8

Net Sales

In the eBook Distribution business, both existing and new distribution channels grew, driving higher net sales. Net sales reached a record high for the first time in four years.

EBITDA and Operating Profit

The eBook Distribution business performed strongly relative to the initial plan. However, EBITDA and operating profit declined due to delays in improving profitability in the Strategic Investment businesses (NIHONBUNGEISHA and Flier), as well as investments in translation system development to accelerate overseas expansion.

Profit Attributable to Owners of Parent

Profit increased primarily due to the gain on the sale of MyAnimeList shares in March 2025. In the fourth quarter, extraordinary losses were recorded, including an impairment loss on goodwill at NIHONBUNGEISHA, while extraordinary income was recorded in connection with the restructuring of affiliates.

deepening our partnerships with Japanese publishers.

One of the major risks in this business was a delay in establishing a foothold for global expansion, but I believe that the acquisition of Seven Seas has significantly reduced that risk. At the same time, as our largest acquisition to date, steadily executing post-merger integration (PMI) is critically important. We will also deepen our trust-based relationship with Seven Seas while ensuring appropriate governance and control across both business and administrative functions.

In the near future, we aim to create an environment in which more Japanese publications are translated into more languages and delivered to readers worldwide, transcending the boundaries between print and digital formats. To this end, we will continue research and development of the AI-powered translation management system "MDTS" and, as we embrace rapidly evolving AI technology, work to further streamline and expand translated publishing.

By combining three key pillars—the trusted relationships with publishers and distribution infrastructure we have built in Japan; Seven Seas' overseas translation, publishing and distribution capabilities; and technologies such as AI—we will build a new distribution platform to deliver outstanding Japanese publications to readers worldwide.

The SC Business: Realizing Its Potential After One Year

One year after launching the SC (Sustainability Creation) business—our regional revitalization initiative—under the Medium-Term Management Plan in April 2025, a wide range of possibilities is beginning to emerge. While our core publishing-related business fulfills the mission of delivering "books" to readers throughout Japan and around the world, I believe the SC business is a highly meaningful endeavor that directly addresses the fundamental challenges facing Japan.

I come from a former village that ceased to exist during the large-scale municipal mergers of the Heisei era 21 years ago, and the area now has a population of under 900. Having observed rural Japan for more than 50 years while doing business in Tokyo, I see these regions—often portrayed negatively—as "brimming with potential."

One reason is that we are now in the midst of a major generational transition. Since the launch of Windows 95 in 1995, a new generation of business leaders has emerged, leveraging IT and adopting management approaches different from those of the past to grow their businesses. Born in 1973, I am one of them. I founded the Company in 1996 upon graduating from university, and this year marks the 30th anniversary of its founding.

Since our listing on the Tokyo Stock Exchange's Mothers market in 2013, I have undertaken a wide range of initiatives and business activities in my home region of Tokushima Prefecture for more than 10 years. The experience and networks I gained there have laid the foundation for the current SC business.

Regions have traditionally been supported by government, financial institutions, local media, and other organizations. However, amid rapid population decline, it is not easy for these organizations alone to reverse the downward trend. I believe that now is the time for a new generation of business leaders, particularly those from Japan's second baby-boom generation(born in the early 1970s), to collaborate with these institutions and foster "entrepreneurs" in local communities—risk-takers who create something from nothing and boldly take on challenges that may seem impossible.

To translate this vision into action, in 2020 I launched TOKUSHIMA INNOVATION BASE (TIB) in Tokushima, where local communities work together to foster and support entrepreneurs. Over the past five years or so, this model has expanded to 20 prefectures nationwide; including prefectures where organizations are currently being established, the total exceeds 30. Today, the network includes some 1,000 full members and nearly 1,700 overall including free members, participate and hone their skills daily in their respective regions.

Furthermore, xIB JAPAN, a general incorporated association for which I serve as representative director, leads and supports Innovation Bases (IB) nationwide. By 2030, it aims to establish IBs in all 46 prefectures other than Tokyo and reach a total membership of 5,000, with a longer-term goal of 10,000 members.

In a sense, regional revitalization means engaging with the very fabric of Japan itself. Going forward, we aim to evolve this fine-grained network which engages local communities and fosters entrepreneurs in every corner of Japan—into an "OS" that connects all participants. On this OS, local government, financial institutions, media organizations, members, and other stakeholders can post regional challenges and business opportunities. This will lead to the successive creation of new businesses—"applications," so to speak—to address them, enabling participants nationwide to contribute to regional revitalization in their own ways. We are currently developing an open system to make this vision a reality.

"In the near future, we aim to create an environment where more Japanese publications are translated into more languages and delivered to readers worldwide, across both print and digital formats."



In March 2026, we held the Overseas Publishing Business Briefing for publishers and publishing industry stakeholders. A total of 437 people attended (234 in person and 203 online), where we explained the background behind Seven Seas joining the Group and our future strategy.

Furthermore, xIB JAPAN signed a partnership agreement with B.LEAGUE in April this year and another with the Fukuoka Stock Exchange in June. In addition to fostering collaboration between B.LEAGUE clubs nationwide and IBs in their respective regions, we will explore partnerships with other stock exchanges to create an environment where regional entrepreneurs can learn about capital strategies and access capital markets.

The other pillar of the SC business is the sports business, which aims to "energize Japan through the power of sports." TOKUSHIMA GAMBAROUS, a B.LEAGUE club we launched with 22 companies connected to Tokushima, achieved profitability for the fiscal year in its second season and cumulative profitability in its third. Against the backdrop of these achievements, I was appointed last September as one of B.LEAGUE's 14 directors. This was the first time in B.LEAGUE history that someone had been appointed as a director after just two years of managing a club in the B3 category.

This appointment put me in a position to support the management and operations not only of TOKUSHIMA GAMBAROUS, but also of B.LEAGUE as a whole and clubs across Japan. I see my new mission as making the most of this opportunity to revitalize the entire B.LEAGUE, including TOKUSHIMA GAMBAROUS.

We are currently engaged in extensive internal discussions on specific targets for how the SC business can contribute to regional revitalization and what kind of business we aim to develop it into. Over the past year, by putting a variety of initiatives into practice and sharpening our sense of what works, we have come to see much more clearly what we could not see a year ago.

Amid this sweeping generational transition, I believe it is also important for us to take the initiative, leveraging our nationwide information and trust networks to serve as a "vehicle" for generational succession in local communities. We will expand this network of trust throughout Japan while valuing the connections forged through IB in each region, beginning with Tokushima Prefecture, where our activities began.

The IP Solution business, centered on Overseas Expansion, and the Strategic Investment businesses, including the SC business, have yet to achieve profitability. However, progress in restructuring subsidiaries and improving the management of NIHONBUNGEISHA Co., Ltd., together with Seven Seas' solid recent performance, has brought profitability within reach as early as the fiscal year ending February 2028. We will now turn the businesses in which we have continued to invest for the future into profitable operations and develop them into new pillars of growth for the Company.

Approach to Talent Development in Light of the Business and Management Environment

Given the respective contexts, I believe the three businesses described above represent highly attractive opportunities that the Company should pursue. At the same time, executing them is extremely challenging, making it essential not only to recruit outstanding talent but also to develop our existing employees.

As the Company marks its 30th anniversary, many of our employees have long tenures and possess exceptional practical skills and expertise. However, the challenges ahead cannot be solved simply by building on these strengths. In domestic eBook distribution, the challenge is to increase our current market share from approximately 30% to up to 90%. In Overseas Expansion, the challenge is to use Seven Seas as a starting point to understand the overseas publishing business—uncharted territory for us—and translate that understanding into step-change growth. In the SC business, the challenge is to make our nationwide network function as an "OS" and maximize, in the shortest possible time, the number and scale of businesses serving as "applications" that run on it. These are all challenges that even experienced management professionals would find difficult to solve.

Until now, such challenges have been high-level management matters for me as President and CEO and for our full-time directors, rather than issues for employees to consider. However, to achieve step-change growth across these three businesses, we need to evolve into an organization in which more employees have a management perspective.

This requires two core competencies: "holistic problem-solving," which enables employees to apply their professional expertise while taking a broad view from a management perspective, and "advanced relationship-building," which allows them to communicate at a higher level and foster deep trust. I concluded that we needed a proprietary talent development program to strengthen these two capabilities at an early stage.

At the core of this program are the management philosophy, perspectives, and approaches to decision-making that I have

"We will now turn the businesses we have invested in for the future profitable and develop them into new growth pillars for the Company."



In June 2026, we hosted the "xIB JAPAN 2nd Nationwide IB Briefing and Networking Event" at our head office. Approximately 190 participants—including IB entrepreneurs and executives from across Japan, B.LEAGUE officials partnering with xIB JAPAN, stock exchange representatives, government officials, financial institutions, and the media—gathered to align on strategies as we enter a new phase.

developed over 30 years of management experience. The idea is to systematize a distinctive body of "management knowledge" developed through practical experience—knowledge that cannot be found in conventional business books—and pass it on to the next generation. This represents not only talent development, but also management succession.

To articulate and systematize this body of management knowledge at an early stage while also giving back to society, we have collaborated with Tokushima Prefecture, Tokushima University, and other partners to launch a full-fledged management course at Tokushima University in May this year. For the monthly two-class, three-hour lectures, I work with employees over the course of a month to prepare approximately 250 pages of materials. Having a clear deadline for each lectures enables us to efficiently and continuously put the management knowledge I have accumulated over the past 30 years into words.

We named this next-generation management talent development program "aX." It serves as a "management equation" that uses the X- and Y-axes to frame how individuals and organizations can grow within a limited time. At various turning points in management, I have repeatedly made decisions by applying this equation. Participants in the lectures include individuals from four universities and two colleges of technology in Tokushima Prefecture, as well as members of the public, primarily business executives. The program has 43 officially registered participants, while 50–60 people attend each lecture, including the youngest participant, a second-year junior high school student, and high school and university faculty members.

Within the Company, in addition to our executive officers, we selected six employees through an internal open call and launched our next-generation management talent development program in June. The program consists of 11 sessions over the course of the year, each lasting four to five hours. Although we have completed only two sessions so far, for these employees, who are professionals in their respective fields, viewing the business and organization from a management perspective unfamiliar to them has been highly stimulating. Even in this short period, I have already observed significant growth in them.

Without the growth of our people, there can be no step-change business growth. By passing on to the next generation the insights I have gained over 30 years of hands-on management and developing as many employees as possible into people with a management perspective, I aim to drive strong growth in the three challenging businesses the Company is pursuing and cultivate management talent that will lead the next MEDIA DO.

Reflections and Operating Policy as Chair of the Board of Directors

The issue to which the Board of Directors devoted the greatest attention in the fiscal year ended February 2026 was the acquisition of Seven Seas, which we discussed for approximately six months. This marked the Company's entry into the overseas print publishing business, an area in which it had no prior experience. We therefore proceeded cautiously, repeatedly reviewing and refining our approach—particularly regarding PMI and acquisition risks—while incorporating the views of Outside Directors and Audit & Supervisory Board members. I believe this was a case in which we effectively incorporated the measured, objective views of Outside Directors into our decision-making. As this is the Company's largest acquisition to date and communication with an overseas company presents challenges, we will continue to report on PMI progress to the Board of Directors and engage in ongoing discussions.

I believe the Board of Directors is currently operating in a very sound manner, with Outside Directors actively contributing their views. However, as we undergo a transformation marked by the emergence of new businesses, including Overseas Expansion and the SC business, there is scope to deepen discussions from a medium- to long-term perspective. To this end, full-time officers must first clearly articulate the current status and growth strategy of each business in both qualitative and quantitative terms. During this fiscal year, I intend to compile these into concrete strategic documents and hold an off-site strategy retreat with the Outside Directors to engage in intensive discussions from a long-term perspective.

We will continue to operate the Board of Directors in a way that naturally encourages active discussion of the key issues required to take the Company to its next stage, including capital strategies such as M&A to drive growth in our three businesses, medium- to long-term business and company-wide strategies, and engagement with shareholders.

"To achieve step-change growth across our three businesses, we must evolve into an organization where more employees adopt a management perspective."



At the close of the Appreciation Event in May 2026, the Company's executives took the stage. Expressing our gratitude to everyone who supported our 30-year journey, we pledged to look ahead to the next 30 years and future generations and continue taking on challenges to build an enduring, multi-generational company.

The Next 30 Years

As the Company marks its 30th anniversary, I believe the next key theme we must address is “people.” After our listing in 2013, our rapid pursuit of growth led to several issues we must reflect on, including M&A. However, more than 10 years having passed since our listing, I feel our management has rapidly stabilized in recent years by learning from those experiences. Key driving factors include being able to manage the Company alongside full-time officers whom I deeply respect for both their character and expertise, our selection and concentration phase nearing completion, and the fact that, now at age 53, with succession in mind, I can devote my time not only to building businesses myself, but also to articulating my 30 years of management experience and nurturing the next generation of management talent.

Of course, as the leader of a company at the heart of the publishing industry, the baton I carry is far too weighty to be passed on lightly. Companies must remain attuned to changes in society and continually evolve. Yet developing the next generation of management talent requires a stable management foundation and time for leaders themselves to engage deeply with their people.

The Company is home to truly outstanding people. Among them are our five executive officers and the six members of the next-generation management team, with whom I am currently spending considerable time. They are people of genuine humanity, well suited to lead the Company into its next era. I have always told them, “One is one—not 1.1 or 0.9.” It is essential to see people and things accurately for what they are, without exaggerating or underestimating them. Although they are still developing, I feel they are beginning to understand what this means.

The Company will now forge ahead toward the challenging goals we have set for our three businesses. The path ahead will certainly not be an easy one. However, I believe the next generation of leaders will choose this path precisely because it is difficult and commit themselves to the challenge with their own growth and lives at stake.

As we mark our 30th anniversary, I have continued to ask myself what the common thread is between what I have valued over the past 30 years and what they will build on that foundation for the next 30 years—in other words, what will remain constant across those 60 years.

I have long viewed management as “four-dimensional”—three-dimensional space multiplied by time. Going forward, however, management also requires “love.” I believe love is both the common thread connecting the past 30 years and the next 30 years, as well as the force that bridges them. I have therefore defined a “fifth dimension” that adds love as the core of MEDIA DO’s management going forward and expressed this concept in our key visual.

The world consists only of people and space, and we can only live in connection with one another. My own approach to management is rooted in the profound love and influence I have received from my family and hometown. I believe that human happiness lies in “convergence toward humanity’s long-term average.”

That is why I want the next generation of leaders to engage with people with love, see “1 as 1,” and carry forward a truly human approach to management. I want everyone who works at the Company to inspire others to say, “I’m glad I met you,” and I will devote the rest of my management career to building a company where such people come together.

MEDIA DO Co., Ltd.
President and CEO




IAL HOTEL
IMPERIAL HOTEL



Shoichiro Tokoro
Senior Executive Officer,
Accounting, Finance and Legal

With experience in auditing listed companies at a major audit firm and in building the management infrastructure of Japan's first low-cost carrier (LCC), combined with expertise as a certified public accountant, he is responsible for strengthening the Company's core management foundations, including accounting and financial management and compliance systems.



Kaname Nakano
Senior Executive Officer and CIO*

He brings experience in open-systems development at a listed company, followed by involvement in eBook distribution system development and engineering organization management since joining the Company. He is responsible for formulating and executing the Group's IT strategy based on this experience and specialist expertise.

*CIO: Chief Information Officer

ROUNDTABLE DISCUSSION

"Executive Officer Committee Roundtable Discussion"

At the "Appreciation Event" held to mark MEDIA DO's 30th anniversary, Representative Director, President and CEO Fujita looked back on the Company's 30-year journey. The five Executive Officers saw the event through to its conclusion and joined the Directors and Audit & Supervisory Board Members on stage for the closing remarks. Reflecting on the event from beginning to end, they discussed how to lead the organization into its "next 30 years," as well as what they meant by their declaration to the entire Company in February that they would "function as a unified Executive Officer Committee." They also shared their vision for what MEDIA DO should become in the years ahead.



Yuichiro Ohnuki

Executive Officer,
eBook Distribution Business

With extensive experience in content-related businesses, continuous involvement in the eBook distribution business since joining the Company, he is responsible for driving the entire eBook distribution business, from planning and strategy formulation to operational management.



Mayu Hara

Executive Officer,
SC Business

She brings experience in brand marketing at an operating company, followed by initiatives contributing to regional revitalization centered on Tokushima and broader communications activities. She is responsible for corporate identity development and the management of region-focused businesses, leveraging her understanding of local community value, brand strategy, and the Company's corporate culture.



Ikuto Usuki

Executive Officer
President and Representative Director,
GAMBAROU TOKUSHIMA Co., Ltd.

With broad experience since joining the Company in advancing its businesses across eBook distribution, Group management, and the launch of regional businesses, he is responsible for leading a company operating a professional sports business in Tokushima Prefecture, leveraging the knowledge and experience in business development and corporate management gained at the Company.

Section.1

Making the Most of Each "Individual" While Defining What It Means to "Function with a Unified Identity"

At the 30th-anniversary Appreciation Event, 660 people from a wide range of backgrounds attended, from executives representing the publishing industry to regional stakeholders.
Please tell us how you felt about what you saw and how you interpreted it?



As a member of a corporate function, my role is to support the business. I was honestly overwhelmed to see firsthand the wide range of people with whom MEDIA DO is connected and who support the Company. It renewed my conviction that MEDIA DO must remain a company that considers what it can contribute not only to the publishing industry but also to Japan.



That day, I was right beside Fujita, observing how he conducted himself.
Fujita is a symbolic figure who represents MEDIA DO. At present, the relationships that enable us to bring such a diverse group of people together have largely been built around Fujita and cannot simply be replicated. Leadership succession is inevitable in any company, but this experience reinforced my belief that we must not simply inherit a reduced version of the role. We need to keep building new relationships over the long term and continue evolving our strategy as a company.



After the event, our business partners repeatedly told us, "It was amazing." There are occasions when longtime acquaintances in the industry gather, but it is rare to see so many prominent publishing-industry executives come together in one place. Moreover, with stakeholders from Tokushima seated at the same tables, I felt it was a valuable opportunity to convey the position MEDIA DO has established and its multifaceted character.



As one of the organizers, I was delighted above all to see the surprised faces I had envisioned during the preparations. At the event, we also distributed a 30th-anniversary history compiled over more than one year. Many attendees read it closely

and shared comments such as, “Now I understand Fujita much better,” which was profoundly moving. As someone who regularly engages with local communities, including those in Tokushima, the event also gave me a renewed appreciation of MEDIA DO’s unique position as a company that has grown, with the support of its stakeholders, to secure the No. 1 position in Japan’s eBook distribution business.



Even from my standpoint of working on businesses in Tokushima, I believe that having regional stakeholders gather in the same space as members of the publishing industry enabled them to appreciate anew the trust MEDIA DO has built, the unwavering core it has maintained, and how it intends to engage with society from here. I feel that the leader’s unwavering conviction, together with his approach to people and his outlook on life, connects “publishing” with “regional revitalization”—two areas that may seem unrelated—and has made regional revitalization an endeavor that people want to support.

The five Executive Officers each saw the event as a setting that embodied the multifaceted trust MEDIA DO has built over the past 30 years. Their work together as the Executive Officer Committee had begun in earnest about a year earlier.



When it was decided that the five of us would form the Executive Officer Committee, Fujita made one clear request: “Function with a unified identity as an Executive Officer Committee.” I feel it took us about six months to nearly a year to fully understand what he meant.



I see the ultimate goal as creating a new “face” for MEDIA DO that can build and deepen new relationships. What Fujita asked of us a year ago was the foundational step leading up to that. He expected us to take greater ownership of MEDIA DO, share the determination that we would be the ones to carry the Company forward, and become a driving force for the entire organization.



When the Executive Officer Committee was formed and I reconsidered what MEDIA DO means to me, I realized that the Company’s “face” and “core” are not defined by any single business. For me, what matters more than the business itself is whether I can genuinely feel, “These are people I want to work with.” That is also one of the reasons why I love working at MEDIA DO.



A year ago, Fujita told us one other thing: “Executive Officers must not only fulfill their responsibilities in their respective areas; they must also adopt a broader management perspective.” The experience Fujita has accumulated over 30 years as the founder cannot be replicated. Rather than relying on one person, however, all five Executive Officers work together, deliberate as a group, and seek shared conclusions. Although our respective contributions may differ, each of us has engaged seriously with MEDIA DO from our own position, so our discussions naturally tend to converge in the same direction. I believe this approach is beginning to take shape, and a stronger sense of unity is emerging among the Executive Officers.



What strikes me when I am around Fujita is the remarkably long-term horizon of his vision. That extends even to MEDIA DO after he is no longer with the Company. In corporate accounting, there is a concept known as the “going concern assumption.” Even after its founder steps away, a company renews itself from generation to generation and continues indefinitely. I believe that way of thinking is precisely what matters.



In February this year, we declared Company-wide that we would take responsibility for MEDIA DO’s management and “function as a unified Executive Officer Committee.” I was struck by the look of satisfaction on Fujita’s face as he watched us make that declaration. While I still cannot say with certainty what resonated most with him, hearing Tokoro just now made me think that, perhaps like a parent watching a child grow, he felt reassured that MEDIA DO had taken a step toward the future.



Fujita could have simply dictated the answer to us, but instead, he wanted us to arrive on our own at an understanding of what it means to “function as a unified identity,” even if it took time. I think he wanted us to take responsibility for the conclusion we reached ourselves and approach it with genuine commitment and resolve.

Section.2

Confronting Leadership Succession Without a Single Right Answer

How does the Executive Officer Committee envision the future of MEDIA DO?



Each Executive Officer can use their expertise to map out a path for growing the existing businesses, but that alone is not enough. To continue contributing to society as it changes rapidly over time, the key is how we develop and build the management capabilities needed to forge new relationships in new fields and coordinate business development, alliances, and collaborations that will shape the growth of the Company as a whole. While there are no simple answers, the Executive Officer Committee is tackling this challenge in earnest.



People naturally gather around those who approach people and situations with a clear and unwavering conviction. Few people can do this, but Fujita has embodied it at MEDIA DO for 30 years. I believe that is precisely why people around us support even our regional initiatives, whose connection with our existing businesses may not be readily apparent. I want to pass this core conviction on to the next leader and embed it throughout the entire organization.



I believe Fujita currently plays a variety of roles at MEDIA DO. Some can only be fulfilled by the founder, while others require the resolve to bear ultimate responsibility as its top executive. By systematically and rigorously breaking down these roles and identifying the essential elements to be passed on to the next generation, I hope to help build a sustainable management structure.



There is no single right answer to leadership succession. Rather than rushing to decide who will succeed the current leader, I want to create an environment in which many potential successors can emerge. An organization needs someone who stands at the forefront as a symbol and leads the way. We will go beyond the perspective of day-to-day business execution and take a broader management view as we actively pursue how the Executive Officer Committee should shoulder management responsibilities and how we can develop the leaders who will guide the next generation.



For the Executive Officer Committee to assume a greater role in managing MEDIA DO, we must genuinely regard it as our own and be able to determine and articulate the direction it should take. For me, joining the Executive Officer ranks at a company where I had long worked as an employee represents a major shift in mindset, but it is a challenge I find both meaningful and rewarding.



Although intangible, the key, in my view, is to embrace the convictions and ways of thinking Fujita has built up over the years and translate MEDIA DO’s identity into a shared language. Defining that identity has become a central theme in the Executive Officer Committee’s recent discussions. The kinds of people we value and how we develop them should be reflected even in the words we choose each day.

What immediate steps should MEDIA DO take to shape its future?



I believe strengthening the organization itself must come before rushing to determine leadership succession. At the risk of being misunderstood, if we visualize MEDIA DO today as a pyramid, I feel

the organization is supported less by a robust organizational foundation than by a powerful vision articulated at the top. I want to evolve this structure into a broader, more stable cone-shaped structure by strengthening and broadening each organizational layer—including division heads, department heads, and section managers under the Executive Officers—so that MEDIA DO becomes a more grounded and resilient organization than ever before.



The approximately seven-minute video shown at the "Appreciation Event" was exceptionally well produced. Through the video, I sensed something akin to MEDIA DO's culture and brand. At long-established major companies, a distinct culture—a shared sense of "who we are"—is deeply ingrained across the organization, right down to the front lines. I want MEDIA DO to reach the point where people can feel that same sense of identity. If we can embed a clear sense of "what makes MEDIA DO distinctive" throughout the organization, I believe the Company can achieve sustained growth over the next 30 years.

Section.3

Delivering Long-Term Results as a Listed Company

How do you view your responsibility for the Company's growth as a listed company?



Our thinking is grounded in a vision for MEDIA DO that extends beyond our own lifetime and sees the Company enduring for generations. Near-term quarterly performance is important. Above all, however, we must create value over the long term. We cannot be a company concerned only with performing well during our own terms in office.



Building on what Tokoro said, Fujita often says, "Do not fear being misunderstood over the long term." Once we envision the future as it should be, we must trust that and do what is necessary to make it a reality. Even if we face misunderstanding along the way, we must take responsibility for showing the way forward. There will be times when we question the path we have chosen. Even so, we must work through those doubts in the course of execution and continue along the path MEDIA DO has chosen. I hope each Executive Officer can begin by embodying that resolve within their own area of responsibility.

Section.4

Toward the Next 30 Years, Driven by Our Own Resolve

Once again, please share in your own words your aspirations for the next 30 years.



As the Executive Officer Committee formed from within MEDIA DO, we will address each immediate challenge while steadily building a resilient framework capable of passing the baton across generations over the long term. Long-term investments made in the course of business growth may at times weigh on near-term performance. When they do, we will clearly explain the path to growth to our stakeholders and build a track record of carrying our plans through from execution to results. As a listed company, we will continue to engage sincerely with that process.



Above all, I want MEDIA DO to be a place where employees want to stay for the long term, grow, build their lives here, and continue working well into the future--a company where employees can envision building a long-term career. Sustained earnings generation is, of course, essential to making that possible. I believe people can continue to contribute over the long term only in an environment where they can find opportunities to take on challenges and grow.



The eBook Distribution Business holds the leading position in the industry, but expanding our market share further requires a fundamentally different blueprint for growth. That is precisely why we want MEDIA DO to remain a company that continues to take on challenges more boldly than anyone else. As we do so, I want us to continue growing as a company where employees can pursue their dreams, find fulfillment in their work, and receive fair compensation.



Act autonomously, keeping MEDIA DO at the center of our thinking and decisions and taking a long-term perspective. With that resolve and sense of responsibility, I am committed to the Company's sustained growth. This is where I feel my approach and mindset have changed most significantly since I became president of a subsidiary two years ago. At 34, looking ahead to the next 30 years, my first priority is to further strengthen the organization's foundations.



I want to remain steadfast in the principle, "Do not fear being misunderstood over the long term." To me, this means taking a broad view, seeing things through with a long-term perspective for the sake of the next generation and, in the process, dispelling misunderstandings and ultimately earning recognition. Being misunderstood is frightening. Yet even in moments of uncertainty, I have come to feel strong sense of confidence knowing that we have the Executive Officer Committee. I want MEDIA DO to remain a company that cultivates and demonstrates the strength to see things through with this mindset across future generations, including those who come after us, and to make the next 30 years a period of continued contribution to the industry and society.

The five Executive Officers announcing the launch of the Executive Officer Committee at an all-company meeting



MEDIA DO's Value Creation

The Value We Create

Data / Corporate Information

Foundational Governance — How We Supports Value Creation

Value Creation Strategy — How We Create Value

Section

Section

Section



Spring / The Breath of Life

Kito in spring. Snowmelt flows into the crystal-clear Naka River as the mountain village comes alive with fresh greenery.



Corporate Creed

"Growth and Potential"

Everyone is born with potential and grows over time.
Time is given equally to all. As we experience our own growth, we come to recognize the abundant potential within ourselves and others alike.
Recognition and respect for one another, and celebration of each other's growth and potential.
A commitment to valuing one another makes the impossible possible and builds a stronger organization.
As long as our people continue to grow, MEDIA DO will continue to grow.
Adapting to change, enduring through any era, and continuing to contribute to society.

Since before entering the eBook Distribution business, the Company has consistently upheld this corporate creed. People change and grow with the passage of "time," and everyone has the potential for future growth. An organization cannot endure if it loses the "positive human relationships" that allow people to believe in one another's future potential and celebrate each other's growth.

"Growth and Potential" embodies our enduring commitment to ideals that go beyond the literal meaning of the words: valuing above all else positive human relationships in which people can say to one another, "I'm glad I met you," and remaining "a company where every individual can look to the future with hope.















Media Do

Corporate Logo

The vertical lines represent employees who think, create, and act independently. The orange line in the center represents you.

The lines extending on both sides represent employees keeping the philosophy close to their hearts, supported by many people, and growing together with you.

People always live by supporting one another. This is why relationships, communication, and the colleagues we work with are so important. This design embodies the “growth” achieved through your independence and mutual support among employees, as well as limitless “potential.” that lies ahead.

Origin of the Company Name

All value creation in the world occurs when values that would otherwise never have met come together.

The name MEDIA DO reflects our aspiration to serve as a medium that connects values that might otherwise never meet, thereby continuing to contribute to society’s progress and development.

To endure in any era and contribute to society, and to remain an organization that can adapt to changing times—MEDIA DO aspires to be such an organization.

Four Policies

- No Subcontracting
- Be Creative
- Not a Sales-Driven Company
- Continue to Innovate

We pledge to continue giving back to society by learning from society and from many people, and by creating value that is uniquely ours.

The “Four Policies,” introduced by MEDIA DO in 2005, express the types of businesses the Group should pursue and the approaches it should take to contribute to society in an ever-changing society.
→p. 25 Value Creation Process

MEDIA DO's Value Creation Process

Management Resources (p.29)

Financial Capital
A source that supports stable growth as a foundation of the Company

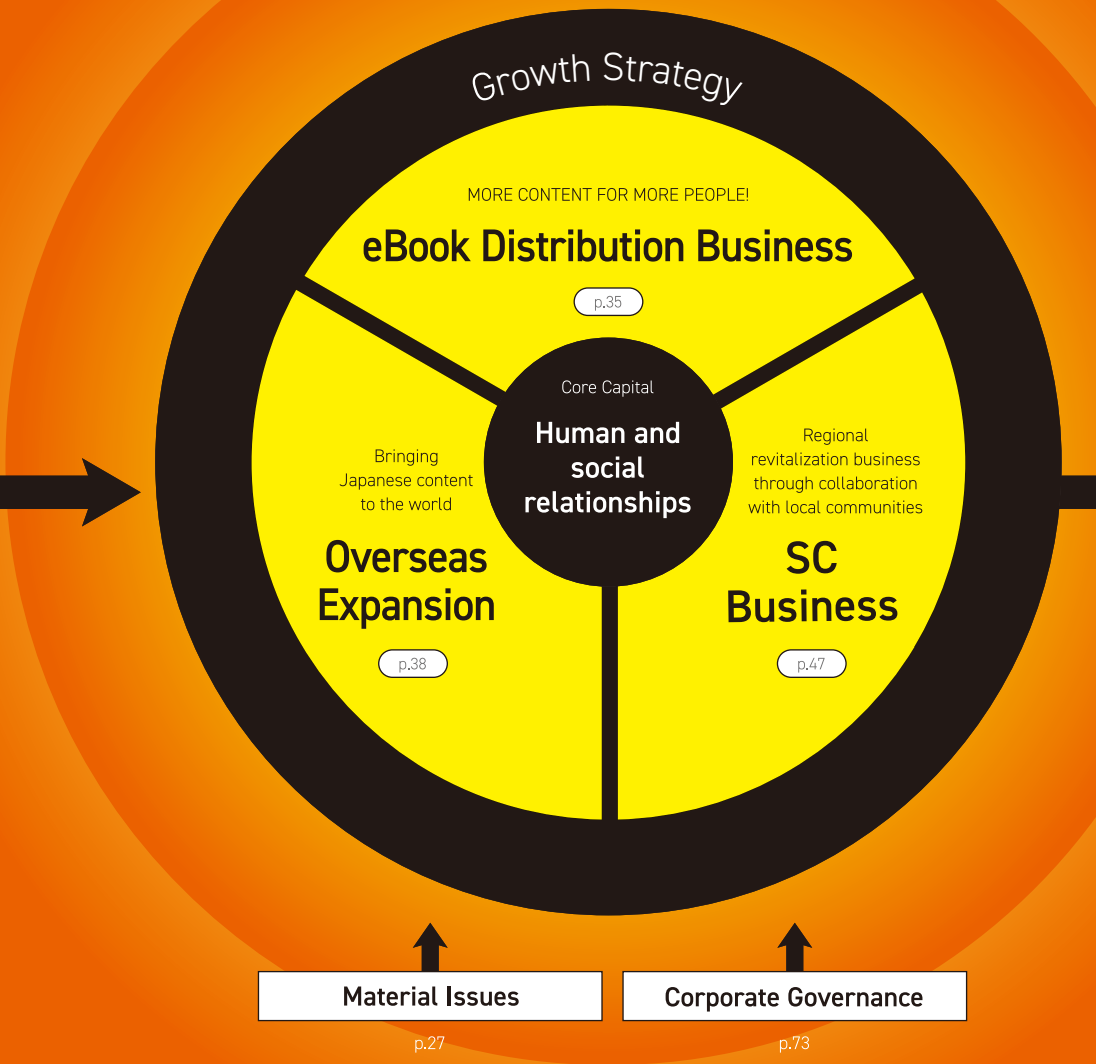
Human Capital
Diverse talent that maximizes the impact generated by MEDIA DO

Technology Capital
Expertise and systems that support distinctive value creation

Social and Relationship Capital
Relationships of trust with a broad range of stakeholders built through long-term transactions and collaboration

Natural Capital
Conservation of the natural environment that sustains social infrastructure

Value Creation Engine



Business Environment
Operating Environment

- Maturation of the domestic eBook market
- Growing overseas demand for Japanese content
- Population decline and regional decline

The Group contributes to society by deploying its financial and non-financial management resources into its "value creation engine," while strengthening its capital base through its growth strategy. By continually confronting social issues, organically combining its financial and non-financial management resources, and taking on the challenge of creating "101" by venturing into uncharted territory that no one else has discovered in the face of adversity, the Group brings about positive change in society and achieves sustained corporate growth.

Output

FYE 2/26 Results

Financial Capital (p.55)
Net sales ····· ¥108.53 billion
EBITDA ····· ¥3.66 billion
Profit attributable to owners of parent ····· ¥1.81 billion
ROE ····· 9.9%

Human Capital (p.61)
Consolidated employees ····· 507
Ratio of female managers ····· 34.0%

Technology Capital (p.65)
- Operation of the core eBook distribution
- CIS Controls score ···· +0.3 pt YoY

Social and Relationship Capital (p.67)
Publishing partners ····· Over 2,200
eBook retailer partners ···· Over 150
SC business sponsors ····· 227 companies

Natural Capital (p.69)
Total CO_2 emissions (Scopes 1 and 2) ····· 148.2t-CO2*
*Location-based

Outcome

- Business partners
- Authors
- Employees
- Users
- Local communities
- Shareholders and investors

What Is Sufficient Today Will Be Insufficient Tomorrow

Creating "101"

If society's current level of sufficiency is defined as "100," the Group will continue to take on the challenge of creating "101." Rather than simply filling what is lacking today, we anticipate changes in society as it moves from the present into the future.

"What is sufficient for society today will be insufficient tomorrow." Based on this premise, the "Four Policies" (p. 24), created by MEDIA DO in 2005, provide guidance on which businesses we should pursue and how we should contribute to an ever-changing society as an organization.

Material Issues Supporting Sustainable Value Creation

For the Group, sustainability means working together as one in conducting our corporate activities, with a sense of responsibility and pride in the contribution our businesses and services make to building a healthy society and the development of culture. Guided by this belief, we manage the Group and execute our strategies with our corporate creed, mission and vision at the core. We identify key management issues (material issues) while assessing business opportunities and risks from an ESG perspective, and seek to both address social issues and achieve sustainable growth, thereby enhancing corporate value.

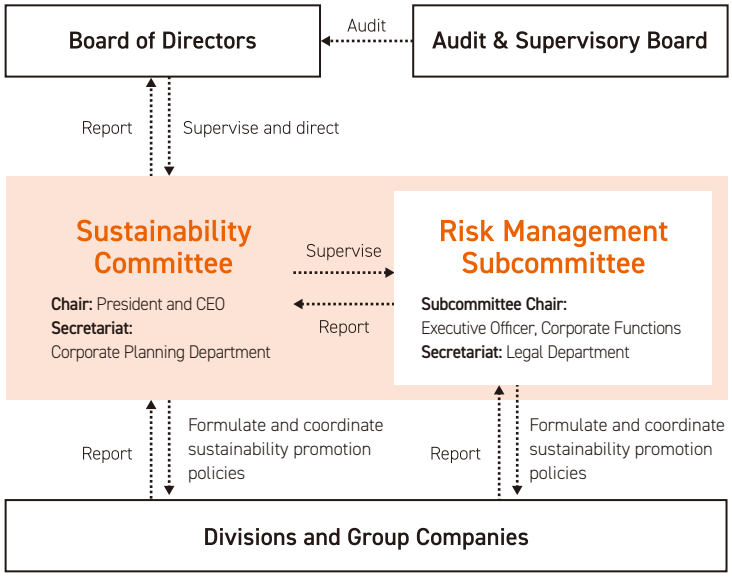
1 Sustainability Promotion Framework

The Group has established the Sustainability Committee to maximize medium- to long-term growth opportunities and advance its risk response. Chaired by the President and CEO, the committee comprises full-time directors appointed by the chair, as well as executive officers and others. Following each meeting, it reports to the Board of Directors at an appropriate time and receives oversight and direction.

Furthermore, in light of the further expansion of the Group's scope of contribution and social responsibility through initiatives including the acquisition of Seven Seas, we established the Risk Management Subcommittee under the committee in the fiscal year ending February 2027 to make our risk response more robust and effective.

Chaired by an executive officer overseeing corporate functions, the subcommittee comprises division heads, primarily from corporate functions, with the legal function serving as its secretariat. Under a clear division of roles with the Sustainability Committee, the subcommittee responds to risks swiftly and effectively.

Through this robust organizational framework—in which the Sustainability Committee works to maximize medium- to long-term opportunities and the Risk Management Subcommittee strengthens Group-wide risk response—we seek to enhance corporate value.



2 Material Issue Identification Process

Under our Basic Sustainability Policy, we work to mitigate risks across the Group while advancing sustainability and enhancing corporate value in tandem. To increase corporate value sustainably over the long term, we identify key management issues (material issues). These issues are discussed by the Executive Committee and the Board of Directors through the following process.

(1) Identify Issues	- Identify social issues based on international reporting frameworks such as SASB, GRI, and IIRC, as well as survey items used by ESG rating agencies, and clarify and organize hypotheses regarding the expectations of each stakeholder group
(2) Analyze Issues	- Map the identified social issues against the opportunities and risks associated with fulfilling the Company's purpose and executing its business strategy - Cross-check the analysis against business risks and compile a long list
(3) Report to Management for Evaluation and Review	- The Sustainability Committee prioritizes the long list based on factors including the impact of each issue on stakeholders, on the Company's ability to achieve its strategy, and on the environment, society, and the economy, and creates a short list - The Executive Committee and the Board of Directors analyze and discuss the short list
(4) Identify Material Issues	- Identify material issues following deliberation and approval by the Board of Directors

3 Review of Material Issues in the Fiscal Year Ending February 2027

The Group recognizes material issues as matters requiring focused attention in light of medium- to long-term growth opportunities and risks. In the fiscal year ending February 2027, we reviewed our material issues in conjunction with progress on the growth strategy under the Medium-Term Management Plan. With the aim of achieving medium- to long-term growth and development for both society and the Group, we first identified opportunities and risks linked to the growth strategy under the Medium-Term Management Plan. We then selected themes considered to have a particularly significant impact through the Group's business activities or to be significantly affected by those activities. Through this process, we narrowed the previous 10 themes down to four, identified them as material issues, and established targets and KPIs for each.

Going forward, we will discuss medium- to long-term policies for achieving these targets and monitor progress. Through the Risk Management Subcommittee, we will also take steady action to avoid or mitigate risks identified through our annual risk assessment. In this way, we will further strengthen our efforts both to maximize the Group's medium- to long-term growth opportunities and to address risk.

→p.85 Risk Management

• MEDIA DO's Material Issues

Theme	Vision for Addressing Social Issues	Priority Initiatives	KPI	FYE 2/26 Results	Targets by FY2030
(1) Contributing to Creation Cycle and Development of Culture	Build a foundation that enables Japanese authors and publishers to continue producing content by further expanding the Group's market share and business scale in domestic eBook distribution and the overseas distribution of Japanese content, thereby contributing to the growth of Japan's content market and the development of culture in Japan.	- Expand market share in the eBook Distribution business - Establish overseas operations and expand the business through Group PMI	Consolidated net sales	¥108.53 billion	¥125.0 billion
			Consolidated EBITDA	¥3.66 billion	¥5.20 billion
			Domestic eBook distribution market share	approx. 30%	continuous expansion
			Seven Seas titles published annually	1,041	2,000 or more
(2) Empowering Communities	Redefine regional value (assets) and expand nationwide the mechanisms and platforms that create businesses for society, revitalizing Japan from local communities across the country and contributing to the sustainable growth of Japanese society.	- Strengthen networks with local communities - Create and advance projects that help address regional issues with the aim of developing them into profitable businesses	Number of prefectures with IB locations	20 prefectures	46 prefectures
			Average attendance at TOKUSHIMA GAMBAROUS games	1,746	2,000 or more
(3) Maximizing Impact of Strategic Investments	Generate the greatest possible impact by making strategic investments based on appropriate assessments of short-, medium-, and long-term effects and continuously optimizing the business portfolio, thereby strengthening the Group's position, expanding market share, and broadening the scope of contribution under each growth strategy.	- Continuously review and optimize the business portfolio - Execute an internal management cycle from investment through profit generation	ROE	9.9%	Maintain ROE at 10% or higher and further improve it
(4) Talent Development and Acquisition	Maximize collective strengths by building on the Group's history of growth through connecting people and creating value—relying on trusted relationships, taking a holistic view, anticipating what lies ahead, formulating optimal strategies and plans, and drawing on internal and external capabilities to execute and deliver solutions, thereby continuing to contribute to society over the long term.	- Develop "holistic problem-solving capabilities" and "advanced relationship-building capabilities" - Revise grading and evaluation systems in line with the evolving management strategy and changes in the business environment - Develop next-generation management talent under the leadership of the CEO	Targets and indicators for talent development will be designed in conjunction with the implementation of the new human resources system		
			Cumulative number of employees targeted for next-generation management talent development	11	30

• Risks to Be Addressed

Building the Foundation for Corporate Growth	To address risks that could hinder the maximization of growth opportunities through the four material issue themes, we determine priorities for action based on the results of an annual risk assessment. In addition to strengthening corporate governance, Group governance, and compliance, the assessment covers risks related to information security, climate change response, and other areas. By steadily working to avoid and mitigate these risks through the Risk Management Subcommittee, in close coordination with the Sustainability Committee, we will build a foundation that contributes to the sustainable development of society and the Group.	- Steadily implement initiatives including the development and improvement of internal rules and regulations that underpin corporate growth and the strengthening of response measures	- Board of Directors ratio of outside directors, ratio of female directors, and effectiveness evaluation - Compliance training participation rate, number of serious legal or regulatory violations, and whistleblowing reports - CIS Controls score and number of serious security incidents - Greenhouse gas emissions - Overall health risk, ratio of female managers, and employment rate of persons with disabilities

For the indicators, targets, and results for the material issues in the fiscal year ended February 2026, please refer to page 17 of the Company's "Annual Securities Report for the Fiscal Year Ended February 2026." → https://mediado.jp/ir/library/securities/ (Japanese Only)

MEDIA DO's Management Resources

The Group has identified four material issues based on two perspectives: the impact of the Group on society and the environment, and the financial impact of society and the environment on the Group. The issues were identified based on their significance to the Group's medium- to long-term growth strategy and the scale of the social impact of its business activities: (1) contributing to the creation cycle and the development of culture, (2) empowering communities, (3) maximizing the impact of strategic investments, and (4) talent development and acquisition. Based on these themes, the Group classifies its management resources into five forms of capital and visualizes the inputs and potential shortfalls for each.

• Materiality Map



• Capital Inputs and Potential Shortfalls Related to Material Issues

Management Resources	Capital Inputs and Strategic Direction	Potential Capital Shortfalls and Responses
(1) Financial Capital (p.55)	**- Net assets: ¥19,221 million** **- Cash and deposits: ¥14,014 million** **- Equity ratio: 33.4%** - Pursue M&A that contributes to business growth - Balance capital efficiency with financial soundness - Promote investment in appropriate technologies - Review the business portfolio with consideration for the cost of capital by establishing ROIC criteria - Build medium- to long-term relationships with shareholders and provide appropriate shareholder returns	Failure to recover M&A investments over the medium to long term or fully realize business synergies could weaken the Group's financial position. However, even after the acquisition of Seven Seas in March 2026, the Group continues to meet its financial safety thresholds, supported by its strong earnings-generating capabilities: "net assets ratio above 25%," "D/E ratio of 1.0 or lower," and "goodwill-to-net-assets ratio of 1.0 or lower." The Group continues to strengthen the organizational structure, formulate plans, and secure the personnel needed to ensure steady PMI at Seven Seas. The Board of Directors also appropriately monitors PMI progress.
(2) Human Capital (p.61)	**- Consolidated employees: 507** **- Ratio of female managers: 34.0%** - Develop "holistic problem-solving capabilities" and "advanced relationship-building capabilities" - Develop next-generation management talent to lead the Group over the next 30 years	As the Group enters a period of transformation under a growth strategy designed for the next 30 years, it may face a shortage of people with the "holistic problem-solving capabilities" and "advanced relationship-building capabilities" required to expand its contribution across each business domain. In response, with the commitment of the founder and other executives, the Group is promoting recruitment and the development of next-generation management leaders. Through these efforts, the Group seeks to attract and develop people capable of maximizing the combined strengths of internal and external stakeholders while contributing to society through business. The Group is also building multiple autonomous teams with clearly defined roles and responsibilities, thereby establishing a team-based approach to management and business execution that strengthens the organization's capacity for growth.
(3) Technology Capital (p.65)	**- Operation of the core eBook distribution system** **- CIS Controls score: +0.3 pt YoY** - Develop systems to reduce the operational burden of distribution and increase distribution speed in the eBook Distribution business - Strengthen information security - Utilize data to improve efficiency and reduce costs both within and outside the Group	Falling behind advances in technology could weaken the competitive advantages of the Group's businesses and compromise the robustness of its information security. To mitigate these risks, the Group continuously strengthens its technological capital by making appropriate investments in technology development and security and encouraging engineers to pursue ongoing professional development.
(4) Social and Relationship Capital (p.67)	**- Publishing partners: Over 2,200** **- eBook retailer partners: Over 150** **- SC business sponsors: 227 companies** - Expand the Group's share of the Japanese eBook distribution market - Secure opportunities to support publishers' overseas expansion through the Group's overseas businesses - Expand and strengthen partnerships to advance a platform strategy for regional revitalization	Legal or regulatory violations, information security incidents, and similar events could damage stakeholder trust. To mitigate these risks, the Group continuously strengthens compliance through measures such as establishing and updating internal regulations, while also enhancing information security. Regular compliance and security training is provided to Group personnel to raise awareness among all officers and employees.
(5) Natural Capital (p.69)	**- Total CO_2 Emissions (Scopes 1 and 2)** **- Location-Based: 148.2 t-CO_2** **- Total Scope 3 Emissions: 97,895.6 t-CO_2eq** - Assess impacts across the value chain and consider measures for improvement	Natural capital underpins both corporate activities and society as a whole. Although the Group's direct greenhouse gas emissions are limited due to the nature of its business, the Group is advancing a wide range of initiatives to reduce its environmental footprint and mitigate its impact on climate change. These include reviewing suppliers, monitoring utility costs, and reducing cooling requirements.

