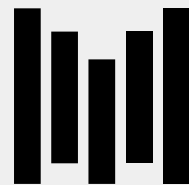


M O R E C O N T E N T F O R M O R E P E O P L E !

FINANCIAL RESULTS BRIEFING

MEDIA DO Co., Ltd.
Financial Results Briefing
for FY25/2 1Q



Media Do

1	Financial Highlights	P.4
2	Earnings Trends	P.8
	1. Consolidated Performance	
	2. eBook Distribution Business	
	3. Strategic Investment Businesses	
3	Growth Strategy	P.25

1Q Highlights

Net sales **¥25.1bn** (Achievement rate: 25.6%)

EBITDA **¥792mn** (Achievement rate: 22.3%)

Operating profit **¥475mn** (Achievement rate: 20.7%)

Profit attributable to owners of parent **¥244mn** (Achievement rate: 18.4%)

(Achievement rate: Achievement rate compared to initial forecast)

- **Net sales:** The eBook distribution business has been performing well, achieving a YoY growth of 11.0%. Despite the seasonality trend where sales in 1Q are lower than those in 2Q and 4Q, which include the long vacation that potentially leads to an increase in sales, sales remain strong at 25% higher than the full-year forecast
- **Operating profit:** Although the increase in deficit in the strategic investment businesses due to the restructuring of NIHONBUNGEISHA was within the scope of the plan, operating profit slightly decreased YoY

1Q Topics

eBook Distribution Business

- Net sales of both new and existing sales channels remained strong
- YoY sales growth rate is 112.7%

Strategic Investment Businesses

- Although the increase in deficit in the strategic investment businesses due to the restructuring of NIHONBUNGEISHA was within the scope of the plan, profit decreased YoY in the imprint business
- Aiming for full-year improvement over the previous year

Launch of new services

- FanTop business: Launched new audiobook NFT digital content and expanded lineup of digital content assets
- IP Solution Business (Flier): Launched employee survey service “flier Growth Organization Navi”
- Global Business (Firebrand): Started full-scale sales of “FLYWHEEL”, an AI book marketing tool for publishers

MEDIA DO Co., Ltd.

Financial Results Briefing for the Three Months Ended May 31, 2024

01 | Financial Highlights

Consolidated Performance Highlights

- ✓ Net sales Net sales grew by 11.0% YoY due to a recovery in the growth rate of the eBook market as a whole and the strong performance of the eBook distribution business resulting from the acquisition of new sales channels in February 2024; net sales returned to a growth trend
- ✓ EBITDA / Operating profit Although profit increased in the eBook distribution business, EBITDA and operating profit decreased YoY due to an increase in deficits in the strategic investment businesses, mainly caused by the poor performance of the imprint business, which includes NIHONBUNGEISHA, whose sales and profit are temporarily deteriorating due to restructuring