Value Creation Strategy

How We Create Value

MEDIA DO's Purpose
Section 1

MEDIA DO's Value Creation — The Value We Create
Section 2

Section 3



Summer / A Sky Full of Stars

Kito in summer. During the day, the voices of children absorbed in playing in the river. As the evening breeze brings relief from the heat, the Milky Way shining overhead is breathtaking.

Overview of MEDIA DO's Growth Strategy

1 Connecting Values to Make an Enduring Contribution to Society

Guided by the spirit behind the "MEDIA DO" name—to serve as a medium that connects values that otherwise would never have met and continues to contribute to the further evolution and development of society—we have consistently provided new value in anticipation of society's next transformation. With the spirit of Article 1 of the Copyright Act—balancing the "fair use of works" with the "protection of rights"—as the foundation of our business, we have embraced "unleashing a virtuous cycle of literary creation" as our business philosophy, with the aim of enhancing the sustainability of publishing content creation. Under "(1) Domestic eBook Distribution Business," we have built a dominant market share in eBook distribution and a strong business foundation.

In response to the maturing domestic eBook market and growing demand for the global expansion of Japanese content, the Company updated its previous business vision, "Delivering more content to more people," to its English version, "MORE CONTENT FOR MORE PEOPLE!" as it moves to fully pursue "(2) Overseas Expansion." While this update reflects the evolution of the Company's strategy to deliver content from across Japan to the world's 8 billion people, its business mission, "unleashing a virtuous cycle of literary creation," continues to be expressed in Japanese. This reflects our unwavering commitment to returning revenue earned in overseas markets not only to Japanese publishing companies but also to authors, thereby continuing to contribute to the development of Japanese culture.

Furthermore, as a company that has been supported since its founding by local communities, particularly Tokushima, the founder's hometown, we are promoting the "(3) SC (Sustainability Creation) Business" to contribute to the sustainable development of these communities. By redefining and connecting untapped assets in communities across Japan, we aim to create new value and contribute to the sustainability of Japan as a whole. At the same time, we will work to establish the SC Business as a new earnings pillar alongside our existing businesses through steady commercialization and monetization.

Origin of the Company Name "MEDIA DO"

"Connecting Values That Otherwise Would Never Have Met, and Continuing to Contribute to the Further Progress and Development of Society"

(1) Domestic eBook Distribution Business

(2) Overseas Expansion

Business Mission:	Business Vision:
Unleashing a virtuous cycle of literary creation Copyright Act, Chapter I General Provisions, Section 1 General Rules, Article 1	MORE CONTENT for MORE PEOPLE! MORE CONTENT FOR MORE PEOPLE!

Source of Japan's knowledge and cultural development

Contribution to the Publishing Industry

(3) SC Business

Sustainability Creation

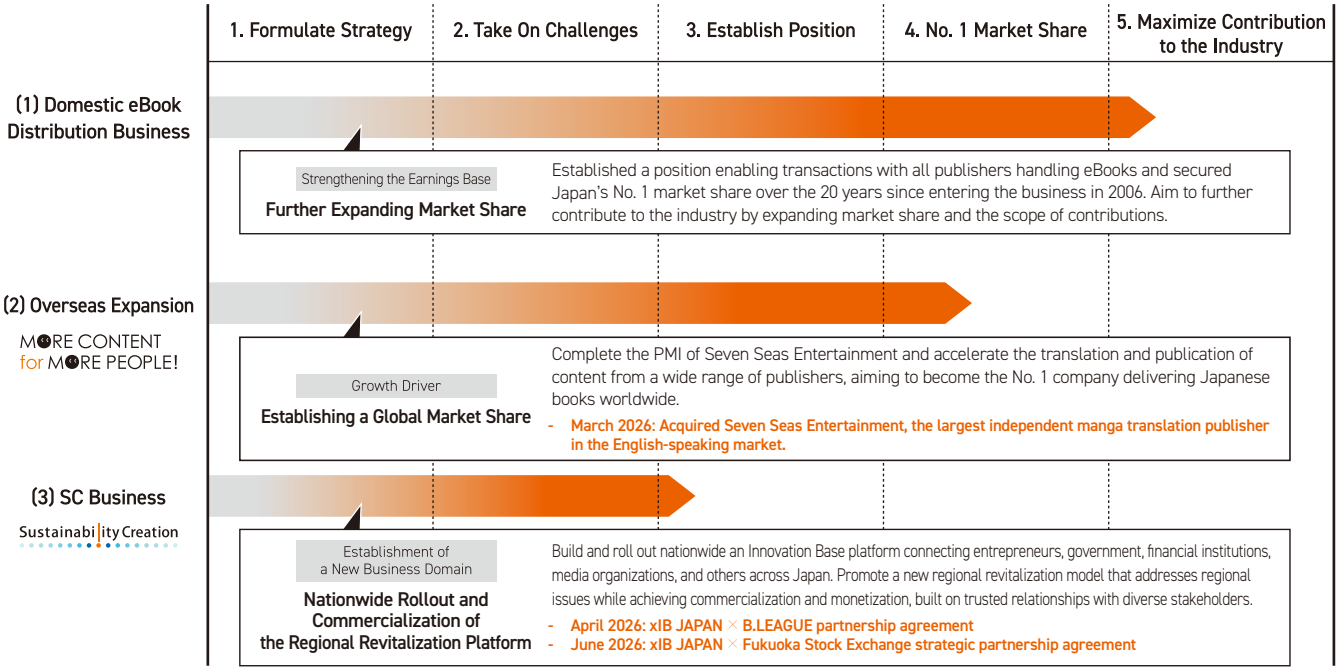
Japan's sustainability through the redefinition of regional assets
By identifying and redefining the value of untapped assets that communities across Japan can take pride in, we aim to create a society that empowers local communities and their people to shape their own futures and, in turn, contribute to the sustainability of Japan as a whole.

The sustainability of Japan itself

Contribution to Communities and Society

2 Growth Phases of Each MEDIA DO Business

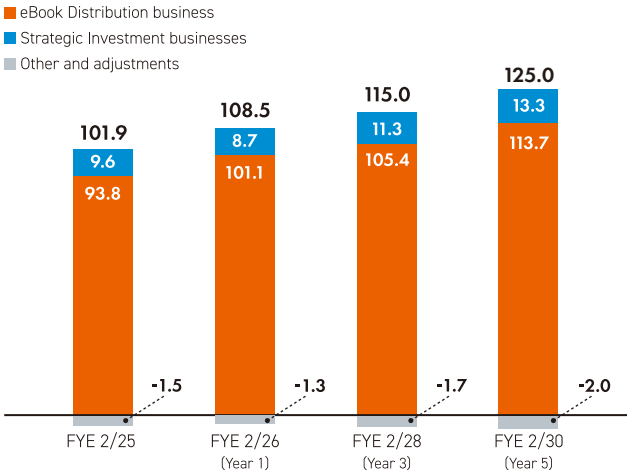
While positioning "(1) Domestic eBook Distribution Business," in which we hold an overwhelming market share, as an earnings pillar, we will invest resources in "(2) Overseas Expansion," which aims to expand into global markets, and "(3) SC Business," which addresses challenges facing local communities. By moving these businesses into the growth phase, we will maximize the value of our contributions to the publishing industry, communities, and society. By creating new earnings pillars, we will diversify our business portfolio and sustainably enhance corporate value.



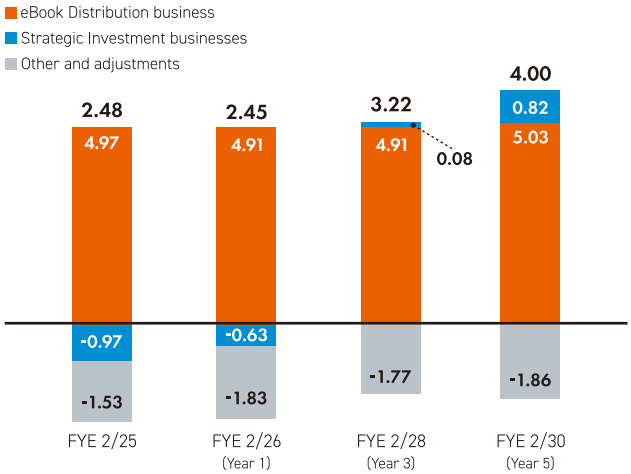
3 Projected Performance by Segment under the Medium-Term Management Plan (FYE 2/26–FYE 2/30)

In the fiscal year ending February 2030, the final fiscal year of the Medium-Term Management Plan, we aim to achieve record highs in both consolidated net sales of 125.0 billion yen and operating profit of 4.0 billion yen. These performance targets are based on organic growth in existing businesses. With growth opportunities expanding, including through the March 2026 acquisition of Seven Seas Entertainment, the Company's business environment has changed substantially since the Medium-Term Management Plan was formulated. We are therefore currently reviewing the numerical targets.

Operating profit by business segment (billions of yen)



Operating profit by business segment (billions of yen)



eBook Distribution Business

1 A Strong Business Foundation and a Legacy of Trust with the Publishing Industry, Built Through Hands-On Effort and Passion

The eBook distribution business is the Group's core business, supporting net sales of over ¥100 billion. Today, approximately 920,000 items of new content are added each year, and MEDIA DO has earned profound trust throughout the publishing industry. Our current position is the result of employees taking on challenges and solving problems through hands-on work and ongoing system development since the market's earliest days. This robust business foundation now serves as a driving force behind growth across the Group's diverse businesses.

● Dawn of the eBook Business and Our Unrelenting Effort

July 2004: Launch of the "Chaku-Uta®" Music Download Service and Entry into the Rich Content Business
The launch of Chaku-Uta marked the dawn of high-volume rich content on the mobile internet and prompted our shift toward copyright-related business. Our proprietary Royalty Report System helped expand the music business. Drawing on the rights-licensing expertise and technology gained through this experience, MEDIA DO decided to enter the emerging eBook market.

October 2006: Developed the In-House "md-dc" Distribution System and Entering the eBook Business — Steady Efforts with the Company's Future at Stake
Convinced that the market for eBooks read during leisure time would grow, MEDIA DO staked its future on entering the business. Producing a single manga volume was costly at the time. Still, the Company used large teams for panel division and other manual work, steadily expanding its network of publishing partners and eBook retailers through persistent efforts.



MEDIA DO's official website at the time

● Establishing the Platform and Rapidly Expanding Its Industry Position

2006–2007: Developing Two Core Systems and Building the Infrastructure to Become the Preferred Choice
MEDIA DO developed "md-dc," an eBook distribution system, and "MD-CMS," which supports efficient eBook retailer operations. Drawing on system reliability and data analysis capabilities, the Company built a service that eBook retailers chose even when its content catalog was still limited.



2008–2011: Equity Participation by Major Publishers — A Turning Point in the Rapid Expansion of Business Relationships
Beginning with a licensing agreement with Kodansha, MEDIA DO rapidly expanded its business relationships, and Kodansha made an equity investment in the Company in 2008. In 2010, the Company began providing its system to NTT DOCOMO's "iMenu Book." In the same year, Shogakukan entered into a content agreement and subsequently invested in the Company. Through these developments, the Company built strong relationships of trust with two of Japan's leading publishers.

2013: Launching Partnership with LINE Manga — Laying the Foundation for the No. 1 Market Position
Following a competitive selection process, MEDIA DO began serving as the exclusive content distributor for LINE Manga and providing its distribution platform. LINE Manga subsequently became a major business partner, accounting for approximately 20% of net sales. For around a decade, this relationship provided a decisive foothold for the Company to significantly expand its market share.

● Listing, Achieving the Industry's No. 1 Position, and Returning to a Growth Trajectory

2013–2016: From the TSE Mothers Market to the First Section — Preparing to Become the Clear Industry Leader
Amid rapid business expansion, MEDIA DO listed on the Mothers market of the Tokyo Stock Exchange in 2013, significantly strengthening its financial foundation and corporate credibility. MEDIA DO reinforced its management structure with a view to acquiring Digital Publishing Initiatives Japan, which held the No. 1 share in the industry. In 2016, the Company moved to the TSE First Section, now the Prime Market.



March 2017: Acquisition of Digital Publishing Initiatives Japan — The No. 2 Player Acquires the Market Leader
Driven by our determination to "solve the industry's challenges as the clear leader in eBook distribution," we pursued the acquisition of Digital Publishing Initiatives Japan. The Company became a wholly owned subsidiary in 2017, and its post-merger integration was completed in 2020. Through this acquisition, MEDIA DO established its position as Japan's largest eBook distributor.

2025 Onward: Achieving an "N-Shaped Recovery" — Overcoming Challenges and Returning to Growth
Following the end of the exclusive partnership with LINE Manga, MEDIA DO experienced temporary declines in net sales and profit during the fiscal year ended February 2023 and 2024. In response, the Company focused intensively on reducing the operational burden of distribution and increasing distribution speed. After completing the transfer of operations, MEDIA DO returned to growth in both net sales and profit in the fiscal year ended February 2025. This "N-shaped recovery"—a return to growth following a temporary downturn—demonstrated the Company's capacity for sustainable growth.

2 A Unique Position: An Unrivaled Business Platform Connecting More Than 2,200 Publishers and Over 150 eBook Retailers

MEDIA DO is Japan's largest eBook distributor, holds a 30% domestic market share, and ranks second worldwide in eBook distribution gross merchandise value (GMV). We receive a wide range of content created by publishers, optimize file formats, manage metadata, and deliver the content to eBook retailers. By centrally managing complex sales data and royalty settlements, we dramatically reduce the operational burden across the publishing industry.

● Japan's Largest eBook Distributor



Publishers	Gross merchandise value (GMV)	eBook retailers
2,200 companies	**¥193.0** billion **No.2** worldwide	**150** companies
New content items registered	Domestic market share	
Approx. **920,000** items per year	**30%**	

3 Market Size Trends and Outlook: A Maturing Domestic Market and Emerging Trends

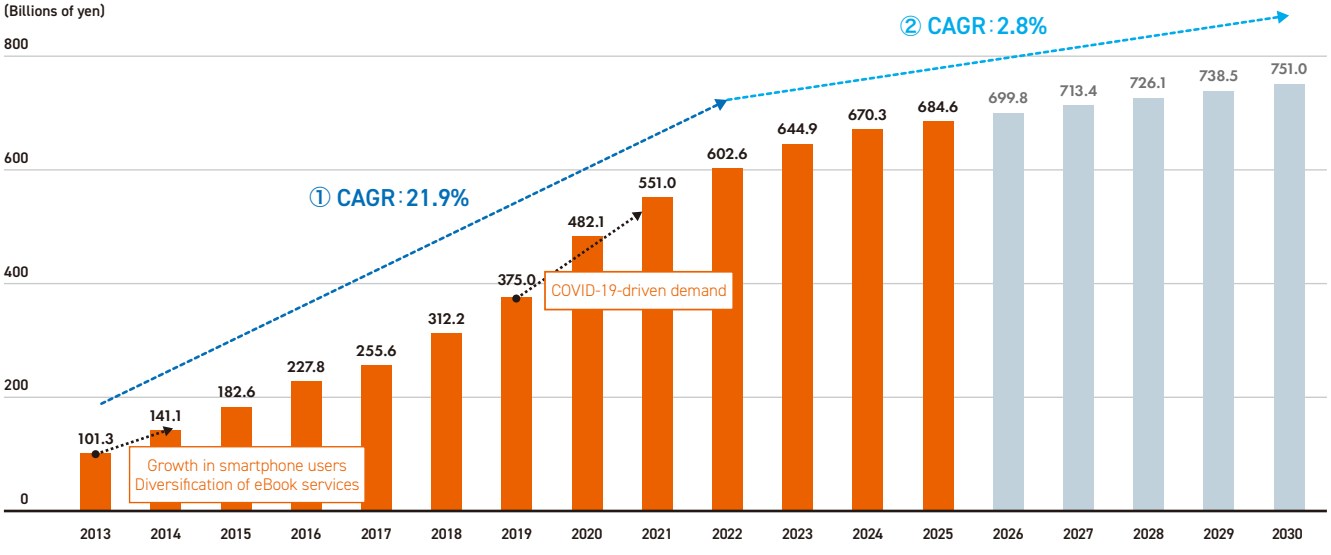
(1) Rapid Market Expansion Driven by Smartphone Adoption and Stay-at-Home Demand (Through FY 2022: CAGR 21.9%)

The overall market expanded rapidly as eBook services became more widespread, supported by factors such as growing smartphone adoption and stay-at-home demand during the COVID-19 pandemic. The Company also achieved strong sales growth alongside this market expansion.

(2) Market Maturity: Overseas Market Development and Expanding Market Share Beyond "Distribution" in Japan (FY 2022 onward: CAGR 2.8%)

Japan's eBook market has entered a mature phase with growth moderating to a more gradual pace. In response, MEDIA DO is strengthening its overseas business to strongly support the industry's expansion into overseas markets. At the same time, within Japan, it will expand its market share by broadening the scope of its contribution and becoming essential industry infrastructure. Through these efforts, it aims to achieve steady growth without relying solely on overall market expansion.

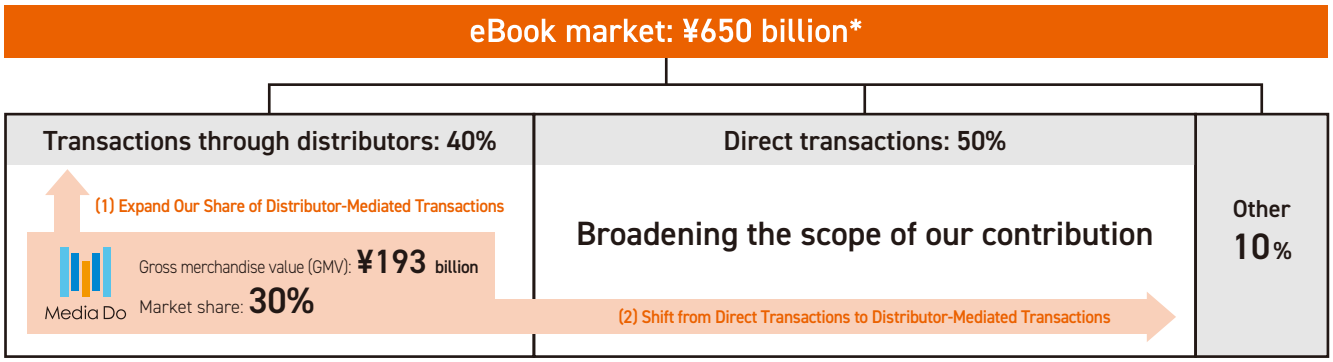
● Trends in the Size of the Domestic eBook Market*



*Source: Impress Research Institute, "eBook Business Survey Report 2026"

4 Expand Market Share by Broadening Our Contribution and Evolving from a Distributor into Industry Infrastructure

The Company aims to increase its market share beyond the current 30%, achieving steady revenue growth regardless of overall market growth. The Company will move beyond the role of simply distributing content as an intermediary and evolve into "essential infrastructure" that supports operations and solves challenges across the publishing industry.



*Size of the eBook market in fiscal year 2024 (total for comics, text-based books, etc.)

• Specific Initiatives to Expand Our Contribution as Infrastructure for the Publishing Industry

(1) Development of BI Tools for Publishers ..... We will provide a platform that integrates and analyzes complex sales and revenue data from each eBook retailer. This will enable publishing companies to rapidly develop and implement data-driven marketing and other initiatives.

(2) Improving Infrastructure Reliability / Strengthening the Security Infrastructure ..... Alongside defensive measures against piracy and cyberattacks, we will make proactive security investments to prevent vulnerabilities before they arise. We will continue to provide a secure environment where publishers can entrust us with their valuable content.

(3) Provision of Outsourced Operations for eBook Retailers ..... We undertake a wide range of operations for eBook retailers, including file production, campaign management, and operational management, using our own personnel and organizational capabilities, thereby helping retailers reduce operating costs and improve efficiency.



"Drawing on What Makes MEDIA DO Unique to Advance the Publishing Industry"

MEDIA DO Co., Ltd. Director and COO

Kayoko Hanamura

Since joining the Company, she has played a leading role in scaling the eBook Distribution business into a core growth driver through service development and key strategic initiatives. Currently leading executive management as Director and COO, drawing on her broad experience and strategic insight.

On April 1, 2026, MEDIA DO marked the 30th anniversary of its establishment. Although my own journey with the Company spans 12 years—less than half of its history—this milestone fills me with profound gratitude. We have reached this day only because of the support of our business partners, including publishers and bookstores, our shareholders, and every employee who has approached their work with integrity and continued to support the Company from the front lines. I would like to express my heartfelt appreciation to you all.

"MEDIA DO is, after all, a venture company." These are words spoken by Fujita in MEDIA DO's 30th-anniversary history. We take on every task associated with eBook distribution. Rather than putting our own preferences or convenience first, we always think and act with the publishing industry—not MEDIA DO—as our priority. By pursuing both speed and quality and maintaining a commitment to respond even one minute or one second sooner, we have built a strong track record and earned trust. I believe this venture spirit is the "MEDIA DO way" that continues to be passed down today. Through the expansion of the eBook market, we take pride in having protected and nurtured an environment in which outstanding works can continue to reach readers.

As we step into the next 30 years, we must look beyond existing organizational boundaries and individual roles, and transcend even the conventional divide between domestic and overseas operations. Every one of us must take strong ownership, unite, and give our all. Only MEDIA DO can fulfill this major responsibility: building, on a global scale, an ecosystem in which Japanese works can grow sustainably; creating new connections between works and readers across national and language barriers; and maximizing the economic value generated and returning it properly to publishers and authors. Guided by this strong conviction and passion, we will continue to put the "MEDIA DO way" at our core, exercise strong leadership at the forefront, and devote ourselves wholeheartedly to advancing the publishing industry.

Overseas Expansion

1 Bringing Japanese Content to Global Audiences

The Group has built strong relationships of trust within the publishing industry as an eBook distributor and established a leading position in Japan. Building on this foundation, the Group will further expand its contribution by delivering Japanese content to readers around the world, toward realizing its vision, "MORE CONTENT FOR MORE PEOPLE!"

2 Market Environment

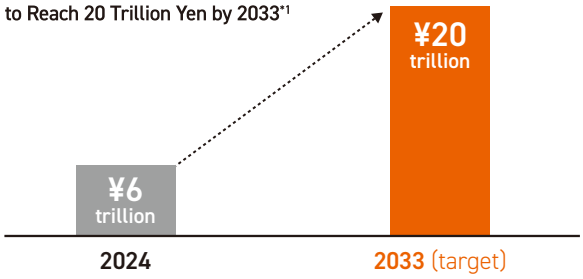
Unlocking Global Potential of Japanese Content
While Japan's publishing market is maturing, global demand for Japanese manga and other content has risen to unprecedented levels. For publishers in Japan, developing overseas markets represents a major business opportunity to achieve sustainable growth. The Group conducts business with nearly every publisher in Japan and has established a solid position as distribution infrastructure for the publishing industry, underpinned by deep relationships of trust. As a provider of infrastructure supporting the entire publishing industry, MEDIA DO is committed to delivering outstanding Japanese content to fans worldwide and driving the further growth and advancement of Japanese publishing industry.

Business Opportunities and Barriers in Global Expansion
Demand for Japanese content in overseas markets is expanding dramatically, driven by factors such as increased inbound travel to Japan and the global proliferation of video streaming platforms. The Japanese government is also providing strong nationwide support by strengthening assistance for creative industries and setting a target of expanding the overseas market for Japanese content to 20 trillion yen by 2033. In the U.S. publishing market, our largest target market, print books account for approximately 90% of the total, and Japanese manga are also cherished by fans as collectors' items. Strong demand for higher-priced products, including deluxe editions and boxed sets, creates significant opportunities to maximize the value of Japanese publishing content and drive both growth and profitability.

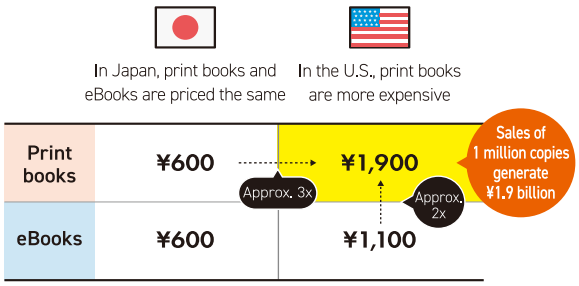
However, Japanese publishers face several major hurdles before their titles can reach bookstore shelves overseas. The first is translation and localization: achieving high-quality translations that accurately capture the cultural context and subtle nuances of the Japanese language while resonating with local fans requires deep expertise. The second is local print distribution: because print books remain the dominant format in the U.S. market, publishers must navigate multiple processes—from printing and binding in accordance with local specifications to logistics and in-store promotion. Smooth execution relies on long-standing relationships of trust with distributors and bookstores well versed in local business practices. Robust distribution networks and partnerships of this kind cannot be built overnight.

*1 Source: "Japan and Global Media × Content Market Database 2025 Vol. 18 [Final Version]" (November 2025, HumanMedia, Inc.)
*2 Sources: [Japan] The Research Institute for Publications, "Annual Report on Publishing Indicators 2025"; digital figures exclude audiobooks. [U.S.] Association of American Publishers (AAP), "StatShot Annual Report CY 2024," excluding audiobooks and other categories (educational materials, physical audio, etc.) (¥150/USD). [Germany, South Korea, UK, and France] WIPO, "The Global Publishing Industry in 2022"; digital includes audiobooks (¥150/USD). [Worldwide] Grand View Research, "Books Market Size, Share & Growth | Industry Report, 2030"; Mordor Intelligence, "Ebook Market Share, Size, Trends & Industry Analysis" (¥150/USD)

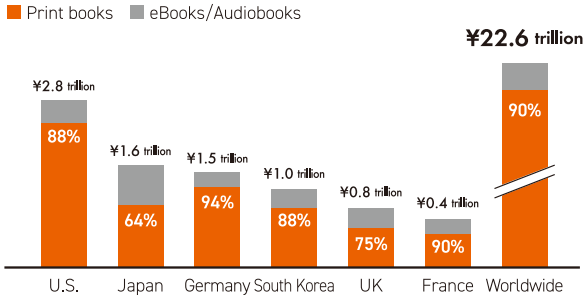
Overseas Net Sales in the Content Industry to Reach 20 Trillion Yen by 2033*1



Comic Book Price Differences: Japan vs. U.S.



Publishing Market Size and Format Mix by Country*2



3 MEDIA DO's Progress Toward Overseas Expansion

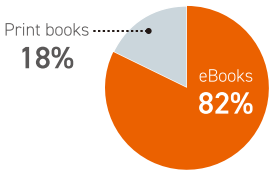
To address the challenges Japanese publishers face in expanding overseas and meet their need to bring titles to readers around the world, the Group established its U.S. subsidiary, Media Do International, Inc. in 2016. Since then, it has deepened relationships of trust with local publishing industry stakeholders and partner companies while steadily accumulating expertise and know-how in North American publishing distribution. These years of groundwork and the network built locally culminated in the acquisition, in March 2026, of Seven Seas Entertainment, one of the world's largest independent publishers of translated manga. Seven Seas combines high-caliber translation and localization capabilities with access to the distribution network of the Penguin Random House (PRH) Group, a global publishing giant. Through this acquisition, the Group overcame, in a single step, the two major barriers of (1) translation quality and (2) local distribution networks, to establish a global distribution infrastructure for bringing Japanese publications to readers around the world.

4 A Leading Manga Translation Publisher Supporting the U.S. Market for More Than 20 Years

Founded in 2004, Seven Seas is North America's largest independent manga translation publisher. Its annual output of Japanese titles ranks among the top global publishers, and it has helped drive the growth of the North American manga market for more than 20 years. Seven Seas' strong growth is underpinned by two core strengths: exceptional translation and localization capabilities and a robust distribution network. Its team shares a deep passion for Japanese content and has built a sophisticated translation and editorial system capable of conveying the subtle nuances of the Japanese language and the cultural context behind each work. Through a broad portfolio of specialized imprints and ongoing dialogue with local fan communities, Seven Seas accurately identifies diverse reader needs and has earned deep trust from fans. In distribution, its partnership with PRH gives it a robust sales network capable of supplying books to more than 240 countries and territories worldwide, including the U.S.

• Seven Seas Ranks Among the World's Top Translation Publishers by Annual Japanese Title Count

FY12/25 Sales Mix



Net sales: $50M (¥7.9 billion)
Operating profit: $9M (¥1.4 billion)

Leveraging Distribution Network of PRH, North America's Largest Publisher

Penguin Random House

Annual Number of Titles Published

1,000 titles
Among the world's highest

Jason DeAngelis, CEO and Founder of Seven Seas, learned Japanese out of a passion to "understand Japanese manga in its original language" and has such a deep love and respect for Japanese content that he has even published original works of his own. Because Seven Seas is led by DeAngelis, who has a profound appreciation for Japanese culture, the company remains uncompromising in its commitment to careful translation and editing that respect the original creators' intent, guided by its philosophy, "Discover Your Treasure!" (Deliver stories that readers will treasure). This sincere commitment, built up over many years, has earned the deep trust of both local fans and Japanese creators and has contributed to the company's growth.
→ See p. 42 Profile of Jason DeAngelis

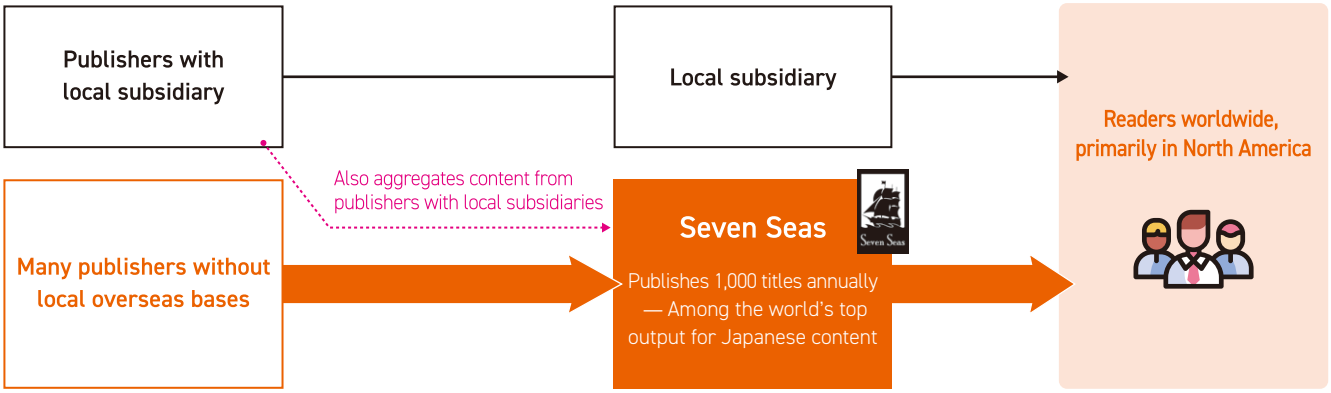
5 The Strength of Independence — A Global Infrastructure Connecting All Publishers

Seven Seas' greatest strength is that it is not affiliated with any particular publishing group. The neutral, independent position enables it to handle titles from publishers of all sizes on equal footing.

In today's North American manga market, some publishers—including the Shogakukan-Shueisha Group (VIZ Media), the KADOKAWA Group (Yen Press), and the Kodansha Group (Kodansha USA)—offer their own titles to market through local subsidiaries.

For most Japanese publishers, however, securing the capital, personnel, and local expertise required to establish and operate overseas bases remains a hurdle. Against this backdrop, Seven Seas offers unmatched value to Japanese publishers as an essential platform for bringing content to the North American market. It uniquely combines an unbiased, industry-wide intake of titles with high-quality localization and a robust print distribution network.

• A Content Platform Connecting the World



6 Expectations from Japanese Publishers

Following Seven Seas joining, the Group held an Overseas Publishing Business Briefing for Japanese publishers, with a total of 437 publishing industry professionals attending. At the briefing, we emphasized that Seven Seas' deep commitment to its works and its approach to localization will remain unchanged, while reaffirming the Group's determination to bring outstanding Japanese content to the world.

For many Japanese publishers, bringing their titles to overseas markets has traditionally been a high hurdle: gaining visibility for their content among countless works, reaching out to overseas publishers with whom they have had limited contact, and bringing those titles to publication and sale.

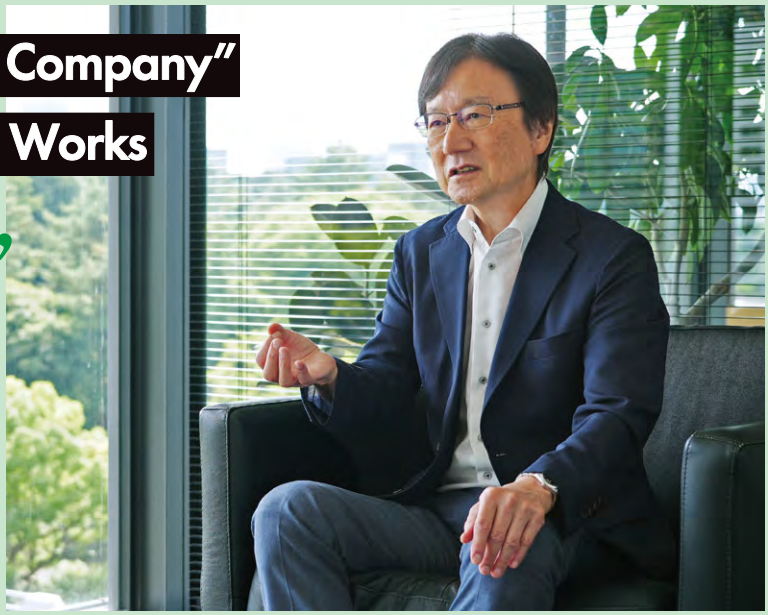
With Seven Seas now part of the Group, MEDIA DO representatives who have built trusted relationships with Japanese publishers through domestic eBook distribution can serve as a gateway connecting them to the global markets, expanding the potential for bringing a wide range of Japanese content overseas. By helping publishers overcome language barriers and business practice differences, the Group will fulfill its role as a bridge to readers worldwide, serving as a partner that provides comprehensive support for the global expansion.





"The Overseas Publishing Business Briefing" held for publishing industry professionals on March 16, 2026. A total of 437 participants (234 in person and 203 online).

"Becoming a "Trading Company" Connecting Japanese Works with Global Markets"



Welcoming Seven Seas to the Group in the milestone year of our 30th anniversary—and thereby taking a decisive first step toward realizing our vision, "MORE CONTENT FOR MORE PEOPLE!"—represents the most significant achievement to date in the Group's overseas business. Seven Seas will pursue further growth as a bridge supporting Japanese "bookmaking" to the world. At the same time, we believe its addition to the Group has given us a competitive edge as we seek to deliver a broad range of Japanese content to readers worldwide, regardless of format—digital, print, audiobooks, or otherwise.

"OverDrive," the digital library system we began offering in Japan in 2014 under a strategic business alliance, is now used by more than 92,000 public libraries, schools, universities, and other institutions in approximately 100 countries. Sales of Japanese eBook content overseas have grown markedly in recent years. Our continuing dialogue with publishers across Japan gives us daily, tangible evidence that global demand for Japanese content is expanding rapidly.

We are now at the stage of analyzing global publishing markets, proposing titles suited to each market to Japanese publishers, and developing the expertise and organizational framework needed to support the overseas expansion of their works. In addition to manga and light novels, in which Seven Seas specializes, the Company has also launched projects in partnership with business partners to bring "text-based works," such as novels, to international readers. The Group is positioned to build the mechanisms needed to distribute Japan's content globally. Together with our many business partners, the Group will steadily fulfill its role as a publishing "trading company" that connects global markets with Japanese works and cultivates and expands readership worldwide, while continuing to expand the scale of its business.

MEDIA DO Co., Ltd.
Director

Koichi Sekiya

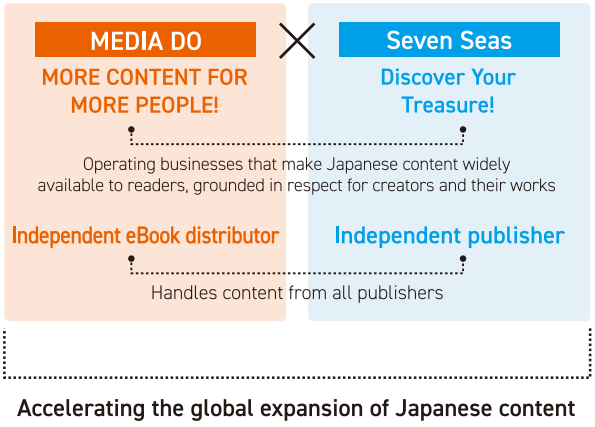
Drawing on his extensive experience and deep insight gained from working across a broad range of businesses in the publishing industry, including serving as a director of KADOKAWA Corporation, he has served as a Director of the Company since May 2024.

7 MEDIA DO × Seven Seas: Synergies Created by Shared Values

MEDIA DO has built infrastructure for the publishing industry as an eBook distributor in Japan under its vision, “MORE CONTENT FOR MORE PEOPLE!” (bringing more content to more people). Meanwhile, since its founding in 2004, Seven Seas has continued to serve as a “bridge” connecting readers with works under its philosophy, “Discover Your Treasure!” (delivering stories that readers will treasure).

In their respective markets in Japan and the U.S., both companies have remained independent and unaffiliated with any specific publishing group. They share a corporate culture of driving market growth and development while maintaining deep respect for content.

Because the two companies share the foundational values of “independence” and “respect for content,” the Group can further accelerate its growth by combining MEDIA DO’s trusted relationships with Japanese publishers and technological foundation with Seven Seas’ localization capabilities and local distribution network.



8 Strengthening Both Content Acquisition and Sales

By combining Seven Seas’ translation publishing expertise and distribution platform with MEDIA DO’s sales capabilities and sales data, we will strengthen both the entry point (content acquisition in terms of quantity and quality) and the exit point (in-store sales through bookstore shelf space).

(1) Maximizing Content Acquisition: Expanding Volume and Enhancing Quality

<Expanding Volume: Dramatically Increasing Acquisition Opportunities Through a Stronger Sales Structure>

MEDIA DO personnel have joined Seven Seas’ title discovery efforts, which had previously been handled by a limited number of staff, significantly strengthening the Group’s content acquisition capabilities. In addition, with MEDIA DO serving as the primary point of contact by leveraging its close, trusted relationships with publishers, the Group is now better positioned to smoothly receive proposals and inquiries regarding overseas expansion. By substantially strengthening its acquisition capabilities and creating an environment where more titles gather, the Group aims to dramatically increase the “volume” of content it can acquire.

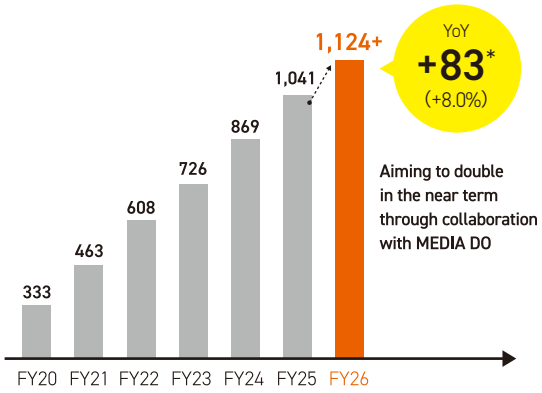
<Quality Improvement: Leveraging Data to Increase Hit Rates and Selection Accuracy>

MEDIA DO will share data on domestic eBook sales trends with Seven Seas. By quickly analyzing data for early signs of success in Japan, the companies will more accurately select titles with strong potential in the North American market, thereby enhancing the “quality” of content acquisition, including by improving hit rates.

(2) Strengthening Content Sales: Expanding Bookstore Shelf Space

In collaboration with Penguin Random House, we will explore initiatives to secure and expand shelf space for Seven Seas titles at major bookstores and specialty retailers across North America. By maximizing in-store visibility, we aim to attract new readers and increase our share of sales.

● Seven Seas’ Annual Number of Titles Published



*Titles confirmed by June 30, 2026

9 Expanding of eBook Distribution

Currently, eBooks account for only approximately 20% of both the North American publishing market and Seven Seas’ sales composition. However, the North American eBook market continues to grow at a CAGR of at least 5%, indicating further room for growth. To capitalize on this growing market, MEDIA DO will leverage the marketing expertise it has developed through domestic eBook distribution to strengthen promotions at eBook retailers and expand audiobook offerings. By doing so, it aims to accelerate the acquisition of readers who enjoy content conveniently on smartphones and tablets, in addition to fans of print books, and increase sales and profits in the digital domain.

10 Expanding Text-Based Books and European Expansion: Next Growth Opportunities

Beyond expanding the number of titles, the Group will take on challenges through new initiatives aimed at medium-term growth. Leveraging the position and distribution infrastructure established through manga and light novels, we will expand the distribution of text-based books, including literary works and practical books, for which global demand is rising, particularly in Europe and other markets. By delivering Japanese publishing content across diverse genres worldwide, we will continue to contribute to the sustainable growth of Japan’s publishing industry as a “book trading company.”



“Toward a World Where as Many Readers as Possible Around the Globe Can Discover Japanese Content”

Discover Your Treasure!

Seven Seas Entertainment, LLC
CEO & Founder
Jason DeAngelis

When I founded Seven Seas in 2004, Japanese manga and light novels occupied a niche in North America. Readers had to make an effort to find them, and very few bookstores devoted substantial shelf space to them. Today, however, the landscape has changed completely. Manga and light novels have become mainstream categories in North American bookstores, libraries, and online, while anime streaming has introduced millions of new fans to Japanese content and generated sustained demand among younger generations. Readers now actively seek out and purchase Japanese content, and this shift is creating tremendous long-term growth opportunities for publishers.

Our decision to join the MEDIA DO Group was rooted in a shared philosophy: “rather than competing for share in existing markets, we should expand the markets themselves.” We are convinced that we can further unlock the potential of Japanese content by combining our publishing and localization expertise in North America, trusted relationships with Japanese publishing partners, and global print book distribution network with MEDIA DO’s digital distribution capabilities and technology, as well as the close relationships of trust it has built with Japan’s publishing industry.

My role is to continue serving as a “bridge” between Japanese publishers and readers worldwide. While preserving the entrepreneurial culture that drives Seven Seas’ growth, I am responsible for maximizing the strengths of the MEDIA DO Group. Ultimately, our measure of success is not only our own growth, but “how many readers around the world discover and come to love Japanese content.” We will remain committed to this measure and continue creating lasting value for authors, publishers, readers, and all stakeholders.

Profile

A Founder-CEO Who Has Blazed a Trail in the North American Market Through Deep Passion for and Understanding of Japanese Manga

Driven by a strong desire to “understand Japanese manga in its original language,” Jason DeAngelis majored in Japanese language and literature at the age of 18. After graduating from university, he moved to Japan, where he spent six years gaining a deep understanding of the distinctive culture and sensibilities underlying these works through martial arts and other pursuits.

After returning to the U.S., he worked as a freelance manga translator on hit titles including “Berserk” before founding Seven Seas Entertainment in 2004. Guided by the clear vision of “Discover Your Treasure! (Deliver stories that readers will treasure),” he drew on his discerning eye to discover and publish manga and light novels across a wide range of genres, leading the company’s growth into the No. 1 independent publisher in the North American market over the course of approximately 20 years.

INTERVIEW
Business Partner Interview #1



“Creating the Conditions for Japan’s Manga Cultureto Flourish”

Futabasha Publishers Ltd.
Managing Director
Head of the Editorial Department
Kouji Shimano

Our overseas expansion has grown alongside “Crayon Shin-chan.” The appeal and strength of the characters created by Yoshito Usui reached audiences in South Korea and Taiwan, and eventually in Europe and North America. What was truly remarkable about Usui was his ability to create one compelling character after another. I feel that artwork and characters possess an inherent power and appeal that go beyond language.

One title that has attracted particular attention in recent years is Uketsu’s “Strange Pictures.” It has been translated in countries around the world and was nominated for a major British mystery fiction award. Readers unravel the mysteries hidden in the strange pictures through the illustrations themselves. Because images carry universal smeaning, this format has been widely embraced by readers overseas. Literary works such as Aoi Maki’s “Neko no Me wo Karitai” are also reaching overseas audiences. We are bringing works ranging from mysteries to heartwarming stories to global audiences as universally appealing entertainment. As the world begins to turn its attention to Japanese novels, a single hit can attract wider interest and generate momentum for further overseas expansion.

I have long been interested in expanding overseas. More than 20 years ago, I started from scratch to understand the local publishing landscape in the United States, and Futabasha took on the challenge of publishing books there. The firsthand knowledge of overseas business practices and distribution I gained through that challenge continues to serve me today. Sustained overseas expansion is by no means easy, but I believe both our literary works and manga have even greater potential. Unlike video content, manga can be created with just a creator and an editor. Once completed, a work has the potential to spread around the world almost instantly. I believe this is manga’s most compelling characteristic.

Seven Seas is one of our key publishing partners in the North American market, so I was very surprised that it became part of the MEDIA DO Group. I also see considerable foresight in this move, given Japan’s position and circumstances in the global content business. It will undoubtedly facilitate negotiations for expanding our titles in North America, and we look forward to collaborative discussions on future developments.

I believe Japanese manga is now at a crossroads in creating an environment where a diverse range of works can continue to emerge. If Japan’s many publishing companies lose the capacity to nurture creators’ talent, manga culture will face a crisis. Japanese manga is embraced worldwide today precisely because it is entertainment that has been carefully crafted over time and enjoyed by generations of readers. MEDIA DO has a role and responsibility in helping to foster a sustainable ecosystem for Japanese manga culture, including through overseas publishing. I have high expectations that MEDIA DO, together with Seven Seas, will support the development and delivery of a diverse range of works.





“Expectations for a Bridge Connecting Mid-Sized Publishers with the World”

AKITASHOTEN Co., Ltd.
Director, Head of Business Division
Shinichiro Makiuchi

Through our business relationship with MEDIA DO, we were able to take the first step toward expanding distribution channels for our eBooks. MEDIA DO had already built a network with numerous eBook retailers while the eBook market was still developing, enabling our works to reach more readers. A particularly significant turning point was our participation, through MEDIA DO's distribution services, in “day-of-the-week serialization” on eBook retailer platforms. As a company that had traditionally delivered works to readers primarily through magazines, serializing one episode at a time on eBook retailer platforms was a new endeavor for us. This experience also enabled us to respond early to new ways of reading, including “wait-for-free” models. I see MEDIA DO as more than just a distribution partner. It has supported the growth of our eBook business and our efforts to take on challenges.

Turning to overseas markets, we began pursuing initiatives relatively early, and the business continues to grow steadily. During the COVID-19 pandemic, increased opportunities to watch anime worldwide boosted demand for the original manga. Once overseas travel resumed, we actively increased business discussions with partners in various countries, strengthened our sales activities and staffing, and steadily expanded the number of contracts. Thanks to synergies with media initiatives, including anime adaptations of the “Baki” series, and the efforts of people inside and outside the Company, net sales from our overseas business have approximately doubled from four years ago.

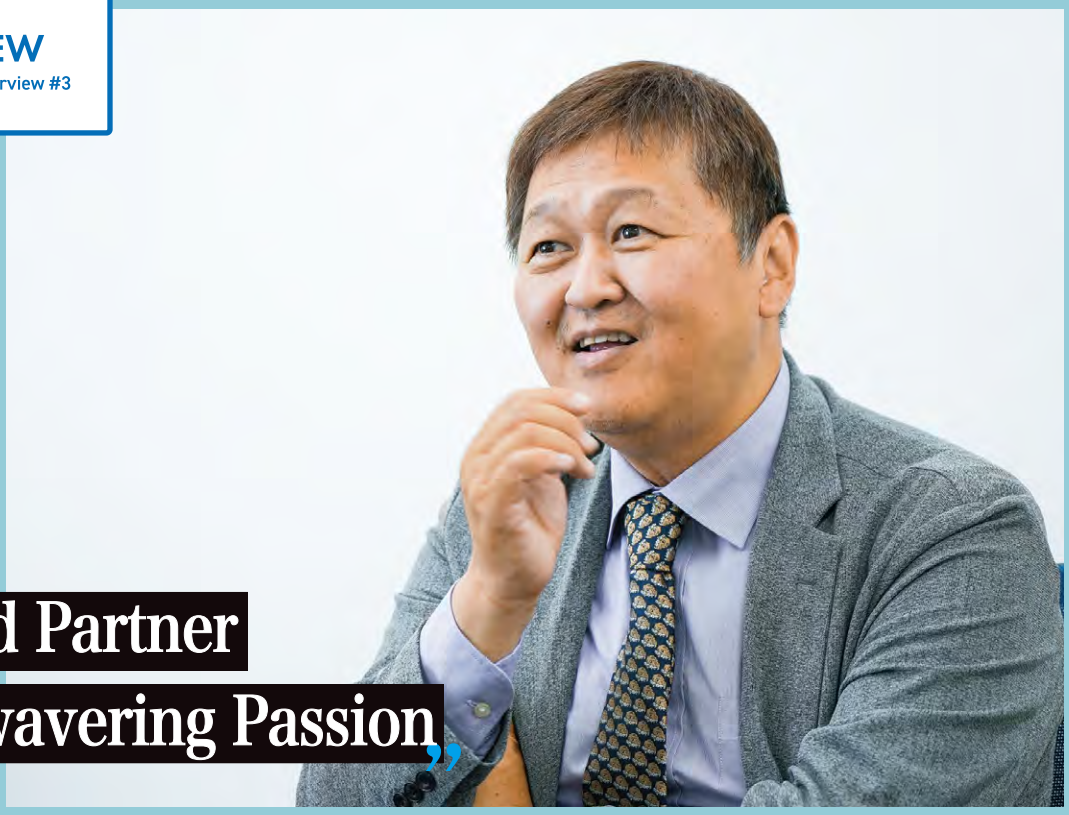
We have focused particularly on North America, one of the world's largest manga markets. Although only a limited number of publishing companies there handle manga, a single agreement can generate substantial sales, and the release of an English edition can lead to publishing agreements in other countries. A major step forward was publishing an English edition of “Grappler Baki,” the first title in the series, which previously had no authorized print edition. Our overseas business currently centers on outbound licensing, but improving profitability will be essential for further growth. We intend to go a step further by building closer relationships with licensees and, eventually, publishing print editions directly.

Against this backdrop, MEDIA DO's decision to welcome Seven Seas into the Group was very encouraging news for mid-sized publishing companies like ours. Seven Seas has built a solid track record in North America as an independent publisher. We expect that combining MEDIA DO's expertise, developed through its longstanding support for digital publishing in Japan, with Seven Seas' proven track record will create a powerful new bridge between Japanese publishers and overseas markets.

In recent years, Japanese manga has attracted growing attention across an increasingly diverse range of genres in North America, giving us a sense of its expanding potential. We look forward to working together beyond the conventional relationship of simply supplying works to create new connections between works and readers across national and language barriers.



INTERVIEW
Business Partner Interview #3



“A Trusted Partner with Unwavering Passion”

SHONENGAHOSHA CO., LTD.
Director, Head of Media Business Division
Masahiro Ohno

As the primary platform for eBooks shifted from feature phones to smartphones, our company faced a major challenge. Our panel-by-panel eComics, which had been well received for their creative presentation, had to be adapted to a page-based format. This was a major change at the time, and we struggled to prepare thousands of data files. It was then that MEDIA DO President Fujita offered, “Leave everything to us.” I can still recall the conviction in his eyes when he said those words. The trust built through that experience became the starting point of our business relationship with MEDIA DO, which has continued since 2010. Ever since, whenever either of us takes on something new, we have been the first to reach out to one another.

Another thing I deeply appreciate is the role MEDIA DO has played in bringing together people across the eBook industry and fostering connections among them. When companies involved in eBooks came together to address complex coordination issues, such as establishing rules for handling works in a common data format, I believe MEDIA DO helped make it possible for us to sit down face-to-face and work through them. This has fostered an industry-wide spirit of “let’s grow together.” Business growth is important, but above all, I value creating an environment where manga artists can write with peace of mind. Even at the smallest companies, the trust between editors and them can give rise to compelling works and sometimes unexpected hits. To creators, their works are like their own children, and we have always taken care to understand each creator’s feelings. Giving them the freedom to write allows good works to grow. MEDIA DO has understood this way of thinking and supported us throughout our journey.

Turning to overseas markets, we began initiatives such as eComics distribution at an early stage, and we believe there is still significant potential for further overseas expansion.

Just as eBooks have grown to rival print in Japan, I expect that Japanese content, including digital offerings, will continue expanding in overseas markets. An organization with the passion to drive that growth is essential.

That is precisely why we are greatly encouraged that Seven Seas, a publisher with strengths in print distribution in North America, has become part of the MEDIA DO Group.

We look forward to MEDIA DO, which worked with us to develop the eBook market in Japan, joining forces with Seven Seas to bring our titles to overseas audiences in both print and digital formats. We also hope that MEDIA DO will remain “a trusted partner we can always turn to whenever we need help.” Above all, we find it deeply reassuring to have gained such a partner over the course of our journey.



INTERVIEW

Business Partner Interview #4



“Taking Overseas Expansion Further, Together”



Coamix Inc.
Board Director
General Manager - Publishing Division
Etsuhiro Ishikawa

Since the feature-phone era, we have provided manga content in both print magazines and digital media using a model close to near-simultaneous distribution. MEDIA DO’s extensive support has played a major role behind the scenes. As the eBook market has continued to grow steadily, we have also worked together on a wide range of experimental initiatives extending beyond eBook transactions. I feel that we have walked this path together for 20 years. We have a culture that embraces new challenges, starting with directors who are manga artists themselves, such as Tetsuo Hara and Tsukasa Hojo. Driven by a desire to entertain readers, we have pursued a wide range of initiatives without being constrained by conventional boundaries.

The titles we manage are also extremely popular with overseas readers. “Fist of the North Star” has long been beloved in Italy, as have “City Hunter” and “Cat’s Eye” in France. Even today, some people who watched the anime 20 to 30 years ago are producing live-action adaptations, bringing things full circle. In recent years, works that gained attention in Japan, such as “Record of Ragnarok,” have also taken root overseas. In bookstores in Italy and France, manga sections have grown from one or two shelves to eventually cover entire walls. I have also seen firsthand how reading manga in its original right-to-left format has become increasingly established over the years.

Even so, I believe our overseas expansion may have achieved only about 5–10% of its true potential. While classic titles continue to enjoy enduring popularity through screen adaptations and other formats, new works and spin-offs are not yet reaching local audiences effectively, and we have yet to fully see the momentum of the North American manga market. There is still a long way to go, and I feel we need to take our efforts a step further. For example, when we released “Hana no Keiji” in North America, we prepared a sample English translation ourselves and used it in our sales efforts. Translating the world of a work set in Japan’s Sengoku period into English requires considerable effort. I believe we can do more than simply grant rights; we can also provide support to help these works reach a wider audience.

Currently, few Japanese publishers have the in-house capability to publish books directly in overseas markets. At the heart of our work is “how to develop our business so that manga artists can continue drawing in good health.” This makes expansion into overseas markets essential. For us, Seven Seas becoming part of the MEDIA DO Group is a welcome development, and I believe it could be a huge boost for many publishers.

Over the past 20 years, digital releases have become the standard for manga. In the coming decade, it may become commonplace to consider “which countries to target” and expand strategically. Technology is expected to dramatically reshape translation and distribution going forward. Together with MEDIA DO and Seven Seas, we look forward to building concrete solutions step-by-step to take that next leap forward.

SC Business

In April 2025, we announced that our new five-year Medium-Term Management Plan defined the "SC (Sustainability Creation) business" as one of the pillars of our growth strategy. This demonstrates our approach and commitment to addressing fundamental social issues facing Japan as a whole through "regional revitalization"—not as a CSR initiative, but sustainably and profitably as the "SC business."

Japan's population has continued to decline, falling below 120 million in 2026. The effects are also being felt in the publishing industry, including rising logistics costs and a decline in the number of local bookstores. As the physical distribution of books—an essential medium for conveying knowledge—faces growing challenges, we have contributed to preserving and advancing Japanese culture through our role in eBook distribution.

We view our eBook Distribution business as helping to address Japan's social challenges, while regional revitalization, which encompasses all industries, addresses even broader social challenges facing the country. The SC business is therefore consistent with our approach to business to date and expands its scope further. We will pursue regional revitalization as a business and take on challenges to enhance Japan's sustainability on an even larger scale.

1 Key Points for Regional Revitalization Through the SC Business

There are two key priorities for us to achieve regional revitalization through the SC business.

1. Engagement and Collaboration with Key Regional Institutions

Regions across Japan have worked to sustain and develop their communities, led primarily by three key institutions that serve as hubs for information on local issues (government, media, and financial institutions). However, the broad trends of population and regional decline now confronting communities nationwide cannot easily be halted, reversed, and put back on a growth trajectory through the efforts of these institutions alone. As it is also impossible for us to take on these challenges alone, we believe it is essential to engage a wide range of organizations and individuals, build a closely knit collaborative network to address local issues, and minimize issues that might otherwise fall through the cracks.

2. The Power of Entrepreneurs

"Entrepreneurs" are essential for regions to emerge from a phase of steady decline. They identify challenges, take risks with a strong sense of ownership, create businesses that make the seemingly impossible possible, and generate new flows of people and capital. Believing that only entrepreneurs can foster and develop other entrepreneurs, we launched "Innovation Base" (IB), a framework for entrepreneur-to-entrepreneur support, in Tokushima Prefecture in 2020.

The SC business has adopted the slogan, "Japan's sustainability lies in redefining regional assets." Here, "redefining" conveys our strong determination not simply to "create" sustainability, but to "transform" regions through the power of entrepreneurs.

2 Innovation Base: Engaging Local Communities and Developing Entrepreneurs

The challenge in achieving regional revitalization through the two key points outlined above is that entrepreneurs cannot engage the broader community by undertaking entrepreneur support alone. Accordingly, "TOKUSHIMA INNOVATION BASE" (TIB), which we launched in Tokushima Prefecture in 2020, goes beyond entrepreneur support. We have designed a framework that involves government, media, and financial institutions in its establishment and operation.

We use "Innovation Base" (IB) to satisfy the two key points for achieving regional revitalization, creating a framework to counter regional decline. Building on our success in Tokushima Prefecture, the IB model is expanding nationwide.

• A Support Framework for Developing Entrepreneurs in IB

IB has established and operates four development programs tailored to IB, based on the entrepreneur development methods of "EO (Entrepreneurs' Organization)," a global organization whose members are entrepreneurs whose companies generate annual sales of at least 100 million. These programs have become a common language among entrepreneurs in IB chapters nationwide, establishing IB not merely as a forum for information sharing and networking, but as a framework that supports entrepreneurs throughout their growth.

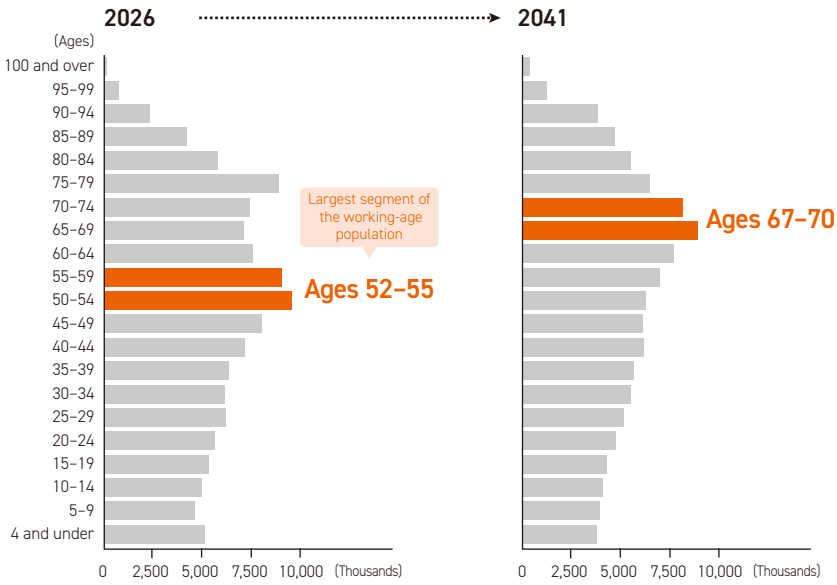
• Four Development Programs

(1) Monthly Meetings	Meetings featuring entrepreneurs as guest speakers to promote interaction and growth among members
(2) Learning	Online events providing knowledge and skills in management, business development, technology, and other fields
(3) IBF (Innovation Base Forum)	Monthly program where 8 business leaders meet for 4 hours to share experiences and support one another as fellow entrepreneurs
(4) Mentoring	Program in which seasoned business leaders guide and nurture next-generation entrepreneurs

3 A Major Demographic Trend: Business Owners of the Second Baby-Boom Generation

Japan's "second baby-boom generation," (born 1971-1974) and representing a major segment of the working-age population (approximately 8 million people), witnessed the dawn of the internet era as young adults following the launch of Windows 95 in Japan in 1995. They grew up in an environment of rapid business change. Entrepreneurs from this generation who founded companies after the launch of Windows 95 leveraged IT to grow their businesses using management approaches that differed from those of the past. As a new generation of business owners, they moved from regions across Japan to cities where information and people were concentrated, gaining management experience. Now that they are entering their 50s and will join the 65-and-over age group in 15 years, a growing number are considering "how they should live the rest of their lives," alongside succession in the management of their businesses.

Our President and CEO Yasushi Fujita is also an entrepreneur of this generation. The concept of "IB" emerged as entrepreneurs and business leaders of the second baby-boom generation who led companies and organizations recognized the growing momentum of regional revitalization and began to look to "contributing to local communities" as a guiding principle for the next stage of their lives. Its nationwide organization is "xIB JAPAN."



4 "xIB JAPAN": Entrepreneurs Leading Regional Revitalization and Establishing a Common Language Nationwide

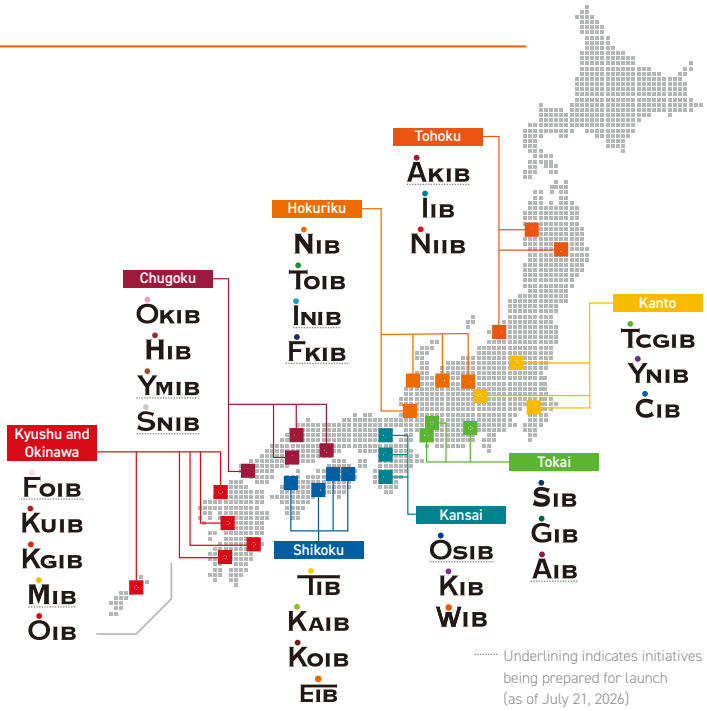
Amid the major demographic shift driven by the second baby-boom generation, the IB concept was developed in Tokushima Prefecture as a means of countering regional decline by leveraging "collaboration with key regional institutions" and "the power of entrepreneurs." In 2023, entrepreneurs including our CEO, Fujita, established "xIB JAPAN" to package this concept for nationwide expansion. xIB JAPAN offers a package comprising a methodology for building collaborative networks that engage key regional institutions and four programs for developing entrepreneurs.

As IB expands nationwide, it aims to create a platform where people and information can circulate by establishing a common language for cultivating entrepreneurs together with key regional institutions. This common language will significantly reduce the time needed to deepen mutual understanding and build relationships across prefectural and industry boundaries. In the future, this is expected to lead to partnerships, collaboration, transactions, and other forms of engagement among companies and entrepreneurs across regions nationwide.

5 Regional Transformation through IB

In 2020, we jointly established TIB together with leading media organizations in Tokushima (The Tokushima Shimbun and Shikoku Broadcasting) and financial institutions (The Awa Bank and The Tokushima Taisho Bank). In fiscal 2025, a cumulative total of 2,362 people attended the 12 "Monthly Meetings" held during the year. Tokushima Prefecture has a population of approximately 668,000, meaning that, when adjusted to the population of Tokyo, this level of participation is equivalent to attracting approximately 50,000 people. Through collaboration with local newspapers and television stations, TIB's activities receive media coverage every month. As a result, TIB has become visible to a wide range of people beyond "entrepreneurs," with high school and university students also joining almost every month. TIB's initiatives and reach continue to expand. In November 2026, the five founding organizations jointly plan to hold the first "Tokushima Innovation Festival," a business-focused event for approximately 1,000 participants in Tokushima City.

In this way, IB has evolved beyond a place for business leaders simply to exchange information and pursue their own growth. It has become a platform that engages local communities and inspires behavioral change even among young people who will lead the next generation. Similar movements are emerging through IB in regions across Japan, with local communities beginning to come together to energize their regions. IB has now expanded to more than 30 prefectures nationwide (including those currently preparing for launch).



6 Initiatives Built on the TIB Platform

1. Igniting Passion in Local Communities: TOKUSHIMA GAMBAROUS

In 2022, the Group launched the professional basketball team "TOKUSHIMA GAMBAROUS" from the ground up. The team joined the B3 League in 2023 and B.LEAGUE ONE in 2026. Its operating company, GAMBAROU TOKUSHIMA Co., Ltd., was jointly established with investments from 23 companies in total. The Company holds two-thirds of its shares, while the remaining one-third is held by 22 companies with ties to Tokushima Prefecture, including Otsuka Pharmaceutical Co., Ltd., NICHIA CORPORATION, The Tokushima Shimbun, Shikoku Broadcasting Co., Ltd., and The Awa Bank, Ltd. This structure brings all 23 companies together in a united effort to energize Tokushima.

Collaboration through TIB provided the foundation that enabled the Company to build cooperative relationships with leading local companies, organizations, and stakeholders, rather than undertaking the launch alone. With broad community involvement from the outset, TOKUSHIMA GAMBAROUS saw attendance increase each year over its first three years. GAMBAROU TOKUSHIMA Co., Ltd. achieved profitability on a single-year basis in its second year and eliminated cumulative losses in its third season. In the 2025–26 season, its final year in the B3 League, the team finished second in the regular season and advanced to the playoffs.

		First year (2023-24)	Second year (2024-25)	Third year (2025-26)
Performance	Net sales	¥190 million	¥440 million	¥600 million
	Operating profit	-¥70 million	¥30 million Achieved profitability	¥50 million Eliminated cumulative losses
Regular-season ranking		4th (out of 18 clubs)	9th (out of 17 clubs)	2nd (out of 15 clubs)
Home-game attendance	Average	1,297	1,558	1,746
	Cumulative	33,732	40,496	45,384

• Fujita Appointed to the B.LEAGUE Board of Directors

In September 2025, Fujita was appointed as a director of the Japan Professional Basketball League (B.LEAGUE), a public interest incorporated association. Fujita was selected to join the B.LEAGUE Board as a club owner and an expert with specialized knowledge of corporate management, with the aim of promoting "stronger club management capabilities and deeper collaboration with local communities" under B.LEAGUE's new growth strategy, "B. Innovation," which will launch in 2026. This was the first time a B.LEAGUE director had been appointed from a club in the B3 League (at the time).

2. Building Broader Partnerships Involving Government Agencies and Other Stakeholders: Tokushima Prefecture's Own Davos Forum, the "Uzushio Summit"

In March 2026, the Group co-hosted the "1st Uzushio Summit in Tokushima" in Tokushima City with Tokushima Prefecture, The Awa Bank, and The Tokushima Taisho Bank. Conceived as Tokushima Prefecture's own Davos forum, the event provided a venue to discuss the potential and value of Japan's regions from a global perspective. A total of 282 participants from Japan and overseas, primarily from Tokushima Prefecture, attended the event. They included entrepreneurs, business executives, representatives of government agencies and financial institutions, educators, people involved in sports, cultural figures, and students. Over six and a half hours of interactive sessions, participants discussed the region's potential. The successful event concluded with each participant inspired to take their next steps.



As with the Tokushima Prefecture version of the "Tobitate! Study Abroad Initiative," which was realized following the inaugural "Session Zero" held in January 2025, we are using this summit as a catalyst to generate new projects within the SC business and to further strengthen and advance ongoing initiatives, thereby creating new value for the region.

• Initiatives Originating from the Uzushio Summit

1. Tokushima Prefecture Version of Tobitate! Study Abroad Initiative

Initiated by a voluntary group of key companies and organizations with ties to Tokushima Prefecture, including MEDIA DO (currently 17 companies and organizations), the "Tokushima Prefecture Version of Tobitate! Study Abroad Initiative" (official Tokushima Prefecture project name: "Glocal Leader Development Project to Shape Tokushima's Future") was established in 2026 as a non-repayable scholarship program supporting overseas study for local high school students and others. In its first year, the program received 112 applications for 50 available slots (a competition ratio of approximately 2.2x). Following a selection process, 50 students from 16 schools across Tokushima Prefecture were chosen as the first cohort to study abroad between July and October 2026. Private-sector initiative of this kind—leading the call for applications and driving such a project to official adoption—is exceptionally rare nationwide.

2. "aX: The Equation from Local to Global, " a Course Offered at Tokushima University through Industry–Academia–Government Collaboration

In collaboration with Tokushima Prefecture, Tokushima University, and the University Support Organization, we offer "aX: The Equation from Local to Global," a practical course at Tokushima University in which Fujita shares approaches to management, organizational development, and business design. Discussions began in March 2025 after Tokushima University approached MEDIA DO about strengthening entrepreneurship education. The course was launched as the "Tokushima Future Project," a new industry–academia–government model for university education that is also open to working professionals.

7 Initiatives Built on the xIB JAPAN Platform

Building on the xIB JAPAN platform, entrepreneurs and business leaders across Japan are increasingly launching diverse businesses and initiatives that help address local challenges. Innovation Base is steadily establishing its position as a "growth engine for regional economies."

1. Advancing Professional Sports × Entrepreneurship: xIB JAPAN Signs a Partnership Agreement with B.LEAGUE

In April 2026, xIB JAPAN signed a partnership agreement with B.LEAGUE. Under the agreement, xIB JAPAN, which has a nationwide network of entrepreneurs, business leaders, and regional partners, will collaborate with B.LEAGUE, which advocates a "Regional Revitalization League" aimed at revitalizing communities across Japan through professional sports. Together, they will create opportunities for matching B.LEAGUE clubs with local companies, build networks, develop partnerships, and jointly pursue basketball business development and other initiatives that promote mutual growth.



2. Bringing Capital Strategies Closer to Regional Companies: xIB JAPAN Signs a Strategic Partnership Agreement with the Fukuoka Stock Exchange

In June 2026, xIB JAPAN signed a strategic partnership agreement with the Fukuoka Stock Exchange. The agreement seeks to revitalize regional economies by supporting the growth and listing of regional companies and marks the first step in expanding collaboration with stock exchanges across Japan. Preparations are also underway to conclude a partnership agreement with the Nagoya Stock Exchange. By connecting regional networks of entrepreneurs and business leaders with capital markets, xIB JAPAN will accelerate the creation of a framework for continuously fostering the next generation of listed companies in regional areas. Aiming for an eventual listing will encourage more regional companies to adopt management practices focused on capital policy and medium- to long-term financial soundness, driving corporate growth and regional economic development.



3. Addressing the Future of Local Communities in an Inflationary Economy: "SC IR Events"

As part of the SC business, we will hold "SC IR (Sustainability Creation & Investor Relations)," Japan's only* in-person event featuring five founders and business leaders of listed companies, including MEDIA DO, together on stage. The event will be held several times each year in local communities across Japan and once each year in Tokyo.

Amid rapid inflation, continued yen depreciation, and growing concerns over the outflow of domestic assets overseas, an information gap has emerged between urban and regional areas when it comes to making investment decisions. Against this backdrop, the event focuses on regional revitalization from a financial perspective. By engaging directly with people in local communities, the event aims to encourage them to reconsider how they invest and to promote investment in founder-led listed companies that are committed to local communities and the economic activity within them, as well as investment as a form of "long-term support" based on a sense of affinity with listed companies. Through these efforts, we aim to create an economic cycle that channels assets back into Japan. The first regional event was held in Tokushima Prefecture in June 2026, and in September 2026, the "1st SC IR Conference" will be held at Tokyo Big Sight as the first such event in Tokyo.

Scheduled Speakers for the 1st SC IR Conference on September 6, 2026

Founders and Executives of Listed Companies

- Kunihiro Tanaka, President and Representative Director, SAKURA internet Inc. (Tokyo Stock Exchange Prime Market: 3778)
- Kenichi Sano, Chairman, Representative Director and CEO, Vision Inc. (Tokyo Stock Exchange Prime Market: 9416)
- Hitoshi Fukudome, Representative Director, President and Executive Officer, CHANGE Holdings, Inc. (Tokyo Stock Exchange Prime Market: 3962)
- Sei Nakanishi, President and Representative Director, MIGALO HOLDINGS Inc. (Tokyo Stock Exchange Prime Market: 5535)
- Yasushi Fujita, President and CEO, MEDIA DO Co., Ltd. (Tokyo Stock Exchange Prime Market: 3678)

Opening Speech

- Satoshi Nidegawa, Supervising Manager, Listed Company Support Group, Listing Department, Tokyo Stock Exchange, Inc.

*An in-person IR event for approximately 1,000 attendees, with speakers from listed companies limited to "founder-executives" (as of July 6, 2026; based on MEDIA DO research).

SC IR Official Website
https://scir.jp/

8 "xIB JAPAN 2030 Vision" Enters Its Second Phase

Starting in Tokushima Prefecture, IBs have been established in 20 prefectures across Japan, and xIB JAPAN's total nationwide membership has grown to over 1,600. After approximately six years of initiatives, xIB JAPAN announced the "xIB JAPAN 2030 Vision" in 2026, setting out its aspirations for 2030.

xIB JAPAN aims to reach a total membership of 5,000 by 2030 and ultimately build an organization of 10,000 members. It seeks to evolve from a platform that maximizes interaction nationwide into an "OS (operating system)."

An OS for regional revitalization creates an environment where local entrepreneurs, key regional institutions, and other stakeholders are organically connected. By sharing both obvious and latent regional challenges brought to light through their interaction, they can continually generate new businesses (applications) that lead to solutions. To realize this vision, we are developing a "system," an infrastructure, that connects IB stakeholders across Japan. Once this system is implemented, xIB JAPAN will evolve from a networking platform into a functional OS—one where problem-solving "applications" actively operate.

The xIB JAPAN Board of Directors is composed of entrepreneurs from six companies, including MEDIA DO, and the six members are working together through ongoing discussions to advance these initiatives. The immense challenge of ensuring "Japan's sustainability," which regional revitalization ultimately seeks to address, is not something that can be resolved within five to ten years. We believe it is essential to envision where we need to be five and ten years from now, identify long-term trends, set goals accordingly, and take action ahead of change.

xIB JAPAN 2030 Vision	
Vision	Launch in all 46 prefectures outside Tokyo 5,000 total members
Slogan	Leading Japan from the regions
Positioning of xIB JAPAN within the Nationwide IB Network	Serve as a hub connecting EO, government agencies, other organizations, and regional entrepreneurs
Positioning of xIB JAPAN in Society	Establish a position as a growth engine for regional economies

xIB JAPAN Board of Directors

- Representative Director: Yasushi Fujita, President and CEO, MEDIA DO
- Deputy Representative Director: Hideyuki Hongo, Representative Director and Chairman, Startia Holdings, Inc.
- Director: Jun Tarikino, Representative Director, Value Management Co., Ltd.
- Director: Naoto Tomita, President and Representative Director, Innovation Inc.
- Director: Yoshikazu Sasaki, President and Representative Director, GRCS Inc.
- Director: Kimitaka Yoshimura, President and Representative Director, Basis Corporation

DIALOGUE

Mizuho Financial Group × MEDIA DO

Expanding the Scale of Social Contribution over the Long Term

A Partner Committed to Regional Revitalization Exploring the Intrinsic Value of Companies through Questions from Mr. Adachi of Mizuho FG

Mizuho Financial Group, Inc. (hereinafter "Mizuho FG") supports business succession for regional companies, the development of regional industries, and other initiatives by leveraging the strength of its network—unique among Japan's megabanks in having branches in all 47 prefectures. Looking ahead to the next 30 years, MEDIA DO aims to further expand its social impact through "Overseas Expansion," bringing Japanese content to the world, and its regional revitalization "SC* Business," alongside core "Domestic eBook Distribution." Through its business relationship with Mizuho FG, key points of connection between the two companies have come to light. Prompted by candid questions from Tatsuo Adachi, Senior Executive Officer of Mizuho FG, this dialogue explores the two companies' views on the essential value that companies bring to society.

* Sustainability Creation



Mizuho Financial Group, Inc.
Senior Managing Executive Officer
Co-Head of Retail & Business Banking Company
Mizuho Bank, Ltd.
Senior Managing Executive Officer
Co-Head of Retail & Business Banking Division

Ryusei Adachi

Joined Mizuho in 1990. After gaining experience in large corporate banking and the Industry Research Department, he held a number of positions, including executive officer responsible for sales. He currently oversees business planning and promotion to support mid-sized companies, SMEs, startups, listed companies, as well as Mizuho Bank's sales divisions and branches nationwide. In April 2023, Mizuho Bank established the "Regional Revitalization Desk" to revitalize regional industries and help resolve regional challenges. He is also focused on regional revitalization, leveraging Mizuho Bank's strength as Japan's only megabank with branches in all 47 prefectures.





The Essence of a Company from a Long-Term Perspective

Fujita Thank you for this valuable opportunity. Our business relationship with Mizuho FG spans approximately 12 years, and Senior Managing Executive Officer Adachi also attended the appreciation event we held in May.

Adachi Both the commemorative video shown at the appreciation event and President Fujita's speech were outstanding. My immediate impression after the event, to be candid, was: "There is considerable room for President Fujita's aspirations and driving force, as well as MEDIA DO's potential and social significance, to become even more widely and properly understood in the market."

Fujita That is an important observation, and I appreciate your encouraging and constructive feedback. On March 2, we acquired Seven Seas Entertainment, one of the world's largest publishers specializing in translated Japanese content. Approximately one and a half months later, MEDIA DO's share price fell by 23.7%. We believe this was mainly attributable to concerns about the effect on our financial position of the approximately ¥12.6 billion (US$80 million) in borrowings used to finance the acquisition. Going forward, we will continue to explain clearly that the transaction employed a structure designed to maximize tax benefits, limiting the effective risk exposure to slightly less than 60%, and we will work to dispel the current uncertainty surrounding the acquisition.

Building a framework for bringing more Japanese books to readers worldwide is a responsibility MEDIA DO must bear, given that the publishing industry has enabled us to grow. This M&A is fully aligned with that responsibility, and we are firmly committed to making it a success. At our core are the responsibilities we must fulfill through M&A from a long-term perspective, grounded in our understanding of "why we exist," as well as our management stance and humanity. Guided by these principles, we pursued this acquisition as an investment designed to maximize growth opportunities while appropriately controlling risk.

Adachi At the appreciation event, President Fujita shared his views, MEDIA DO's journey since its founding, and his vision for the present and future through his speech. With Japan at a significant turning point amid a rapid shift from prolonged deflation to rising inflation, advances in technologies such as AI, and Tokyo Stock Exchange reforms, I deepened my understanding of how MEDIA DO intends to contribute to society over the long term.

Fujita Thank you. Companies are, of course, accountable for explaining their short-term performance and initiatives. In the short term, however, share prices are susceptible to fluctuations caused by social conditions and numerous other factors. Over the long term, I believe a company's share price ultimately comes to reflect its essence: "what principles guide it and who is managing it." From the perspective of individuals evaluating companies, this means identifying businesses whose approach to society resonates with them and building long-term relationships with those businesses in a spirit of support. Such an approach to investing can make it easier for individuals to generate compound financial returns through asset building, and I believe it is also an important theme for the future of Japanese society.

We named events designed around this concept "SC IR" (Sustainability Creation & Investor Relations). As part of the SC Business, we will collaborate with executives from a wide range of listed companies to expand "SC IR" nationwide--creating a platform that drives a behavioral shift toward long-term investment, grounded in empathy with and trust in humanity.

Adachi From an investor's perspective, there is inevitably a tendency to focus on short-term quantitative factors, such as dividend payout ratios and financial performance, when evaluating large-cap companies. By contrast, I understand that investors in small-cap companies often back managers who make them think, "They might do something truly dynamic," rather than focusing solely on short-term figures. I believe it is important to refine how we communicate our message, as "SC IR" seeks to do.

Pursuing Regional Revitalization to Drive Corporate Growth

Adachi I believe the SC Business, which approaches regional revitalization as a business, is an area in which it can be difficult to gain understanding or generate expectations, particularly in the short term. At the same time, I feel that the very reason a company exists may lie in the direction this business seeks to take. Mizuho Bank, for example, is the only megabank with a presence in all 47 prefectures. I have consistently called on our organization to leverage this distinctive strength and provide regional communities with added value that sets Mizuho apart from other banks.



The question is how much we can contribute to enhancing Japan's overall national vitality by building face-to-face relationships with those responsible for local government and industry and creating long-term value for local communities that only "Mizuho" can provide. This is what fundamentally matters, and I believe it will also lead to Mizuho's growth as a company.



Fujita That is an excellent perspective. Our decision to redefine our regional revitalization initiatives as a "business" reflects our resolve, as a listed company expected to demonstrate success through sustainable profitability, to develop regional revitalization into a commercially viable business model. Even if only my home prefecture of Tokushima were transformed, that would affect just one of Japan's 47 prefectures. Through the SC Business, my focus is not on any single region but on Japan as a whole. We aim to tackle population decline and the decline of regional communities—major challenges facing Japanese society—through business, establish a pioneering position by expanding successful models nationwide, and ultimately drive long-term earnings growth.

Adachi Just as President Fujita is addressing regional revitalization as the head of a listed company, we, as one of the financial institutions charged with promoting economic activity across society, must also engage with this issue. I recognize how difficult this aspiration is, but my dream is to reduce the number of unprofitable companies among mid-sized companies and SMEs to zero. SMEs account for 99.7% of companies in Japan. If companies and the regions where they are located are revitalized, the working population increases, and wage increases and consumption are stimulated, Japan's overall GDP and national vitality will naturally expand.

Three years ago, Mizuho Bank launched the "Regional Revitalization Desk" and has since worked to revitalize regional communities by supporting companies in each region. Through these efforts, we have encountered two barriers.

The first is that there are few forward-looking leaders or companies like President Fujita who proactively invest in regional communities while bringing local governments on board. The second is that, however attractive a region may be, it often lacks essential transport infrastructure—such as roads and air routes—needed for accessibility. We want to explore, from a long-term perspective, ways to overcome these two significant barriers.

Maximizing Social Contribution as the Essence of Business



Fujita It is true that both the impetus for change and infrastructure can become bottlenecks, and regions do not transform easily. Rather than viewing the current situation pessimistically, I seek to empower local residents with an entrepreneurial spirit so that they can proudly tell their children and younger generations, "Come home." This applies equally to everyone, whether civil servants, company employees, homemakers, or others. Each person can help close, one step at a time, the gap between the ideal of how things should be and present reality. If more people become capable of doing this, regions should be able to move from contraction to a positive growth trajectory. Innovation Base (IB), an entrepreneur-support initiative that plays a part in this effort, is a platform for creating and nurturing entrepreneurs across an entire region through a partnership framework involving local government and leading local companies. Based on TOKUSHIMA INNOVATION BASE, which MEDIA DO established jointly with two leading media companies and two financial institutions in Tokushima Prefecture—the IB model has now expanded to 28 prefectures, including those where preparations for launch are underway.

"xIB JAPAN," an organization that supports IB nationwide, aims to expand IB across all 46 prefectures outside Tokyo by 2030 and become an organization bringing together 5,000 entrepreneurs across Japan. Expanding the IB model requires a common language that connects people in diverse positions. Building this common language and expanding the platform nationwide in various forms over the long term is MEDIA DO's "SC business."

For me, the essence of business is not simply to make money—it must always serve society. The reach of our impact expands in proportion to the growth of our top and bottom lines, ultimately benefiting society as a whole. What matters above all is how rapidly we can accelerate this growth and thereby maximize the scale of our "contribution to society."

Adachi That is extremely interesting, and the SC Business conveys a commitment to pursuing social contribution from a long-term perspective. Mizuho's regional offices have also developed examples of support tailored to local communities, but I feel it will still take time to bring about a company-wide change in mindset. Not everyone can remain unwavering in President Fujita's conviction to act "for society." What is the source of that drive?

Fujita From an early age, I was told, "You are the heir." I see myself tasked with passing on to the next generation my hometown and family lineage inherited from my ancestors—and ultimately society itself. I have never viewed my life as being for myself alone. I believe that continually exploring what I can leave to society is one of the missions entrusted to me by my father, who devoted his life to the people of our community. By consistently putting my love for my family and hometown into words and communicating it, I forged strong relationships early on, dramatically increasing both the probability and speed of business success. Had I not done this at all, MEDIA DO would not have achieved the level of growth it has today.

The various initiatives we pursue in my hometown of Tokushima are not intended simply to make my hometown better. They are always based on the vision that, through the relationships we have built with all of you, the models created through these initiatives will gradually spread nationwide, expanding both our contribution to society and the scale of MEDIA DO.

Adachi At the appreciation event, I witnessed the depth and breadth of the trust MEDIA DO has built with people in regional communities and the publishing industry, as well as the character of those who regard regional communities and society as "matters they themselves must engage with" and act accordingly. This closely aligns with the "way I believe Mizuho should be" across all 47 prefectures. Beyond our role as a financial intermediary, I consistently tell relationship managers (RMs) serving mid-sized and small and medium-sized companies to "look beyond the transaction." I strongly believe that by further strengthening our relationships with customers and earning their trust, we too can broaden the scope of our contribution and drive long-term profit growth.

A Chain of Regional Hope to Brighten Japan's Future

Adachi I understand that "xIB JAPAN" signed a strategic partnership agreement with the Fukuoka Stock Exchange in June and plans to further expand its network of partners. What is the aim behind this?

Fujita As a wave of business succession approaches due to a shortage of successors, I wanted to bring regional communities and capital markets closer together and support companies across Japan in pursuing stock market listings. MEDIA DO's IPO in 2013 and our capital raise in 2020, made possible with the support of Mizuho Securities, had a profound impact on me. Until then, I had operated primarily as an entrepreneur. Going public and raising capital, however, led me to think deeply about the true meaning and responsibility of raising capital and allowed me to gain the agility needed as a business leader. If more regional business leaders similarly aspire to go public and succeed in doing so, their efforts will inspire others and create a chain of hope. Their companies will also gain greater support from their communities, helping to brighten the region as a whole.

Adachi Each of these initiatives will demonstrate your commitment to regional communities and enable you to strengthen your ties with communities across Japan. Our purpose is "Proactively innovate alongside our clients and society" We have sought to take on our customers' business challenges alongside them and to grow together. I believe what you have described aligns with this purpose.

We intend to continue supporting MEDIA DO so that it can shine even more brightly, and we hope to work together on many more opportunities to energize Japan. Above all, I am genuinely excited by the thought that MEDIA DO and President Fujita may "do even more groundbreaking things in the years ahead."

Fujita Thanks to Mizuho FG, MEDIA DO has grown further, and I have also grown as a business leader. I look forward to continuing to work with Mr. Adachi and everyone at Mizuho FG on a wide range of initiatives. Thank you very much for your time today.

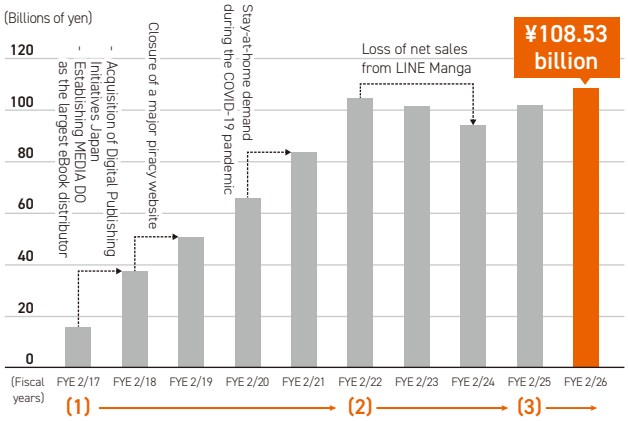
Financial Capital Strategy

1 Review of Financial Performance and Business Environment

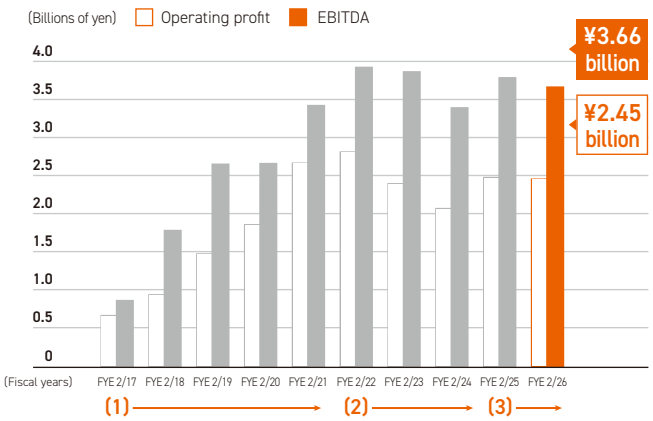
Trends in Consolidated Net Sales, Operating Profit, and EBITDA

Since the early days of the eBook market, the MEDIA DO Group has leveraged its technological capabilities to build strong relationships of trust with publishers and eBook retailers, establishing the No. 1 position in Japan's eBook distribution market. Through a rigorous process of "selection and concentration" in its business portfolio, the Group overcame a period of declining net sales and profits following the termination of an exclusive partnership with a major customer, achieved a second "N-shaped recovery," and posted record-high net sales. We are now once again accelerating investments in growth areas to build new earnings pillars alongside our eBook Distribution business.

● Net Sales



● EBITDA



(1) Becoming the Largest eBook Distributor Through M&A and Expansion of the eBook Market

In 2017, we completed the acquisition and PMI of Digital Publishing Initiatives Japan, then the market leader in eBook distribution, securing our position as Japan's largest eBook distributor. Buoyed by extraordinary stay-at-home demand during the COVID-19 pandemic, net sales surpassed 100 billion yen, and the business expanded rapidly.

(2) Overcoming the Impact of the LINE Manga Transfer and Building a Leaner Organization

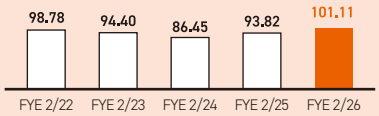
The transfer of LINE Manga's transaction flow following the management integration of Yahoo Japan and LINE reduced revenue by approximately 17.0 billion yen. In response, we restructured peripheral and unprofitable businesses, selling or liquidating at least 15 companies from the fiscal year ended February 2024 through the fiscal year ended February 2026. This transformed the Group into a leaner organization that concentrates resources on priority businesses.

(3) Achieving an N-shaped Recovery and Building "Second Earnings Pillars"

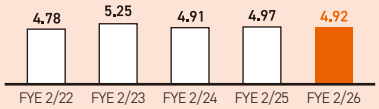
Although performance has recovered, the Group currently relies on the eBook Distribution business for over 90% of total sales and nearly all profits. To sustainably maximize corporate value, the Group aims to accelerate strategic investment, particularly in Overseas Expansion and the SC Business, using cash generated by the eBook Distribution business, and establish these businesses as "second earnings pillars" as soon as possible.

● Segment Performance (Billions of yen)

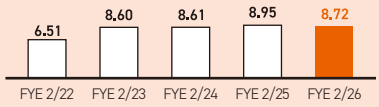
eBook Distribution Business Net sales



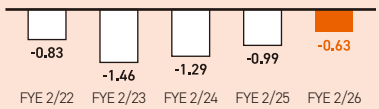
eBook Distribution Business Operating profit



Strategic Investment Businesses Net sales



Strategic Investment Businesses Operating profit



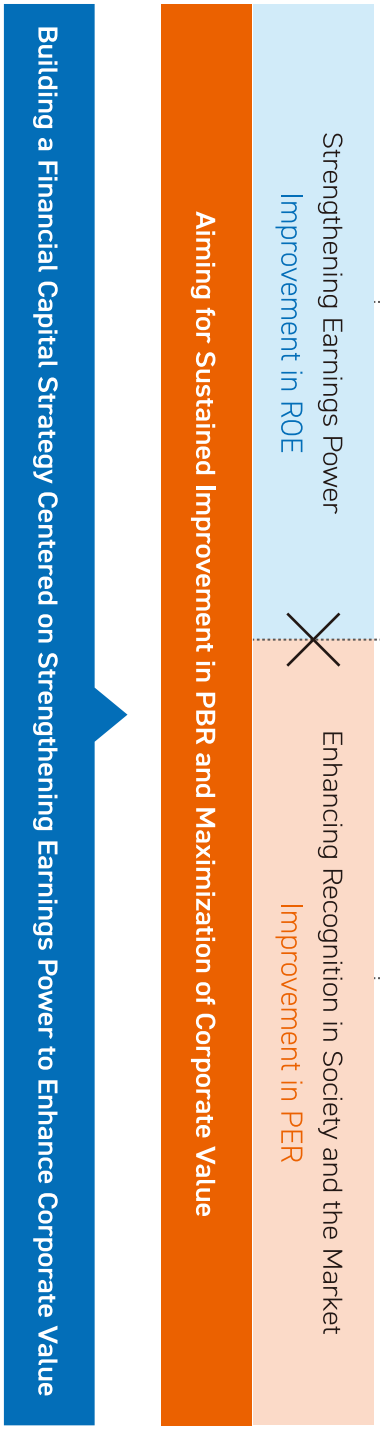
Net sales are growing steadily, supported by the expansion of major new transactions and other factors. Operating profit has recently remained broadly flat due to the discontinuation of certain high-margin services and our prioritization of organizational and security enhancements as we evolve from an eBook distributor into infrastructure for the publishing industry. Nevertheless, the operating platform required to expand future transaction volumes and profitability is steadily taking shape.