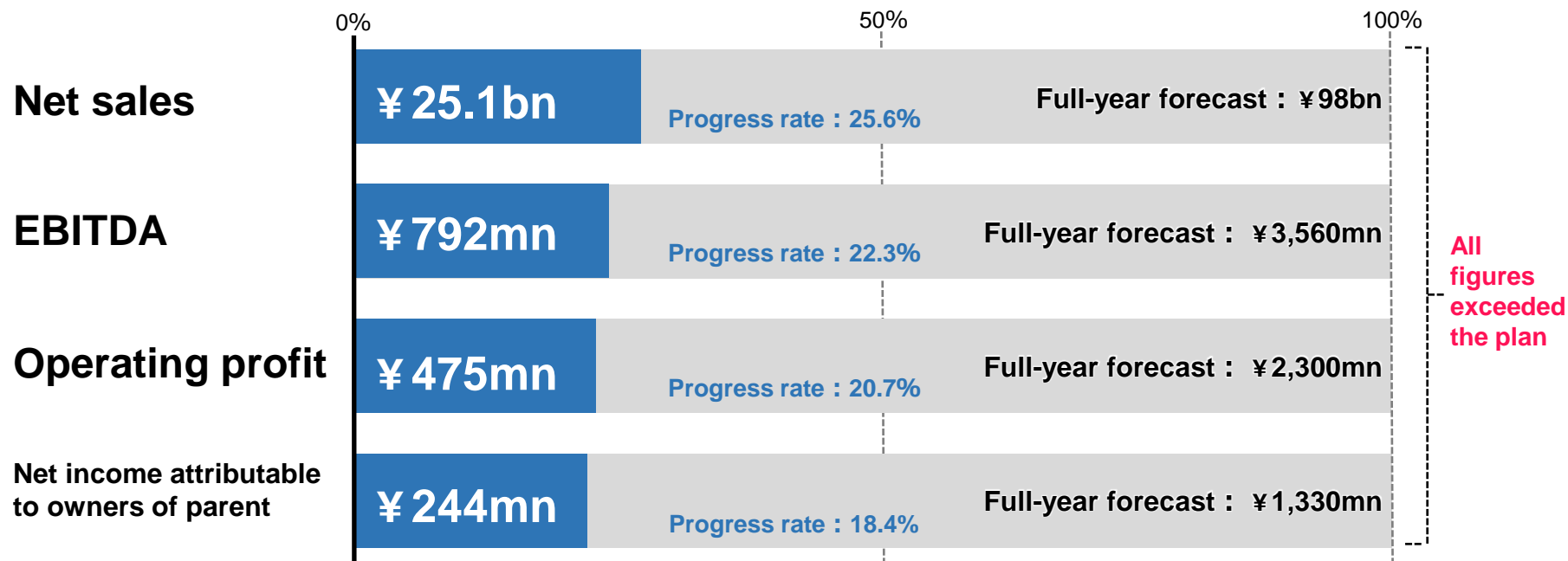
	FY24/2 1Q	FY25/2 1Q	YoY
Net sales	¥22.6bn	¥25.1bn	+11.0% (+2.5bn)
EBITDA	¥834mn	¥792mn	-4.9% (-42mn)
Operating profit	¥485mn	¥475mn	-2.1% (-10mn) <i>Impact of temporary factors (¥-33mn), etc.*</i>
Net income attributable to owners of parent	¥232mn	¥244mn	+5.0% (+12mn)

* Main factors of the decrease in profit (¥-94mn)

- Temporary factors: Impact of revaluation of returned assets at NIHONBUNGEISHA (¥-21mn), impact of prior period adjustments at Flier Inc. (¥-12mn)
- Profit deterioration due to the reconstruction of NIHONBUNGEISHA (¥-61mn)

Full-Year Performance Achievement Rate

- ✓ While net sales in 1Q tend to be seasonally lower than those in 2Q and 4Q, which include the long vacation, they remain strong at 25% higher than the full-year forecast
- ✓ The achievement rate of the profit items was below 25% due to the widening deficits in the strategic investment businesses, primarily attributable to the poor performance of the Imprint Business, which includes NIHONBUNGEISHA, whose sales and profits are temporarily deteriorating due to restructuring; nevertheless, **all three profit items were higher than the forecasts**



Net sales by Segment (1Q)

Reporting segments*1						
Millions of yen		eBook distribution business	Strategic investment businesses		FY24/2	FY25/2
			MEDIA DO	Subsidiaries		
Business segments*1	eBook wholesale	eBook distribution business*2			20,438	22,936
	Book/magazine publishing*3			NIHONBUNGEISHA	628	441*3
	Web service operation	Manga Saison	FanTop eLibrary	Everystar Flier	878	877
	Solutions for Publish Industry			Firebrand NetGalley Supadu	574	724
	Other			MD-i*4 ARTRA*4	112	134
	Total					22,632

*1 For businesses in the breakdown of reporting segments and business segments, representative businesses corresponding to that category are listed.

*2 Figures for sales of publishing subsidiaries exclude eBook sales

*3 Figures are mainly based on sales in print books, excluding eBook sales, etc. Due to the phase of curbing new publications and accepting returns in connection with the restructuring, the percentage of sales decline in print books is larger than the percentage of overall sales decline at NIHONBUNGEISHA.

*4 MD-i=Media Do International, Altra=ARTRA ENTERTAINMENT Inc.

MEDIA DO Co., Ltd.