Strategic Investment businesses comprise new businesses and acquired subsidiaries. Continued losses reflect proactive investment in adjacent areas in the fiscal years ended February 2022 and February 2023. At the time, execution resources did not keep pace with the rapid expansion of the businesses, and some businesses were unable to deliver the expected results. In response, we rigorously implemented "selection and concentration" under an exit criterion of "8% ROIC," carrying out more than 15 divestments and liquidations from the fiscal year ended February 2024 through the fiscal year ended February 2026. As a result, the segment's earnings have steadily improved. Following this structural reform, we will concentrate management resources on growth areas such as Overseas Expansion and the SC Business. The acquisition of Seven Seas in March 2026 is emblematic of this strategy. We will advance PMI and seek to bring the Strategic Investment businesses into profitability at an early stage.

2 Financial Capital Strategy for Enhancing Corporate Value

MEDIA DO's financial capital strategy is based on maximizing corporate value by effectively combining "stronger earnings power (higher ROE)" through business growth with "higher recognition in society and the market (higher PER)" through dialogue with stakeholders.

In the fiscal year ended February 2026, ROE was 9.9%, compared with the approximately 10% cost of equity recognized by the Company. From a value-creation perspective, we still have progress to make, and further improvement in capital efficiency is an urgent priority. To further enhance capital efficiency over the medium to long term and earn an appropriate market valuation, we will rigorously implement financial policies based on the following four pillars.



1. Executing Strategic Investments and Optimizing the Business Portfolio

M&A discipline and the acquisition of Seven Seas | Business portfolio review criteria and track record

We will promote investment in growth areas that contribute to realizing our vision, aiming to achieve "ROIC of at least 15%" within three years of investment. If investment efficiency falls below "ROIC of 8%," we will promptly carry out a divestment or withdrawal and work to build an optimal business portfolio. →p.57,58

2. Balancing Capital Efficiency and Financial Soundness

B/S management | Cash allocation

We will use the stable operating cash flow generated by the eBook Distribution business (more than 22.0 billion yen cumulatively over five years) as our principal funding source, while making optimal use of debt without relying excessively on equity capital to keep WACC (weighted average cost of capital) low. We will maintain financial soundness targets for the consolidated balance sheet, including a "D/E ratio of 1.0 times or lower," thereby balancing capital efficiency and financial stability. →p.59,60

3. Building Medium- to Long-Term Relationships with Shareholders

Stable shareholder returns | Proactive dialogue and information disclosure

Our basic policy for shareholder returns is to maintain stable dividends, using a total payout ratio of at least 30% as a guideline. We also emphasize dialogue through approximately 100 meetings with institutional investors each year and IR events for individual investors. Feedback from the market is shared with management and reflected in efforts to enhance information disclosure. →p.60,68

4. Advancing Sustainability

Building social and relationship capital | Advancing ESG management

Sustainable growth requires strong social and relationship capital (relationships of trust) with the publishing industry and local communities. →p.67,68

Initiatives to protect the foundations of the industry, including measures against piracy websites, and the advancement of the SC Business, which combines solutions to local community challenges with revenue generation, are central to the Company's sustainability management, which creates both economic and social value. →p.47-54

These initiatives have received objective external recognition, and the Company continues to be included in major ESG indices such as the "FTSE Blossom Japan Index." →p.69,70

1. Executing Strategic Investments and Optimizing the Business Portfolio

We will further accelerate growth by appropriately allocating earnings generated by each business to strategic investments for sustainable growth and building an optimal business portfolio. Through disciplined investment decisions that take the cost of capital and capital returns into account, together with efficient business operations, we will maximize the value generated by our businesses while pursuing management and business diversification to optimize our portfolio structure.

Basic M&A Policy and Decision-Making Process

In accordance with the following fundamental M&A principles, MEDIA DO will proactively pursue M&A that expands its business domains and enhances corporate value.

Decision-making process	Basic policy
(1) Business divisions and Corporate Planning Department	Identify domestic and overseas companies that could contribute to expanding the three pillars of the medium- to long-term growth strategy: **(1) the eBook Distribution business, (2) Overseas Expansion, and (3) the SC Business**
(2) Investment Committee	Participants include Directors, Standing Audit & Supervisory Board Members, and representatives from the Corporate Planning Department, Group Corporate Strategy Department, Accounting Department, Legal Department, and other relevant organizations. Drawing on their expertise, participants examine the key issues and risks associated with each proposal from multiple perspectives. The Committee also determines compliance with the investment discipline below and contractual terms, and designates those responsible for business execution and PMI (the responsible executive and department). **1. Profitability criterion:** Business synergies and business plans are rigorously reviewed with the aim of achieving ROIC of at least 15% within three years of investment. **2. Exit criterion:** If ROIC is expected to fall below the Company's cost of capital from the third year measures such as pivoting, replacing management, divesting, or withdrawing are implemented. **3. Financing criterion:** With consideration for the cost of capital, funding is raised in the following order: free cash flow, borrowings, and equity. **4. Financial criterion:** The aggregate balance of goodwill must not exceed net assets.
(3) Executive Committee	Participants include the Representative Director, Directors, Standing Audit & Supervisory Board Members, and the heads of relevant departments. Based on the Investment Committee's findings (including compliance with the investment discipline above and the proposed business execution structure), the Executive Committee comprehensively discusses and evaluates whether the investment will contribute to the MEDIA DO Group's overall growth strategy and corporate value enhancement.
(4) Board of Directors	As a general rule, investment proposals require approval by the Board of Directors. In addition to Directors and Standing Audit & Supervisory Board Members, Outside Directors and Outside Audit & Supervisory Board Members hold multiple rounds of discussions from the initial review stage, depending on the scale and nature of the proposal.

Topic: Acquisition of Seven Seas Entertainment

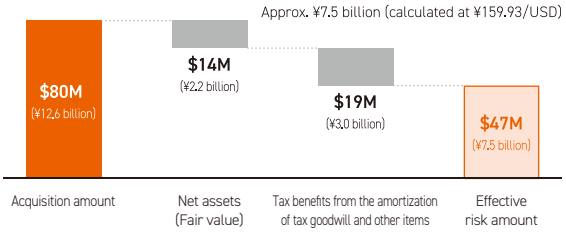
In March 2026, MEDIA DO completed the acquisition of Seven Seas Entertainment, LLC, the largest independent publisher of translated manga in the English-language market, making Seven Seas a wholly owned subsidiary. The acquisition cost was 12.6 billion yen, making it the largest acquisition in MEDIA DO's history and a strategically significant transaction that precisely matched the acquisition targets defined in the Company's growth strategy.

In considering the acquisition, we conducted a multifaceted valuation. This included examining prevailing EV/EBITDA multiples for M&A transactions in the North American publishing industry and validating the future business plan using the DCF method. As a result, the parties agreed on a total price of $80 million (12.6 billion yen at the exchange rate at the time of acquisition), representing an appropriate multiple of approximately eight times Seven Seas' adjusted operating profit. Throughout the process, the Investment Committee, Executive Committee, and Board of Directors engaged in extensive discussions to ensure transparency in governance. In particular, the Board of Directors held a total of 10 discussions, from the initial review through adoption of the acquisition resolution.

In designing the acquisition structure, we combined an acquisition through a U.S. subsidiary with an F reorganization, thereby eliminating the risk of losing the tax benefits, and adopted a "deemed asset acquisition" that maintains procedural simplicity while allowing the tax amortization of goodwill. This is expected to generate a tax benefit of approximately $19 million (¥3.0 billion), limiting the effective risk amount on the balance sheet to $47 million (approximately ¥7.5 billion), or just under 60% of the total acquisition price, and establishing a structure that improves return on invested capital (ROIC).

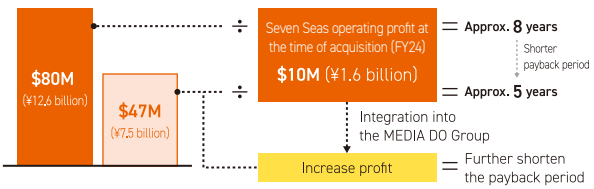
This risk reduction shortens the investment payback period, calculated using operating profit at the time of acquisition, from approximately eight years on a nominal basis to approximately five years based on the effective risk amount. Going forward, we plan to shorten the payback period further by realizing synergies across the MEDIA DO Group and increasing profit. The entire Group is currently advancing PMI with a strong focus on ensuring value enhancement and creating synergies.

Effective risk amount from the acquisition:
$47 million, just under 60% of the acquisition amount



*The acquisition amount was translated at the acquisition-date exchange rate of ¥157.19/USD.
Net assets, tax benefits from amortization of tax goodwill and other items, and the effective risk amount were translated at the exchange rate at the end of the first quarter of the fiscal year ending February 2027: ¥159.93/USD.
As the purchase price allocation (PPA) and other procedures have not been completed, figures are calculated based on provisional accounting treatment as of the present time.

Shortening the payback period through
both acquisition-risk reduction and growth in Seven Seas' profit



*The acquisition amount was translated at the acquisition-date exchange rate of ¥157.19/USD.
The effective risk amount was translated at the exchange rate at the end of the first quarter of the fiscal year ending February 2027: ¥159.93/USD.
As the purchase price allocation (PPA) and other procedures have not been completed, figures are calculated based on provisional accounting treatment as of the present time.

Business Portfolio Review Criteria and Results

The Group has actively invested in adjacent areas to drive growth, but some businesses did not achieve the expected results due to factors such as the dispersion of implementation resources. We therefore strictly apply the "ROIC of 8%" criterion when reviewing the business portfolio. From the third year after acquisition, if a business is expected to fall below this criterion, we do not allow it to continue simply through inertia. Instead, we maintain strict discipline in promptly implementing measures such as pivoting, replacing management, divesting, or withdrawing. Under this policy, from the fiscal year ended February 2024 through the fiscal year ended February 2026, we carried out the sale of more than 15 affiliated companies and investees, including those in unprofitable businesses, for a total of ¥3.0 billion, as well as their liquidation. As a result of this "selection and concentration," the segment's overall profit and loss and capital efficiency are steadily improving.

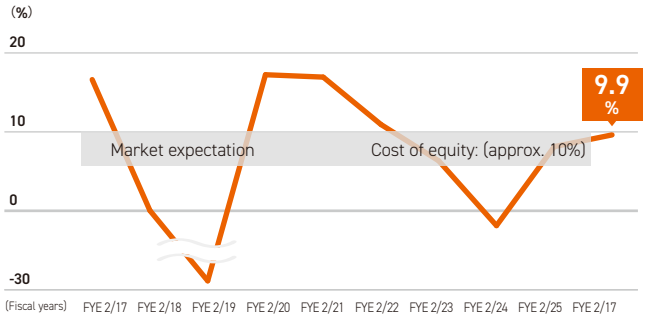
	Subsidiaries	Equity-method affiliates	Other investees and businesses
FYE 2/24	Sale J-Comic Terrace		Exit Vertical-scroll comics business (withdrawal from production) Sale A.I.Squared
FYE 2/25	Exit JIVE (withdrawal from the print publishing) Sale Everystar		Sale PUBNAVI Sale Music business Sale Creatubbles
FYE 2/26	Liquidation JIVE Sale ARTRA ENTERTAINMENT	Sale MyAnimeList Sale PUBFUN	Sale StorySoop Sale MediBang Sale WCS
FYE 2/27	Acquisition Seven Seas Entertainment		Sale Contents Lab. Blue

Recognition of the Cost of Capital and Capital Efficiency Targets

The Company recognizes its cost of shareholders' ' equity as "approximately 10% (based on CAPM)." To manage with an awareness of this cost of capital, we apply a hurdle rate of "ROIC of at least 15%" to medium- and long-term investment decisions, establishing a framework for generating a positive equity spread.

In fiscal year ended February 2026, ROE reached 9.9% as a result of structural reforms, bringing capital efficiency in line with the cost of shareholders' equity. Through continued execution of our growth strategy, we aim to maintain and increase ROE at 10% or higher, consistently exceeding the cost of equity.

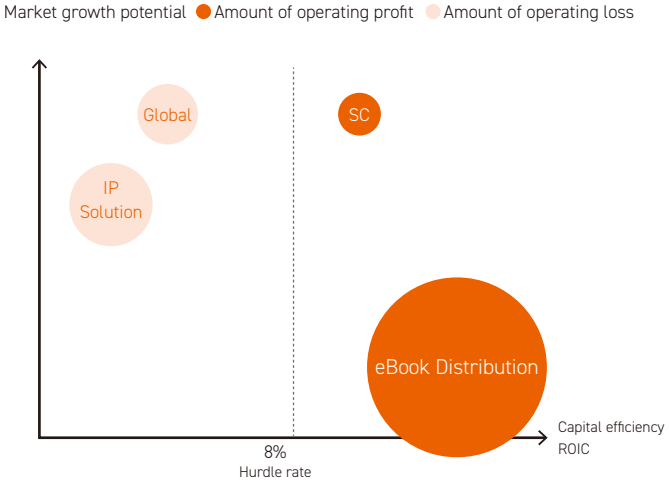
ROE Trends



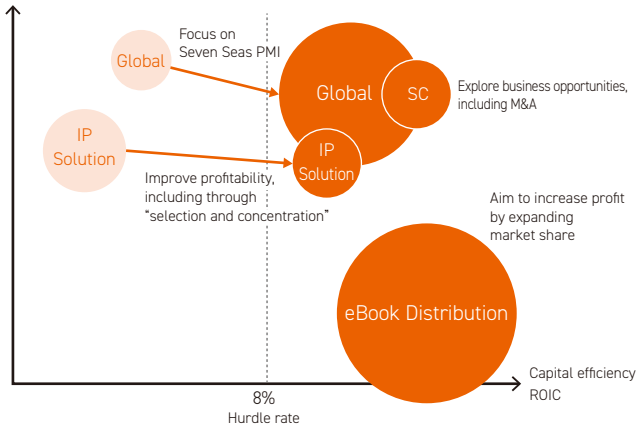
Future Business Portfolio

For the fiscal year ending February 2030, MEDIA DO envisions a business portfolio designed to achieve sustainable value enhancement through continuous optimization. While working to expand market share in the core domestic eBook Distribution business, we will pursue steady value enhancement through PMI at the recently acquired Seven Seas, as well as further growth in the SC Business, which has already achieved profitability at an early stage. In these growth areas, we will continue to make concentrated investments in fields where the Company's strengths can be applied and explore business opportunities, including M&A. By 2030, we aim to establish a capital-efficient business portfolio in which all Strategic Investment businesses meet or exceed the 8% ROIC threshold and mutually reinforce the Group's earnings base.

Current Business Portfolio



Target Business Portfolio for FYE 2/30



2. Balancing Capital Efficiency and Financial Soundness

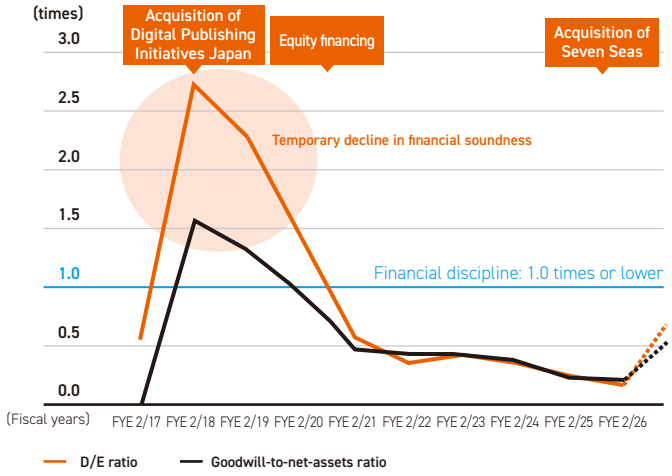
3. Building Medium- to Long-Term Relationships with Shareholders

Disciplined B/S Management While Prioritizing Growth Investment

While making proactive business investments and pursuing flexible M&A, we maintain financial soundness through disciplined balance sheet management. At the time of our previous large-scale acquisition of Digital Publishing Initiatives Japan, financial soundness temporarily deteriorated. We therefore conducted equity financing to restore our financial foundation and secure funds for future growth. We have since established financial soundness standards that include a "D/E ratio of 1.0 times or lower" and a "goodwill-to-net-assets ratio of 1.0 times or lower."

The acquisition of Seven Seas in March 2026 was MEDIA DO's largest M&A transaction, exceeding the acquisition amount for Digital Publishing Initiatives Japan. Although the entire acquisition amount was financed through debt (in the form of bank borrowings), the Company's strong earnings-generating capacity has enabled it to maintain financial soundness. On the most recent balance sheet, as of May 31, 2026, the D/E ratio was 0.8 times and the goodwill-to-net-assets ratio was 0.6 times. As both met the established financial soundness standards, there is currently no need or plan to conduct equity financing.

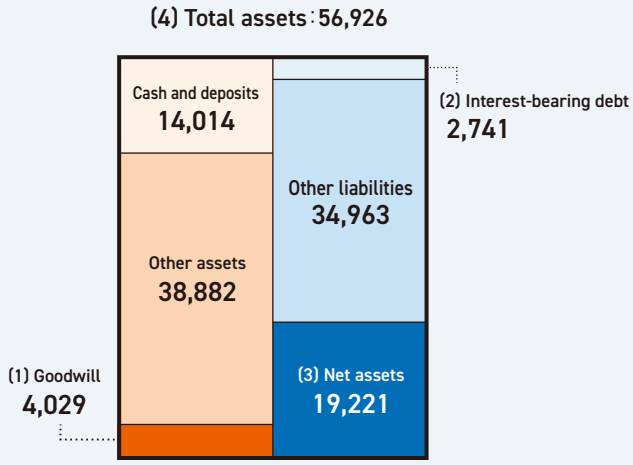
Trends in the D/E Ratio and Goodwill-to-Net-Assets Ratio



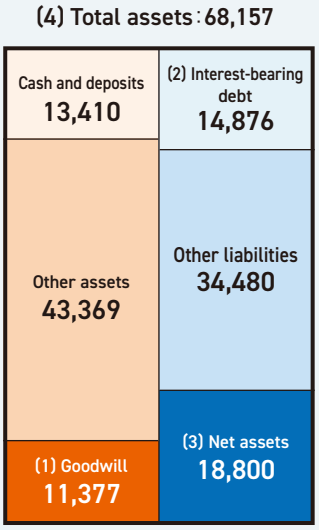
B/S Position Following the Consolidation of Seven Seas

On the consolidated balance sheet as of May 31, 2026, intangible assets, including goodwill, increased following the consolidation of Seven Seas, while interest-bearing debt temporarily increased due to debt financing for the acquisition. Nevertheless, we continue to maintain a sound capital structure, with an equity ratio of 27.6%, and our cash-generating capacity supports strong debt repayment capability. Even after the temporary use of additional debt, we remain within our self-imposed financial discipline (a D/E ratio of 1.0 times or lower and a goodwill-to-net-assets ratio of 1.0 times or lower) and maintain a sound financial position.

Consolidated B/S as of February 28, 2026



Consolidated B/S as of May 31, 2026



(millions of yen)

	Financial discipline (targets)		As of May 31, 2026
D/E ratio: (2) ÷ (3)	1.0 times or lower	····→	0.8 times
Goodwill-to-net-assets ratio: (1) ÷ (3)	1.0 times or lower	····→	0.6 times
Net assets ratio: (3) ÷ (4)	25% or higher	····→	27.6%

Cash Allocation for Medium- to Long-Term Growth

Cash allocation under the Medium-Term Management Plan is designed to balance growth investment and shareholder returns, funded by the stable operating cash flow generated by the domestic eBook Distribution business. For growth investment, which is prioritized in cash outflows, we completed the 12.6 billion yen acquisition of Seven Seas by raising 12.4 billion yen in debt through bank borrowings. Going forward, while recovering invested funds from acquired assets, we plan to optimize the allocation of capital among growth areas — (1) increasing market share in the eBook Distribution business, (2) further strengthening Overseas Expansion, and (3) creating and acquiring profitable businesses in the SC Business—as well as to the repayment of interest-bearing debt and shareholder returns.

Illustrative Cash Allocation from 2025 to 2030

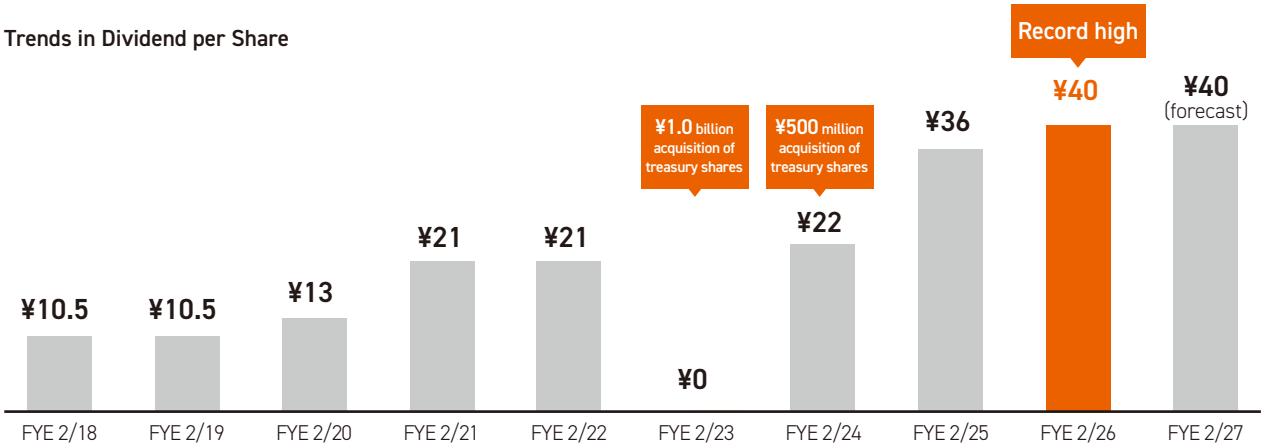
Cash inflows	Cash outflows	Results through May 31, 2026
Additional financing (to be considered as needed)		**Financing: ¥12.4 billion in bank borrowings** - Bank borrowings were made in connection with the acquisition of Seven Seas - Although interest-bearing debt increased, financial soundness has been maintained, and there is no need for additional equity financing
+	**Growth investments** 1. Expanding market share in the eBook Distribution business 2. Strengthening Overseas Expansion 3. Creating profitable businesses in the SC business **¥11.0 billion+**	**Growth investment: ¥12.6 billion for the acquisition of Seven Seas** - Acquired Seven Seas, the largest independent publisher of translated manga in the English-speaking market - Capital allocation to the next growth areas will also be considered in light of financial capacity
Operating cash flow Over ¥22.0 billion	**Shareholder returns** **¥3.5 billion+**	**Shareholder returns: ¥0.6 billion in dividends** - Dividend for the fiscal year ended February 2026 was a record-high 40 yen per share, with stable dividends to be maintained going forward
	Loan repayments **Corporate income tax payments** **¥8.0 billion+**	**Loan repayments: ¥1.5 billion** - Borrowings for M&A transactions in 2017, including Digital Publishing Initiatives Japan, have been largely repaid

Shareholder Return Policy

The Company regards returning profits to shareholders who support the medium- to long-term enhancement of corporate value as one of its most important management priorities. We use a “total payout ratio of at least 30%” as our guideline for returns. In the fiscal year ended February 2023, we acquired 1.0 billion yen of treasury shares as part of a flexible shareholder-return program. As this brought the total payout ratio to 94.6%, close to 100%, we elected not to pay a dividend for that fiscal year.

Except for that fiscal year, however, we have maintained stable dividends since our listing, progressively increasing the dividend as earnings have grown. In the most recent fiscal year, which ended in February 2026, we paid a record-high dividend of “40 yen per share” (representing a dividend payout ratio of 33.4%). Although we plan for lower earnings in the fiscal year ending February 2027 due to upfront investments, our confidence in future growth leads us to maintain the same amount (a projected dividend payout ratio of 50.6%). We will continue to pursue sustained enhancement of shareholder value over the long term through efficient capital management that takes the cost of capital (approximately 10%) into account.

Trends in Dividend per Share



Human Capital Strategy

1 Basic Policy on Human Capital Strategy

We believe that the power of "people," both within and beyond the Company, is the very foundation of our business. We therefore place maximizing the "collective power of people" at the core of our human capital strategy by investing in the growth of talent—the source of corporate growth. By the "collective power of people," we mean the ability to draw not only on internal talent but also on the strengths of people outside the Company through positive relationships and thereby accomplish what no individual or a single company could achieve alone.

Our people maximize this collective power through "holistic problem-solving capabilities": the ability to build on relationships of trust, see the big picture, anticipate needs, and execute optimal strategies by leveraging strengths both within and outside the Company. This enables us to remain an organization that provides distinctive value to society over the long term, while each employee achieves personal growth and self-realization through business activities.

2 Strategy Overview

Group Strengths

As an organization that creates value by connecting people and linking different forms of value, we contribute to society by combining two strengths—"holistic problem-solving capability" and "advanced relationship-building capability"—grounded in our Four Policies (p. 24).

Holistic Problem-Solving Capability	The leadership capability to take a comprehensive view, identify where an issue lies and its true nature, and guide it toward resolution by appropriately securing and mobilizing the resources required (the "collective power of people").
Advanced Relationship-Building Capability	The advanced relationship-building capability to resolve highly complex issues by fully aligning with people inside and outside the Company and establishing a framework for collaboration, based on the understanding that "the collective power of people must exceed the scale of the issues to be resolved."

Each employee approaches their work with "organizational success" and, ultimately, "contribution to society" in mind, rather than "individual success." We believe that these efforts ultimately earn positive recognition from society, strengthen our brand in ways that further deepen relationships of trust with people inside and outside the Company, and expand the range of social issues we are able to address.

Realizing Our Management Strategy

Over the past 20 years, the Company has continued to grow with the eBook Distribution business at its core and has established the No. 1 position in Japan as a platform operator connecting participants across the publishing industry, with approximately 200 billion yen in gross merchandise value (GMV) distributed through its platform. This scale also attests to the trust we have built by working together as an organization, consistently providing high-quality solutions through our relationships with business partners, and sustaining these efforts through effective management over time.

Building on this accumulated trust, the Group has set out three medium- to long-term growth strategies: (1) Domestic eBook Distribution, (2) Overseas Expansion, and (3) SC (Sustainability Creation) business. To realize these growth strategies and position the Company for growth over the next 30 years, we will further expand the "collective power of people."

3 Key Impacts of Human Capital on Corporate Value

No.	Input	Output	Outcome
1	- Development of "holistic problem-solving capability" and "advanced relationship-building capability" - Review of the evaluation system as management strategy evolves and the business environment changes	- Long-term organizational growth and improved productivity (higher net sales per employee)	- Corporate brand building and maximization of the collective power of people inside and outside the Company - Maximization of employees' self-realization and well-being
2	- CEO-led development of next-generation management talent	- Establishment of a management foundation to drive corporate growth over the next 30 years	- Long-term growth of the Group and maximization of the scope of its contribution to society

4 Human Capital Strategy Priorities for the Next 30 Years

As part of its human capital strategy to maximize the “collective power of people” and create value over the long term, the Company has identified priority areas for implementation in recruitment, evaluation, development, and other areas, while continuing to update them.

(1) Recruitment: Marketing and Branding
As an organization that connects people and diverse values, we seek individuals who understand and respect our core values and decision-making criteria. We want people who feel strongly that applying their capabilities here will foster their own self-realization and well-being. Therefore, our recruitment strategy emphasizes “marketing”—maximizing the number of people who are aware of the Company—and is pursued through “branding” to clearly convey our identity.

(2) Development: Experiencing Holistic Problem-Solving
As the Company stands at a turning point and sets out a growth strategy for the next 30 years, we will strengthen the medium- to long-term development of people who possess both “holistic problem-solving capability” and “advanced relationship-building capability” and can contribute to society as a whole.

(3) Evaluation: Optimizing the System as Strategy Evolves
Rather than assessing employees solely on results, the Company remains committed to competency-based evaluations that recognize each individual’s growth through contributions both inside and outside the Company. As our management strategy evolves, we will optimize the design of our evaluation system to align it with recruitment and employee development.

(4) Succession: Management by a “Collective” to Ensure Repeatability
As society changes significantly over time, the Group aims to take up the baton from its founder, enable repeatable value creation, and achieve further corporate growth through management by an autonomous team of multiple individuals (a “collective”) for the next 30 years.

● **Overview of the Human Capital Strategy**



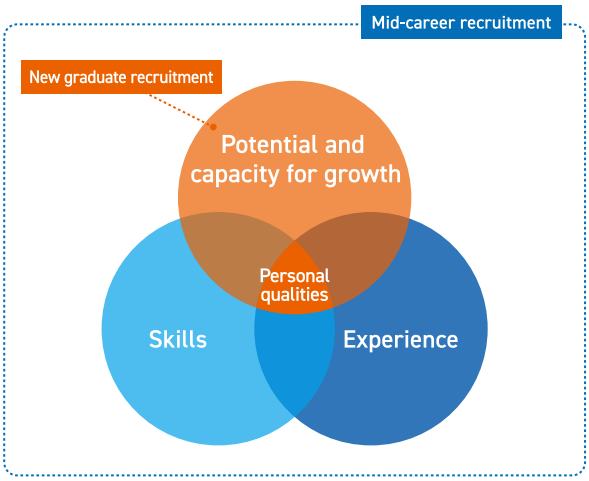
5 Specific Initiatives: Recruitment — Marketing and Branding

Our recruitment is designed to ensure that people join the Company with a clear understanding of and respect for the values and decision-making criteria we prioritize, and with a strong conviction that contributing their capabilities here will lead to their own self-realization and well-being. We pursue this through “marketing,” aimed at maximizing the number of people who know about the Company, and “branding,” which clearly communicates our identity. Through these efforts, we will improve organization-wide retention and accelerate growth.

(1) New Graduate and Mid-Career Recruitment
In recruitment, we consider each candidate’s personal qualities across three dimensions: “potential and capacity for growth,” “skills,” and “experience.” As a rule, we place primary emphasis on “potential and capacity for growth” when recruiting new graduates, and on all three dimensions when recruiting mid-career professionals. At the same time, we view the recruitment process as a branding opportunity through which people can learn about the Company’s identity. Even when a candidate does not ultimately join us, we aim for the many students and job seekers we meet to leave with a positive impression of our values and remember the Company.

In recruiting new graduates, we thoroughly explain our identity, policies, and business strategies at information sessions. Recognizing both our gratitude and responsibility toward new employees who choose to join the Company as the first step in their professional lives, the President personally conducts the “Kito Training Program” as a mark of respect for that decision.

● **Recruitment Criteria**



(2) Kito Training Program
Since launching new graduate recruitment in 2010, we have held the “Kito Training Program” every year, primarily for incoming new-graduate hires and newly joined employees. The program takes place in the Kito district of Naka Town, Tokushima Prefecture (former Kito Village), founder Fujita’s hometown and the place where his roots lie. As a mark of respect for those who have chosen the Company for the first step in their professional lives, this three-day program is the only occasion on which Fujita personally and systematically explains the Company’s values and history, management framework, and future strategy.

The program also includes opportunities to interact with Fujita’s family. By learning about the hometown and Fujita’s family, participants gain a more tangible understanding of “what kind of leader is at the helm of the Company they are about to work for.” At the same time, the program encourages them to reflect on their own lives and hone the fundamental sense of purpose that drives them to work. Around 10 places are also available for current frontline employees, mainly managers, as well as officers. By interacting closely with them, participants can gain a more concrete sense of the Company’s culture.

6 Specific Initiatives: Development — Experiencing Holistic Problem-Solving

At this turning point, as the Company pursues a growth strategy for the next 30 years, we aim to remain an organization that continues to expand the scope of its value creation and contributions. Over the long term, we are developing employees' "holistic problem-solving capability" and "advanced relationship-building capability." As a development mechanism, we design a diverse range of "events" that give employees the opportunity to experience holistic problem-solving: working within a defined time and setting toward a medium- to long-term objective, while taking a comprehensive view to maximize impact. Going forward, as our management strategy evolves, we will establish goals and metrics linked to the human resources system currently under review, further enhancing the effectiveness of talent development.

Diverse "Events" for Capability Development

In addition to the "30th Anniversary Appreciation Event," held in May 2026 and attended by approximately 660 people, each business plans and hosts a variety of "events," including business briefings for the publishing industry, financial results briefings, regular events at TOKUSHIMA INNOVATION BASE, xIB JAPAN nationwide networking events, tours to attend official games of the B.LEAGUE club TOKUSHIMA GAMBAROUS, and SC IR conferences.

It is precisely these events that give employees hands-on experience in designing programs that leave participants and collaborators satisfied and thinking, "I want to come again," as well as in preparing for the events, attracting attendees, and maintaining an overall perspective while fulfilling their respective roles. By stepping away from their regular duties to participate in and help run these events, employees cultivate the ability to see the whole picture, anticipate what is needed, and deliver new solutions for others while drawing on support from inside and outside the Company.

7 Specific Initiatives: Evaluation — Optimizing the System as Strategy Evolves

Beginning in fiscal year ending February 2027, which marks the 30th anniversary of the Company's establishment, the Human Resources Department, responsible for designing and administering human resources systems, is collaborating with full-time directors, the Executive Officers Committee, and others to optimize the design of an evaluation system aligned with recruitment and development as our management strategy for the next 30 years evolves.

We remain committed to competency-based evaluations that evaluate not only results but also each individual's growth through contributions both inside and outside the Company. Expanding the scope of our contribution to society requires maximizing the collective power generated through our relationships with society. This, in turn, requires two capabilities across the organization: "holistic problem-solving capability" and "advanced relationship-building capability."

Going forward, it will be essential to evaluate growth in these two capabilities. In addition to day-to-day performance, we plan to evaluate employees based on the quantity and quality of various activities that foster these capabilities, including attending and helping to organize events. We aim to implement the new system by the end of the fiscal year ending February 2028.

8 Specific Initiatives: Succession — Management by a "Collective" to Ensure Repeatability

As we prepare for the future transition from management led by the founder to the next generation, we need to establish a structure that will enable the Company to expand the scale of its contribution to society and continue to grow even after the founder is no longer at the helm.

Rather than selecting a single successor to lead the Company, we aim for management by a "collective": an autonomous team of multiple individuals, with clearly defined roles, who deliberate within a disciplined framework, elevate one another, and generate the organizational capacity for growth. Founder Fujita is committed to the long-term, continuous development of management talent capable of extending throughout the organization the repeatability in value creation that the Company has built over time.

(1) Establishment of the "Executive Officers Committee"

Beginning in fiscal year ending February 2027, the executive officers, who are the senior leaders responsible for the Company's business execution, established the "Executive Officers Committee" to function as a single "persona"—aligning their understanding as an organization, making decisions in unison, and advancing execution with accountability (see p. 16, "Executive Officers Committee" Roundtable). Beyond their individual areas of responsibility, the executive officers deliberate on and consolidate their views regarding a range of Group management issues presented by full-time directors, as well as issues they themselves identify from the perspective of the organization as a whole, with responsibilities divided across their respective areas. Acting as a single "persona," they make recommendations to management and clearly communicate policies to frontline employees.



(2) Next-Generation Management Talent Development Program

To enable the next generation to reproduce the management approach that has driven 30 years of corporate growth, Fujita is working to articulate and quantify the Company's management framework. As part of this initiative, in May 2026, the Company together with Tokushima Prefecture, Tokushima University, and the University Support Organization, launched the Tokushima University course "aX—The Local-to-Global Equation." The one-year course is delivered over 10 months through 8 sessions comprising 16 classes (90 minutes each). The Company is responsible for articulating the content and preparing the course materials, while Fujita directly shares his approach to corporate management, organization building, management practices, business development, and related topics.

In parallel, we are developing "next-generation management talent" among full-time frontline employees who aspire to lead the Company and are selected through an internal open application process, regardless of age or position. Six members were selected for the first cohort (fiscal year ending February 2027). Founder Fujita personally leads their development and conducts the program interactively, aiming to ensure that the next-generation management talent accurately understands the values and design of "MEDIA DO's management," rather than merely acquiring knowledge through classroom study.

The program comprises 11 sessions per year (four to five hours each). Participants are required to submit reports on pre-session assignments and post-session reports (2,000–5,000 Japanese characters). Through repeated, rigorous cycles of input and output, they challenge themselves to experience and embody MEDIA DO's management.

By enabling each member to share and pass on the management perspective gained through the program across the Company, we will strengthen the organizational capabilities of frontline teams in each department and deliver greater corporate value. Furthermore, by creating a cycle in which these members develop a new generation of management talent, we will facilitate effective succession across the organization and build a stronger organization capable of achieving growth as a "collective."

Cumulative Number of "Executive Officers Committee" Members and Participants in the "Next-Generation Management Talent Development Program"

FYE 2/27	Target for FYE 2/30
11 people	**30 people**

Participant Voices: Next-Generation Management Talent Development Program



Manager,
Finance & IR Section,
Corporate Planning Department

Takashi Kuramoto

I believe that work is the part of life through which we connect most deeply with society, and that it gives us an opportunity to help create a happier future for the next generation, including my own children. Aspiring to become a business leader is to maximize my contribution to society by broadening the scope of my role. I am convinced that MEDIA DO is the place where I can pursue that contribution "with integrity and grace," guided by a spirit of altruism.

At the financial institution where I previously worked, I encountered a wide range of companies and was deeply inspired by MEDIA DO and Fujita, for their firm determination to drive the business forward, shoulder the future of both the publishing industry and local communities, and remain indispensable to both. For MEDIA DO to achieve sustainable growth and societal contribution, we must move beyond reliance on any single individual. Instead, we are transitioning to management by a "collective" where each employee is strong and autonomous. Through the Next-Generation Management Talent Development Program, we are learning not merely management know-how, but the very essence of "the human qualities a business leader should embody," which underpin the management Fujita has built over 30 years. The six of us in the current cohort are grappling earnestly with what we should carry forward from MEDIA DO's history and how we should connect it to the future. By applying the mindset and passion I gain through this program to my day-to-day work and sharing them with my colleagues, I will help support MEDIA DO's sustainable growth from the ground up.



Manager,
Bookstore Initiatives Section,
Initiative Operations Department,
eBook Business Division

Akino Tahara

In the 10 years since joining MEDIA DO as a new graduate, I have witnessed its rapid transformation firsthand. Along the way, the feeling of "What comes next in this story—I want to see it for myself" grew into a strong desire, which is also why I continue to work at MEDIA DO. But the "next chapter" will not come simply by waiting. Now, as MEDIA DO marks the 30th anniversary of its founding, I would like to help forge its future and carry this story forward to the next 30, 50, and even 100 years.

Each day, I am reminded that achieving this requires me first to look deeply at myself. No matter how intensely I approach things from the standpoint of the frontline, the values and framework underlying the management Fujita has built over 30 years extend far beyond my own thinking. Yet, as I think through as deeply as I can alongside colleagues who also aspire to management roles, the new insights that emerge from our differing perspectives give me a growing sense that I am developing management instincts step by step.

I will continue to engage deeply with Fujita and my fellow aspiring leaders, striving to understand one another and challenge one another to grow, even when I am sometimes overwhelmed by my own shortcomings. I will keep pursuing this challenge, believing that only through such steadfast effort can we realize a form of management by a "collective" that "possesses a single persona as an organization and arrives at a single answer."

8 Value Created by MEDIA DO's Human Capital: The 5D Fund

A System Created by Employees to Put Management Focused on "People" into Practice

Behind the financial figures generated by the MEDIA DO Group are the "people" who bring passion to their work every day. The "people" who deliver measurable results embody the Company's future potential. Creating an environment in which they can fully demonstrate their capabilities while upholding our corporate culture will form the foundation for the Group's growth over the next 30 years.

Against this backdrop, in April 2026, the Group launched the "5D Fund," which prudently invests a portion of its surplus cash and directs resulting investment income toward employees in ways that support the Company's growth. Its purpose is to create a forum where officers and employees can discuss ways to stimulate human capital investment outside normal budget constraints to implement initiatives focused on employee growth.

Investment income will be used to cover employee travel and other expenses, regardless of whether they are directly related to employees' duties. This includes participation in SC Business events hosted by the Group and visits to frontline overseas operations. By enabling more employees to understand the Company from multiple perspectives, regard Company-wide developments and management actions as matters that concern them personally, and cultivate a stronger sense of ownership, we aim to maximize the "collective power of people."

This initiative originated from a proposal by a single employee. As of July 2026, it has generated approximately 14 million yen in investment income.

• Approach to Utilizing Investment Income

(1) Understanding the Company's History, Philosophy, and Culture

Provide opportunities to directly experience MEDIA DO's contribution to society through its distinctive businesses and the relationships of trust it has built

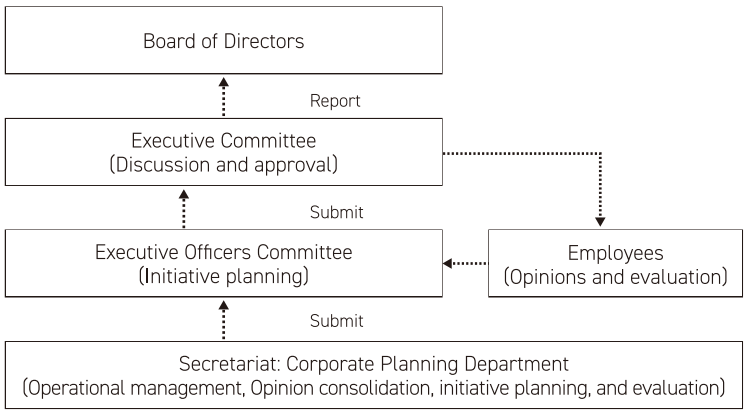
(2) Building Strong Interpersonal Relationships

Implement exchange initiatives and other measures that strengthen relationships among the people who make up the MEDIA DO Group

(3) Enhancing the Working Environment

Provide diverse forms of support that enrich employees' lives through their work and the Company, without allowing the Company to become a constraint at any stage of life

• Investment Management Structure



Technology Capital Strategy

In the eBook distribution business, the Group has served as a vital link between publishers and eBook retailers, continually working to address industry-wide challenges through technology. Our responsibility to support an efficient distribution structure and protect the value of creative works continues to grow, with annual gross merchandise value (GMV) currently reaching approximately ¥200 billion.

Technology capital is one of the MEDIA DO Group's most important management resources. As we seek to further expand our share of the distribution market, we are making targeted investments to fulfill our responsibilities as part of the publishing industry's infrastructure and continue contributing to its development. These investments center on two priorities: "strengthening security" to prevent and mitigate a wide range of threats without sacrificing the convenience of our infrastructure, and "utilizing data" to improve efficiency and reduce costs both within and outside the Group.

1 Key Impacts of Technology Capital on Corporate Value

In light of changes in the operating environment and its management strategy, the Group identifies the growth opportunities and potential risks associated with investments in technology capital and determines the priority areas on which to focus its efforts.

Inputs	Outputs	Outcomes
- Investment in information security - Appropriate use of data and generative AI	- Greater reliability in content distribution - Lower cost-of-sales ratio in business operations	- Growth in content distribution market share / GMV / net sales / operating profit

2 Approach to Engineering Talent

To continue contributing to Japanese creative works, the Company aims to develop and retain engineers equipped to steadily address industry challenges. We focus on cultivating talent with strong proposal and development skills, as well as "holistic problem-solving capabilities" from a technology perspective. Led by the Senior Executive Officer and CIO, the Technology Division keeps pace with the latest technological developments while regarding technology as a means rather than an end. We develop engineers capable of selecting the most appropriate technologies and approaches for the objective at hand. Through long-term investment in the development and retention of such talent, we aim to strengthen our in-house development capabilities (internal development speed and system quality).

3 Strengthening Security to Sustain Trust

As cyberattacks become increasingly frequent and serious in Japan, the Group is working to enhance the security and reliability of domestic eBook distribution. Through appropriate security investments, we adjust our security requirements in response to environmental changes, including the enactment and revision of laws and advances in technology. We view investment in strengthening information security as an essential responsibility that protects business continuity and corporate value while enabling stakeholders to establish long-term business relationships with confidence.

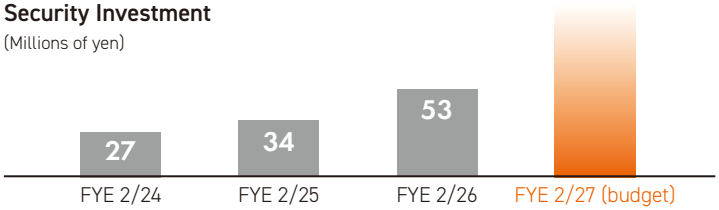
In addition to steadily strengthening its organizational foundation in accordance with the NIST Cybersecurity Framework, the Group conducts risk assessments to evaluate its compliance with CIS Controls, a cybersecurity framework developed by the U.S.-based Center for Internet Security (CIS). While continuously improving its scores, the Group has implemented flexible and effective security measures in response to constantly evolving threats.

Going forward, we will roll out our proven track record and accumulated knowledge across Group companies, helping raise overall security standards to a consistent level. Through these efforts, we aim to further strengthen Group-wide resilience and reduce supply chain risks.

Beyond building a defensive foundation to detect and respond early to increasingly diverse cyberattacks and human-related risks, the Group will strengthen its proactive security capabilities. This includes identifying and analyzing potential risks and threats in advance and implementing appropriate countermeasures promptly from the earliest stages of system development.

Security Investment

(Millions of yen)



FYE 2/24: Established a dedicated security department. Strengthen foundational security measures and monitoring of internal misconduct
FYE 2/25: Advanced zero-trust security
FYE 2/26: Strengthened security for proprietary systems and cloud services
FYE 2/27: Enhance response to external threats and reduce supply chain risks

CIS Controls Score (Non-consolidated; YoY)

FYE 2/25	FYE 2/26
+0.6pt	+0.3pt

Enhancing the vulnerability management process, with an emphasis on early risk detection and continuous improvement cycles, contributed to a higher score and the achievement of the three-year plan covering the fiscal years ended February 2024 through February 2026. Going forward, we will continue working to improve scores across the Group.

4 Leveraging Data to Improve Efficiency and Reduce Costs Both Internally and Externally

By combining the capabilities of its people with technology, the Group is working to reduce the operational burden of distribution and increase distribution speed across all operations, including eBook delivery, campaign management, and sales administration. By developing more efficient content distribution mechanisms and a data platform, the Group will continue to deliver its unique value as its distribution share expands.

(1) System Integration with Publishers and eBook Retailers

Through its eBook distribution business, the Company receives approximately 900,000 new content files (a monthly average of 75,000 items) from publishers each year, and this volume continues to increase annually. Building on its No. 1 position in the domestic market, the Group will expand system integration with a growing number of publishers and eBook retailers, further reducing the operational burden of distribution and increasing distribution speed.

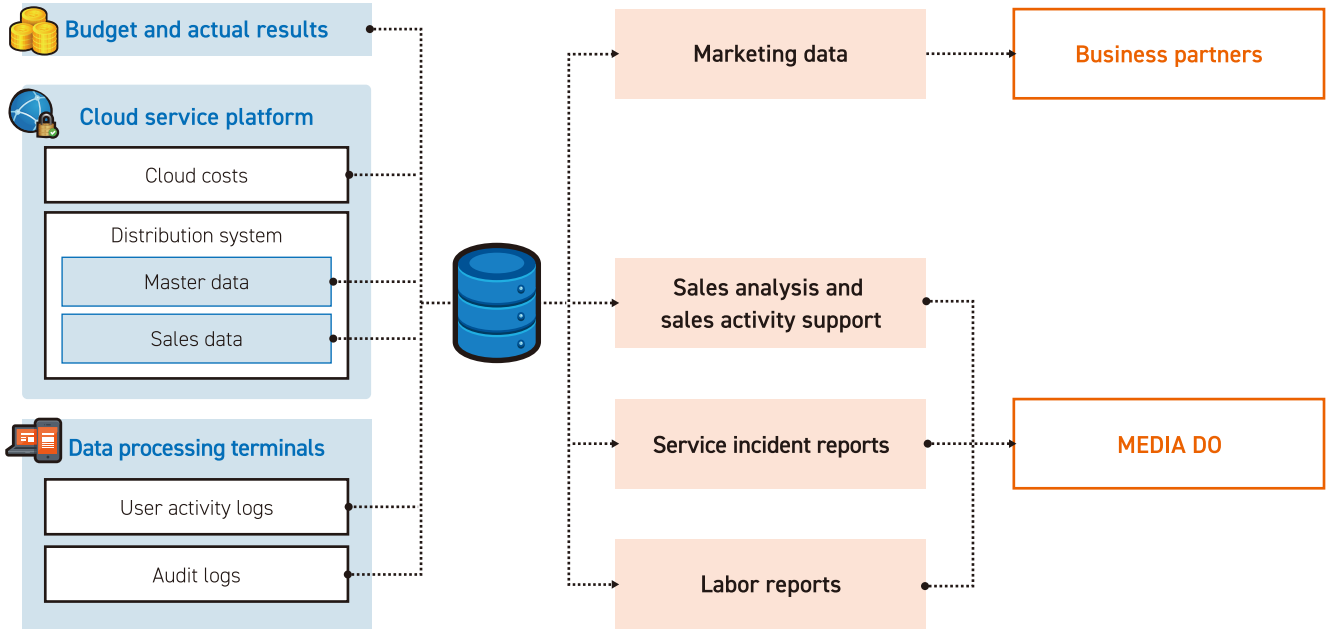
By strengthening system integration in line with each eBook retailer's delivery specifications, automating operational processes, and optimizing accumulated expertise, the Company improved delivery speed (the number of content items registered per day) by 23.8% year on year in the first half of the fiscal year ended February 2026. System integrations with eBook retailers are developed individually to accommodate each retailer's distribution methods and rules. As this network of system integrations expands, we believe MEDIA DO's position in eBook distribution will become even stronger.

(2) Development of a Data Platform

The Company is making a long-term investment in developing a data warehouse that consolidates and analyzes a broad range of information. This infrastructure is intended to enable business partners to focus on content creation, service enhancement, and promotional activities, while improving internal efficiency and contributing to decision-making related to management strategies and business operations. Through its unique position in the eBook Distribution business, MEDIA DO continues to accumulate a volume and breadth of data unmatched in Japan.

For business partners, we are developing a dashboard that rapidly analyzes and visualizes detailed marketing information at a lower cost than conventional methods. The dashboard provides functions that support publishers in analyzing sales and formulating sales strategies, and we continue to enhance and refine these capabilities.

Internally, we are developing a dashboard to support sales activities in the eBook Distribution business. We also aim to enable accurate and timely data analysis for management and business decision-making by incorporating a wide range of data, including management accounting data, human resources data, and cybersecurity logs. At Seven Seas Entertainment, one of the world's largest publishers of translated manga for international markets, the Group integrates eBook sales trend data on a daily basis to support the acquisition of new titles.



(3) Use of Generative AI

The Group closely monitors the rapid development of generative AI and seeks to improve organizational and individual productivity by using it while assessing its cost-effectiveness. Based on Group-wide usage rules, engineers use generative AI to improve the efficiency of coding assistance, code reviews, and other tasks. The Group has also introduced AI-related services in the field of cybersecurity. By building on these initiatives, the Group aims to improve per-person productivity in development and other operations, further enhance the efficiency of content distribution, and visualize data that was previously not visible. Through these efforts, we will further expand our share of the eBook distribution market while sustainably increasing the value of the Group's role in society.

Social and Relationship Capital Strategy

Social and relationship capital is a vital management resource that underpins the Group's corporate value. It enables the Group to connect different forms of value through content distribution in the publishing industry in Japan and overseas, as well as within local communities, and thereby continue contributing to the progress and development of society. The Group seeks not only to achieve growth on its own, but also to collaborate with diverse stakeholders across organizational and sectoral boundaries. By building strong, long-term relationships of trust through dialogue, the Group aims to drive new business growth and maximize the value of its contributions to society.

The Group's business model is built on relationships of trust with a wide range of stakeholders. Deepening engagement with all stakeholders forms the foundation for the Company's sustainable growth. Key initiatives include expanding a regional revitalization model, providing infrastructure that supports the sustainable development of the publishing content industry, strengthening internal organizational capabilities, and engaging in constructive dialogue with shareholders and investors. (Actual figures are for the fiscal year ended February 2026 or as of June 30, 2026.)

1 Engagement with Local Communities

The Group emphasizes collaboration with financial institutions, media organizations, government agencies, educational institutions, and other partners to create sustainable local communities and rediscover and maximize local value. Through initiatives to address social issues facing local communities, the Company is creating a foundation that supports the sustainable growth of its businesses while building unwavering relationships of trust with local communities.

(1) Contribution to local communities through TOKUSHIMA INNOVATION BASE (TIB)
Established in 2020, TIB connects key regional institutions and promotes initiatives to cultivate and support entrepreneurs who take risks themselves and pursue the creation of new value. Through "Monthly Meetings" featuring entrepreneurs as speakers and other regular learning and networking opportunities, TIB has created a framework that enables members to connect with local stakeholders and grow together. As a result, total membership has reached 413, with 30 companies established through TIB.

(2) xIB JAPAN: Revitalizing regional economies through co-creation with stakeholders
Through xIB JAPAN, which cultivates and supports entrepreneurs across Japan , the Company is expanding the IB (Innovation Base)—based regional revitalization model nationwide across 25 prefectures (including those under preparation). By 2030, we aim to expand to all 46 prefectures other than Tokyo, grow total membership to 5,000, broaden collaboration with diverse institutions, and promote the sustainable development of regional economies. In April 2026, the Company entered into a partnership agreement with B.LEAGUE to promote business growth through collaboration among regional companies and revitalize regional economies. In June, the Company entered into a strategic partnership agreement with the Fukuoka Stock Exchange to support the growth of regional companies and help them pursue stock exchange listings.

Scale (Scope of Impact)

- Regional co-creation platforms
  - TIB
  - xIB JAPAN
- Related businesses
  - MEDIA DO TECH TOKUSHIMA
  - GAMBAROU TOKUSHIMA Co., Ltd.
- Sponsors: 227 companies in total (TIB, TOKUSHIMA GAMBAROUS, etc.)
- xIB JAPAN locations: 25 prefectures (including those under preparation)
- xIB JAPAN members: More than 1,600

Engagement Methods and Results

- TIB monthly meetings: 72 (total annual attendance: 2,362)
- Companies launched through TIB: 30
- Average attendance at TOKUSHIMA GAMBAROUS games: 1,750
- The Company's first business briefing in Tokushima Prefecture
- Launch of "aX," a practical course on the management equation at Tokushima University
- "Uzushio Summit," Tokushima Prefecture's version of the Davos Forum
- IR Conference for Individual Investors "SC IR Tokushima"
- Official websites
- Daily communication

Outcomes

- Creation of economic value for local communities
  - Social value and economic impact generated by TOKUSHIMA GAMBAROUS games held in Naka Town (November 2025: approximately 137 million yen over two days)



April 10, 2026 — 4th TIB Annual Conference
A total of 226 participants from diverse backgrounds attended, including TIB members, the five founding companies of TIB (Including MEDIA DO, The Tokushima Shimbun, Shikoku Broadcasting, The Awa Bank, The Tokushima Taisho Bank), and IBs from other prefectures.

→ TIB event report:
https://tibase.jp/2026/04/23/2026tib4annualconferencereport/ (Japanese only)



Digest Video

March 6, 2026 — Uzushio Summit
A total of 282 participants from Japan and overseas, including entrepreneurs, business leaders, representatives of government agencies, financial institutions, educational institutions, and sports representatives, as well as cultural figures and students. More than 50 speakers took the stage.



April 14, 2026 — Press Conference
xIB JAPAN and B.LEAGUE (55 clubs nationwide) signed a partnership agreement to revitalize local communities and promote business development.
→ xIB JAPAN release: https://xibase.jp/news20260414/ (Japanese only)

2 Engagement with the Publishing Content Industry

As Japan's largest eBook distributor, the Company has earned strong trust and established a leading position that attracts a steady flow of content from publishers, supporting eBook distribution as infrastructure for the publishing industry. To advance the publishing content industry as a whole, including publishers and eBook retailers, the Group aims to build an end-to-end distribution platform in Japan and overseas that extends beyond the conventional role of an eBook distributor. Through initiatives to deliver Japanese content worldwide, the Group will broaden the scope of its contributions and further strengthen relationships of trust with all partners.

Participation in Industry Organizations

The Group participates in nine organizations, including General Incorporated Association ABJ, an industry organization working to combat piracy websites, and W3C, which promotes the development of a globally standardized eBook data format. Through these activities, the Group seeks to revitalize the eBook market and enhance its efficiency, thereby contributing to the sustained growth of the publishing content market.

Scale (Scope of Impact)

- Over 2,200 publishers
- Over 150 eBook retailers
- Content market: ¥15.8676 trillion*1
- Publishing market: ¥1.5462 trillion*2
- eBook market: ¥684.6 billion*3

Engagement Methods and Results

- Daily sales activities
- Daily communication
- The Company's website

Outcomes

- Expansion of domestic eBook distribution share

*1: Humanmedia, Inc., "Japan and Global Media × Content Market Database 2026 Vol. 19 [Preliminary Edition]"
*2: The Research Institute for Publications, "Publishing Indicators Annual Report, 2026 Edition"
*3: Impress Research Institute, "eBook Business Survey Report 2026"

3 Employee Engagement

Our corporate creed, "Growth and Potential," reflects our belief that nothing is more important than building relationships of trust by respecting one another and celebrating each other's growth. The Company engages its employees through periodic messages from management, articles published regularly on owned media, and study sessions and training conducted as needed by frontline employees.

Company-Wide Policy Briefings

To continuously foster trust and unity with employees, the Company regularly holds "Company-Wide Policy Briefings" twice a year. At these briefings, the President and CEO and other full-time executive officers speak directly to employees in their own words about the future growth strategy and key management indicators, starting with recent performance. By sharing management's vision and direction across the Company, these briefings provide a foundation for everyone to move forward together toward the same goals, thereby enhancing engagement throughout the organization.

Scale (Scope of Impact)

- 253 employees on a non-consolidated basis / 507 employees on a consolidated basis
- 15 consolidated subsidiaries

Engagement Methods and Results

- Company-Wide Policy Briefings: 2
- Employee training and study sessions: 42
- Owned media posts: 16
- Company-wide social gathering
- TOKUSHIMA GAMBAROUS game-watching tour
- Gambarous Seven initiative
- Whistleblowing system / consultation desk
- Inquiry desks for each administrative department

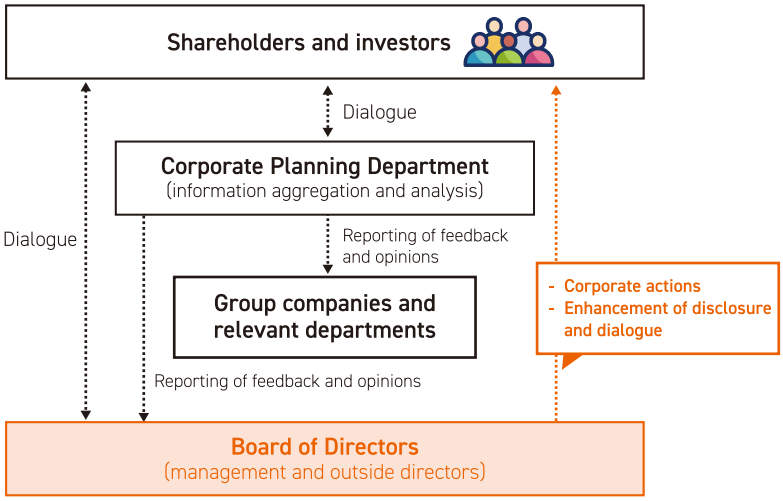
Outcomes

- Expansion of per-employee contribution scale to society (net sales)

4 Engagement with Shareholders and Investors

We ensure timely, appropriate, and fair disclosure of information to shareholders and investors. We actively incorporate valuable feedback received through dialogue into reviews of our management strategies and material issues, as well as in improvements to business operations.

Cycle for Enhancing Corporate Value through Dialogue with Shareholders and Investors



Scale (Scope of Impact)

- Number of shareholders: 5,840

Engagement Methods and Results

- General Meeting of Shareholders and integrated report
- The Company's website
- Financial results briefings: 4
- Individual meetings with institutional investors: 96
- IR emails sent: 29

Outcomes

- Improved liquidity of the Company's shares

Opportunities to Report to the Board of Directors

(1) Board materials (status of dialogue with investors)

Frequency	Quarterly
Main Topics	Analyst reports; shareholders' and investors' assessments and comments on financial results; and future IR actions based on this feedback

(2) Financial results briefing status report

Frequency	Quarterly
Main Topics	Changes in participation and feedback from participants

(3) Other reports

Frequency	As needed
Main Topics	Key feedback from shareholders and investors obtained through IR meetings and inquiries from individual investors

Natural Capital Strategy

1 Positioning of Natural Capital

Natural capital is an essential management resource that must be continuously conserved to sustain the social foundations to which the Group delivers the value it creates. By pursuing specific measures suited to the Company's business characteristics, including climate change initiatives aligned with international frameworks, we are working to enhance corporate value over the long term.

Since the Group does not own facilities such as factories, its direct greenhouse gas emissions are limited. Its core eBook Distribution business helps reduce resource consumption and environmental impact in manufacturing and transportation processes, thereby contributing to the "protection" of natural capital. While recognizing that print books offer unique cultural and educational values and have global demand that digital formats cannot fully provide and are in demand worldwide, the Group leverages digital technology to streamline distribution and achieve an appropriate production balance, driving the optimal use of resources across the industries connected to its business model.

Key Impacts of Natural Capital on Corporate Value

	Inputs	Outputs	Outcomes
1	Promoting the eBook Distribution business	Expansion of the eBook market	Conservation of paper resources
2	Reducing energy consumption and visualizing GHG emissions across the entire supply chain	Reduction of Scope 1 and 2 GHG emissions	Mitigation of climate change

2 Climate Change Adaptation

In June 2024, the Company announced its support for the TCFD recommendations[*1] and joined the GX Future Consortium[*2]. Since August 2024, we have disclosed information based on the TCFD framework and will continue to enhance our disclosures. For details, please visit the Company's website. → https://mediado.jp/english/sustainability/environment/

1. Governance

The Risk Management Subcommittee established by the Sustainability Committee promotes efforts to address climate change.

To disclose information in line with the TCFD recommendations, the Company established a project team under the Risk Management Subcommittee, led by the Executive Officer in charge. The team gathers information on the current situation and conducts discussions on future initiatives.

2. Strategy

Based on energy consumption data for the Company, three subsidiaries located at the same sites, and MEDIA DO TECH TOKUSHIMA Co., Ltd., as well as site information for the Company and all consolidated subsidiaries, the Group conducts scenario analysis to anticipate climate change-related shifts in the business environment and assess the resulting risks and opportunities for the Group and its businesses. The analysis primarily assessed the degree of financial impact under a 1.5°C scenario aligned with the Paris Agreement target and a 4°C scenario in which warming progresses without countermeasures. The analysis identified potentially significant business opportunities arising from growth in the eBook market, while also estimating financial impacts such as increased operating and procurement costs and losses due to more severe natural disasters.

Referenced Climate Change Scenarios and Assessment Criteria[*3]

	Transition risks Risks associated with the transition to a decarbonized economy	Physical risks Physical risks arising rom climate change	Assumed scenarios	Assessment criteria
1.5°C	IEA WEO 2019 (SDS) IEA WEO 2023 (APS・NZE)	IPCC AR5 (RCP2.6)	A scenario in which stricter climate change measures than those currently in place limit the rise in global average temperature in 2100 to 1.5–2°C above pre-industrial levels	Time horizon: Short term: Financial statement reporting period Medium term: Up to 5 years Long term: At least 5 years
4°C	IEA WEO 2023 (STEPS)	IPCC AR5 (RCP8.5)	A scenario in which no policies beyond current measures to combat global warming are implemented and the global average temperature rises by approximately 4°C in 2100 above pre-industrial levels	Impact: High: At least 5% of operating profit (¥100 million or more) Medium: At least 1% but less than 5% of operating profit (¥20 million to less than ¥100 million) Low: Less than 1% of operating profit (less than ¥20 million)

Risks and Opportunities for Business Activities

Type of risk		Examples	Scenario 1.5°C	Scenario 4°C	Time horizon	Impact	The Group's initiatives to avoid/reduce risks
Transition Risks	Policies and Regulations	Introduction of carbon taxes and renewable energy policies: increase in operating costs	● −¥3.10 million	● +¥0.40 million	Medium to long term	Low	- Monitor policy trends
	Market	Rising timber prices: increase in procurement costs for print products	●	●	Short to long term	Medium	- Regularly review suppliers - Control costs by assessing demand for print books, managing print runs appropriately, and improving operational efficiency - Encourage migration to eBooks
		Rising crude oil prices: increase in operating costs	●	●	Long term	Low	- Monitor transportation-related expenses and set reduction targets
Physical Risks	Physical (Acute)	Increase in forest fires: higher raw material costs for print media due to reduced timber resources		●	Medium to long term	Medium	- Regularly review suppliers - Control costs by assessing demand for print books, managing print runs appropriately, and improving operational efficiency - Encourage migration to eBooks
		Increase in natural disasters: human and physical losses and business interruption due to damage to business locations	● −¥1.21 million	● −¥3.31 million	Medium to long term	Low	- Strengthen business continuity planning (BCP)
	Physical (Chronic)	Rise in average temperature: increase in air-conditioning costs	● −¥0.10 million	● −¥0.10 million	Medium to long term	Low	- Monitor utility costs and set reduction targets - Reduce cooling loads through heat-shielding and other measures

Type of opportunity		Examples	Scenario 1.5°C	Scenario 4°C	Time horizon	Impact	The Group's initiatives to capture opportunities
Transition opportunities	Technology	Advancement of DX: increased demand for digital content that contributes to a low-carbon economy	●		Long term	High	- Improve energy and operational efficiency of development systems - Develop robust systems capable of accommodating future demand growth - Enhance brand value by highlighting environmental considerations
	Market	Increased demand for sustainable products: increased demand for paperless content	●		Short to long term	High	
Physical opportunities	Physical (Chronic)	Rise in average temperature: increased demand for eBooks due to growing stay-at-home demand		●	Medium to long term	Medium	- Develop robust systems capable of accommodating future demand growth - Enhance brand value by highlighting environmental considerations

3. Risk Management

The Company has established its "Risk Management Regulations" to prevent risks from materializing and minimize corporate losses. Based on these regulations, the Sustainability Committee takes the lead in identifying, assessing, and developing countermeasures for risks that could affect sustainable growth and the execution of business activities, including climate change. It reviews and assesses company-wide risks and appoints an owner for each risk to ensure the effectiveness of responses. For more details on risk management, please visit "Risk Management" on the Company's website.
→ https://mediado.jp/english/sustainability/governance/riskmanagement/

4. Metrics and Targets

To reduce greenhouse gas emissions from its business activities, the Group has calculated and disclosed its GHG emissions (Scope 1 and 2). Starting this fiscal year, the Group has also begun calculating and disclosing Scope 3 emissions. Going forward, the Group will expand the scope of emissions calculations at its subsidiaries and consider specific initiatives to achieve its medium- to long-term targets.

Medium- to Long-Term GHG Emissions Reduction Targets

The Group has established the following medium- to long-term targets.

MEDIA DO Group GHG Emissions Reduction Targets

FY2030 **50% reduction (compared with FY2023)** ⋯→ FY2050 **Net-zero emissions**

We recognize that supplier engagement is necessary to achieve our medium- to long-term targets and will consider specific initiatives and the establishment of an appropriate framework. For GHG emissions data, please refer to "ESG Data" on p. 95.

*1: The Task Force on Climate-related Financial Disclosures (TCFD) published its final report in 2017, recommending that companies and other organizations disclose information on climate-related risks and opportunities in four areas: "governance," "strategy," "risk management," and "metrics and targets."
*2: The "TCFD Consortium" was established in May 2019 as a forum for discussing the effective disclosure of climate-related information and its use in making appropriate investment decisions. Following developments including the dissolution of the TCFD in October 2023, the consortium was reorganized in April 2026, integrating certain functions of the GX League, and relaunched as the "GX Future Consortium (Secretariat: GX Acceleration Agency)". The consortium serves as a platform that brings together companies and institutions that support and engage in disclosure based on the TCFD recommendations and the promotion of Green Transformation (GX) to advance concrete initiatives.
*3: Figures in parentheses indicate the calculated financial impact.



Section 4

Value Creation Strategy — How We Create Value

Section 3

MEDIA DO's Value Creation — The Value We Create

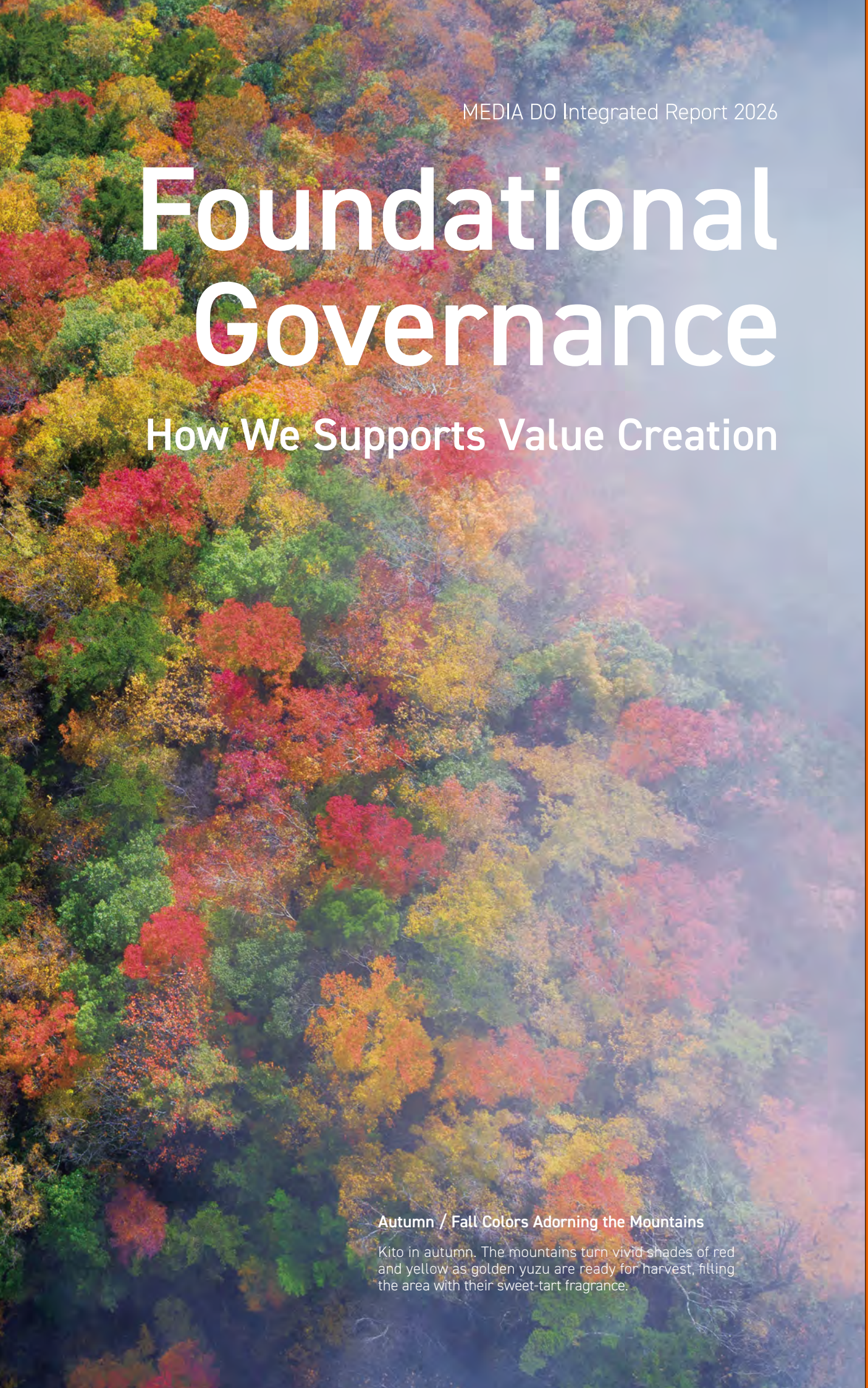
Section 2

MEDIA DO's Purpose

Section 1

Foundational Governance

How We Supports Value Creation



Autumn / Fall Colors Adorning the Mountains

Kito in autumn. The mountains turn vivid shades of red and yellow as golden yuzu are ready for harvest, filling the area with their sweet-tart fragrance.

List of Officers



1 Yasushi Fujita — President and CEO

1994 Founded first business while at university
1996 Established Fuji Techno Limited Company*1; Representative Director
1999 Established the Company; Representative Director and President
2013 Established FIBC Co., Ltd.; Representative Director and President
2017 Representative Director and Chairman of Digital Publishing Initiatives Japan Co., Ltd.
Representative Director and President of MEDIA DO TECH TOKUSHIMA Co., Ltd.
Representative Director, President and Group CEO of the Company
2018 Representative Director and Chairman of MEDIA DO Co., Ltd.*2
Representative Director, President, Executive Officer, and CEO of the Company
2019 President and CEO of the Company (current position)
2020 Representative Director of TOKUSHIMA INNOVATION BASE ASSOCIATION (current position)
2022 Representative Director of GAMBAROU TOKUSHIMA Co., Ltd. (current position)
2023 Representative Director of xIB JAPAN (current position)
2025 Director of the JAPAN PROFESSIONAL BASKETBALL LEAGUE (current position)

*1 Merged into the Company in November 2001
*2 Merged into Digital Publishing Initiatives Japan Co., Ltd. in 2019

2 Kayoko Hanamura — Director and COO

2000 Joined For-side.com Co., Ltd. (currently Forside Co., Ltd.)
2007 Executive Officer and General Manager of Distribution & Sales Department of Forside Co., Ltd.
2010 Director in charge of Licensing Division of Forside Co., Ltd.
2015 Joined the Company; General Manager of Licensing Business Department
2020 Executive Officer and CEDO of the Company
2022 Senior Executive Officer in charge of the eBook Distribution business of the Company
2023 Director and CBO of the Company
2024 Director and COO of the Company (current position)
Representative Director and President of MEDIA DO TECH TOKUSHIMA Co., Ltd. (current position)

3 Koichi Sekiya — Director

1989 Joined Kadokawa Haruki Corporation
1993 Joined Kadokawa Shoten Co., Ltd.
2005 Representative Director and President of Kadokawa Book Service Co., Ltd.
2007 Representative Director and President of Kadokawa Group Publishing Co., Ltd.
2009 Director of KADOKAWA GROUP HOLDINGS, INC.
2013 Managing Director of KADOKAWA GROUP HOLDINGS, INC.
2015 Director and Senior Executive Officer of KADOKAWA CORPORATION
2016 Representative Director and President of KADOKAWA UPLINK INC.
Representative Director and President of TOKOROZAWA SAKURA TOWN INC.
2019 Director of KADOKAWA CORPORATION
2020 Representative Director and Chairman of Cool Japan Travel, Inc.
2022 Representative Director and President of KADOKAWA KEY-PROCESS Co., Ltd.
2024 Joined the Company; Director (current position)

4 Ayako Kanamaru — Outside Director

2006 Registered as an attorney at law
Joined Oh-Ebashi LPC & Partners
2016 Partner of Oh-Ebashi LPC & Partners (current position)
2021 Outside Director of the Company (current position)
2023 Outside Director of AUTOBACS SEVEN CO., LTD. (current position)
2025 Outside Director of Mitsui Matsushima Holdings Co., Ltd. (current position)

5 Haruo Miyagi — Outside Director

1993 Secretary General of Student Entrepreneur Liaison Conference
2000 Established the Non-Profit Organization ETIC (Entrepreneurial Training for Innovative Communities); Representative Director
2010 Part-time Lecturer at the Graduate School of Waseda University
2013 Advisor to the Ministry of Education, Culture, Sports, Science and Technology
2015 Visiting Professor at Tama University Graduate School (current position)
2019 Member of the Council on Overcoming Population Decline and Vitalizing Local Economy, Secretariat of the Headquarters for Overcoming Population Decline and Vitalizing Local Economy, Cabinet Secretariat (currently the Office for the Council for the Realization of the Vision for a Digital Garden City Nation, Cabinet Secretariat)
2021 Outside Director of DeNA Co., Ltd. (current position)
2022 Outside Director of the Company (current position)



6 Junko Mokuno — Outside Director

1984 System Engineer at Yokogawa Hewlett-Packard Company (currently Hewlett Packard Japan, G.K.)
1991 Arthur D. Little Japan, Inc.
2002 Executive Officer of The Pokémon Company
2008 Director of The Walt Disney Company (Japan) Ltd.
2015 Corporate Officer of Tsuburaya Productions Co., Ltd.
2018 Member of the Laboratory for Design of Social Innovation in Global Networks (DLab), Tokyo Institute of Technology (current position)
2019 Outside Director of COLOWIDE Co., Ltd. (current position)
Deputy Representative of TRAIL INC. (current position)
2023 Outside Director of the Company (current position)
Outside Director of Cool Japan Fund Inc. (current position)
Specially Appointed Professor, the University Research Management Organization, Tokyo University of Agriculture and Technology (current position)

7 Makoto Nakajima — Outside Standing Audit & Supervisory Board Member

2000 Joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism)
2004 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC)
2008 Registered as a certified public accountant
2020 Joined Hoosiers Holdings Co., Ltd.
2021 General Manager of Internal Audit Office of Hoosiers Holdings Co., Ltd.
2023 Outside Standing Audit & Supervisory Board Member of the Company (current position)
2024 Outside Audit & Supervisory Board Member of CEL Corporation (current position)
Outside Audit & Supervisory Board Member of ZENKOKU HOSHO Co., Ltd. (current position)

8 Kazuyoshi Ohwada — Standing Audit & Supervisory Board Member

1969 Joined Sony Audio Corporation (currently Sony Global Manufacturing & Operations Corporation)
2002 Joined the Company; General Manager of the Administration Department
2003 Director and General Manager of the Administration Department of the Company
2008 Director and Head of the Administration Division of the Company
2012 Senior Managing Director and Head of the Administration Division of the Company
2013 Director and Head of the Administration Division of the Company
2014 Standing Audit & Supervisory Board Member of the Company (current position)

9 Tsuyoshi Shiina — Outside Audit & Supervisory Board Member

2002 Registered as an attorney at law
Joined Kimura Law Office
2003 Joined Kandabashi Law Office (currently White & Case LLP)
2005 Joined Nagashima Ohno & Tsunematsu
2011 Joined Industrial Growth Platform, Inc.
2012 Advisor to the House of Representatives*
Member of the House of Representatives
2014 Registered as a Certified Public Tax Accountant
Representative of SHIINA Tsuyoshi Law and Tax Office (current position)
2017 Outside Director of PHONE APPLI Inc.
Outside Audit & Supervisory Board Member of the Company (current position)
Auditor of Japan Cybersecurity Innovation Committee (a general incorporated association) (current position)
2021 Comprehensive External Auditor of Kanagawa Prefecture for fiscal 2021
2025 CLO of Bandai Town (current position)

* Transferred from Industrial Decisions, Inc. (IGPI); served on the Fukushima Nuclear Accident Independent Investigation Commission established by the National Diet of Japan.

10 Akiko Nagayo — Outside Audit & Supervisory Board Member

1998 Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)
2002 Registered as a Certified Public Accountant
2004 Joined ChuoAoyama Tax Corporation (currently PwC Tax Japan)
2006 Joined Imagica Robot Holdings Inc. (currently IMAGICA GROUP Inc.)
2009 Established Nagayo Certified Public Accountant Office (current position)
2020 Registered as a Certified Public Tax Accountant
2024 Outside Auditor of TKP Corporation
2025 Outside Director (Audit & Supervisory Committee Member) of TKP Corporation (current position)
Registered as a Certified Fraud Examiner
2026 Outside Auditor of CL Holdings Inc. (current position)
Outside Audit & Supervisory Board Member of the Company (current position)

Skills Matrix

	Name	Position	(1) Corporate management	(2) Business strategy and social contribution	(3) Capital policy and investment /M&A	(4) Finance and accounting	(5) Human resource development and training	(6) Technology and security	(7) Sustainability and risk management	(8) Global strategy	Independence	Total
Director	Yasushi Fujita	President and CEO	●	●	●		●	●		●		6
	Kayoko Hanamura	Director and COO	●	●	●		●	●		●		6
	Koichi Sekiya	Director	●	●	●		●			●		5
	Ayako Kanamaru	Outside Director							●		●	1
	Haruo Miyagi	Outside Director	●	●	●		●				●	4
	Junko Mokuno	Outside Director	●	●			●			●	●	4
Audit & Supervisory Board Member	Makoto Nakajima	Outside Standing Audit & Supervisory Board Member				●	●		●		●	3
	Kazuyoshi Ohwada	Standing Audit & Supervisory Board Member	●		●	●	●		●			5
	Tsuyoshi Shiina	Outside Audit & Supervisory Board Member				●			●		●	2
	Akiko Nagayo	Outside Audit & Supervisory Board Member			●	●			●		●	3
Executive Officer	Shoichiro Tokoro	Senior Executive Officer; Accounting, Finance and Legal			●	●	●		●			4
	Kaname Nakano	Senior Executive Officer and CIO*					●	●	●			3
	Yuichiro Ohnuki	Executive Officer, eBook Distribution Business		●			●	●				3
	Mayu Hara	Executive Officer, SC Business		●			●					2
	Ikuto Usuki	Executive Officer President and Representative Director, GAMBAROU TOKUSHIMA Co., Ltd.	●	●			●					3

*CIO: Chief Information Officer

Skill Definitions and Reasons for Selection

Skill	Definition and Reason for Selection
(1) Corporate Management	The ability to formulate and execute medium- to long-term management strategies, define optimal business domains, and build an appropriate business portfolio is essential to maintaining stable growth in the core eBook Distribution business while substantially transforming and expanding the business structure into new areas.
(2) Business Strategy and Social Contribution	To fulfill the responsibility as a leader in Japan's eBook distribution market, we must accelerate global expansion while quickly establishing the SC Business, which contributes to Japan's sustainability. The ability to solve problems through distinctive approaches of our own, unconstrained by conventional thinking, is essential to achieving further growth.
(3) Capital Policy and Investment/M&A	The ability to formulate an appropriate capital policy, as well as M&A knowledge (including PMI), is essential to maximizing shareholder value and executing the Group's growth strategy.
(4) Finance and Accounting	The ability to fulfill accountability through accurate financial reporting and to manage and oversee operations based on financial data is essential to enhancing corporate value through the efficient use of capital.
(5) Human Resources and Talent Development	The foundation for taking on highly complex challenges—such as advancing content distribution and addressing social issues like regional revitalization—is talent with "holistic problem-solving capabilities." This refers to the ability to look beyond individual problems, bridge people and values, identify root issues from a broad perspective, and lead them toward solutions. We will continue to develop such talent through our proprietary education programs.
(6) Technology and Security	The ability to adopt the latest technologies while balancing innovation and security is essential for the Company, which is entrusted with valuable content by publishers across Japan to ensure its long-term distribution globally.
(7) Sustainability and Risk Management	The ability to establish and operate an appropriate risk management framework and advance sustainability initiatives is essential to maintaining sound business operations, sustainably enhancing corporate value, and creating long-term value.
(8) Global Strategy	Positioned between publishers that create content and eBook retailers responsible for sales, we regard the distribution of Japanese content not only domestically but also globally as an important mission. The strategic execution capabilities required to fulfill this mission are essential not only to enhancing our corporate value over the medium to long term, but also to further increasing the value of Japanese content itself.

1 Appointment Policy

Within the scope of the number of directors and Audit & Supervisory Board members stipulated in the Articles of Incorporation, the Company's basic policy is to structure the Board of Directors and the Audit & Supervisory Board with an optimal composition, taking into account the overall balance of knowledge, experience, and skills, as well as diversity in terms of gender, international background, and age.

In particular, when appointing directors, the Company conducts a comprehensive evaluation and assessment of candidates' experience, insight, and expertise based on its corporate philosophy and management strategy. To ensure objectivity and transparency, the Board of Directors consults with the Nomination and Compensation Committee, and appointments are made based on the committee's deliberations and recommendations.

Furthermore, outside officers are selected not only in accordance with the requirements for outside officers under the Companies Act, but also from among those who meet the Tokyo Stock Exchange's criteria for independent officers and are deemed unlikely to have conflicts of interest with general shareholders.

2 Reasons for Appointment

President and CEO **Yasushi Fujita**	As the founder of the Company since its establishment, he is deeply acquainted with all aspects of the Company's business operations. He has been responsible for planning medium- to long-term strategies for the entire Group as well as formulating its philosophy and identity. He is appointed to leverage his extensive experience and in-depth insight as a corporate manager in the management of the Company. Attendance at Board of Directors meetings: 18 of 18
Director and COO **Kayoko Hanamura**	Having been involved in the eBook Distribution Business since joining the Company, she has driven service development and played a key role in expanding it into our current core business. She is appointed to leverage her extensive experience and in-depth insight in this field in the management of the Company. Attendance at Board of Directors meetings: 18 of 18
Director **Koichi Sekiya**	He possesses deep expertise in the publishing industry and has been involved in a wide range of businesses within the sector. He is appointed to leverage his extensive experience and in-depth insight as a corporate manager in the management of the Company. Attendance at Board of Directors meetings: 18 of 18
Outside Director* **Ayako Kanamaru**	As an attorney at law, she has extensive experience and deep expertise in general corporate legal affairs, including international transactions, internal controls, and corporate governance. She is appointed to leverage her knowledge and experience primarily in the areas of risk management and governance for the Company's management. Attendance at Board of Directors meetings: 18 of 18
Outside Director* **Haruo Miyagi**	As the Representative Director of a non-profit organization dedicated to fostering entrepreneurial leaders, he possesses extensive experience and deep insight in business support and organizational management across a wide range of fields. He is appointed to leverage his experience and insight to further strengthen the Group's business development and organizational management. Attendance at Board of Directors meetings: 17 of 18
Outside Director* **Junko Mokuno**	She possesses extensive experience and deep insight in strategy formulation and business operations in e-commerce and digital marketing across various companies, including those in the content industry. She is appointed to leverage this experience and insight to further strengthen the Group's business development, marketing, and branding. Attendance at Board of Directors meetings: 18 of 18
Outside Standing Audit & Supervisory Board Member* **Makoto Nakajima**	Having served as a government official at the Ministry of Land, Infrastructure, Transport and Tourism, as a Certified Public Accountant, and as the head of an internal audit at a listed company, she possesses specialized insight into corporate governance, risk management, and accounting. She is appointed to leverage this specialized insight to strengthen the Company's audit framework, as she is deemed well suited to appropriately fulfill her duties as an Outside Standing Audit & Supervisory Board Member. Attendance at Board of Directors meetings: 18 of 18 Attendance at Audit & Supervisory Board meetings: 17 of 17
Standing Audit & Supervisory Board Member **Kazuyoshi Ohwada**	Having served for many years as the head of the Company's administration division, he possesses considerable knowledge of finance and accounting. He is appointed to leverage this specialized insight to strengthen the Company's audit framework. Attendance at Board of Directors meetings: 17 of 18 Attendance at Audit & Supervisory Board meetings: 10 of 17
Outside Audit & Supervisory Board Member* **Tsuyoshi Shiina**	Through his experience as an Attorney at Law, a Certified Public Tax Accountant, a member of the Fukushima Nuclear Accident Independent Investigation Commission, and as a member of the House of Representatives, he possesses specialized insight, particularly into corporate governance and crisis management. He is appointed to leverage this specialized insight to strengthen the Company's audit framework, as he is deemed well suited to appropriately fulfill his duties as an Outside Audit & Supervisory Board Member. Attendance at Board of Directors meetings: 18 of 18 Attendance at Audit & Supervisory Board meetings: 17 of 17
Outside Audit & Supervisory Board Member* **Akiko Nagayo**	Having worked in accounting audits, taxation, and related fields as a Certified Public Accountant and Certified Public Tax Accountant, she possesses extensive experience and deep insight into corporate accounting, auditing, and internal controls. She is appointed to leverage this specialized insight to strengthen the Company's audit framework, as she is deemed well suited to appropriately fulfill her duties as an Outside Audit & Supervisory Board Member. As she was appointed in May 2026, she has no attendance record for the relevant period.

*Filed as an Independent Officer pursuant to the rules of Tokyo Stock Exchange, Inc. Period covered for Board of Directors and Audit & Supervisory Board meeting attendance: FYE 2/26 (March 1, 2025–February 28, 2026)

Corporate Governance Structure

1 Basic Approach

The Group aims to contribute to the development of culture and the creation of a richer society by realizing its vision, "MORE CONTENT FOR MORE PEOPLE!," and fulfilling its mission of "Unleashing a virtuous cycle of literary creation." We regard establishing and operating an effective corporate governance structure as a key management priority for fulfilling this mission and sustainably enhancing corporate value. By ensuring management transparency and soundness, making prompt and appropriate decisions, and proactively disclosing information, we will meet the expectations of all stakeholders, including shareholders.

For details, please visit our website.
https://mediado.jp/english/sustainability/governance/

2 Evolution of Initiatives to Enhance Corporate Governance

2020
- Introduced executive officer system
- Published Integrated Report
- Established priority ESG themes

2021
- Formulated and revised basic governance policy and other policies in line with revised Corporate Governance Code
- Appointed first female director
- Established Nomination and Compensation Committee

2022
- Transferred to Tokyo Stock Exchange Prime Market
- Established Sustainability Committee

2023
- Appointed first internally promoted female director
- Identified material issues

2024
- Transitioned to a structure with two representative directors
- Achieved 42.9% female director ratio
- Advanced initiatives addressing material issues

+

- Strengthened Group governance

2025
- Introduced performance-linked paid stock options
- Reviewed material issues and advanced related initiatives
- Refined skills matrix

+

- Enhanced crisis management structure

2026
- Enhanced Executive Officer Committee functions
- Deepened discussions on medium- to long-term management strategy
- Strengthened Group-wide risk management structure

3 Corporate Governance Structure

The Company has adopted the structure of a company with an Audit & Supervisory Board, providing a dual-check mechanism for business execution through oversight by the Board of Directors and audits of legality and appropriateness by Audit & Supervisory Board members.

Under the current corporate governance structure, all outside Audit & Supervisory Board members serving on the Audit & Supervisory Board are independent officers, and the Board of Directors includes three independent outside directors. Under this structure, the outside Audit & Supervisory Board members audit the performance of duties by executive directors, while the outside directors exercise oversight over executive directors by exercising their voting rights and overseeing the appropriateness of decisions made by the Board of Directors, thereby seeking to protect the interests of general shareholders.

The Company has also established the voluntary Nomination and Compensation Committee to enhance management transparency and fairness, strengthen the Board of Directors' supervisory function, and accelerate execution. In addition, it has established the Sustainability Committee to embed integrated risk management throughout the Company and advance sustainability management.