Financial Results Briefing for the Three Months Ended May 31, 2024

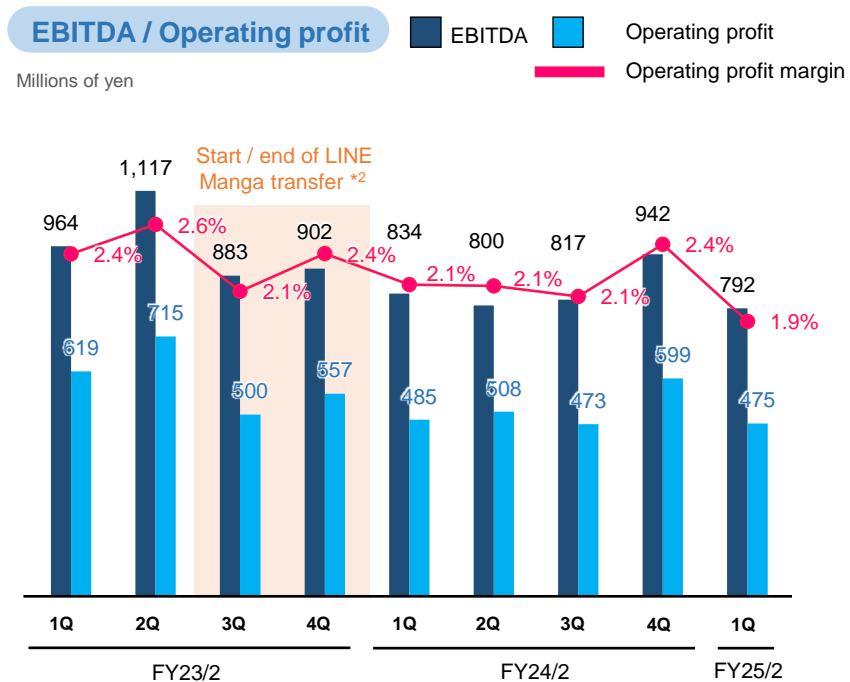
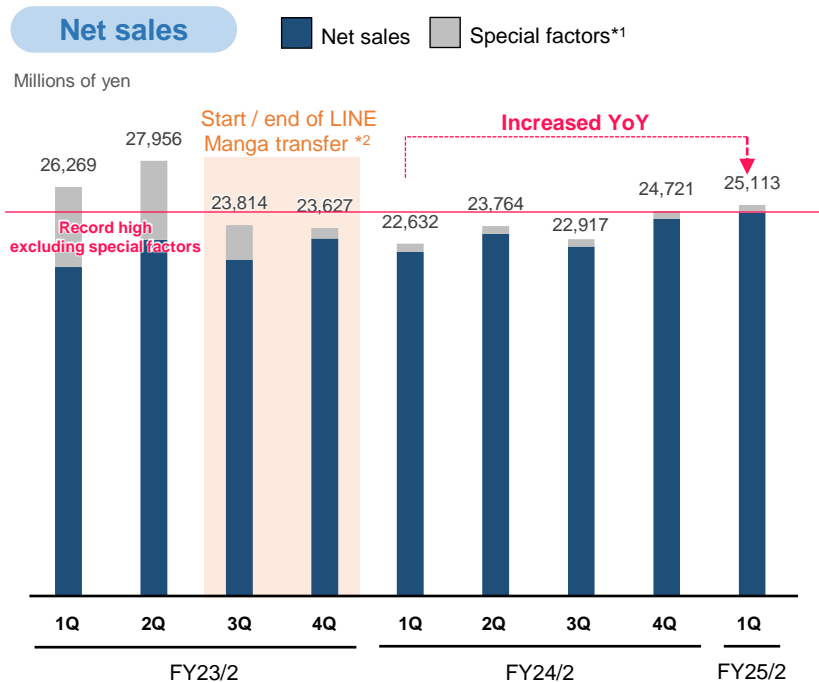
02 | Earnings Trends

2. Earnings Trends

Consolidated performance

Overview

- ✓ Net sales achieved a YoY increase following the 4Q FY24/2, and net sales reached a record high, excluding special factors
- ✓ Operating profit decreased QoQ and YoY mainly due to increased deficits in the strategic investment businesses and the adjustment amount

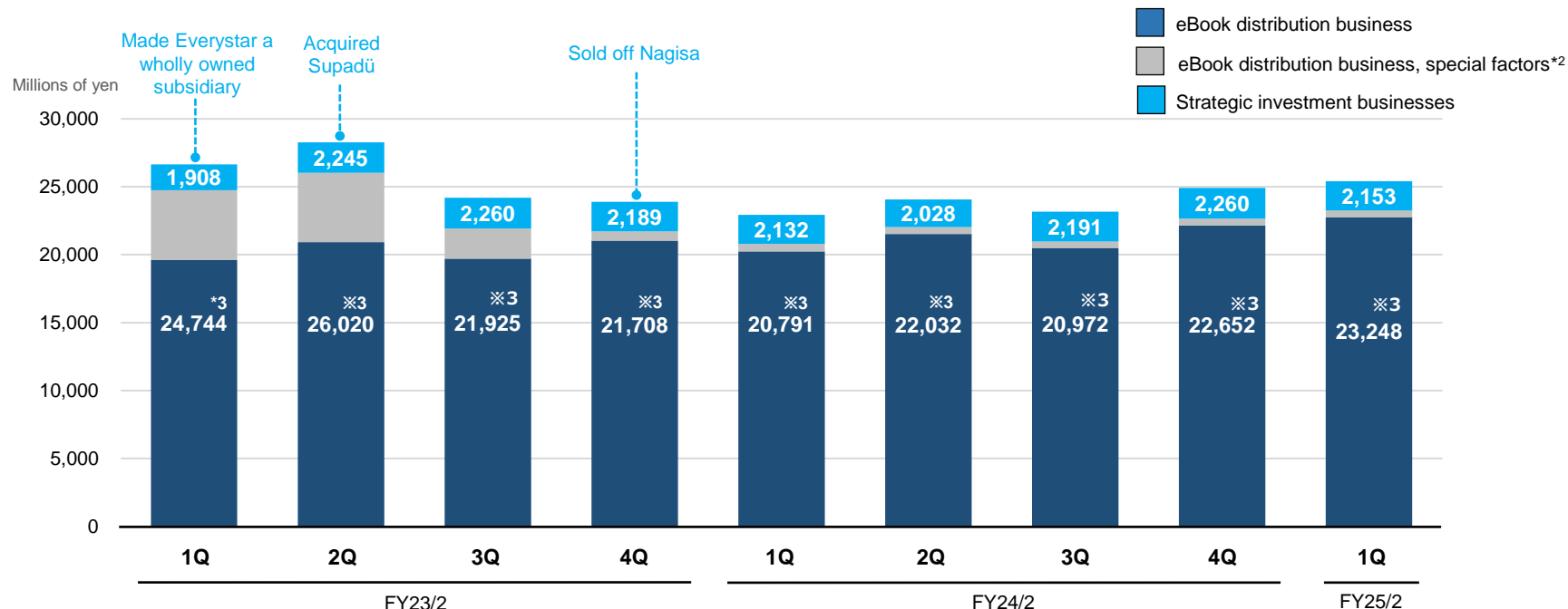


*1 Sales for LINE Manga

*2 Transfer of back-end operations for major publishers that accounted for the majority of sales to LINE Manga

Sales Trend (by Segment) *1

- ✓ Net sales of the eBook distribution business increased YoY and QoQ, partly due to the impact of new sales channels acquired in February 2024
- ✓ For the strategic investment businesses, while the global business recorded a large increase in sales, the imprint business, which includes NIHONBUNGEISHA, whose sales are temporarily deteriorating due to restructuring, worsened significantly YoY and QoQ