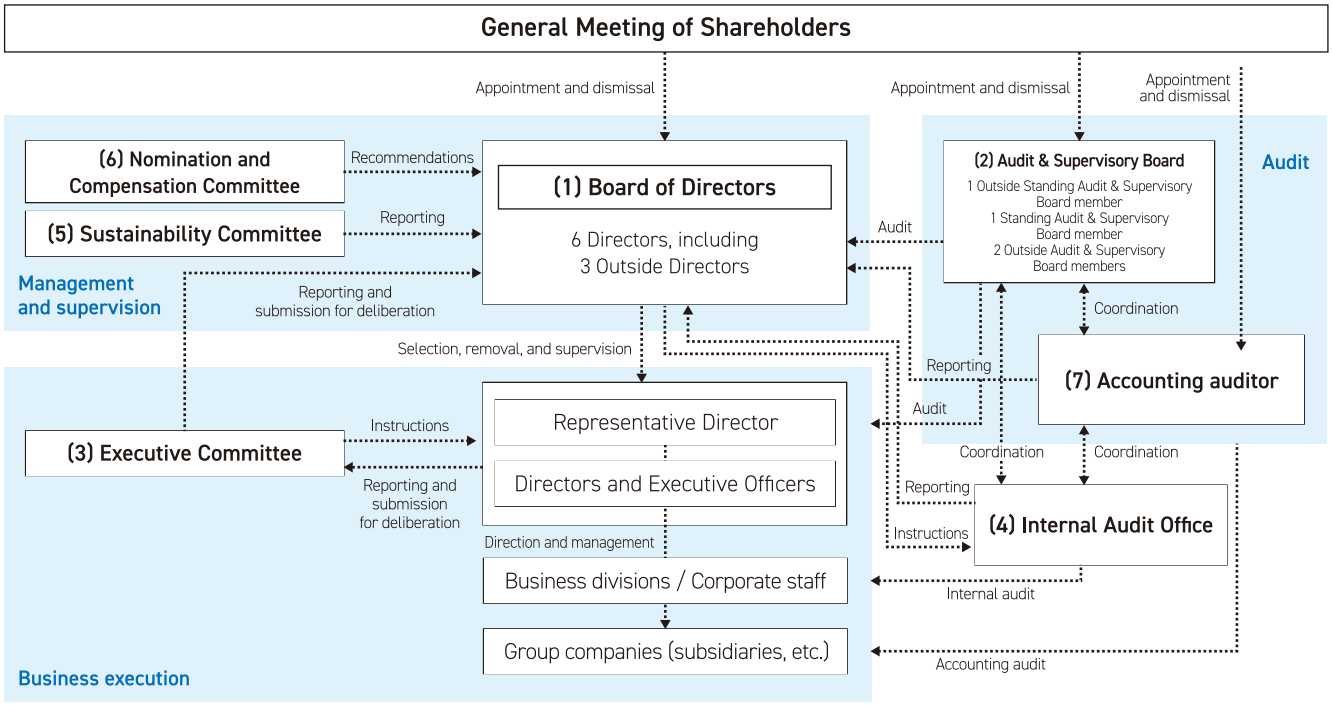
● Governance Data (as of June 1, 2026)

Organizational structure		Company with an Audit & Supervisory Board
<Directors>	Term of office	1 year
	Chair of the Board of Directors	President and CEO
	Number of Directors (including outside directors)	6 (3)
	Outside Directors' attendance rate at Board of Directors meetings	98.1% (FYE 2/25)
	Incentive compensation for Directors	Introduction of a restricted share compensation plan and other measures
Executive officer system		Adopted
Voluntary advisory body to the Board of Directors		Nomination and Compensation Committee

<Audit & Supervisory Board members>	Term of office	4 years
	Number of Audit & Supervisor Board members (including outside Audit & Supervisory Board members)	4 (3)
	Principal meetings attended by Audit & Supervisory Board members	Board of Directors, Audit & Supervisory Board, Executive Committee*1, Sustainability Committee*2, and others
	Outside Audit & Supervisory Board members' attendance rate at Board of Directors meetings	100% (FYE 2/25)
	Outside Audit & Supervisory Board members' attendance rate at Audit & Supervisory Board meetings	100% (FYE 2/25)
Accounting auditor		Avantia GP
Internal audit function		Internal Audit Office reporting directly to the Board of Directors

*1 Attended only by Standing Audit & Supervisory Board members *2 Attendance optional

4 Corporate Governance Structure (as of June 1, 2026)



5 Functions and Roles within the Company's Governance Structure

Name	Overview	FYE 2/26: Number of meetings or Frequency
(1) Board of Directors	The Company's Board of Directors is its highest management decision-making body and plays an important role in supervising business execution. It comprises six directors, including three outside directors, and is chaired by the President and CEO. In principle, it meets once a month, with extraordinary meetings convened as necessary. Pursuant to the Board of Directors Regulations, it decides important matters, including management policies, business plans, and the acquisition and disposal of significant assets, and supervises business execution.	18 times
(2) Audit & Supervisory Board	The Audit & Supervisory Board audits the legality and appropriateness of directors' performance of their duties. It comprises four Audit & Supervisory Board members: two Standing Audit & Supervisory Board members and two Non-Standing Audit & Supervisory Board members. An outside Standing Audit & Supervisory Board member serves as chair. Its members attend meetings of the Board of Directors, work to understand the Company's internal operations, and conduct operational and accounting audits by interviewing directors and reviewing documents, among other activities. The Standing Audit & Supervisory Board members also attend important meetings other than those of the Board of Directors, thereby establishing a framework for thoroughly auditing directors' execution of duties. The Audit & Supervisory Board meets at least once a month to formulate audit plans and review audit results. It also shares information and coordinates with the Internal Audit Office and the accounting auditor to conduct audits efficiently and effectively.	17 times
(3) Executive Committee	The Executive Committee deliberates primarily on matters related to business operations. It comprises three executive directors and two Standing Audit & Supervisory Board members and is held once a week. The committee seeks to improve operational efficiency by considering and deciding on fundamental matters related to management execution, except those requiring a resolution of the Board of Directors, as well as matters stipulated in the Regulations on Administrative Authority.	Once a week
(4) Internal Audit Office	Reporting directly to the Board of Directors, the Internal Audit Office audits the Company's business activities based on the internal audit plan, monitors compliance with laws and regulations by directors and employees, and reports the results directly to the Board of Directors and the Audit & Supervisory Board. The Board of Directors issues instructions for improvements identified through audits directly to the relevant divisions and Group companies, ensuring that appropriate corrective actions are implemented.	—
(5) Sustainability Committee	The Sustainability Committee has been established to maximize sustainable growth opportunities and promote risk management. Chaired by the President and CEO, it comprises executive directors appointed by the chair, together with executive officers and other members. The committee reports to the Board of Directors at an appropriate time following each meeting and is subject to its supervision and direction.	4 times (once per quarter)
(6) Nomination and Compensation Committee	The Nomination and Compensation Committee is a voluntary advisory committee established to enhance the independence and objectivity of management. In response to requests from the Board of Directors, it reviews and deliberates on relevant matters. It comprises at least three directors selected by resolution of the Board of Directors, including a representative director. The majority of its members must be independent outside directors, and the chair must be selected from among the independent outside directors serving on the committee. The committee primarily considers and deliberates on the nomination of director candidates; the appointment and dismissal of directors and executive officers; policies and procedures concerning the compensation of directors and executive officers; and succession plans for the chief executive officer and other senior executives. It reports the results of its deliberations and recommendations to the Board of Directors.	4 times
(7) Accounting Auditor and Other External Experts	The Company works closely with external professionals to maintain a fair and appropriate management framework. The Company consults its legal counsel on significant legal matters and the accounting auditor on significant accounting matters, enabling it to consider and implement appropriate responses. The Company currently has advisory agreements with Mori Hamada & Matsumoto and OMM Law Office and receives advice and recommendations on legal matters as appropriate. It has also entered into an audit agreement with Avantia GP for documents related to financial calculations pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. Through these arrangements, the Company also receives advice on significant accounting matters as needed and takes every reasonable measure to ensure compliance with applicable laws and regulations.	—

Messages from Outside Directors

As of June 1, 2026, the Company has appointed three independent outside directors, who account for half of the Board. Under a management structure with robust oversight and transparency, the Company is working to enhance the effectiveness of corporate governance, the foundation of sound management.
We asked each outside director about their understanding of their role on the Board of Directors, their views on the Board's discussions during the fiscal year, and their expectations for the Company's management over the medium to long term.





Outside Director
Chair of the Nomination and Compensation Committee

Ayako Kanamaru

Understanding of My Role and Key Areas for Review

I see my role as overseeing management and its processes from an independent standpoint and contributing to discussions at Board meetings to support sound management decisions that foster the Company's sustainable growth and enhance corporate value over the medium to long term. Drawing on my expertise as an attorney, I raise questions at Board meetings about business direction and responses to risks from legal and compliance perspectives, while also emphasizing shareholders' viewpoints. I examine these matters from the perspective of enhancing corporate value, with due consideration for the cost of capital and investment efficiency, and express my views accordingly.

The SC business, in particular, must address the challenges and opportunities facing local communities while maximizing the value it creates. I believe that our passion for tackling social issues and our ability to drive the business forward are strengths of the Company and reflect a corporate spirit that should be passed on to future generations. At the same time, in addition to considering the social value created by the business, developing a clear path to profitability that takes the cost of capital into account remains an ongoing challenge. We must continue to review the related decision-making process.

Toward a Higher Level of Group Governance

One of the most memorable topics discussed by the Board of Directors during the fiscal year concerned the acquisition of an equity interest in Seven Seas. The Company has a solid foundation in the domestic eBook distribution business. This acquisition embodied the Company's vision of bringing Japanese content to the world and, given its scale, represented a significant management decision. The Board received regular reports on the transaction. from my perspective as an outside director, I raised questions regarding its social significance, expected synergies, and the PMI framework needed to support sustainable growth, and lively and constructive discussions took place.

This transaction creates further growth opportunities for our overseas businesses, while also requiring a higher level of governance across the Group. I intend to continue overseeing the effectiveness of governance and internal controls, including at overseas subsidiaries, and support efforts to build a stronger management foundation that will contribute to enhancing corporate value.

Strengthening the Organizational Structure

As the Company's business domains expand, I see securing and developing people capable of taking on key roles as one of the Company's key challenges. During the fiscal year, positive changes were made to strengthen the organizational structure, including revisions to the personnel system and the establishment of an Executive Officer Committee. The outside directors also had opportunities to meet with the executive officers and exchange candid views on their aspirations and concerns regarding the Company's management. From the perspective of succession planning for President Fujita, the Company's founder, I expect the Executive Officer Committee to function effectively and build strong collaboration with the Board of Directors.



Outside Director
Member of the Nomination and Compensation Committee

Haruo Miyagi

Understanding of My Role and View of the Company

I believe my role as an outside director is to bring diverse perspectives to the Board of Directors from an independent, external standpoint and support management in taking on challenges. At the same time, without being constrained by conventional wisdom within the Company or the industry or by short-term performance measures, I believe it is important to continually consider the Company's fundamental purpose and the value it seeks to leave to society in the future. In Board discussions, I have emphasized the importance of ensuring that each initiative enhances the Company's creativity, fosters an environment in which more content and talent can emerge, and contributes to the advancement of the industry as a whole.

Over the years, the Company has built its business steadily and conscientiously as a key supporter of eBook distribution, earning the strong trust of publishers, bookstores, and other industry stakeholders. During the fiscal year, the Board of Directors held extensive discussions on leveraging this foundation to take bold steps toward global expansion, including through M&A, and to lead the internationalization and



advancement of the publishing and content sector as a whole through the use of technology.

Unique Value as a Source of Sustainable Growth

As the Company pursues growth investments, including in the SC business focused on regional revitalization, I believe it is important to remain mindful of the cost of capital and PBR, and to assess not only growth potential, but also risks, financial returns, and criteria for continuing, scaling back, or exiting businesses. It is also important to clearly communicate our approach to capital allocation externally. Furthermore, the Company's overall brand value as it develops businesses connected with local communities and culture, along with employee pride, recruitment capabilities, and the potential to create new business opportunities, should be recognized as distinctive sources of value.

Becoming a "Good Ancestor" to Future Generations

Organizational autonomy is essential for companies to achieve sustainable growth. Going forward, it will be important to prioritize forward-looking changes to our organizational structure. These changes should enable a transition to an organization that clearly shares its objectives, information, authority, and responsibilities and more closely links business growth strategies to day-to-day business decisions and individual employee actions. I also believe we need to boldly advance succession to next-generation management talent through cross-functional collaboration, delegation of authority to frontline teams, and providing opportunities to tackle business and company-wide challenges.

Looking ahead, the Group must promote greater organizational autonomy while maintaining a strong focus on profitability and investment discipline, enabling its diverse talent to exercise greater initiative and creativity. My hope is that the Group will extend the trust it has built over the years globally, support the creation of more content, and foster a virtuous cycle that enriches people and culture for future generations. In doing so, we aim to grow into a "Good Ancestor" to future generations, and the Board of Directors will continue to support these efforts.



Outside Director
Member of the Nomination and Compensation Committee

Junko Mokuno

Understanding of My Role and Impressions of the Fiscal Year

As an outside director, I am mindful of whether business operations and growth strategies are being appropriately implemented, as well as whether the associated risks are thoroughly discussed by management. I hope the Board's discussions will be reflected in execution, contributing to the Company's medium- to long-term success and growth.

As the Company marked its 30th anniversary during the fiscal year, there was a strong focus on the next generation of MEDIA DO. Alongside discussions on business growth strategies, we also actively discussed the aspirations the Company seeks to carry forward into the future. Succession from the founder to the next generation entails psychological and emotional challenges beyond simply handing over business management. I feel that initiatives toward the next 30 years have begun in earnest.

Deepening Discussions with an Eye to the Next Generation

A key challenge is enabling those who will carry the Company forward to think independently and drive organizational change. Employees who deeply respect the founder can sometimes be inclined to accept things as they are. It is important for them to express their views without hesitation on both what should be valued and carried forward and what should be changed, and to deepen discussions. Carrying the Company forward does not simply mean understanding what has been done to date and continuing to do the same things. I hope that not only potential next-generation leaders, but every employee will take ownership of "the kind of company we want to become," become "employees who speak up" to management, and actively shape the future.

Expectations for Deeper Monitoring to Support Overseas Business Success

Until now, I have felt that our overseas business focused primarily on leveraging overseas resources for the domestic business, while expansion into overseas markets has remained in its early stages. Against this backdrop, the acquisition of an equity interest in Seven Seas in March 2026 represents a major step forward in our overseas business, a core component of the Company's growth strategy. Through this acquisition, the Group aims to expand its business overseas to become a key player in the publishing and distribution of Japanese books.

Naturally, the management and operation of this business will require talent deeply committed to the Company's strategy. In addition, seamless, integrated management across Japan and the U.S. is essential, bridging geographical distance and time zone differences. Establishing the right structure, talent, and continuous, effective monitoring swiftly is crucial. It is extremely important for both the Board and executive management to drive these efforts with strong resolve and ensure their success.

In our monitoring, we will require reports on specific activities as well as results. Sales and profit figures are important, but simply reporting that the business is progressing according to plan is not enough. To build a foundation for the future, effective monitoring is only possible when we have a high-resolution understanding of the operational process itself—who is advancing what, and how. I hope the aspirations and guiding principles for the next 30 years will permeate the entire Company, fostering unity as we drive the business forward with strength.

Ensuring the Effectiveness of the Board of Directors

1 Basic Approach

To enhance the functioning of the Board of Directors, the Company conducts an annual self-evaluation and analysis of its effectiveness. Based on the results, the Company will continue to diligently address the issues identified and seek to further improve the Board's effectiveness.

2 Initiatives to Ensure the Effectiveness of the Board of Directors

The Company undertakes the following initiatives to enable the Board of Directors to make prompt and appropriate decisions and strengthen the effectiveness of its supervisory function.

◆ Streamlining Decision-Making and Strengthening the Supervisory Function
Separate from the Board of Directors, the Executive Committee, comprising executive directors and Standing Audit & Supervisory Board members, meets in principle once a week to consider and decide on fundamental matters concerning management and business execution. This arrangement enhances the efficiency of Board operations and enables the Board to focus on deliberating higher-level strategic matters and performing its supervisory function.

◆ Establishing an Efficient Operating Framework
The Board Secretariat, comprising employees from the Legal Department and Corporate Planning Department, prepares the annual meeting schedule in advance and distributes the agenda each month at least one week before the Board of Directors meeting. This framework facilitates smooth meeting administration and effective coordination with other departments.

◆ Promoting High-Quality Deliberation and Discussion
To facilitate active and thorough deliberation and discussion at Board meetings, meeting materials are generally distributed to attendees at least two business days in advance, and questions may be submitted before the meeting. This process enables attendees to develop a deeper understanding of the matters under consideration and engage in constructive discussion.

◆ Effectiveness Evaluation and Continuous Improvement
Each year, an external organization surveys all directors and Audit & Supervisory Board members, and the Board of Directors conducts a self-evaluation and analysis of its effectiveness. Based on the survey results, the Board Secretariat identifies issues and reports its policy for addressing them to the Board of Directors. The questionnaire is reviewed annually, and a summary of the evaluation results is disclosed each year in the Annual Securities Report to continuously enhance the effectiveness of the Board of Directors and ensure transparency.

3 Review of Initiatives in the Previous Fiscal Year

To address the issues identified in the March 2025 effectiveness evaluation, the Company prioritized the five themes shown at right in the fiscal year ended February 2026. These initiatives covered both "streamlining governance (defensive measures)" and "expanding medium- to long-term strategic discussions (offensive measures)."

(1) Optimizing Board Agendas and Deepening Deliberations
(2) Advancing Business Portfolio Reviews Based on Investment Discipline
(3) Strengthening Group Governance and Internal Controls
(4) Building a Next-Generation Management Structure through Broad-Based Succession Planning
(5) Enhancing the Quality of Engagement with Capital Markets and Employees

● Policy on Ensuring the Effectiveness of Governance at Listed Subsidiaries

The Company has flier Inc. as a consolidated subsidiary. flier, which operates a book-summary platform and a SaaS business for corporate customers, was listed on the Growth Market of the Tokyo Stock Exchange in February 2025.

Its listing is intended to accelerate its autonomous growth by enhancing credibility, securing talented personnel, and strengthening its financial position, thereby enhancing the corporate value of both flier and the Group as a whole.

The Company recognizes the importance of its listed subsidiaries enhancing their corporate value over the medium to long term and maximizing the common interests of all shareholders, including minority shareholders and the Company itself. From this perspective, the Company exercises its voting rights on each agenda item submitted by its listed subsidiaries.

The Company has also established the "Regulations for the Management of Affiliated Companies" to manage investee companies and for other purposes. Subsidiaries and affiliates are required to obtain the Company's prior approval for, or report to the Company on, material decisions and other matters. However, listed subsidiaries are not required to obtain prior approval that could affect their independence, so as to ensure that the Company does not unduly constrain the decision-making of individual companies.

4 Evaluation of Board Effectiveness for FYE 2/26

March 2026

Evaluation Conducted

Timing:

A questionnaire survey was conducted in March 2026. The analysis results were reported and discussed at the Board of Directors meeting in May 2026.

Participants:

All directors and Audit & Supervisory Board members (10 individuals)

Method:

Anonymous online questionnaire, with responses submitted directly to an external organization

Principal topics:

Composition of the Board of Directors / Operation / Roles, functions, and quality of Board discussions, coordination with the voluntary Nomination and Compensation Committee, dialogue with shareholders and investors

May 2026

Evaluation Results

Highly Rated Areas

- Active and constructive discussions in which each director and Audit & Supervisory Board member leverages their expertise
- Selection of appropriate agenda items and the effective operation of the Board's core functions

Areas for Further Improvement

- Deepen discussions on medium- to long-term management strategies
- Strengthen the Group-wide risk management framework
- Develop a next-generation management structure to support the growth strategy, including succession planning

FYE 2/27

Progress on Initiatives

To address the identified issues, the Company began implementing specific measures and intensifying discussions during the first half of the fiscal year ending February 2027, focusing primarily on the following initiatives.

- Develop an annual agenda and begin conducting Board meetings accordingly
- Deepen discussions on medium- to long-term management strategy through ongoing deliberations beginning in the first half of the fiscal year
- Enhance the Group governance framework, including advancing the post-merger integration of Seven Seas
- Intensify discussions on appointing and developing key talent for broad-based succession planning, including nomination and compensation matters

Nomination and Compensation Committee

1 Basic Policy

The Nomination and Compensation Committee is a voluntary advisory committee established to enhance the transparency and objectivity of decision-making regarding the nomination, compensation, and related matters of officers. In response to consultations from the Board of Directors, the Committee primarily reviews and deliberates on the nomination of director candidates, the appointment and dismissal of directors and executive officers, policies and procedures concerning the compensation of directors and executive officers, and succession development plans for the Chief Executive Officer and other senior executives and submits its recommendations to the Board of Directors.

2 Composition

The Committee comprises at least three directors, including a Representative Director appointed by resolution of the Board of Directors. A majority of its members must be independent outside directors, and the Chair is selected from among these independent outside directors.

Chair : Ayako Kanamaru (Outside Director)
Members : Haruo Miyagi (Outside Director), Junko Mokuno (Outside Director), Yasushi Fujita (President and CEO), Kayoko Hanamura (Director and COO)*
Secretariat: Human Resources Department

*Committee composition for FYE 2/27 (from June 2026)

3 Activities in FYE 2/26

● Committee Member Attendance

Period covered: FYE 2/26
(June 1, 2025 – May 29, 2026)

Position and Name		Meetings held	Meetings attended
Chair, Independent Outside Director	Ayako Kanamaru	4	4
Independent Outside Director	Haruo Miyagi	4	3
Independent Outside Director	Junko Mokuno	4	3
President and CEO	Yasushi Fujita	4	4
Vice President and CFO	Hiroshi Kanda	4	4

● Key Agenda Items

In response to consultations from the Board of Directors, the Committee deliberated on and submitted recommendations regarding the following items.

● Matters Concerning the Nomination of Directors and Executive Officers
- Nomination of director candidates and selection of representative directors and directors with special titles
- Assignment of responsibilities to executive directors and appointment of executive officers
- Expansion of Skills Matrix definitions and the rationale for selection
- Review and consideration of the succession plan

● Matters Concerning Compensation for Directors and Executive Officers
- Details of individual compensation and the policy for determining such compensation
- Review of the current officer compensation system (including executive officers), and consideration of revisions



Ayako Kanamaru
Chair of the Nomination and Compensation Committee

Message from the Chair of the Nomination and Compensation Committee

During the fiscal year under review, the Nomination and Compensation Committee deliberated on and made recommendations regarding officer appointments and remuneration proposals in response to consultations from the Board of Directors. In transitioning from the previous co-representative structure, the outside directors serving on the Committee held individual meetings with each internal director to review the fiscal year and exchange views on leadership succession and strengthening our management foundation for the future. Looking ahead, it will be essential to leverage the Company's stable governance model while building a framework that supports sustainable growth. This will require closer alignment with the Executive Officer Committee, nurturing future business leaders, and bolstering internal officer ranks, all while preparing for succession and the expansion of the Company's business domains. Toward establishing an appropriate officer structure and compensation framework, the Nomination and Compensation Committee will also strive to conduct thorough, effective deliberations and offer meaningful recommendations.

4 Succession Plan

Since Fujita founded the Company while still a university student, he has consistently served as President. The Company therefore recognizes succession planning as a critical issue in pursuing its goal of becoming “an organization that will endure for 100 years.” The Nomination and Compensation Committee will continue its discussions while considering senior executives and external talent as potential candidates. In addition to their track records, candidates will be assessed based on strong leadership, passion for realizing the Company's management philosophy, trust earned within and outside the Company, commitment to pursuing innovation, character and personal integrity, and a high level of management decision-making ability. The Company also plans to systematically conduct management retreats and executive training to cultivate suitable candidates.

→ Executive Officer Committee Roundtable Discussion (p. 17)
→ Human Capital Strategy (p. 61)

5 Compensation for Directors and Audit & Supervisory Board Members

When determining compensation for directors, the Company follows the basic policies set out below.

- Design the compensation system to provide strong incentives for the sustainable enhancement of corporate value
- Ensure objective and transparent procedures in designing the compensation structure to maintain accountability to shareholders and other stakeholders
- Set compensation levels appropriate to each Director's role and responsibilities

In accordance with these basic policies, the Company established the Nomination and Compensation Committee in 2021 to further enhance transparency in compensation decisions. Following deliberations by the Committee, compensation for directors and executive directors comprises cash and shares (restricted stock compensation) to incentivize improvements in capital efficiency and promote value sharing with shareholders. Performance-linked compensation was introduced beginning in the fiscal year ended February 2023.

Forms of compensation	Fixed compensation		Performance-linked compensation
	Cash	Shares	Cash
Compensation mix	Approximately 70%	Approximately 20%	Approximately 10%
Calculation policy	Individual allocations are determined based on each director's role and responsibilities (and, for the fixed compensation of executive directors, employee salary levels and other factors are also taken into consideration). In addition, the fixed compensation of executive directors is determined based on a comprehensive assessment of individual performance in the previous fiscal year and performance against individual business objectives, or commitments, established for the current fiscal year.	The amount is determined based on a comprehensive assessment of each individual's contribution to qualitative criteria, including ESG-related objectives, established with a view to achieving sustainable growth and enhancing corporate value over the medium to long term.	The indicators used as the basis for calculation are consolidated operating profit and consolidated net sales, with an emphasis on profitability and growth. Individual allocations are determined by taking into account each person's expected contribution toward achieving the target value for the relevant indicator in the relevant fiscal year. If the actual result for the indicator falls short of the target value, the allocation may be reduced.

*From the standpoint of their supervisory role and independence, outside directors receive only fixed cash compensation.

6 Compensation by Officer Category for FYE 2/26

Category	Total compensation (millions of yen)	Compensation by type (millions of yen)			Number of recipients
		Fixed compensation	Performance-linked compensation	Share-based compensation	
Directors (of whom, Outside Directors)	174 (14)	128 (14)	3 (—)	43 (—)	7 (3)
Audit & Supervisory Board Members (of whom, Outside Audit & Supervisory Board Members)	21 (14)	21 (14)	— (—)	— (—)	4 (3)
Total (of whom, Outside Officers)	196 (29)	149 (29)	3 (—)	43 (—)	11 (6)

Risk Management

1 Basic Policy

The Group has established "Risk Management Regulations" with the aim of preventing risks from materializing and minimizing losses to the Company. Based on these regulations, the Sustainability Committee (meeting quarterly in principle) takes the lead in identifying, assessing and formulating countermeasures for risks that could affect sustainable growth or the execution of business activities. The Group also seeks to ensure the effectiveness of its response by designating and clearly identifying a risk owner for each risk. The results of risk assessment are reported to the Board of Directors. The Board examines and considers the relative interrelationships among risks from a management perspective, determines the priority of risks requiring action, and directs the implementation of countermeasures.

In identifying risks, the Group classifies them into strategic execution risks and operational risks, as defined below.

Strategic Execution Risks

The degree and likelihood that intended outcomes or benefits may not be achieved as planned in the formulation of management policies and execution of business strategies. They are examined together with countermeasures, while recognizing the scope and extent of their potential impact on achieving sustainable growth.

Operational Risks

The likelihood of events or disruptions in operations that support strategy execution, together with the potential for resulting losses. They are risks that should be kept below a specified level in the course of conducting business.

For risks deemed significant, the relevant levels of the Group—including respective business units, corporate functions, and management—consider and discuss responses and countermeasures appropriate to the nature of each risk, while the Sustainability Committee monitors progress. For risks considered particularly urgent, we have established a Management Crisis Response Manual and a Crisis Communications Manual to clearly define response procedures. Through these measures, we always remain prepared for risks and work continuously to improve our risk management practices.

The Audit & Supervisory Board Members monitor whether effective measures are being implemented for high-priority risks requiring action through participation in Board of Directors meetings, review and confirmation of important documents, and coordination with the accounting auditor. In addition, the Group has established compliance-related policies and regulations to define the laws and rules its officers and employees are required to observe, and verifies compliance through internal audits and other means.

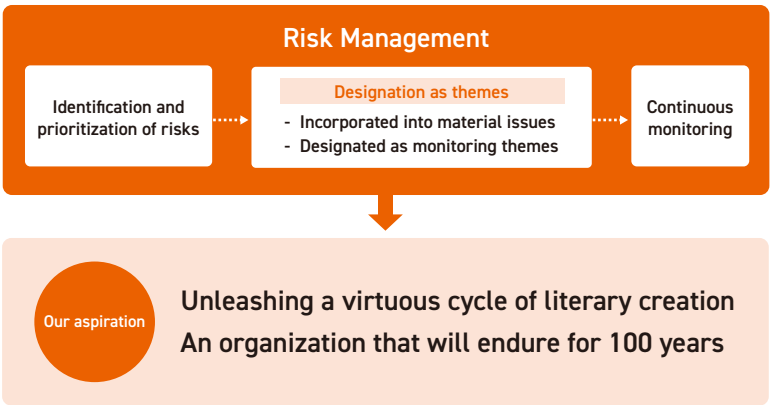
● Risk Management Cycle



2 Positioning of Risk Management and Material Issues

Among the risks identified in accordance with the basic policy, those assigned particularly high priority are incorporated into material issues or designated as "monitoring themes," taking into account their nature and impact. We continuously monitor initiatives addressing these risks.

To fulfill the Company's mission of "Unleashing a virtuous cycle of literary creation" and build an organization that will endure for the next 100 years, we will continue to engage sincerely in appropriately identifying Company-wide risks, strengthening our countermeasures, and addressing material issues from both opportunity and risk perspectives.



3 Principal Business Risks and Scope of Impact

	Risk	Scope of Impact	Impact	Response Measures
Strategic Execution Risks	**Growth prospects of the eBook industry**	Management policies, growth strategies, and business performance	Changes in the competitive environment and other factors could have a significant impact on business performance (ranging from several hundred million to more than one billion yen).	We will continue working to expand the eBook market while further strengthening our role as industry infrastructure. In addition to developing BI tools and reinforcing staffing to support customer-focused initiatives for reducing distribution workloads, we will strengthen system integration with publishers and eBook retailers and enhance our security infrastructure. We will also expand our content lineup, strengthen the distribution systems provided by the Group, develop and provide services and solutions that meet user needs, and respond to advances in technology. Through these initiatives, we aim not only to contribute to the expansion of the overall publishing market and its user base, but also to differentiate ourselves from competitors.
	Impact of external factors (including natural disasters) on business operations	Growth strategies and business activities, demand and supply, and securing earnings	Disruptions to business activities could have a significant impact on business performance (ranging from several hundred million to more than one billion yen).	As a provider of social infrastructure for publishing content, the Group aims to sustainably provide systems that authors, publishers, and users (readers) can use with confidence and trust. To this end, we are implementing measures to ensure backups for our systems and operations, while creating organizational structures for emergency response. We are also continuing to discuss and review the development of emergency response manuals, including the Management Crisis Response Manual and Crisis Communications Manual established under the Risk Management Regulations, as well as the formulation of BCPs based on specific disaster scenarios, as part of our efforts to prepare for unforeseen contingencies.
	Impact of piracy websites and similar services	Growth strategies and business activities, demand and supply, and securing earnings	An increase in the use of piracy websites and the resulting expansion of damage could have a moderate to significant impact on business performance (ranging from several hundred million to 1 billion yen).	Recently, traffic to piracy websites based overseas has declined to approximately one-sixth of its peak level since December 2025, and as of the fiscal year ended February 2026, no significant adverse impact on the Group's earnings has been observed. Nevertheless, we continue to work with the publishing industry and government authorities to identify site operators, have piracy sites removed from search results, and shut down such sites.
	Dependence on procurement from specific industries and business partners	Business activities, business performance, and financial position	Changes in transaction terms or other factors could have a minor to significant impact on business performance (ranging from tens of millions to 1 billion yen).	Although negotiations with business partners over terms are infrequent, both the business partners and the Company conduct periodic reviews. We will continue to maintain and expand cooperative relationships aimed at growing the eBook market while also working to establish a second earnings pillar in addition to our eBook distribution business.
	System and information security risks	Business performance and financial position, and brand value	Suspension of some of the Company's operations or damage to trust in the Company or to its reputation could have a moderate to significant impact on business performance (ranging from several hundred million to 1 billion yen).	The Company operates its Information Security Regulations and related detailed rules established by the IT Management Division. We have also prepared and distributed an Information Security Handbook and provide employees with security training through e-learning programs, thereby reducing human-related security risks. In addition, we conduct information security risk assessments, vulnerability assessments, and penetration testing and formulate improvement plans to address issues identified through these activities. We also gather and analyze information on the latest attack methods and implement countermeasures, introduce systems and other measures designed to strengthen defenses against unauthorized access and similar threats, and broaden and accelerate anomaly detection. Through these initiatives, we are working to strengthen security against external threats. We will continue pursuing Company-wide information security measures, including sales activities, system development, and back-office operations.
	Risks related to investments and impairment	Financial position, business and operating performance, cash flows, and share price	Delays in business execution and other impacts could have a moderate to significant impact on business performance (ranging from several hundred million to 1 billion yen).	The Group seeks to maximize the business value it creates through disciplined investment and efficient business operations, with constant awareness of the cost of capital and capital efficiency. Alongside these investments, and while pursuing diversification of our management and business activities, we have set a ROIC benchmark of 8% for evaluating businesses and investment targets with a view to building an optimal business portfolio. We will work to improve the overall process, including our monitoring framework.
Operational Risks	**Talent acquisition**	Growth strategies and business activities, and business performance and financial position	Delays in business execution and other factors could have a moderate impact on business performance (amounting to several hundred million yen).	At present, there have been no significant staffing shortages or project delays affecting areas such as business execution and system development. However, as we pursue further business growth, demand for talent, particularly engineers, is already increasing. In addition to improving the workplace environment and promoting employee health and D&I to enable employees to work and thrive over the long term, we revamped our human resources system in the fiscal year ended February 2025 to provide appropriate treatment regardless of seniority, enabling each employee to take on challenges with an awareness of their role in the Group's value creation and broaden the scope of their contribution to the organization. By continuously reviewing and improving the system, we are working to secure talent and improve retention.
	Internal management systems	Business performance and financial position, and brand value	Damage to trust in the Company or to its reputation could have a moderate impact on business performance (amounting to several hundred million yen).	Although no corporate governance issues have arisen to date, we recognize the need to further enhance our internal management and internal control systems to prevent potential issues from arising in the future. We have introduced planned e-learning programs, including at Group companies, to foster greater compliance awareness among employees. We are also reviewing and updating the Company's Compliance Code of Conduct (16 items) and other internal rules. Together with Company-wide risk management activities conducted by the Sustainability Committee, we are working to enhance the effectiveness of these measures.
	Dependence on specific individuals	Growth strategies and business activities, business performance and financial position, and brand value	Delays in business execution and other factors could have a moderate impact on business performance (amounting to several hundred million yen).	There is currently no impact arising from dependence on any specific individual. However, the Board of Directors and its advisory body, the Nomination and Compensation Committee, are discussing the future management structure and the development of succession plans. We will work to establish sustainable corporate management and board governance.

Compliance

1 Basic Compliance Policy

The MEDIA DO Group*1 seeks to achieve sustainable growth while fulfilling its social responsibilities and to become a group of companies trusted by all stakeholders and society by ensuring that all officers, employees, and other personnel*2 act with a constant awareness of compliance.

The adoption, amendment, or repeal of this Basic Policy shall be subject to a resolution of the Board of Directors.

*1: Hereinafter referred to as "the Group."
*2: Includes all persons involved in the operations of the Group, including regular employees, fixed-term contract employees, temporary employees, and contractors. Hereinafter referred to as "officers and employees."

1. Basic Approach

The Group defines compliance as living up to the trust placed in it by stakeholders and society and will undertake the following initiatives in all aspects of its business activities.

1. Compliance with laws and regulations related to business activities, internal rules and manuals, and social norms
2. Proper performance of duties with gratitude and respect
3. Prompt implementation of corrective measures and measures to prevent recurrence upon discovery of a compliance violation
4. Prohibition of any adverse treatment of persons who discover compliance violations

2. Compliance Framework

The Group will undertake the following initiatives to establish a compliance framework.

1. Appointment of a compliance officer and granting of the necessary authority
2. Centralized management of compliance-related information and establishment of an appropriate reporting system for senior management
3. Establishment of systems for reporting and consultation regarding compliance matters

3. Compliance Promotion Activities

The Group has established the "Compliance Code of Conduct" and will undertake the following initiatives to promote compliance.

1. Formulation of internal compliance rules and promotion of awareness among officers and employees
2. Implementation of regular compliance training
3. Regular inspection of compliance status and related matters by the compliance officer

Established on October 13, 2021
Revised on March 1, 2025
President and CEO, Yasushi Fujita

2 Compliance Code of Conduct

- To implement the provisions of the "Basic Compliance Policy," the Group establishes the following code of conduct for officers and employees.

- **1. Compliance with Laws, Regulations, and Internal Rules**
- Comply with laws, regulations, and internal rules, and conduct business appropriately with gratitude and respect, in accordance with social norms and high standards of corporate ethics.
  →See the Basic Anti-Corruption Policy
  (https://mediado.jp/english/sustainability/governance/anticorruption/)

- **2. Respect for Fundamental Human Rights**
- Respect fundamental human rights in all aspects of business activities and do not engage in discrimination or harassment based on race, nationality, gender, age, occupation, region, beliefs, disability, or other characteristics.
  →See the Human Rights Policy
  (https://mediado.jp/english/sustainability/social/humanrightspolicy/)

- **3. Maintenance and Promotion of a Safe and Secure Workplace**
- Maintain and promote a safe, secure, and supportive workplace environment that enables officers and employees to fully demonstrate their abilities in performing their duties.

- **4. Fair and Free Competition**
- Build and maintain relationships based on integrity with business partners, contractors, competitors, and other companies, and promote fair and free competition.

- **5. Protection of Intellectual Property**
- Protect intellectual property owned by the Group.
- Do not infringe intellectual property rights owned by third parties under any circumstances.
  →See the Basic Intellectual Property Policy
  (https://mediado.jp/english/sustainability/governance/ip/)

- **6. Environmental Considerations**
- To contribute to building a sustainable society, the Group promotes environmental conservation by regularly assessing and improving the environmental impact of its business activities.

- **7. Appropriate Tax Payments and Optimization of Tax Expenses**
- Pay taxes appropriately in accordance with applicable laws and regulations while optimizing tax expenses.
  →See the Basic Tax Policy
  (https://mediado.jp/english/sustainability/governance/taxation/)

- **8. Appropriate Information Disclosure**
- Report and disclose information in a timely and appropriate manner so that all stakeholders, including shareholders and investors, can make decisions on a fair and equitable basis.

9. Information Security Environment
- Establish a robust information security environment to prevent unauthorized access to, leakage of, or tampering with information assets, including personal and confidential information, and maintain a secure information systems environment.

10. Protection and Management of Company Assets
- Officers and employees are prohibited from using the Group's assets for personal purposes.
- Establish and appropriately implement internal regulations governing the acquisition, use, management, and disposal of assets.

11. Recording and Retention of Information
- Information obtained in the course of business is handled appropriately in accordance with applicable laws and regulations, internal rules, and other relevant requirements.
- Maintain accurate records of business activities, including accounting and financial activities, and do not create fraudulent or misleading records.
- Records are retained in a manner that allows for retrieval and review when necessary and for timely and accurate disclosure.

12. Appropriate Engagement with Politics
- Conduct fair business activities while maintaining appropriate relationships with political entities. When making political contributions or donations to political organizations, clarify their purpose and social significance, comply with the Political Funds Control Act and other applicable laws and regulations, and follow proper and transparent procedures.

13. Prevention of Corrupt Practices
- Do not engage in bribery, corruption, extortion, embezzlement, or any other corrupt practices.

14. Prohibition of Conflicts of Interest
- Officers and employees shall act in accordance with applicable laws, regulations, and internal rules when their interests conflict with those of the Group, giving priority to safeguarding the interests of the Group.

15. Prohibition of Insider Trading
- Insider trading by officers and employees is strictly prohibited.
- To prevent insider trading, strictly manage material nonpublic information.

16. Elimination of Relationships with Antisocial Forces
- The Group firmly rejects any relationship with antisocial forces and strives to prevent its products and services from being used for the transfer of criminal proceeds or similar activities, thereby helping to ensure public safety and sound corporate management.

End

3 Whistleblowing System

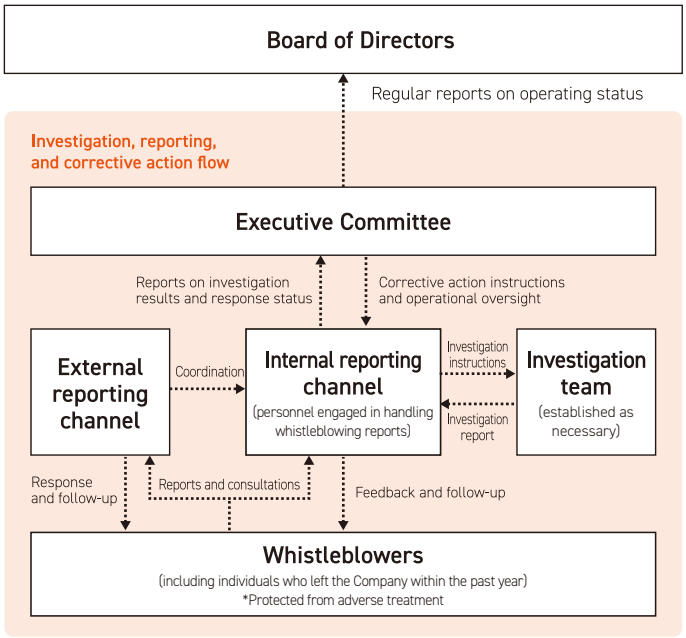
Based on its "Whistleblowing Regulations," the Company has established a framework for appropriately handling consultations and reports from officers, employees, and other parties concerning organizational or individual violations of laws, regulations, or internal rules. Through this framework, the Company works to detect and correct misconduct and other violations at an early stage.

In operating the whistleblowing system, the Company maintains internal and independent external reporting channels, ensures the anonymity of officers and employees who submit reports, and protects whistleblowers from any disadvantage resulting from their reports. Reports received are promptly and appropriately investigated, and corrective action is taken. The Executive Committee regularly receives reports on investigation findings and the status of responses and oversees the system's operation. The operational status is also reported periodically to the Board of Directors.

Number of Whistleblowing Reports (cases)

FYE 2/24	2
FYE 2/25	2
FYE 2/26	1

Whistleblowing System Governance Structure



4 Key Items Discussed and Considered by the Board of Directors in FYE 2/26

Theme	Key Discussion and Consideration Topics	Number of Agenda Items	%
Financial Accounting	Capital policy taking the cost of capital into account, including shareholder returns and financing; strengthening of the Group management control framework; and quarterly financial results were reviewed and discussed.	24	20.3%
Management Strategy	Progress of the Medium-Term Management Plan; appropriateness of priority investments for optimizing the business structure; and growth strategies for existing and new businesses were reviewed and discussed. For the strategic portfolio review, 9 rounds of discussions were held, including agreement on the overall direction. Of the 8 individual projects under review, 7 were completed during the fiscal year, and the remaining one was completed at the beginning of the following fiscal year.	18	15.3%
Human Resources and Organization	The selection process for next-generation management talent (succession); an executive compensation system designed to enhance effectiveness; and reforms to the human resources system were reviewed and discussed.	18	15.3%
Governance	Results of the Board effectiveness evaluation and improvement measures; revisions to the Corporate Governance Policy; and the composition, appointment, and dismissal of each committee were reviewed and discussed.	17	14.4%
Investment and M&A	Screening of strategic investments and M&A, monitoring of external investees, and post-investment PMI were reviewed and discussed; for Seven Seas, a major acquisition, a resolution was adopted after 9 rounds of wide-ranging discussions on growth opportunities for the Group, the PMI framework, potential risks, and other matters.	15	12.7%
Compliance and Risk Management	Evaluation of the development and operation status of the internal control system; Group-wide risk assessments (identification and evaluation); and measures to promote compliance awareness were reviewed and discussed.	15	12.7%
Sustainability	Monitoring of progress on material issues and the operational status of the Group's sustainability promotion framework were reviewed and discussed.	7	5.9%
IR	Feedback from dialogue with institutional investors and shareholders, and updates to the IR Basic Policy based on market assessments, were reviewed and discussed.	4	3.4%

Section 1 MEDIA DO's Purpose
Section 2 MEDIA DO's Value Creation — The Value We Create
Section 3 Value Creation Strategy — How We Create Value
Section 4 Foundational Governance — How We Supports Value Creation

Winter / The Silence of the Bitter Cold

Kito in winter. Snow piles up as silence envelops the village. Amid the bitter cold, the warmth of its people touches the heart.

Data / Corporate Information

Section 5

(millions of yen)	FYE 2/17	FYE 2/18	FYE 2/19	FYE 2/20
● Operating Results				
Net sales*1	15,533	37,213	50,568	65,860
eBook Distribution business	14,223	36,229	49,918	64,570
Strategic Investment businesses	1,309	1,010	773	1,437
Cost of sales	13,895	32,596	44,829	59,168
Gross profit	1,638	4,618	5,739	6,691
Selling, general and administrative expenses	981	3,688	4,271	4,837
Operating profit	656	930	1,468	1,853
Ordinary profit	657	831	1,492	1,761
Extraordinary gains (losses)	-11	-20	-2,202	-162
Profit before income taxes	646	811	-709	1,599
Profit (loss) attributable to owners of parent	415	358	-1,243	884
EBITDA*2	854	1,777	2,650	2,659
● Financial Position (fiscal year-end)				
Total assets	8,683	26,700	30,964	34,062
Total liabilities	5,916	22,481	26,503	28,224
Total net assets	2,767	4,219	4,461	5,838
Equity	2,717	4,097	4,368	5,791
Interest-bearing debt (short- and long-term)	1,460	11,396	10,070	8,243
● Cash Flows				
Cash flows from operating activities	950	1,470	2,458	1,928
Cash flows from investing activities	-2,083	-7,961	-482	-77
Cash flows from financing activities	1,465	9,944	-364	-1,506
Free cash flow	-1,133	-6,491	1,976	1,851
Cash and cash equivalents at end of period	2,057	5,686	7,747	8,089
● Per-Share Data (yen)				
Profit (loss)	41.7	32.5	-106.0	64.5
Dividends	9	11	11	13
Payout ratio (%)	21.2	33.5	0.0	20.8
Equity	270.3	359.7	353.9	408.6
● Key Management Indicators				
Return on assets (ROA) (%)	5.9	3.1	4.8	5.2
Return on equity (ROE) (%)	16.6	0.0	-28.8	17.2
Equity ratio (%)	31.3	15.3	14.1	17.0
Financial leverage (times)	3.14	6.36	6.97	5.83
D/E ratio (times)	0.53	2.72	2.27	1.41
Number of employees*3 (people)	130	279	362	350

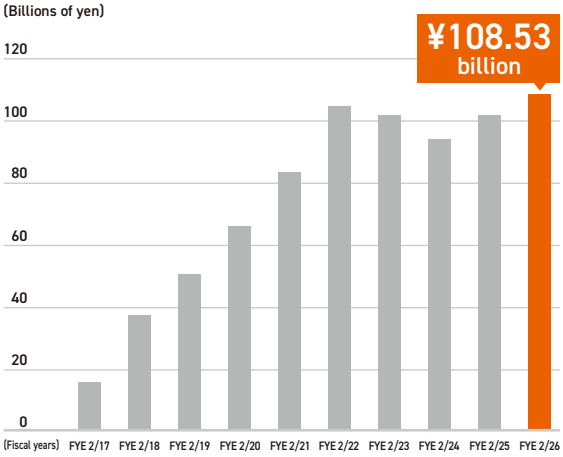
	FYE 2/21	FYE 2/22	FYE 2/23	FYE 2/24	FYE 2/25	FYE 2/26	YoY
	83,540	104,722	101,667	94,036	101,914	108,537	6,623
	82,360	99,359	94,398	86,448	93,818	101,107	7,289
	1,366	5,927	8,604	8,613	8,953	8,716	-237
	75,810	94,848	90,705	83,182	90,827	98,714	7,887
	7,730	9,874	10,962	10,854	11,086	9,823	-1,263
	5,065	7,063	8,568	8,788	8,611	7,369	-1,242
	2,664	2,811	2,393	2,066	2,475	2,453	-22
	2,720	2,783	2,291	1,990	2,360	2,548	188
	-221	-419	-762	-1,552	-479	-46	433
	2,498	2,363	1,529	438	1,882	2,502	620
	1,519	1,576	1,057	-319	1,363	1,818	455
	3,423	3,926	3,867	3,393	3,789	3,666	-123
	43,187	52,509	50,882	51,612	53,160	56,926	3,766
	31,018	35,596	34,109	35,403	35,451	37,704	2,253
	12,169	16,912	16,772	16,208	17,708	19,221	1,513
	12,105	16,815	16,695	16,183	17,600	19,034	1,434
	6,653	5,573	6,620	5,382	3,865	2,739	-1,126
	2,544	4,632	1,916	3,171	3,931	2,454	-1,477
	-1,275	-7,835	-3,070	-688	137	-426	-563
	3,349	2,089	-276	-1,645	-1,534	-1,596	-62
	1,269	-3,203	-1,154	2,483	4,068	2,028	-2,040
	12,703	11,399	10,127	11,004	13,591	14,014	423
	104.5	99.7	68.3	-21.1	90.1	119.9	30
	21	21	0	22	36	40	4
	21.2	21.1	0.0	0.0	40.1	33.4	-6.7
	787.7	1,059.6	1,082.7	1,070.9	1,161.6	1,254.0	92.3
	6.3	5.3	4.5	3.9	4.4	4.5	0.0
	16.9	10.9	6.3	-1.9	8.1	9.9	1.9
	28.0	32.0	32.8	31.4	33.1	33.4	0.3
	3.56	3.12	3.05	3.19	3.02	2.99	-0.03
	0.55	0.33	0.40	0.33	0.22	0.14	-0.08
	379	580	610	606	558	507	-51

*1 Includes net sales from business segments other than reportable segments. *2 EBITDA = Operating profit + (depreciation + amortization of goodwill) *3 Figures represent the employee headcount for the MEDIA DO Group.