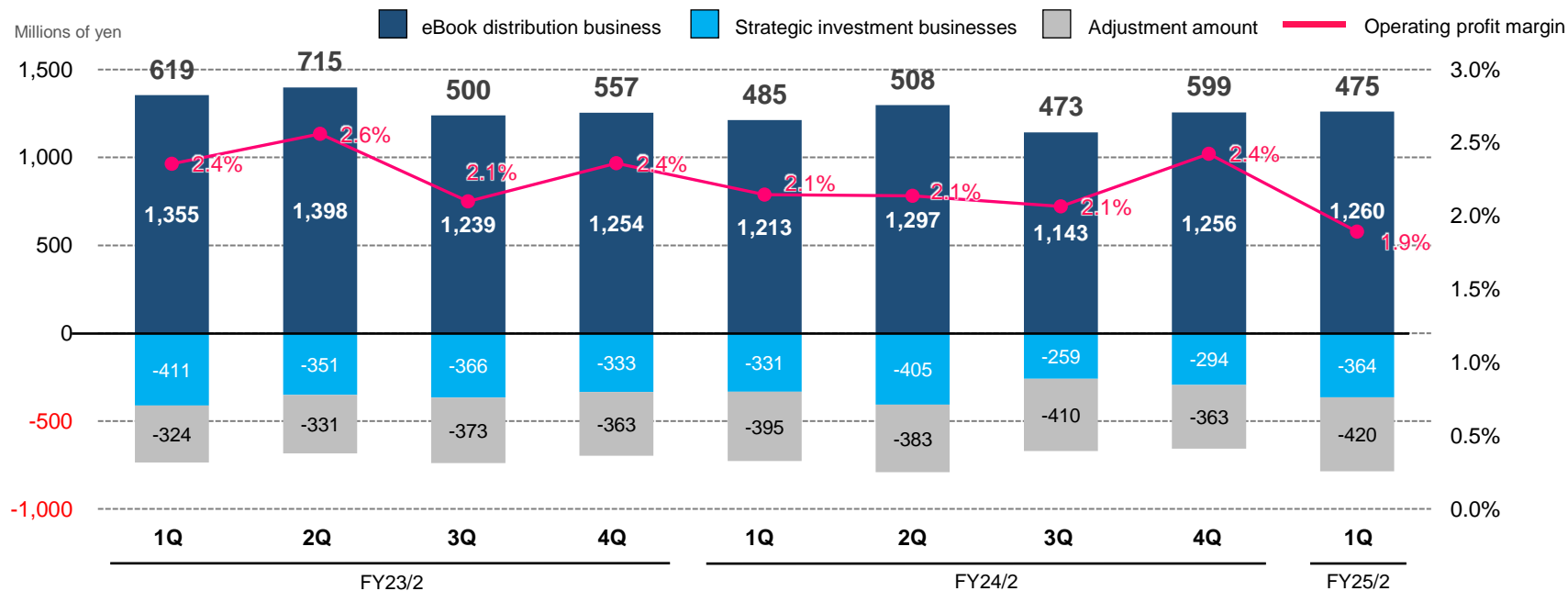
*1 Net sales does not include adjustments for inter-segment sales, etc. The quarterly adjustment amounts are listed on page 23.

*2 Sales for LINE Manga

*3 Total amount of eBook distribution business and special factors

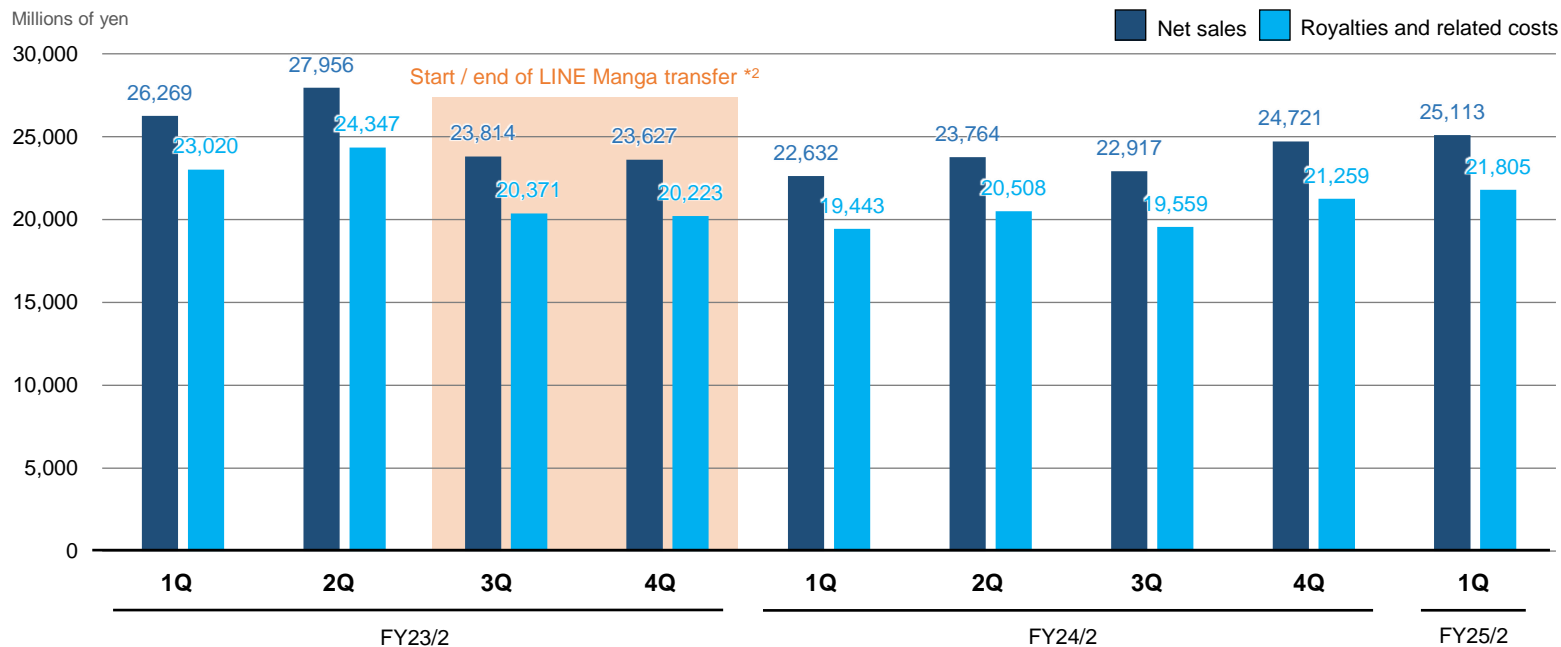
Operating Profit Trend (by Segment)

- ✓ In the eBook distribution business, although net sales increased, operating profit slightly increased QoQ due to deterioration of the gross profit margin
- ✓ In the strategic investment businesses, operating profit deteriorated YoY and QoQ due to the impact of poor performance in the imprint business, which includes NIHONBUNGEISHA, whose sales and profit are temporarily deteriorating due to restructuring
- ✓ Adjustment amounts include headquarters expenses, as well as the profit and loss of GAMBAROU TOKUSHIMA Co., Ltd., the company managing the Company's professional men's basketball team, the TOKUSHIMA GAMBAROUS, which entered and began playing in the B3 League in October 2023 and started full-fledged operations



Trends in Royalties and Other Costs*1

- ✓ Royalties and other costs decreased in line with a decrease in net sales due to the transfer of LINE Manga from 3Q FY23/2
- ✓ Royalties and other costs are also on the upturn in line with an increase in net sales partly due to the impact of new sales channels from 3Q FY24/2 to the most recent quarter

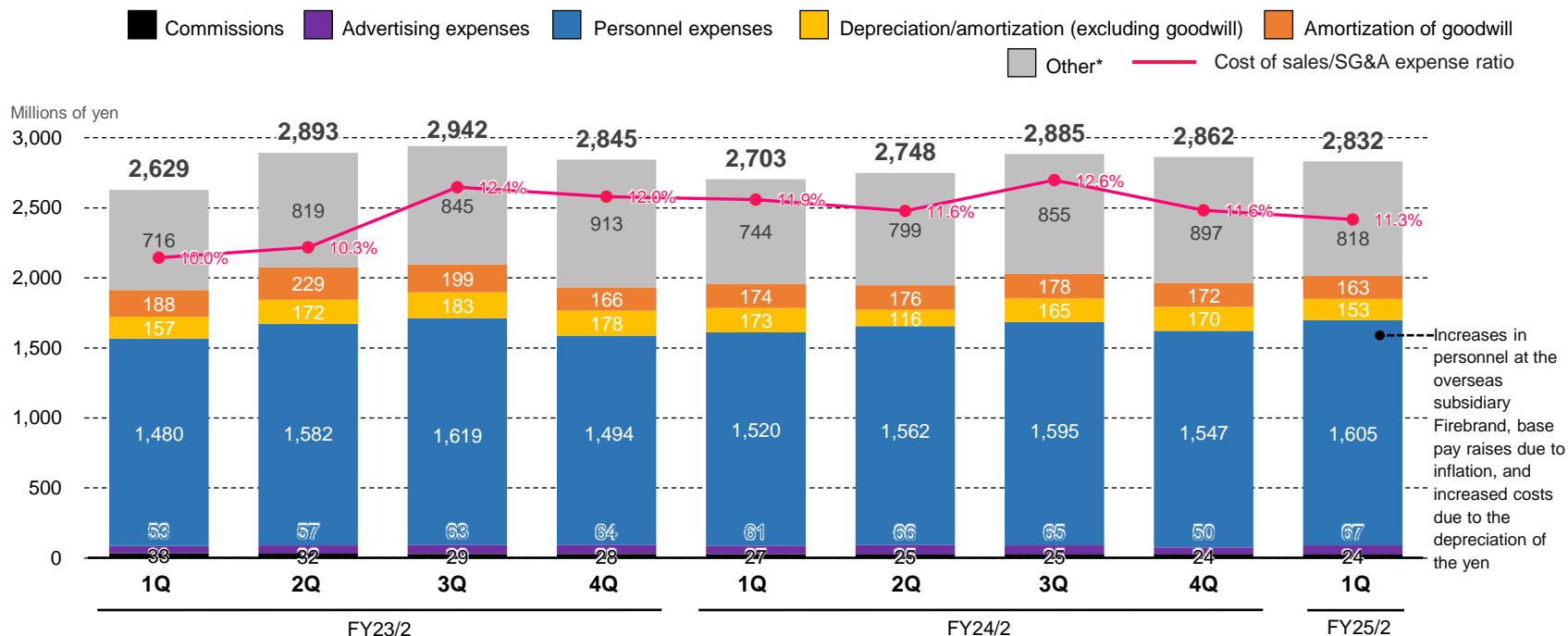


*1 Figures for the trends in the total cost of sales including royalties incurred in the eBook distribution business and the printing and binding costs recorded by NIHONBUNGEISHA and others in the imprint business

*2 Transfer of back-end operations for major publishers that accounted for the majority of sales to LINE Manga

Trends in Cost of Sales/SG&A Expenses (Excluding Royalties)

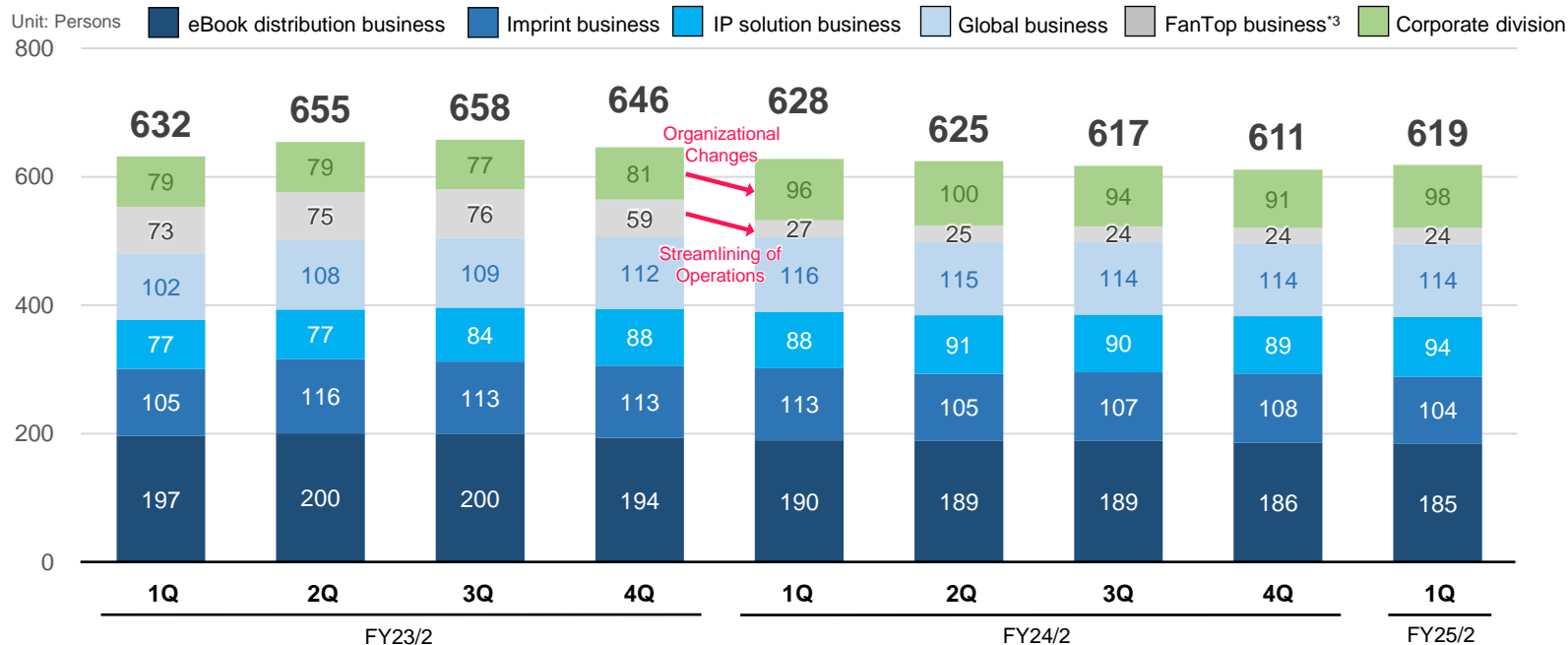
- ✓ The ratio of the cost of Sales/SG&A expenses rose in 3Q FY23/2 due to a decrease in net sales resulting from the transfer of LINE Manga
- ✓ Compared to FY24/2, in 1Q FY25/2, although the cost of Sales/SG&A expenses rose YoY due of the increase in personnel expenses and the operating cost of GAMBAROU TOKUSHIMA Co., both the amount and rate were controlled QoQ