Net Sales

FYE 2/26
¥108.53 billion

YoY
+6.5%

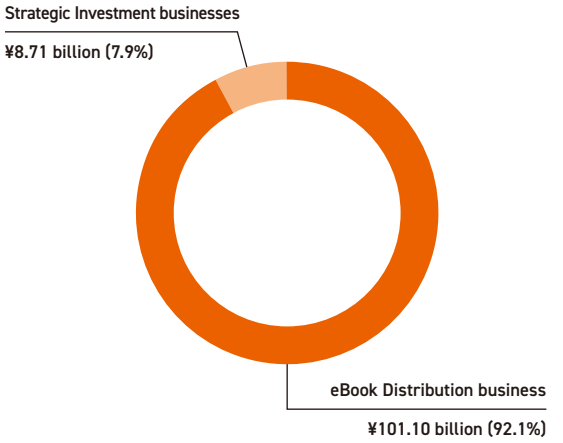


Consolidated net sales reached a record high for the first time in 4 years at ¥108.53 billion (+6.5% YoY). Overcoming the revenue decline following the end of a major exclusive partnership, the Company has grown approximately 10-fold over the past 10 years. Growth was driven by existing distribution and new distribution channels launched in July 2025 in the core eBook Distribution business.

Sales Composition of Strategic Investment Businesses and Other Operations

FYE 2/26
7.9%

YoY
-0.8pt

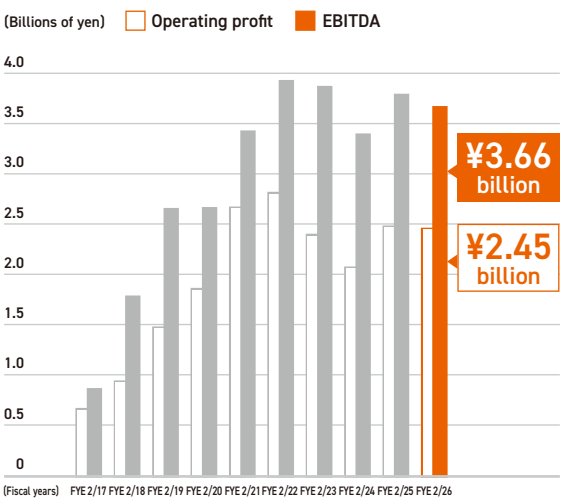


To establish a second earnings pillar, the Company invested in adjacent fields via its Strategic Investment businesses. To avoid resource dispersion, it exited over 15 businesses in accordance with its 8% ROIC withdrawal threshold over the past 3 fiscal years. Consequently, while the segment's share of net sales fell to 7.9% in the fiscal year ended February 2026(-0.8 pt YoY), profitability steadily improved through selection and concentration. Going forward, the Company will focus resources on growth areas to expand sales and achieve early profitability.

EBITDA

FYE 2/26
¥3.66 billion

YoY
-3.2%

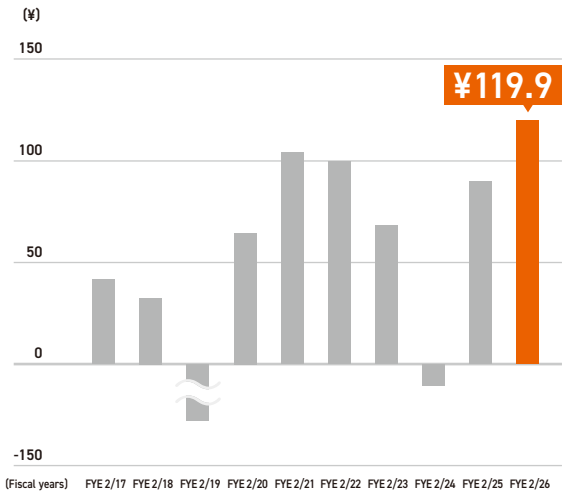


EBITDA for fiscal year ended February 2026 stood at ¥3.66 billion (-3.2% YoY). Over the past 10 years, the Company has expanded its business scale through active M&A, including the acquisition of Digital Publishing Initiatives Japan. Although operating profit was affected by increased goodwill amortization and other expenses from M&A and investments, EBITDA—a key indicator of core cash generation—continues to trend upward over the long term. This strong cash foundation continues to drive further growth investments and shareholder returns.

Earnings per Share (EPS)

FYE 2/26
¥119.9

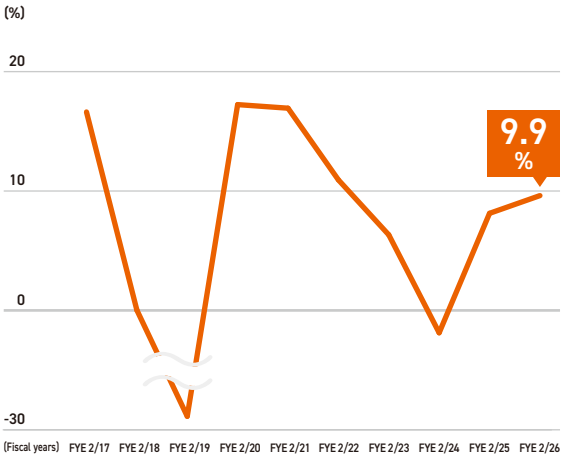
YoY
+33.0%



EPS for the fiscal year ended February 2026 was ¥119.9 (+33.0% YoY), significantly exceeding the previous year. In prior fiscal years, EPS sometimes declined due to the emergence of unprofitable businesses stemming from business expansion and extraordinary losses from their restructuring. Recently, however, through business exits and sales of investees such as MyAnimeList, the Company has reduced the risk of such earnings volatility, and is establishing a foundation for sustainable EPS growth.

ROE

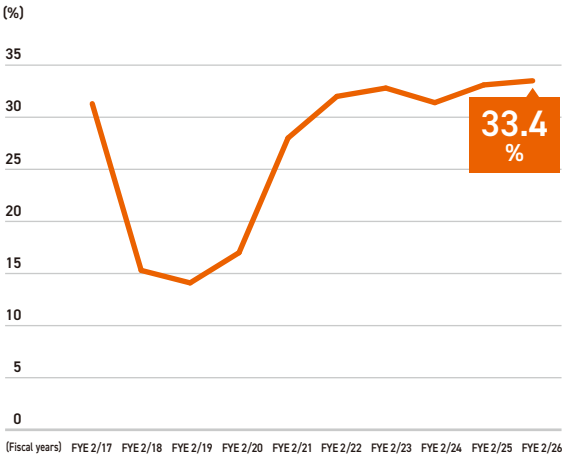
FYE 2/26 **9.9%** | YoY **+1.9pt**



ROE for the fiscal year ended February 2026 was 9.9% (+1.9 pt YoY). This improvement reflected growth in the eBook Distribution business, profitability gains in the Strategic Investment businesses, and portfolio optimization including sales of investees like MyAnimeList. This level broadly aligns with its estimated cost of equity (approx. 10%). The Company will continue capital-efficient management to generate ROE that consistently exceeds its cost of equity.

Equity Ratio

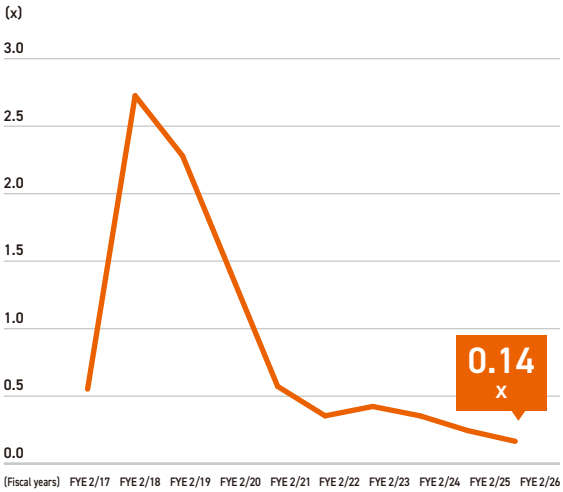
FYE 2/26 **33.4%** | YoY **+0.3pt**



The equity ratio for fiscal year ended February 2026 improved to 33.4% (+0.3 pt YoY) due to accumulated earnings. Although borrowings for acquiring Digital Publishing Initiatives Japan temporarily lowered it to the 10% range, equity financing and disciplined balance sheet management restored financial soundness. The Company has established a solid financial foundation that offers high resilience to market changes and enables future growth investments.

D/E Ratio

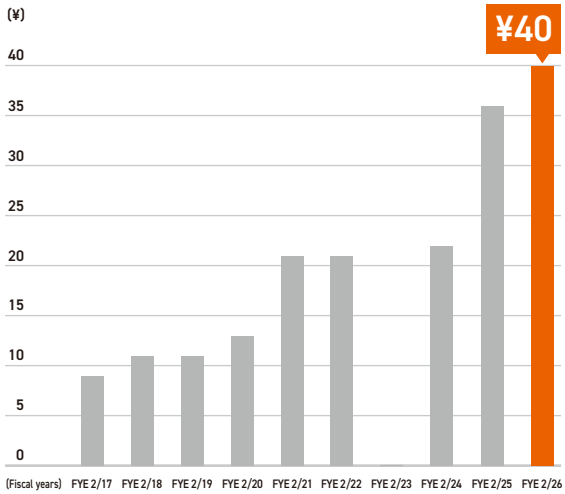
FYE 2/26 **0.14x** | YoY **-0.08pt**



The D/E ratio for the fiscal year ended February 2026 stood at a sound 0.14x (-0.08 pt YoY). Although it temporarily rose following the acquisition of Digital Publishing Initiatives Japan, which marked a major step toward becoming Japan's largest eBook distributor, the Company has since optimized the balance between debt and equity through equity financing and retained earnings accumulation. Going forward, the Company will maintain financial soundness while leveraging borrowings for growth investments to enhance capital efficiency.

Dividend per Share

FYE 2/26 **¥40** | YoY **+¥4**



Targeting a consolidated total payout ratio of at least 30%, the Company prioritizes shareholder returns. Excluding the fiscal year ended February 2023—when a ¥1.0 billion share buyback pushed the total payout ratio to 94.6% resulting in no dividend payment—dividends have steadily increased since its listing. In the fiscal year ended February 2026, the Company paid a record-high dividend of ¥40 per share, reflecting its ongoing commitment to capital efficiency and appropriate returns to shareholders.

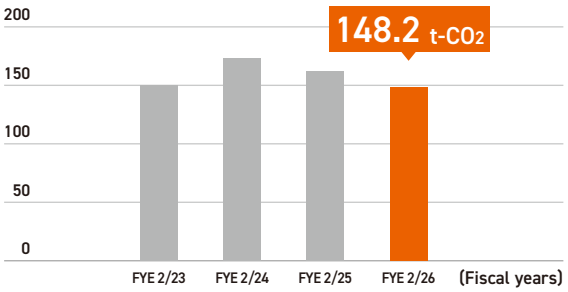
				FYE 2/23	FYE 2/24	FYE 2/25	FYE 2/26
Environment[*1]	Total CO_2 emissions (Scope 1 + Scope 2, t-CO_2) Location-based			150.5	173.4	162.1	148.2
	Total CO_2 emissions (Scope 1 + Scope 2, t-CO_2) Market-based			157.9	157.8	166.4	158.3
	Scope 1 CO_2 emissions (t-CO_2)			5.0	4.2	4.0	4.0
	Scope 2 CO_2 emissions (t-CO_2) Location-based			163.0	169.2	158.1	144.1
	Scope 2 CO_2 emissions (t-CO_2) Market-based			174.3	153.6	162.5	154.3
	Scope 3 CO_2 emissions (t-CO_2eq) Total[*2]			93,837.9	82,665.7	90,768.3	97,895.6
	Category 1: Purchased goods and services			91,503.1	81,516.4	89,938.2	97,253.3
	Category 2: Capital goods			2,222.1	919.2	628.0	450.0
	Category 3: Fuel- and Energy-Related Activities Not Included in Scopes 1 or 2			27.5	27.4	26.5	24.2
	Category 4: Transportation and delivery (upstream)			6.8	5.5	7.5	7.8
	Category 5: Waste generated in operations			4.4	2.7	1.2	2.4
	Category 6: Business travel			64.8	63.6	53.8	51.1
	Category 7: Employee commuting			132.0	130.9	113.0	106.8
	Electricity consumption (kWh)			335,190	386,285	373,770	340,831
	Water use (m^3)			63	322	183	179
	Paper use (t)			1.4	1.2	1.2	1.2
Social	Number of employees and ratio of female employees[*3] [Excluding part-time and temporary employees]	Total (people)		345 [79]	341 [90]	291 [83]	273[91]
		Men (people)		172 [25]	171 [27]	143 [21]	129[21]
		Women (people)		173 [54]	170 [63]	148 [62]	144[70]
		Ratio of female employees (%)		50.1	49.9	50.9	52.7
	Number of managers (people)[*4]	Total		97	106	51	48
		Men		75	75	37	32
		Women		22	31	14	16
	Ratio of female managers (%)[*5]			22.7	29.3	27.5	34.0
	Number of newly appointed female managers / Ratio of women among newly appointed managers (people [%])[*5*6]			2 [18.2]	13 [43.3]	2 [50.0]	4 [50.0]
	Breakdown of female managers (people [%])[*4*5]	Directors / Audit & Supervisory Board members		1 [11.1]	4 [33.3]	4 [36.4]	4 [40.0]
		Executive Officers and General Managers		7 [13.7]	6 [13.3]	1 [5.3]	3 [15.8]
		Other managers		14 [30.4]	25 [40.3]	13 [41.9]	13 [46.4]
	Number of newly hired employees in Japan: ratio of men and women [Excluding part-time and temporary employees](people)	Total		64 [32]	48 [33]	26 [18]	36 [25]
		Men		35 [14]	25 [9]	14 [4]	15 [4]
		Women		29 [18]	23 [24]	12 [14]	21[21]
	Number of non-Japanese employees[*5]	Total (people [%])		9 [2.8]	9 [2.6]	6 [2.1]	6 [2.2]
		Men (people)		2	3	2	2
		Women (people)		7	6	4	4
	Number of domestic employees stationed outside of major urban centers [Excluding part-time and temporary employees][*7]			31 [64]	31 [76]	30 [71]	31 [78]
	Number of employees with disabilities (people [%])[*5*8]			4 [1.2]	7[2.4]	6[2.8]	7[2.6]
	Average age of employees (years)[*5]	Total		34.1	36.1	36.0	36.7
		Men		34.6	37.7	37.1	38.1
		Women		33.6	34.4	34.7	35.3
	Number of engineers (people)[*5]	Total		46	46	40	39
		Men		39	40	37	36
		Women		7	6	3	3
	Number of employees using the childcare leave system[*5]	Men (people)		0	0	1	1
		Women (people)		8	10	12	19
		Ratio of leave takers returning to work (%)		100.0	93.0	100.0	100.0
	Average monthly total working hours per employee (hours)[*5]			174.2	160.7	178.1	172.9
	Average annual overtime hours per employee(hours)[*5]			14.2	9.4	14.1	13.9
	Occupational accident frequency rate[*5*9]			0	6	1.6	0
	Ratio of employees undergoing stress checks (%)[*5]			96.8	98.8	98.6	99.2
	Ratio of employees undergoing regular health checkups (%)[*5]			100.0	100.0	100.0	100.0
	Average amount of training expenses per employee (actual amount) (yen)[*5]			194,293	47,678	34,430	36,740
	Number of security incidents			0	0	0	0
	Number of data leaks			0	0	0	0
	Number of services with ABJ mark certification[*10]			881	929	988	1024
	Number of requests to disclose user information from law enforcement agencies			0	0	0	0
	Number of users subject to requests to disclose user information			0	0	0	0
	Social contribution activity-related expenses (millions of yen)[*11]			70.0	55.6	58.1	63.8

			FYE 2/23	FYE 2/24	FYE 2/25	FYE 2/26
Governance	Number of directors (people)	Total	6	8	7	7
		Women	1	3	3	3
		Outside	2	3	3	3
		Independent	2	3	3	3
	Number of Audit & Supervisory Board members (people)	Total	3	4	4	3
		Women	0	1	1	1
		Outside	2	3	3	2
		Independent	2	3	3	2
	Ratio of independent directors (%)		33.3	37.5	42.9	42.9
	Ratio of independent Audit & Supervisory Board members (%)		66.6	75.0	75.0	66.7
	Total compensation paid to directors (millions of yen)		132	163	167	174
	Total compensation paid to Audit & Supervisory Board members (millions of yen)		16	24	25	21
	Number of reports received through whistleblowing system (cases)		11	2	2	1

Scope: MEDIA DO Co., Ltd. and MEDIA DO TECH TOKUSHIMA Co., Ltd.
*1 CO_2 emissions were calculated with reference to Greenhouse Gas Emissions Calculation and Reporting Manual (Ver. 4.6), which was published by the Ministry of the Environment and Ministry of Economy, Trade and Industry, and is based on the Act on Promotion of Global Warming Countermeasures *2 There are no emissions corresponding to Categories 8–15. *3 Full-time employees (including executive officers) *4 At the beginning of the fiscal year ended February 2025, with the introduction of a new HR system, about half of our management positions (M positions) were converted to specialist positions (S positions) *5 MEDIA DO Co., Ltd. (non-consolidated) *6 Number of individuals promoted to manager for the first time during the fiscal year *7 Number of employees at MEDIA DO TECH TOKUSHIMA Co., Ltd. and GAMBAROU TOKUSHIMA Co., Ltd. *8 Full-time employees, contract employees, and part-time staff *9 Occupational accident frequency rate = (Number of occupational accident casualties ÷ Aggregate work hours) × 1,000,000 *10 The ABJ certification mark indicates that the certified eBook retailer or eBook distribution service is distributing authorized copies of content based on a usage agreement with the copyright holder *11 Figures include donations, sponsorships, and investments

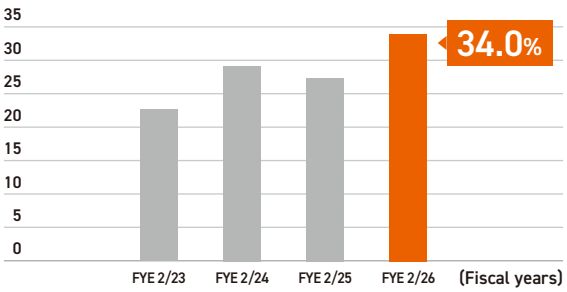
ESG Highlights

Total CO_2 emissions (Scope 1 + Scope 2, t-CO_2) Location-based



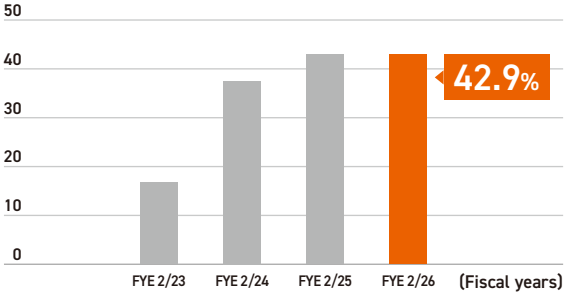
While the nature of the Company's business limits its direct GHG emissions, the Company places importance on reducing environmental impact and mitigating the effects of climate change. It has set a target of reducing emissions by 50% by the fiscal year ending 2030 compared with the fiscal year ended 2023 and is working to reduce energy consumption and pursue other initiatives.

Ratio of Female Managers (%)



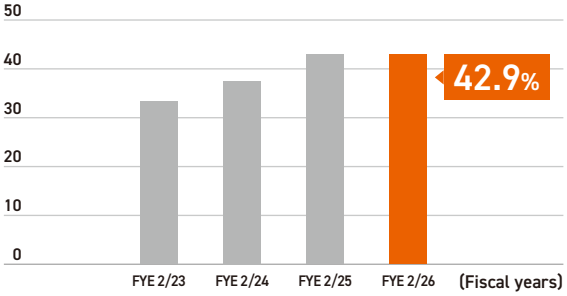
The Company does not tolerate discrimination of any kind, including gender-based discrimination, and respects each employee as an individual. In the fiscal year ended February 2026, the ratio of female managers reached the target of at least 30%. The Company will continue to enhance corporate value sustainably by supporting the growth and development of diverse talent.

Ratio of Female Directors (%)



As Prime Market-listed companies are required to have women account for at least 30% of their directors, the Company's ratio of female directors exceeded 30% in the fiscal year ended February 2024. The ratio of female directors reached 42.9% as of the fiscal year ended February 2026 and increased to 50.0% following the Annual General Meeting of Shareholders in May 2026.

Ratio of Independent Directors (%)



To ensure that directors and employees perform their duties in compliance with laws, regulations, and the Articles of Incorporation, and to enhance transparency in the Board of Directors' decision-making, the Company requires independent outside directors to constitute at least one-third of the Board.

Consolidated Balance Sheets

MEDIA DO Co., Ltd. and its consolidated subsidiaries
As of February 28, 2026 and February 28, 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Assets			
Current assets			
Cash and deposits (Notes 4 and 16)	¥14,014	¥13,591	$89,931
Notes and accounts receivable – trade, and contract assets (Note 4)	27,764	24,033	178,168
Other	2,224	2,335	14,271
Allowance for doubtful accounts	(0)	(0)	(0)
Total current assets	44,001	39,960	282,365
Non-current assets			
Property, plant and equipment			
Buildings	704	737	4,517
Tools, furniture and fixtures	212	286	1,360
Other	47	60	301
Accumulated depreciation	(494)	(502)	(3,170)
Total property, plant and equipment	469	582	3,009
Investments and other assets			
Goodwill (Notes 3 and 16)	4,029	4,198	25,855
Investment securities (Notes 4 and 5)	5,017	4,883	32,195
Shares of associates (Note 4)	697	786	4,472
Guarantee deposits	447	468	2,868
Software	587	624	3,766
Software in progress	28	9	179
Deferred tax assets (Note 10)	382	310	2,451
Allowance for doubtful accounts	(34)	(7)	(218)
Other	1,298	1,342	8,329
Total investments and other assets	12,454	12,616	79,920
Total assets	¥56,926	¥53,160	$365,308

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Liabilities			
Current liabilities			
Notes and accounts payable – trade (Note 4)	¥31,022	¥28,273	$199,075
Short-term borrowings (Notes 4 and 6)	55	52	352
Current portion of long-term borrowings (Notes 4 and 6)	1,418	1,455	9,099
Income taxes payable	696	27	4,466
Provision for bonuses	42	42	269
Other (Notes 6 and 17)	2,451	2,369	15,728
Total current liabilities	35,686	32,220	229,005
Non-current liabilities			
Long-term borrowings (Notes 4 and 6)	1,228	2,358	7,880
Deferred tax liabilities (Note 10)	67	81	429
Retirement benefit liability (Note 7)	578	621	3,709
Other (Notes 6 and 9)	143	169	917
Total non-current liabilities	2,017	3,231	12,943
Total liabilities	37,704	35,451	241,955
Net assets (Note 11)			
Shareholders' equity			
Share capital (Note 11)	6,019	5,990	38,625
Capital surplus	5,961	5,901	38,253
Retained earnings	5,916	4,645	37,964
Treasury shares (Note 11)	(48)	(48)	(308)
Total shareholders' equity	17,849	16,488	114,541
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	199	127	1,277
Foreign currency translation adjustment	986	984	6,327
Total accumulated other comprehensive income	1,185	1,111	7,604
Share acquisition rights (Note 8)	22	–	141
Non-controlling interests	165	108	1,058
Total net assets	19,221	17,708	123,345
Total liabilities and net assets	¥56,926	¥53,160	$365,308

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Income and Comprehensive Income

MEDIA DO Co., Ltd. and its consolidated subsidiaries
Years ended February 28, 2026 and February 28, 2025

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Net sales (Note 17)	¥108,537	¥101,914	$696,509
Cost of sales	98,714	91,662	633,472
Gross profit	9,823	10,252	63,036
Selling, general and administrative expenses (Note 12)	7,369	7,777	47,288
Operating profit (Note 18)	2,453	2,475	15,741
Other income (expenses)			
Interest and dividend income	54	37	346
Foreign exchange gains	51	–	327
Share of profit of entities accounted for using equity method	75	–	481
Interest expenses	(35)	(35)	(224)
Share issuance costs	(0)	(3)	(0)
Foreign exchange losses	–	(3)	–
Loss on investments in investment partnership	(3)	(33)	(19)
Share of loss of entities accounted for using equity method	–	(20)	–
Donations	(54)	(54)	(346)
Gain on sale of non-current assets	–	2	–
Gain on sale of investment securities	152	31	975
Gain on sale of subsidiaries and associates	653	21	4,190
Gain on sale of businesses	–	18	–
Gain on liquidation of subsidiaries and associates	35	–	224
Impairment loss (Note 14)	(328)	(482)	(2,104)
Loss on valuation of investment securities	(528)	(45)	(3,388)
Loss on business liquidation	–	(23)	–
Settlement payments	(29)	–	(186)
Other	6	(2)	38
Profit before income taxes	2,502	1,882	16,055
Income taxes – current	752	355	4,825
Income taxes – deferred	(93)	157	(596)
Total income taxes	659	512	4,228
Profit	¥1,843	¥1,370	$11,826
Profit attributable to non-controlling interests	¥25	¥6	$160
Profit attributable to owners of parent	1,818	1,363	11,666

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Profit	¥1,843	¥1,370	¥11,826
Other comprehensive income (Note 15)			
Valuation difference on available-for-sale securities	71	(65)	455
Foreign currency translation adjustment	1	259	6
Share of other comprehensive income of entities accounted for using equity method	0	(2)	0
Total other comprehensive income	73	191	468
Comprehensive income	¥1,917	¥1,561	$12,301
Comprehensive income attributable to:			
Owners of parent	¥1,891	¥1,554	$12,135
Non-controlling interests	25	6	160

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

MEDIA DO Co., Ltd. and its consolidated subsidiaries
Years ended February 28, 2026 and February 28, 2025

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreig currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at March 1, 2024	¥5,959	¥5,737	¥3,614	¥(48)	¥15,262	¥195	¥725	¥920	¥0	¥25	¥16,208
Changes during period											
Issuance of restricted shares	30	30			61			–			61
Dividends of surplus			(332)		(332)			–			(332)
Profit attributable to owners of parent			1,363		1,363			–			1,363
Capital increase of consolidated subsidiaries		96			96			–			96
Sale of shares of consolidated subsidiaries		36			36			–			36
Net changes in items other than shareholders' equity					–	(67)	259	191	(0)	82	274
Total changes during period	30	163	1,030	–	1,225	(67)	259	191	(0)	82	1,499
Balance at February 28, 2025	¥5,990	¥5,901	¥4,645	¥(48)	¥16,488	¥127	¥984	¥1,111	–	¥108	¥17,708
Changes during period											
Issuance of restricted shares	28	28			57			–			57
Dividends of surplus			(546)		(546)			–			(546)
Profit attributable to owners of parent			1,818		1,818			–			1,818
Capital increase of consolidated subsidiaries		31			31			–			31
Net changes in items other than shareholders' equity					–	71	1	73	22	56	152
Total changes during period	28	60	1,271	–	1,360	71	1	73	22	56	1,513
Balance at February 28, 2026	¥6,019	¥5,961	¥5,916	¥(48)	¥17,849	¥199	¥986	¥1,185	¥22	¥165	¥19,221

Thousands of U.S. dollars (Note 1)

	Shareholders' equity					Accumulated other comprehensive income					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreig currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at February 28, 2025	$38,439	$37,868	$29,808	$(308)	$105,807	$814	$6,314	$7,129	–	$693	$113,636
Changes during period											
Issuance of restricted shares	179	179			365			–			365
Dividends of surplus			(3,503)		(3,503)			–			(3,503)
Profit attributable to owners of parent			11,666		11,666			–			11,666
Capital increase of consolidated subsidiaries		198			198			–			198
Net changes in items other than shareholders' equity					–	455	6	468	141	359	975
Total changes during period	179	385	8,156	–	8,727	455	6	468	141	359	9,709
Balance at February 28, 2026	$38,625	$38,253	$37,964	$(308)	$114,541	$1,277	$6,327	$7,604	$141	$1,058	$123,345

Consolidated Statements of Cash Flows

MEDIA DO Co., Ltd. and its consolidated subsidiaries
Years ended February 28, 2026 and February 28, 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Cash flows from operating activities			
Profit before income taxes	¥2,502	¥1,882	$16,055
Depreciation	749	657	4,806
Impairment loss	328	482	2,104
Amortization of goodwill	464	657	2,977
Increase (decrease) in allowance for doubtful accounts	27	(0)	173
Increase (decrease) in provision for bonuses	6	(0)	38
Increase (decrease) in retirement benefit liability	(41)	(7)	(263)
Interest and dividend income	(54)	(37)	(346)
Interest expenses	35	35	224
Loss (gain) on valuation of investment securities	528	45	3,388
Loss (gain) on investments in investment partnerships	3	33	19
Loss (gain) on sale of investment securities	(152)	(31)	(975)
Loss (gain) on sale of shares of subsidiaries and associates	(653)	(21)	(4,190)
Share of loss (profit) of entities accounted for using equity method	(75)	20	(481)
Decrease (increase) in trade receivables	(3,832)	(794)	(24,590)
Increase (decrease) in advances received	74	(15)	474
Decrease (increase) in inventories	(41)	23	(263)
Decrease (increase) in prepaid expenses	83	(59)	532
Increase (decrease) in trade payables	2,730	2,098	17,519
Increase (decrease) in accounts payable – other	(159)	163	(1,020)
Increase (decrease) in deposits received	65	(11)	417
Increase (decrease) in accrued consumption taxes	(18)	23	(115)
Decrease (increase) in consumption taxes refund receivable	(201)	(71)	(1,289)
Other, net	15	(18)	96
Subtotal	2,384	5,054	15,298
Interest and dividends received	58	41	372
Interest paid	(35)	(35)	(224)
Income taxes paid	(143)	(1,222)	(917)
Income taxes refund	190	93	1,219
Net cash provided by (used in) operating activities	2,454	3,931	15,747
Cash flows from investing activities			
Purchase of property, plant and equipment	(35)	(84)	(224)
Purchase of intangible assets	(513)	(475)	(3,292)
Purchase of investment securities	(1,053)	(8)	(6,757)
Proceeds from sales of investment securities	640	40	4,107
Proceeds from sale of shares of subsidiaries and associates	774	–	4,966
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(368)	–	(2,361)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	147	683	943
Payments of guarantee deposits	(3)	(1)	(19)
Proceeds from refund of guarantee deposits	8	2	51
Other, net	(23)	(19)	(147)
Net cash provided by (used in) investing activities	(426)	137	(2,733)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(0)	(851)	(0)
Proceeds from long-term borrowings	350	798	2,246
Repayments of long-term borrowings	(1,542)	(1,426)	(9,895)
Proceeds from issuance of share acquisition rights	22	–	141
Proceeds from issuance of shares with restriction of transfer	57	61	365
Proceeds from share issuance to non-controlling shareholders	62	172	397
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	44	–
Dividends paid	(546)	(332)	(3,503)
Net cash provided by (used in) financing activities	(1,596)	(1,534)	(10,241)
Effect of exchange rate change on cash and cash equivalents	(9)	52	(57)
Net increase (decrease) in cash and cash equivalents	422	2,587	2,708
Cash and cash equivalents at beginning of period	13,591	11,004	87,216
Cash and cash equivalents at end of period (Note 16)	¥14,014	¥13,591	$89,931

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

MEDIA DO Co., Ltd. and its consolidated subsidiaries
Years ended February 28, 2026 and February 28, 2025

1 Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of MEDIA DO Co., Ltd. (the "Company") and its consolidated subsidiaries (collectively, the "Group") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan (the "FIEA") and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which differ in certain respects from International Financial Reporting Standards ("IFRS") in terms of application and disclosure requirements.

The accompanying consolidated financial statements have been reformatted and translated into English with some expanded explanations from the consolidated financial statements originally prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the FIEA. In preparing these consolidated financial statements, certain reclassifications have been made in the prior fiscal year's consolidated financial statements to conform to the classification used in the current fiscal year.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate as of February 27, 2026, which was ¥155.83 to U.S.$1.00. The Japanese yen amounts, which are presented in millions of Japanese yen in the consolidated financial statements, are directly converted into U.S. dollar amounts by simple arithmetic calculation. As such, there are cases for which the conversion of the amounts in Japanese yen with the prevailing exchange rate are different from those in U.S. dollars shown in the consolidated financial statements. The translations should not be construed as representations of what the Japanese yen amounts have been, could have been or could in the future be when converted into U.S. dollars at this or any other rate of exchange.

As permitted by the FIEA, amounts of less than one million yen on the accompanying consolidated financial statements are omitted. Similarly, amounts of less than one thousand U.S. dollars are omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) may not necessarily match the sum of the individual amounts.

2 Summary of Significant Accounting Policies

(a) Consolidation

Consolidated financial statements include the accounts of the Company and 15 significant subsidiaries and 1 associate accounted for under the equity method.

Under the control or influence concept, those companies in which the Company, either directly or indirectly, is able to exercise control over operations are consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for using the equity method.

Significant subsidiaries and associates as of February 28, 2026 are as follows:

Company name	Share capital (Millions of yen)	Ownership interest (%)	Main business
Consolidated subsidiaries:			
Flier Inc.	614	56.3 (Direct)	Text summary site operation
AIStep Inc.	0	56.3 (Indirect)	Online AI training business
Zealox.inc.	1	39.4 (Indirect)	Education business
MEDIA DO TECH TOKUSHIMA Co., Ltd.	45	100.0 (Direct)	Operation outsourcer
NIHONBUNGEISHA Co., Ltd.	100	100.0 (Direct)	Publication and sale of books and magazines
GAMBAROU TOKUSHIMA Co., Ltd.	50	68.0 (Direct)	Operation of a basketball team
Media Do International, Inc.	(Thousands of U.S. dollars) 26,702	100.0 (Direct)	eBook agency and overseas business management
Quality Solutions, Inc.	(Thousands of U.S. dollars) 348	100.0 (Indirect)	Conduct of publishing workflow management and bibliographic information management services
NetGalley, LLC	(Thousands of U.S. dollars) 4,501	100.0 (Indirect)	Operation of the NetGalley website, which is a web marketing tool for books
NetGalley, UK Ltd.	(Thousands of pounds) 5,564	100.0 (Indirect)	Operation of the NetGalley website, which is a web marketing tool for books
NetGalley, France SARL	(Thousands of euros) 40	100.0 (Indirect)	Operation of the NetGalley website, which is a web marketing tool for books
Supadü Limited	(Thousands of pounds) 0	100.0 (Indirect)	Providing book e-commerce solutions
and other three companies			
Associates accounted for by the equity method:			
TEC INFORMATION CORP.	230	25.0 (Direct)	Software development
Other associates:			
HIKARI TSUSHIN, INC.	54,259	Held by others 20.4 (Indirect)	Electricity and gas, telecommunications, beverages, insurance, finance, solutions, and commission-based sales

For the year ended February 28, 2026, the following changes have been made to the scope of consolidation and the equity method:

AIStep Inc., all of whose shares were acquired by Flier Inc., a consolidated subsidiary of the Company, was included in the scope of consolidation. In addition, Zealox.inc., 70% of whose shares were acquired by Flier Inc., a consolidated subsidiary of the Company, was included in the scope of consolidation. The deemed acquisition date for Zealox.inc. is February 28, 2026; therefore, only its balance sheet has been consolidated for the year ended February 28, 2026.

ARTRA ENTERTAINMENT Inc. was excluded from the scope of consolidation since the Company sold all of its holding shares. In addition, JIVE lLtd. was also excluded from the scope of consolidation since its liquidation was completed.

MyAnimeList Co., Ltd. and PUBFUN, Inc. were excluded from the scope of the equity method since the Company sold all of its holding shares.

Media Do International, Inc., Quality Solutions, Inc., NetGalley, LLC, and six other subsidiaries have a fiscal year-end of December 31. Significant transactions occurring from January 1 to February 28 are adjusted in these consolidated financial statements.

Zealox.inc. has a fiscal year-end of October 31. Its financial information is based on financial statements prepared pursuant to the provisional closing of accounts implemented as of February 28 using procedures consistent with those used for these consolidated financial statements.

(b) Securities

Equity securities issued by subsidiaries and associates which are not consolidated nor accounted for by the equity method are stated at moving-average cost. Available-for-sale securities other than equity securities with no readily available market value are stated at market value. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Costs of securities sold are determined by the moving-average method.

Available-for-sale equity securities with no readily available market value are stated at moving-average cost. Investment in partnerships is stated at the amount equivalent to the holding share of the partnerships' assets.

(c) Property, plant and equipment (excluding leased assets)

Property, plant and equipment of the Group are carried at cost. Depreciation is mainly computed using the straight-line method. The useful lives of major assets are as follows:

Buildings	8 to 15 years
Tools, furniture and fixtures	4 to 10 years

(d) Intangible assets (excluding leased assets)

Internal-use software is amortized using the straight-line method over a useful life of 3 to 5 years.

(e) Leased assets

Leased assets under finance lease transactions which do not transfer ownership to the lessee are depreciated to a residual value of zero based on the straight-line method over a useful life period corresponding to the lease contract period.

(f) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at the amount determined based on the historical experience of bad debt with respect to ordinary receivables and an estimate of uncollectible amounts determined by reference to specific doubtful receivables of customers experiencing financial difficulties.

(g) Provision for bonuses

Certain consolidated subsidiaries provide the provision for employees' bonuses at the estimated amounts which the subsidiaries are obligated to pay to their employees after the fiscal year-end based on services provided for the year.

(h) Retirement benefits

Certain consolidated subsidiaries apply the simplified method that assumes the amount required for voluntary resignation at the fiscal year-end to be retirement benefit obligation in determining defined benefit liability.

(i) Basis of recognizing significant revenue and expenses

The Company recognizes revenue when control of a promised good or service is transferred to the customer at the amount expected to be received in exchange for the good or service. Details of major performance obligations of the Group's business are stated in Note 17 "Revenue Recognition."

(j) Translation of foreign currencies

Available-for-sale securities denominated in foreign currencies are translated into Japanese yen at the year-end spot exchange rate, and translation differences are included in valuation difference on available-for-sale securities under net assets.

The balance sheets of overseas consolidated subsidiaries are translated into Japanese yen at the spot exchange rate on its year-end closing date except that net assets accounts are translated at historical rates and the statements of income are translated at the average exchange rate for the fiscal year. Translation differences are included in foreign currency translation adjustment under net assets.

(k) Goodwill

Goodwill is amortized equally within a period of 10 to 20 years by the straight-line method.

(l) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less that are readily convertible into known amounts of cash and are not exposed to significant risk of changes in value.

(m) Changes in accounting policies

(Application of "Accounting Standard for Current Income Taxes")
Effective from the beginning of the year ended February 28, 2026, the Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, last revised October 28, 2022) and related standards. There is no impact on the consolidated financial statements.

(n) Change in presentation

For the year ended February 28, 2026, a portion of the operating expenses related to solution services for the publishing industry at overseas subsidiaries, which were previously recorded as "selling, general, and administrative expenses," will now be included in "cost of sales."

This change was made to strengthen the profit and loss management system in anticipation of future business expansion at overseas subsidiaries and to present gross profit more appropriately by clarifying the relationship between net sales and cost of sales. To reflect this change in presentation, the consolidated statements of income for the year ended February 28, 2025 have been reclassified.

As a result, ¥834 million, which was previously included in "selling, general, and administrative expenses" in the consolidated statements of income for the previous fiscal year, has been reclassified to "cost of sales."

(o) Accounting standards and guidance issued but not yet applied

"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024), "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

As part of the Accounting Standards Board of Japan's efforts to ensure the international consistency of Japanese accounting standards, discussions were held based on international accounting standards to develop accounting standards for leases that require the recognition of assets and liabilities for all leases entered into by lessees. As a basic policy, while the standards are based on the single accounting model of IFRS 16, they do not adopt all of the provisions of IFRS 16, but rather only the key provisions. Consequently, lease accounting standards and relevant guidance were published that aim to be simple and user-friendly, and that, in principle, require no adjustments when the provisions of IFRS 16 are applied to financial statements.

As the lessee's accounting treatment, a single accounting model is applied to allocate the lease expenses of the lessee, similar to IFRS 16. This model involves recognizing depreciation expense on the right-of-use asset and interest expense on the lease liability for all leases, regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of application

The Company is scheduled to apply the aforementioned standard and implementation guidance from the beginning of the year ending February 28, 2029.

(3) Effect of application

The impact of the application of the aforementioned standard and implementation guidance is under evaluation.

3 Significant Accounting Estimates

Significant accounting estimates were made for the following item that may have a risk of a significant impact on the financial statements for the following year:

Evaluation of Goodwill

(a) Amounts on the consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Goodwill	¥4,029	¥4,198	$25,855

(b) Information on significant accounting estimates for identified items

Goodwill arising through a business combination is recognized at the difference between the acquisition cost and the fair value of identified assets and liabilities of the acquired company as of the business combination date. The amount of goodwill is amortized on a straight-line basis over the effective period of the goodwill.

To determine the amortization period, the Company estimates the effective period of excess earning power by taking into consideration the expected payback period of the investment based on the business plan as of the acquisition date.

As of the end of each fiscal year, the Company reviews whether there is any indication of goodwill impairment. When any indication of impairment is identified, the Company determines whether it is required to recognize an impairment loss by comparing the total future cash flows expected from the business to which the goodwill belongs and the carrying value of the goodwill.

For the year ended February 28, 2026, the Company recognized impairment losses on goodwill related to shares of NIHONBUNGEISHA Co., Ltd. in the total amount of ¥274 million ($1,758 thousand).

The business plan, etc., as the assumption used for these accounting estimates, was prepared along the best estimate and judgment by the Company on the basis of available information as of the date of use. However, when such assumption needs to be revised due to the impact from changes in the future business environment, it may result in giving significant impact on the consolidated financial statements in the following fiscal year and thereafter.

4 Financial Instruments

(a) Qualitative information on financial instruments

(1) Policy for financial instruments

The Group invests excess funds other than those necessary for its business operations in highly stable financial instruments such as short-term bank deposits. As a policy, the Group finances funds by issuing new shares or bank loans, depending on the use of funds.

(2) Details of financial instruments, their risks and risk management system

Operating receivables such as notes and accounts receivable–trade are exposed to credit risk. To mitigate such risk, the Group reviews customers' credit status by monitoring their credit conditions in accordance with the credit management rules, while monitoring the due dates and balances by customer.

Investment securities mainly consist of shares of companies with business relationships or capital tie-ups. The Group has a policy to hold them in the medium to long term. The Group regularly reviews the issuers' fair value and financial conditions and continuously evaluates the holding status taking the business relationship into account.

Operating payables such as notes and accounts payable–trade are mostly due within three months and exposed to liquidity risk. The Group manages such risk by preparing a monthly cash management plan and checking account balances daily.

Short-term borrowings and long-term borrowings are mainly made for the purpose of mergers and acquisitions. They are variable interest rate borrowings and are exposed to interest rate fluctuation risk.

In addition, there is a risk that the Company may be required to make early repayments of certain borrowings due to infringement of financial covenants.

(3) Supplemental information on the fair value of financial instruments

Since certain assumptions are used for the calculation of the fair value of financial instruments, values may vary when different assumptions are applied.

(4) Concentration of credit risk of financial instruments

As of February 28, 2026, more than 70.0% of operating receivables are from five major customers.

(b) Fair value of financial instruments

As of February 28, 2026
Carrying value, fair value and the difference between the two are as follows:

Millions of yen

	2026		
	Carrying value	Fair value	Difference
Investment securities Available-for-sale securities	¥1,260	¥1,260	¥–
Total assets	¥1,260	¥1,260	¥–

Thousands of U.S. dollars

	2026		
	Carrying value	Fair value	Difference
Investment securities Available-for-sale securities	$8,085	$8,085	$–
Total assets	$8,085	$8,085	$–

As of February 28, 2026, "Cash and deposits," "Notes and accounts receivable–trade," "Notes and accounts payable–trade" and "Short-term borrowings" are omitted since their fair value approximates the respective carrying value due to short maturity. As to "Long-term borrowings," the fair value approximates the carrying value since these borrowings bear variable interest rates which reflect market rates; thus, the disclosure is omitted.

Unlisted equity securities (carrying value ¥4,258 million ($27,324 thousand)) are not included in "Investment securities" since they do not have readily available market value. Furthermore, investments in limited liability investment partnerships (carrying value ¥196 million ($1,257 thousand)) are not subject to the fair value disclosures based on the provision of Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

The redemption schedule for monetary claims

Millions of yen

	2026			
	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	¥14,014	¥–	¥–	¥–
Notes receivable–trade	12	–	–	–
Accounts receivable–trade	27,751	–	–	–
Total	¥41,778	¥–	¥–	¥–

Thousands of U.S. dollars

	2026			
	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	$89,931	$–	$–	$–
Notes receivable–trade	77	–	–	–
Accounts receivable–trade	178,085	–	–	–
Total	$268,099	$–	$–	$–

Please see Note 6 "Short-Term Borrowings, Long-Term Borrowings and Lease Obligations" for long-term borrowings.

As of February 28, 2025
Carrying value, fair value and the difference between the two are as follows:

Millions of yen

	2025		
	Carrying value	Fair value	Difference
Investment securities Available-for-sale securities	¥627	¥627	¥–
Total assets	¥627	¥627	¥–

As of February 28, 2025, "Cash and deposits," "Notes and accounts receivable–trade," "Notes and accounts payable–trade" and "Short-term borrowings" are omitted since their fair value approximates the respective carrying value due to short maturity. As to "Long-term borrowings," the fair value approximates the carrying value since these borrowings bear variable interest rates which reflect market rates; thus, the disclosure is omitted.

Unlisted equity securities (carrying value ¥4,837 million) are not included in "Investment securities" since they do not have readily available market value. Furthermore, investments in limited liability investment partnerships (carrying value ¥204 million) are not subject to the fair value disclosures based on the provision of Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

The redemption schedule for monetary claims

Millions of yen

	2025			
	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	¥13,591	¥–	¥–	¥–
Notes receivable–trade	14	–	–	–
Accounts receivable–trade	24,018	–	–	–
Total	¥37,625	¥–	¥–	¥–

Please see Note 6 "Short-Term Borrowings, Long-Term Borrowings and Lease Obligations" for long-term borrowings.

Breakdown of fair value of financial instruments by level

The Company classifies the fair value of financial instruments into three categories depending on whether the inputs for a fair value measurement are observable or significant.

Level 1 fair value:	Fair value measured by using quoted prices in active markets as observable inputs for assets or liabilities subject to a fair value measurement
Level 2 fair value:	Fair value measured by using observable inputs other than those for Level 1
Level 3 fair value:	Fair value measured by using unobservable inputs

When multiple inputs of different categories are used in measuring fair value, the Company classifies the fair value into a category to which the lowest priority is assigned.

Financial instruments measured at fair value in the consolidated balance sheet
As of February 28, 2026

Millions of yen

	2026			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities Equity securities	¥213	¥–	¥–	¥–
Total	¥213	¥–	¥–	¥–

Thousands of U.S. dollars

	2026			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities Equity securities	$1,366	$–	$–	$–
Total	$1,366	$–	$–	$–

Notes: 1. Techniques and inputs used for the fair value measurement
Listed equity securities are measured by using quoted prices. Since listed equity securities are traded in active markets, they are classified into Level 1.
2. In accordance with Japanese GAAP, investment trusts for which the net asset value is deemed to be the fair value are not included. The carrying amount of these investment trusts on the consolidated balance sheet is ¥1,046 million ($6,712 thousand).

a. Reconciliation between the beginning balance and the ending balance

	Millions of yen	Thousands of U.S. dollars
	2026	2026
Beginning balance	¥—	$—
Record as income or loss:	—	—
Record as other comprehensive income:		
Valuation difference on available-for-sale securities	1	6
Purchases, sales, and redemptions	1,045	6,706
Amounts for which the net asset value of the investment trust is deemed to be the fair value	—	—
Amounts for which the net asset value of the investment trust is not deemed to be the fair value	—	—
Ending balance	¥1,046	$6,712

b. Breakdown of restrictions related to redemption or repurchase requests as of February 28, 2026

	Millions of yen	Thousands of U.S. dollars
	Carrying value	Carrying value
Those with redemption dates set quarterly or semiannually	¥1,046	$6,712

As of February 28, 2025

Millions of yen

	2025			
	Fair value			
Classification	Level 1	Level 2	Level 3	Total
Available-for-sale securities				
Equity securities	¥217	¥—	¥—	¥217
Corporate bonds	—	—	410	410
Total	¥217	¥—	¥410	¥627

Notes: 1. Techniques and inputs used for the fair value measurement

Listed equity securities are measured by using quoted prices. Since listed equity securities are traded in active markets, they are classified into Level 1.

Convertible bond-type bonds with share acquisition rights are measured by the income approach (present value technique). For the fair value measurement of convertible bond-type bonds with share acquisition rights, significant unobservable inputs are used; thus, they are classified into Level 3.

2. Information on financial instruments classified into Level 3 fair value

a. Quantitative information on significant unobservable inputs

Valuation technique	Discount rate adjustment technique and expected present value technique
Significant unobservable inputs	Discount rate
Range of inputs	3.2%

b. Reconciliation between the beginning balance and the ending balance

Millions of yen

Investment securities Available-for-sale securities:	Corporate bonds
Beginning balance	¥456
Sold	(5)
Record as income or loss:	
Loss on valuation of investment securities	(43)
Record as other comprehensive income:	
Valuation difference on available-for-sale securities	2
Ending balance	¥410

c. Fair value measurement process

For financial instruments classified into Level 3, the responsible personnel determine the valuation technique based on the nature, character and risk of the applicable financial instruments, and calculates the fair value after checking if the technique and inputs used are appropriate. The calculation results are reviewed and approved by the executive officer of the Accounting Department.

d. Impact on the fair value when significant unobservable inputs are changed

When discount rates are dramatically increased (or decreased), the fair value of investment securities will be dramatically decreased (or increased).

5 Securities

(a) Available-for-sale securities

Securities with carrying values exceeding acquisition costs

Millions of yen

	2026			2025		
	Carrying value	Acquisition cost	Difference	Carrying value	Acquisition cost	Difference
1) Equity securities	¥594	¥373	¥220	¥548	¥366	¥181
2) Bonds						
Corporate bonds	–	–	–	–	–	–
3) Other	1,084	1,038	46	139	101	37
Total	¥1,679	¥1,412	¥267	¥687	¥468	¥219

Thousands of U.S. dollars

	2026		
	Carrying value	Acquisition cost	Difference
1) Equity securities	$3,811	$2,393	$1,411
2) Bonds			
Corporate bonds	–	–	–
3) Other	6,956	6,661	295
Total	$10,774	$9,061	$1,713

Securities with carrying values not exceeding acquisition costs

Millions of yen

	2026			2025		
	Carrying value	Acquisition cost	Difference	Carrying value	Acquisition cost	Difference
1) Equity securities	¥3,180	¥3,180	¥–	¥3,719	¥3,727	¥(7)
2) Bonds						
Corporate bonds	–	–	–	410	440	(30)
3) Other	158	160	(2)	65	65	–
Total	¥3,338	¥3,341	¥(2)	¥4,195	¥4,234	¥(38)

Thousands of U.S. dollars

	2026		
	Carrying value	Acquisition cost	Difference
1) Equity securities	$20,406	$20,406	$–
2) Bonds			
Corporate bonds	–	–	–
3) Other	1,013	1,026	(12)
Total	$21,420	$21,440	$(12)

(b) Available-for-sale securities sold

Millions of yen

	2026			2025		
	Sales proceeds	Gain	Loss	Sales proceeds	Gain	Loss
1) Equity securities	¥176	¥166	¥8	¥0	¥–	¥–
2) Bonds						
Corporate bonds	435	–	5	36	31	–
3) Other	–	–	–	–	–	–
Total	¥611	¥166	¥14	¥36	¥31	¥–

Thousands of U.S. dollars

	2026		
	Sales proceeds	Gain	Loss
1) Equity securities	$1,129	$1,065	$51
2) Bonds			
Corporate bonds	2,791	–	32
3) Other	–	–	–
Total	$3,920	$1,065	$89

(c) Impairment loss on securities

The Company recognized an impairment loss of ¥528 million ($3,388 thousand) and ¥45 million on investment securities classified as available-for-sale securities for the years ended February 28, 2026 and February 28, 2025, respectively.

As a policy, the Company recognizes an impairment loss of securities when the fair value as of the balance sheet date declines 50% or more of its acquisition cost. When the fair value declines by 30% or more, but less than 50% of the acquisition cost, the Company recognizes an impairment loss after considering the recoverability of the fair value. For equity securities with no readily available market value, an impairment loss is recognized when their actual value significantly declines due to deterioration of financial conditions or other reasons after assessing recoverability.

6 Short-Term Borrowings, Long-Term Borrowings and Lease Obligations

The weighted-average interest rate for the year-end balance of short-term borrowings was 1.99% and 1.42% as of February 28, 2026 and February 28, 2025, respectively.

Long-term borrowings as of February 28, 2026 and February 28, 2025 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unsecured long-term borrowings, weighted-average interest rates of 1.48% in 2026 and 2025, maturing through 2034	¥2,646	¥3,813	$16,980
Less: Amounts due within one year	1,418	1,455	9,099
Long-term borrowings	¥1,228	¥2,358	$7,880

Lease obligations are included in "Other" under current liabilities and non-current liabilities as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Amount included in Other under current liabilities	¥12	¥9	$77
Amount included in Other under non-current liabilities	26	30	166

The redemption schedule for long-term borrowings and lease obligations

Millions of yen

	2026					
	Due within 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term borrowings	¥1,418	¥659	¥418	¥42	¥1	¥106
Lease obligations	12	12	10	3	0	–

Thousands of U.S. dollars

	2026					
	Due within 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Long-term borrowings	$9,099	$4,228	$2,682	$269	$6	$680
Lease obligations	77	77	64	19	0	–

7 Retirement Benefits

(a) Outline of the retirement benefit plan

The Company and certain consolidated subsidiaries have adopted the defined contribution plan.

Certain consolidated subsidiaries, which have adopted the defined benefit plan, apply the simplified method that assumes the amount required for voluntary resignation at the fiscal year-end to be retirement benefit obligation in determining defined benefit liability and retirement benefit expenses.

(b) Defined benefit plan applying the simplified method

(1) Movement in retirement benefit liability for plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of the year	¥621	¥615	$3,985
Increase due to newly consolidated subsidiaries	–	–	
Retirement benefit expenses	37	50	237
Retirement benefit paid	(79)	(58)	(506)
Foreign currency translation adjustment	(1)	14	(6)
Balance at end of the year	¥578	¥621	$3,709

(2) Retirement benefit expenses

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Retirement benefit expenses calculated using the simplified method	¥37	¥50	$237

(c) Defined contribution plan

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Contributions paid to the defined contribution plan	¥52	¥59	$333
Total	¥52	¥59	$333

8 Stock Options

The Company adopts stock options as a strong incentive for management and employees to perform at a higher level, which will rapidly improve corporate value of the Company in the fast-growing eBook market. For each stock option, the vesting condition and exercise period are strategically determined in detail, with consultation of an independent third-party professional, based on the very high-level performance target in a short run.

The following summarizes the status of the Company's stock options as of February 28, 2026.

(a) Outline of stock options

	The 19th share acquisition rights (Performance-linked paid stock options)
Date of resolution	April 14, 2025
Grantee	4 directors of the Company 6 employees of the Company
Number of stock options by class	Common share 758,000 shares (Note)
Date of grant	April 30, 2025
Exercise period	From June 1, 2028 to May 31, 2029

Note: The number of stock options presents the number of respective shares.

(b) Changes in number of stock options for the year ended February 28, 2026

	The 19th share acquisition rights (Performance-linked paid stock options)
Non-vested (shares)	
February 28, 2025 – Outstanding	–
Granted	758,000
Expired	–
Vested	–
February 28, 2026 – Outstanding	758,000
Vested (shares)	
February 28, 2025 – Outstanding	–
Vested	–
Exercised	–
Expired	–
	–
February 28, 2026 – Outstanding	

9 Asset Retirement Obligations

The Company recognizes asset retirement obligations primarily related to future restoration obligation under real estate leases for buildings such as offices.

The Company calculates its asset retirement obligations by assuming the occupancy period of 10 to 15 years and applying discount rates ranging from 0.2% to 0.8%.

Changes in asset retirement obligations, included in "Other" under non-current liabilities, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of the year	¥121	¥113	$776
Increase due to acquisition of property, plant and equipment	–	7	–
Decrease due to sale of consolidated subsidiaries	(11)	–	(70)
Adjustments due to the passage of time	0	0	0
Balance at end of the year	¥109	¥121	$699

10 Income Taxes

Significant components of deferred tax assets and liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Deferred tax assets:			
Accrued enterprise tax	¥45	¥3	288
Provision for bonuses	13	13	83
Contract liabilities	13	15	83
Refund liabilities	35	55	224
Excess depreciation	200	231	1,283
Goodwill for tax purposes	55	62	352
Loss on valuation of investment securities and investments in associates	526	484	3,375
Asset retirement obligations	36	39	231
Retirement benefit liability	194	204	1,244
Tax loss carryforwards	574	869	3,683
Other	75	70	481
Subtotal	1,772	2,051	11,371
Valuation allowance (Note)	(1,156)	(1,508)	(7,418)
Total deferred tax assets	616	542	3,953
Deferred tax liabilities:			
Intangible assets identified through business combinations	¥(230)	¥(249)	(1,475)
Cost capitalized corresponding to asset retirement obligations	(16)	(22)	(102)
Valuation difference on available-for-sale securities	(53)	(40)	(340)
Other	(1)	(0)	(6)
Total deferred tax liabilities	(301)	(312)	(1,931)
Net deferred tax assets	314	229	2,015

Note: The valuation allowance decreased by ¥352 million ($2,258 thousand) from the year ended February 28, 2025. This decrease is primarily due to the exclusion of ARTRA ENTERTAINMENT Inc. and JIVE Ltd. from the scope of consolidation.

(a) Reconciliation between the statutory tax rate and the effective tax rate

	2026	2025
Statutory tax rate	30.6%	30.6%
Adjustments:		
Permanent differences such as entertainment expenses	1.0	1.7
Inhabitants' tax	0.3	0.4
Items deductible for tax purposes	(1.7)	(0.9)
Expenses related to the acquisition of shares of associates	0.6	–
Amortization of goodwill	9.3	15.0
Share of (gain) loss of entities accounted for using equity method	(0.9)	0.3
Consolidation adjustment for gain or loss on sale of shares of associates	(0.9)	(10.6)
Change in valuation allowance	(12.1)	(9.0)
Increase in deferred tax assets at the end of the year due to tax rate changes	(0.2)	–
Other	0.3	(0.3)
Effective tax rate	26.3%	27.2%

(b) Revision of the amounts of deferred tax assets and deferred tax liabilities due to changes to the corporate tax rate, etc.

As the Law for Partial Amendment of the Income Tax Act (Law No. 13, 2025) was passed by the Diet on March 31, 2025, the Special Defense Corporation Tax will be applied as of the consolidated fiscal year beginning on April 1, 2026.

As a result, the effective statutory tax rate has changed from 30.6% to 31.5% for deferred tax assets and deferred tax liabilities related to temporary differences, which are expected to be resolved as of the consolidated fiscal year beginning on March 1, 2027.

Due to such change, for the current consolidated fiscal year, the amount of deferred tax assets (minus the amount of deferred tax liabilities) increased by ¥3 million, while corporate tax adjustments decreased by ¥4 million, and the valuation difference of other securities decreased by ¥1 million.

11 Net Assets

Under the Companies Act of Japan (the "Act"), the entire amount paid for new shares is required to be designated as share capital. However, a company may, by resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus. The legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

The Act provides that an amount equal to at least 10% of the amount to be disbursed as distributions of capital surplus (other than additional paid-in capital) and retained earnings (other than legal earnings reserve) be transferred to additional paid-in capital and the legal earnings reserve, respectively, until the total of additional paid-in capital and the legal earnings reserve equals 25% of the share capital account.

Such distributions can be made at any time by resolution of the General Meeting of Shareholders, or by resolution of the Board of Directors if certain conditions are met.

Under the Act, additional paid-in capital and the legal earnings reserve may not be distributed as dividends; the Act allows all additional paid-in capital and all legal earnings reserve to be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

The following tables summarize the dividends paid for the year ended February 28, 2025:

Resolution	2025				
	Class of share	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors' meeting held on April 24, 2025	Common share	¥546	¥36.0	February 28, 2025	May 13, 2025

Dividends with a record date during the year ended February 28, 2026, but whose effective date is after February 28, 2026 are as follows:

Resolution	2026						
	Class of share	Total amount of dividends		Dividends per share		Record date	Effective date
		(Millions of yen)	(Thousands of U.S. dollars)	(Yen)	(U.S. dollars)		
Board of Directors' meeting held on April 23, 2026	Common share	¥607	$3,895	¥40.00	$0.25	February 28, 2026	May 12, 2026

As of February 28, 2026 and February 28, 2025, the number of the Company's authorized shares is 44,329,600 shares. The following table summarizes the number of shares of common shares, issued and outstanding, and treasury shares:

	Number of shares	
	2026	2025
Common shares, issued and outstanding:		
At beginning of the year	15,172,972	15,130,911
Increase due to issuance of new shares in connection with granting shares with certain transfer restrictions	32,202	42,061
At end of the year	15,205,174	15,172,972
Treasury shares:		
At beginning of the year	21,705	19,254
Expiration of shares with certain transfer restrictions	4,443	2,451
At end of the year	26,148	21,705

12 Selling, General and Administrative Expenses

Major items of selling, general and administrative expenses are as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Salaries and wages	¥2,787	¥3,072	$17,884
Bonuses and provision for bonuses	95	109	609
Retirement benefit expenses	70	108	449
Commissions	1,232	1,162	7,906
Amortization of goodwill	464	657	2,977

13 Research and Development Expenses Included in Administrative Expenses

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Research and development expenses included in administrative expenses	¥87	¥24	$558

14 Impairment Loss

For the year ended February 28, 2026, the Company recognized an impairment loss as follows:

Company	Location	Use of assets	Type	Millions of yen	Thousands of U.S. dollars
NIHONBUNGEISHA Co., Ltd.	Chiyoda-ku, Tokyo	Business assets	Goodwill Tangible fixed assets Intangible fixed assets	¥328	$2,104

An impairment loss was recognized with regard to the goodwill, tangible fixed assets and intangible fixed assets of NIHONBUNGEISHA Co., Ltd., as based on the results of evaluating the company's performance trends and future business plan, it was determined that it would be difficult to recover.

The Group classifies its holding assets primarily based on the grouping used for managerial accounting purposes.

The Company measures the recoverable amount at the value in use.

For NIHONBUNGEISHA Co., Ltd., the recoverable amount of the goodwill, tangible fixed assets and intangible fixed assets was evaluated to be zero since the value measured based on the future cash flows over the remaining economic useful life was negative.

For the year ended February 28, 2025, the Company recognized an impairment loss as follows:

Company	Location	Use of assets	Type	Millions of yen
NIHONBUNGEISHA Co., Ltd.	Chiyoda-ku, Tokyo	Business assets	Goodwill	¥247
ARTRA ENTERTAINMENT Inc.	Chiyoda-ku, Tokyo	Business assets	Goodwill Tangible fixed asset	235

An impairment loss was recognized with regard to the goodwill of NIHONBUNGEISHA Co., Ltd., as a discrepancy was observed between the company's business plan at the time of acquisition and its actual results after acquisition.

An impairment loss was recognized with regard to the goodwill and tangible fixed assets of ARTRA ENTERTAINMENT Inc., as based on the results of evaluating the company's performance trends and future business plan, it was determined that it would be difficult to recover.

The Group classifies its holding assets primarily based on the grouping used for managerial accounting purposes.

The Company measures the recoverable amount at the value in use.

For ARTRA ENTERTAINMENT Inc., the recoverable amount of the goodwill and tangible fixed assets was evaluated to be zero since the value measured based on the future cash flows over the remaining economic useful life was negative.

The value in use of NIHONBUNGEISHA Co., Ltd.'s goodwill was measured by discounting the future cash flows at the rate of 11%.

15 Other Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Valuation difference on available-for-sale securities:			
Amounts incurred for the year	¥35	¥(59)	224
Reclassification adjustments	48	(35)	308
Before tax effect adjustments	83	(94)	532
Tax effect	(12)	29	(77)
Valuation difference on available-for-sale securities	71	(65)	455
Foreign currency translation adjustment:			
Amounts incurred for the year	1	259	6
Share of other comprehensive income of entities accounted for using equity method:			
Amounts incurred for the year	0	(2)	0
Other comprehensive income, total	¥73	¥191	468

16 Cash Flow Statements

Reconciliations of cash and cash equivalents in the consolidated statements of cash flows to accounts and amounts in the accompanying consolidated balance sheets as of February 28, 2026 and February 28, 2025 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Cash and deposits	¥14,014	¥13,591	$89,931
Time deposits with maturity in excess of three months	–	–	–
Cash and cash equivalents	¥14,014	¥13,591	$89,931

For the year ended February 28, 2026, AIStep Inc. was newly included in the scope of consolidation through the acquisition of shares. The breakdown of assets and liabilities at the beginning of consolidation and the reconciliation between the acquisition cost and the amount paid for the acquisition is as follows:

	Millions of yen	Thousands of U.S. dollars
AIStep Inc.	2026	2026
Current assets	¥60	$385
Goodwill	199	1,277
Current liabilities	(60)	(385)
Acquisition cost of shares	200	1,283
Cash and cash equivalents	(53)	(340)
Difference: Amount paid for the acquisition	¥146	$936

For the year ended February 28, 2026, Zealox.inc. was newly included in the scope of consolidation through the acquisition of shares. The breakdown of assets and liabilities at the beginning of consolidation and the reconciliation between the acquisition cost and the amount paid for the acquisition is as follows:

	Millions of yen	Thousands of U.S. dollars
Zealox.inc.	2026	2026
Current assets	¥154	$988
Non-current assets	5	32
Goodwill	375	2,406
Current liabilities	(163)	(1,046)
Non-current liabilities	(22)	(141)
Acquisition cost of shares	350	2,246
Cash and cash equivalents	(128)	(821)
Difference: Amount paid for the acquisition	¥221	$1,418

For the year ended February 28, 2026, due to the sale of shares, ARTRA ENTERTAINMENT Inc. ceased to be a consolidated subsidiary. The following summarizes the breakdown of assets and liabilities at the time of sale and the amount proceeded from the sale is as follows:

	Millions of yen	Thousands of U.S. dollars
ARTRA ENTERTAINMENT Inc.	2026	2026
Current assets	¥239	$1,533
Non-current assets	19	121
Current liabilities	(22)	(141)
Non-current liabilities	(11)	(70)
Non-controlling interests	–	–
Liability adjustment associated with consolidation adjustments	9	57
Gain on sale of shares	40	256
Sale price of shares	272	$1,745
Cash and cash equivalents	(124)	(795)
Difference: Amount proceeded from the sale	¥147	$943

For the year ended February 28, 2025, due to the sale of shares, EVERYSTAR Co., Ltd. ceased to be a consolidated subsidiary. The following summarizes the breakdown of assets and liabilities at the time of sale and the amount proceeded from the sale is as follows:

	Millions of yen
EVERYSTAR Co., Ltd.	2025
Current assets	¥233
Non-current assets	633
Current liabilities	(76)
Non-current liabilities	–
Non-controlling interests	–
Liability adjustment associated with consolidation adjustments	10
Gain on sale of shares	21
Sale price of shares	820
Cash and cash equivalents	(136)
Difference: Amount proceeded from the sale	¥683

17 Revenue Recognition

(a) Information on disaggregated revenue from contracts with customers

For the year ended February 28, 2026

Millions of yen

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Total
eBook distribution business	¥100,148	¥–	¥100,148	¥–	¥100,148
Books and magazines publishing	–	2,017	2,017	–	2,017
Web service operations	914	1,773	2,688	–	2,688
Publishing solution business	–	2,806	2,806	–	2,806
Other	–	857	857	19	876
Revenue from contracts with customers	¥101,063	¥7,454	¥108,518	¥19	¥108,537
Other revenue	¥–	¥–	¥–	¥–	¥–
Net sales to outside customers	¥101,063	¥7,454	¥108,518	¥19	¥108,537

Note: The “Adjustments” category includes revenue from contracted services in business segments not included in reportable segments.

Thousands of U.S. dollars

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Total
eBook distribution business	$642,674	$–	$642,674	$–	$642,674
Books and magazines publishing	–	12,943	12,943	–	12,943
Web service operations	5,865	11,377	17,249	–	17,249
Publishing solution business	–	18,006	18,006	–	18,006
Other	–	5,499	5,499	121	5,621
Revenue from contracts with customers	$648,546	$47,834	$696,387	$121	$696,509
Other revenue	$–	$–	$–	$–	$–
Net sales to outside customers	$648,546	$47,834	$696,387	$121	$696,509

For the year ended February 28, 2025

Millions of yen

	2025				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Total
eBook distribution business	¥92,653	¥–	¥92,653	¥–	¥92,653
Books and magazines publishing	–	2,020	2,020	–	2,020
Web service operations	1,113	2,549	3,662	–	3,662
Publishing solution business	–	2,787	2,787	–	2,787
Other	–	774	774	15	789
Revenue from contracts with customers	¥93,767	¥8,131	¥101,899	¥15	¥101,914
Other revenue	¥–	¥–	¥–	¥–	¥–
Net sales to outside customers	¥93,767	¥8,131	¥101,899	¥15	¥101,914

Note: The “Adjustments” category includes revenue from contracted services in business segments not included in reportable segments.

(b) Information on the basis of understanding revenue from contracts with customers

(1) eBook distribution business

The Company sells eBook content to eBook retailers. When selling eBook content, the Company grants distribution licenses based on contracts and recognizes revenue based on actual distribution performance at the eBook retailers that are its customers. In the consideration of transactions, payments are always due in a short period of time so important financial elements are not included in the contract.

(2) Books and magazines publishing

The consolidated subsidiaries sell publications including paper books and magazines. Since most sales of publications are subject to contractual terms that allow for returns (right of return) and the associated refunds are considered as variable consideration, revenue is recognized by deducting the estimated amount of refunds based on historical experience from the total consideration, and refund liabilities is accounted for. In the consideration of transactions, payments are always due in a short period of time so important financial elements are not included in the contract.

(3) Web service operations

The Company and its consolidated subsidiaries distribute various types of content on the web. For those services operated on a membership fee basis, revenue is recognized over the period the services are provided since the Company and its consolidated subsidiaries are obligated to provide services based on the terms of use with the members. Furthermore, as to services for which points are sold to customers when they download or view various types of content, revenue is recognized based on the actual use or expiration of such points. Consideration for the transaction is received before the performance obligation is satisfied. Even in cases where it is received after the satisfaction of the performance obligation, payments are always due in a short period of time so important financial elements are not included in the contract.

(4) Publishing solution business

The Company and its consolidated subsidiaries provide business support services to the publishing industry in the form of SaaS. The Company and its consolidated subsidiaries are obligated to provide these services based on usage contracts with customers; thus, revenue is recognized over the period the services are provided. Furthermore, for implementation support and customization of these services, revenue is recognized when the transfer of control is completed as a result of customer acceptance. Consideration for the transaction is received before the performance obligation is satisfied. Even in cases where it is received after the satisfaction of the performance obligation, payments are always due in a short period of time so important financial elements are not included in the contract.

(c) Information regarding relationship between fulfillment of performance obligations in accordance with contracts with customers and cash flows arising from the contracts, as well as amounts and timing of revenue expected to be recognized in the following fiscal year onward from contracts with customers existing at the end of the current fiscal year

(1) Balance of contract assets and contract liabilities

For the year ended February 28, 2026

	Millions of yen		Thousands of U.S. dollars	
	2026		2026	
	Balance at beginning of the year	Balance at end of the year	Balance at beginning of the year	Balance at end of the year
Receivable arising from contracts with customers (Note)	¥24,033	¥27,764	$154,225	$178,168
Contract liabilities	494	729	3,170	4,678

Note: The ending balance of ¥27,764 million ($178,168 thousand) consists of ¥12 million ($77 thousand) of notes receivable–trade and ¥27,751 million ($178,085 thousand) of accounts receivable–trade as of February 28, 2026.

Contract liabilities consist of advances received from customers based on contractual terms for services to be provided over a period of time and the unused balance of points sold to customers, both of which are reversed when revenue is recognized. As of February 28, 2026, the balance of contract liabilities is included in “Other” under current liabilities.

The balance of contract liabilities as of March 1, 2025 was all recognized as revenue for the year ended February 28, 2026.

For the year ended February 28, 2025

	Millions of yen	
	2025	
	Balance at beginning of the year	Balance at end of the year
Receivable arising from contracts with customers (Note)	¥23,294	¥24,033
Contract liabilities	491	494

Note: The ending balance of ¥24,033 million consists of ¥14 million of notes receivable–trade and ¥24,018 million of accounts receivable–trade as of February 28, 2025.

Contract liabilities consist of advances received from customers based on contractual terms for services to be provided over a period of time and the unused balance of points sold to customers, both of which are reversed when revenue is recognized. As of February 28, 2025, the balance of contract liabilities is included in “Other” under current liabilities.

The balance of contract liabilities as of March 1, 2024 was all recognized as revenue for the year ended February 28, 2025.

(2) Transaction price allocated to remaining performance obligations

The disclosure is omitted since the Company and its consolidated subsidiaries have not identified any transaction with an initial expected contract period exceeding one year.

18 Segment Information

(Segment information)

(a) Overview of reportable segments

The Group defines its reportable segments as a component of the Group for which separate financial information is available and whose operating results are regularly evaluated by the Board of Directors to make decisions about how resources are to be allocated among the Group and assess their performance.

The Group has two reportable segments: the eBook Distribution business, which primarily consists of the distribution business for domestic e-Book retailers; and Strategic Investment businesses, a group of businesses aimed at creating a second profit axis utilizing the various networks cultivated through the distribution business.

Within this framework, revenue related to the operation of the professional basketball team by GAMBAROU TOKUSHIMA Co., Ltd. was previously classified as "Adjustments" because it did not fit the definition of any business segment. However, following the definition of the Sustainability Creation (SC) business in the new Medium-Term Management Plan, which began in FYE 2/26, this revenue has been included in the "Strategic Investment" segment starting from the year ended February 28, 2026.

Segment information for the year ended February 28, 2025 is disclosed based on the reporting segment classifications following this change.

(b) Basis of measurement about reportable segment net sales, segment income or loss, segment assets, segment liabilities and other material items

Accounting policies of the reportable segments are substantially the same as the ones mentioned in Note 2 "Summary of Significant Accounting Policies." Segment income (loss) is based on operating profit (loss).

(c) Information on reportable segment net sales, segment income or loss, segment assets, segment liabilities and other material items

For the year ended February 28, 2026

Millions of yen

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Net sales:					
Outside customers	¥101,063	¥7,454	¥108,518	¥19	¥108,537
Intersegment	44	1,261	1,305	(1,305)	—
Total	¥101,107	¥8,716	¥109,823	¥(1,286)	¥108,537
Segment income (loss)	¥4,919	¥(631)	¥4,287	¥(1,833)	¥2,453
Other items:					
Amortization of goodwill	¥253	¥210	¥464	¥—	¥464
Depreciation	240	485	725	24	749

Thousands of U.S. dollars

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Net sales:					
Outside customers	$648,546	$47,834	$696,387	$121	$696,509
Intersegment	282	8,092	8,374	(8,374)	—
Total	$648,828	$55,932	$704,761	$(8,252)	$696,509
Segment income (loss)	$31,566	$(4,049)	$27,510	$(11,762)	$15,741
Other items:					
Amortization of goodwill	$1,623	$1,347	$2,977	$—	$2,977
Depreciation	1,540	3,112	4,652	154	4,806

Notes:
1. Assets and liabilities by each reportable segment are not disclosed since the Group does not allocate its assets and liabilities to each reportable segment for management reporting purposes.
2. Adjustments to segment income (loss) mainly include administrative expenses that do not belong to reportable segments.
3. Segment income (loss) is reconciled to operating profit in the consolidated statements of income.

For the year ended February 28, 2025

Millions of yen

	2025				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Net sales:					
Outside customers	¥93,767	¥8,131	¥101,899	¥15	¥101,914
Intersegment	51	1,285	1,336	(1,336)	—
Total	¥93,818	¥9,417	¥103,236	¥(1,321)	¥101,914
Segment income (loss)	¥4,980	¥(953)	¥4,026	¥(1,551)	¥2,475
Other items:					
Amortization of goodwill	¥253	¥403	¥657	¥—	¥657
Depreciation	294	340	634	23	657

Notes: 1. Assets and liabilities by each reportable segment are not disclosed since the Group does not allocate its assets and liabilities to each reportable segment for management reporting purposes.
2. Adjustments to segment income (loss) mainly include administrative expenses that do not belong to reportable segments.
3. Segment income (loss) is reconciled to operating profit in the consolidated statements of income.

(Related information)

(a) Information on products and services

Information on products and services is omitted since applicable information is disclosed in the segment information section.

(b) Information on geographical areas

(1) Net sales

Net sales information by geographical area is omitted since sales in Japan accounted for more than 90% of consolidated net sales of the Company. Net sales are classified by country or region on the basis of the end users' location.

(2) Property, plant and equipment

Property, plant and equipment information by geographical area is omitted since carrying value of property, plant and equipment located in Japan accounted for more than 90% of that in the consolidated balance sheets.

(c) Information on net sales by major customers

Information on net sales by major customers for the years ended February 28, 2026 and February 28, 2025 is as follows:

	Millions of yen		Thousands of U.S. dollars	
Company name	2026	2025	2026	Related segment
NTT Solmare Corporation	¥29,907	¥26,825	$191,920	eBook distribution
Amazon Services International LLC	17,483	16,031	112,192	eBook distribution

(Information on impairment loss)

Information on impairment loss for the years ended February 28, 2026 and February 28, 2025 is as follows:

Millions of yen

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Impairment loss	¥—	¥328	¥328	¥—	¥328

Thousands of U.S. dollars

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Impairment loss	$—	$2,104	$2,104	$—	$2,104

Millions of yen

	2025				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Impairment loss	¥—	¥482	¥482	¥—	¥482

(Information on amortization and unamortized balances of goodwill)

Information on amortization and unamortized balances of goodwill for the years ended February 28, 2026 and February 28, 2025 is as follows:

Millions of yen

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Amortization	¥253	¥210	¥464	¥—	¥464
Unamortized balances	2,814	1,215	4,029	—	4,029

Thousands of U.S. dollars

	2026				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Amortization	$1,623	$1,347	$2,977	$—	$2,977
Unamortized balances	18,058	7,796	25,855	—	25,855

Millions of yen

	2025				
	Reportable segments				
	eBook distribution	Strategic investment	Total	Adjustments	Consolidated
Amortization	¥253	¥403	¥657	¥—	¥657
Unamortized balances	3,068	1,130	4,198	—	4,198

19 Per Share Information

	Yen		U.S. dollars
	2026	2025	2026
Net assets per share	¥1,253.99	¥1,161.59	$8.04
Profit per share	119.85	90.08	0.76

Note: Diluted profit per share after residual share adjustment is not stated since there are no residual shares.

The following summarizes the basis of calculation of net assets per share.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Total net assets	¥19,221	¥17,708	$123,345
Amounts deducted from the amount of total net assets	187	108	1,200
[Of which, share acquisition rights]	[22]	[—]	[141]
[Of which, non-controlling interests]	[165]	[108]	[1,058]
Net assets associated with common shares	19,034	17,599	122,145
Number of shares of common shares for the calculation of net assets per share (Shares)	15,179,026	15,151,267	–

The following summarizes the basis of calculation of profit per share.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Profit per share:			
Profit attributable to owners of parent	¥1,818	¥1,363	$11,666
Amounts not attributable to common shareholders	—	—	—
Profit attributable to common shareholders of the parent company	1,818	1,363	11,666
Weighted-average number of common shares (Shares)	15,169,291	15,137,989	—

20 Significant Subsequent Events

(Business combination through acquisition)

At the Board of Directors' meeting held on March 1, 2026, the Company resolved to acquire all shares of Seven Seas Entertainment, LLC, which engages in translating and publishing manga and light novels from Japan, China, and South Korea, through the Company's consolidated subsidiary, Media Do International, Inc. thereby making it a subsidiary. In addition, the Company entered into an equity transfer agreement on the same date and acquired all shares of Seven Seas Entertainment, LLC as of March 11, 2026.

Through this acquisition, the Company aims to fulfill the Group's mission of serving as a gateway that delivers manga and other Japanese content to the world by combining the solid foundation the Company has established as Japan's largest eBook distributor with the diversity and comprehensiveness of the Japanese content handled by Seven Seas Entertainment, LLC, an independent publisher that holds the number one position in the North American manga market.

The acquisition was made in exchange for cash, and the acquisition cost was ¥12,575 million ($80,696 thousand). However, the acquisition cost has not yet been finalized, as the adjustment to the transfer price under the equity transfer agreement has not been completed. In addition, the agreement includes a provision under which contingent consideration may be paid in addition to the above acquisition cost, subject to the fulfillment of certain conditions, including the acquiree's business performance. Major acquisition-related costs, including fees and commissions paid to attorneys and advisors, have been incurred; however, the amounts have not yet been finalized. Amounts of goodwill, assets acquired and liabilities assumed have not been determined yet.

(Borrowing of funds)

At the Board of Directors' meeting held on March 3, 2026, the Company resolved to borrow funds from Mizuho Bank, Ltd. in the amount of ¥12,400 million ($79,573 thousand) for the purpose of subscribing to a capital increase by Media Do International, Inc., a consolidated subsidiary of the Company. The loan was executed on March 6, 2026, carries interest at the base rate plus a spread, has a term of six months, is repayable in a lump sum on the due date, and is unsecured.

Independent Auditor's Report

To the Board of Directors of MEDIA DO Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of MEDIA DO Co., Ltd. ("the Company") and its consolidated subsidiaries ("the Group"), which comprise the consolidated balance sheets as at February 28, 2026 and the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at February 28, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Subsequent Events

We draw attention to Note 20 "SIGNIFICANT SUBSEQUENT EVENTS" to the consolidated financial statements, which describes the following:
At the Board of Directors' meeting held on March 1, 2026, the Company resolved to acquire all shares of Seven Seas Entertainment, LLC through the Company's consolidated subsidiary, Media Do International, Inc., thereby making it a subsidiary. In addition, the Company entered into an equity transfer agreement on the same date and acquired all shares of Seven Seas Entertainment, LLC as of March 11, 2026. In addition, at the Board of Directors' meeting held on March 3, 2026, the Company resolved to borrow funds from Mizuho Bank, Ltd. for the purpose of subscribing to a capital increase by Media Do International, Inc., a consolidated subsidiary of the Company. The loan was executed on March 6, 2026.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and appropriateness of cut-off of eBook distribution sales in the eBook distribution business

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Description of the Key Audit Matter

As described in Note "REVENUE RECOGNITION," eBook distribution sales in the eBook distribution business amounted to 100,148 million yen (92% of consolidated net sales), representing the majority of net sales to external customers of 108,537 million yen for the consolidated fiscal year.

As described in Note "REVENUE RECOGNITION," the Company recognizes revenue from eBook distribution sales based on distribution results at eBook retailers, which are its customers.

Net sales are disclosed as earnings forecasts and are one of the key financial indicators for management and users of the consolidated financial statements. Since eBook distribution sales account for the majority of consolidated net sales, there is a risk that fictitious sales may be recorded or that sales may be recognized in an inappropriate period in order to achieve the disclosed earnings forecasts, which requires particularly careful consideration in the audit.

Accordingly, we determined that the verification of the existence and appropriateness of cut-off of eBook wholesale sales in the eBook distribution business was the particular significant matter in our audit of the consolidated financial statements for the fiscal year, and accordingly, a key audit matter.

How the Matter Was Addressed in the Audit

The primary procedures we performed to assess the existence and appropriateness of cut-off of eBook distribution net sales in the eBook distribution business included the following:

- We understood the sales process in the eBook distribution business and evaluated the effectiveness of the design and operation of internal controls.
- We performed year-over-year comparative analysis, monthly trend analysis, and gross margin analysis by customer for net sales related to the eBook distribution business.
- For transactions exceeding a certain amount and randomly selected transactions related to eBook distribution net sales, we matched them with relevant supporting documents (notifications issued by customers, sales details output from the system, cash receipt vouchers, etc.).
- For transactions extracted based on specific scenarios, we matched them with relevant supporting documents (notifications issued by customers, sales details output from the system, cash receipt vouchers after the end of the fiscal year, etc.). For notifications issued by customers and sales details output from the system, we confirmed the accuracy of the information by reviewing emails with customers and observing the output from the core system.
- We performed confirmation procedures for major accounts receivable related to the eBook distribution business.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor 's reports thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group 's financial reporting process.

Auditor 's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor 's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management 's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor 's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor 's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters

that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor 's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended February 28, 2026, are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Fee-related Information

Fees paid payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are totaled 42 million yen.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Naoto Kimura

Naoto Kimura
Designated Engagement Partner
Certified Public Accountant of Japan

Kenzo Fujita

Kenzo Fujita
Designated Engagement Partner
Certified Public Accountant of Japan

Toshiki Okumura

Toshiki Okumura
Designated Engagement Partner
Certified Public Accountant of Japan

Avantia GP
TOKYO, JAPAN
July 31, 2026

Stock Exchange Listing

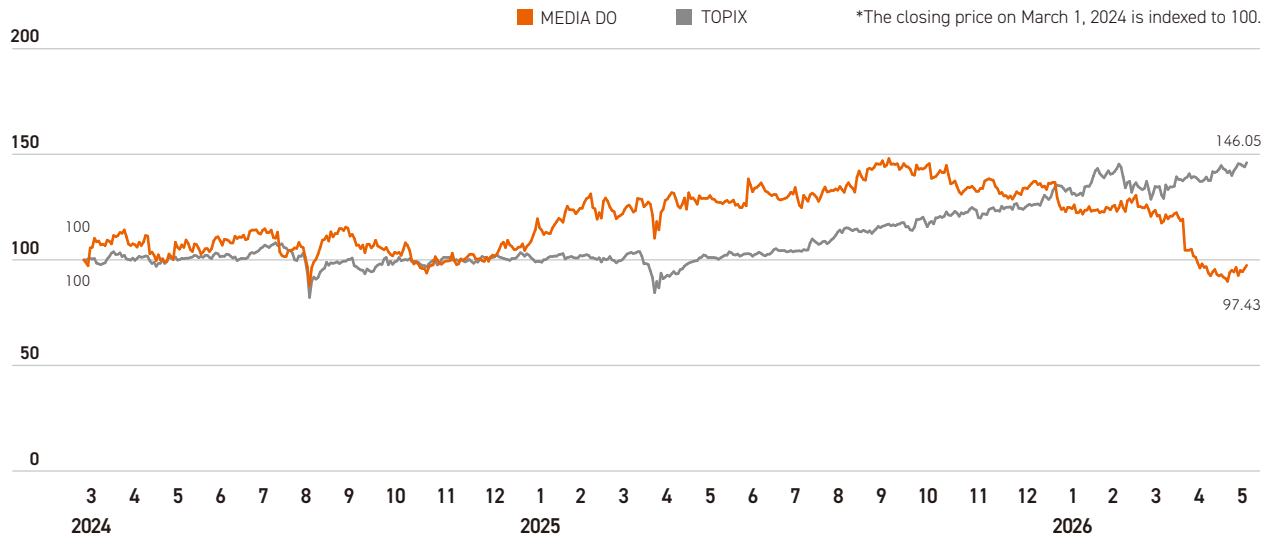
Tokyo Stock Exchange Prime Market
(Securities Code: 3678)

Stock Status

Total number of shares issued:
15,205,174 shares

Total number of shareholders:
5,840

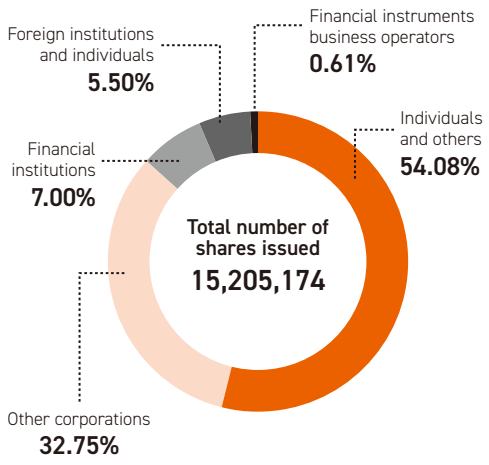
Share Price Performance (Period: March 1, 2024 to May 29, 2026)



Major Shareholders

Name	Number of shares (shares)	Shareholding ratio (%)
Yasushi Fujita	2,486,444	16.35
FIBC Co., Ltd.	1,731,700	11.39
UH Partners 2 Investment Limited Partnership	1,134,000	7.46
Hikari Tsushin KK Investment Limited Partnership	994,700	6.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	722,200	4.75
UH Partners 3 Investment Limited Partnership	636,600	4.19
SHOGAKUKAN Inc.	564,800	3.71
Kodansha Ltd.	544,000	3.58
TOHAN CORPORATION	489,649	3.22
SHIFT Inc.	466,600	3.07

Share Distribution by Shareholder Type



External Recognition

FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Index

TOKYO パパ育業 促進企業 2025

女性が活躍しています！

人的資本経営品質2025

Corporate Profile

Company name	MEDIA DO Co., Ltd.
President and CEO	Yasushi Fujita
Founded / Established	June 1, 1994 / April 1, 1996
Capital	¥6,019 million
Locations	Head Office: 5F and 8F, Palaceside Building, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100-0003 Tokushima Kito Office: 5-23 Kitowamuda Iwatsushi, Naka-Cho, Naka-gun, Tokushima Prefecture 771-6403
Employees	Consolidated: 507 / Non-consolidated: 253
Consolidated subsidiaries	15 companies
Equity-method affiliates	1 company
Fiscal year	From March 1 to the last day of February of the following year
Annual General Meeting of Shareholders	May
Trading unit	100 shares
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited: Tel: 0120-782-031

Website and Social Media

Official website
Completely redesigned for our 30th anniversary, connecting the Company's past, present, and future.
https://mediado.jp/english/

IR Information
Providing financial results, financial data, and other IR information for investors.
https://mediado.jp/english/ir/

Sustainability
Introducing our basic policies and specific initiatives for achieving a sustainable society.
https://mediado.jp/english/sustainability/

Owned Media "Medicome!"
Sharing the essence of "MEDIA DO's way" — featuring employee challenges and business background stories.
https://mediado.jp/medicome/ (Japanese only)

Official Facebook Page
Providing timely updates on internal and external events, latest news, and our daily activities.
https://www.facebook.com/MediaDo3678/ (Japanese only)

Editor's Note: "Why We Produce an Integrated Report"

This year marks the publication of our seventh integrated report. We brought the entire production process in-house—not to reduce costs, but because outsourcing could not fully convey our deep commitment to leaving a lasting record for future generations and registering our clear intentions. Embodying that level of dedication requires using our own words and design to genuinely reflect MEDIA DO.

An integrated report is a voluntarily published communication tool that combines financial and non-financial information with a focus on future value creation. However, we believe that discussing our future requires an essential process: accurately understanding where we stand today, as well as the responsibilities and resolve behind the decisions we have made and the actions we have taken. Without this process, we risk compromising the identity we have long cherished and losing "MEDIA DO's way."

In our 30-year history, our founder and predecessors have devoted themselves wholeheartedly to building the trust and achievements reflected today in net sales of approximately ¥100 billion and gross merchandise value (GMV) of approximately ¥200 billion. We have a responsibility to carry that legacy forward and continue engaging with society. We view producing the integrated report as an act of reflecting on the past, faithfully passing on that commitment, and leaving a "record" for shaping the future. It is also a message we want to continue sharing not only with those outside the Company, but with everyone who works alongside us. To preserve MEDIA DO's way, we will uphold this process and continue crafting our integrated report, imbuing its words with power.

Over the nine-month production period, we explored how best to express and communicate MEDIA DO's aspirations. We decided to produce the report in-house with team members who care deeply about the Company, and everyone involved pursued the work without compromise. What we ultimately discovered was our own growth and potential — the sense that we can overcome whatever lies ahead. Finally, we extend our heartfelt respect and gratitude to those who came before us and built MEDIA DO's 30-year history; to our business partners, who have placed their trust in us; to our employees, who are creating our future; and to every team member who dedicated themselves to producing this report.



Corporate Planning Department
Natsuka Miyagi

Production and Publication

Corporate Planning Department, MEDIA DO Co., Ltd.

Overall Supervision	Natsuka Miyagi
Overall Planning and Editing	Kazuya Osaka
Print Content Planning and Writing	Kazuya Osaka, Takashi Kuramoto, Nana Hara, Saki Oshima
Design Supervision	Daisuke Ashizawa
Design and Photography	Rika Otomo
Production Management Assistant	Yuri Nakamichi
Editorial Assistant	Maki Takagi
Translation	Saki Oshima

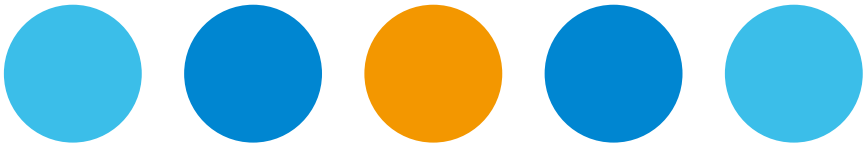
Production Support

Writing	Michiko Kashimoto
Design	Tomoko Kubo
Photography	Kenji Yamada and others
Translation	Eimi Nagata, Akira Toyama (Storm Inc.)
Proofreading	Natsuko Sasaki
Printing and Binding	Knowledge Climber Co., Ltd.

Special Thanks	A.M

Inquiries Regarding This Report

Corporate Planning Department: keiki@mediado.jp



Media Do 30TH

Do with love.

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