* "Other" includes outsourcing expenses, rent expenses, and taxes and public dues

Trends in the Number of Employees*1

- ✓ From FY23/2, the number of employees has increased on a consolidated basis due to strengthened recruitment and the acquisition of group companies, but since then, the number of employees has been on the downturn due to a review of the business portfolio
- ✓ In 1Q FY25/2, the number of personnel increased due to the hiring of new employees (15 new employees) *2



*1 The number of employees is the monthly average for each quarter

*2 The 15 new graduate employees are the total for MEDIA DO and Flier. The new graduate employees of MEDIA DO were included in the number of corporate employees in 1Q FY25/2

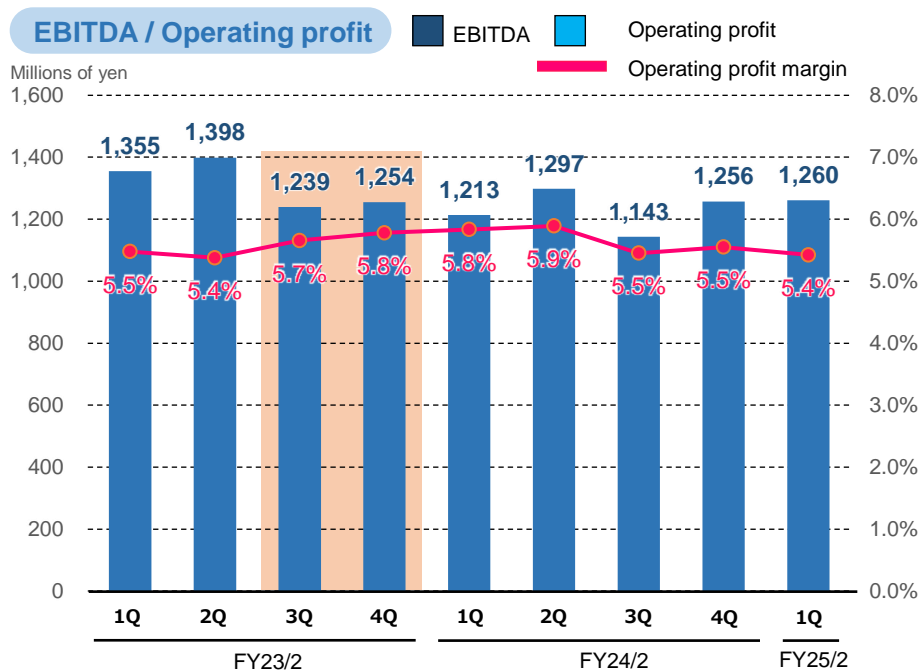
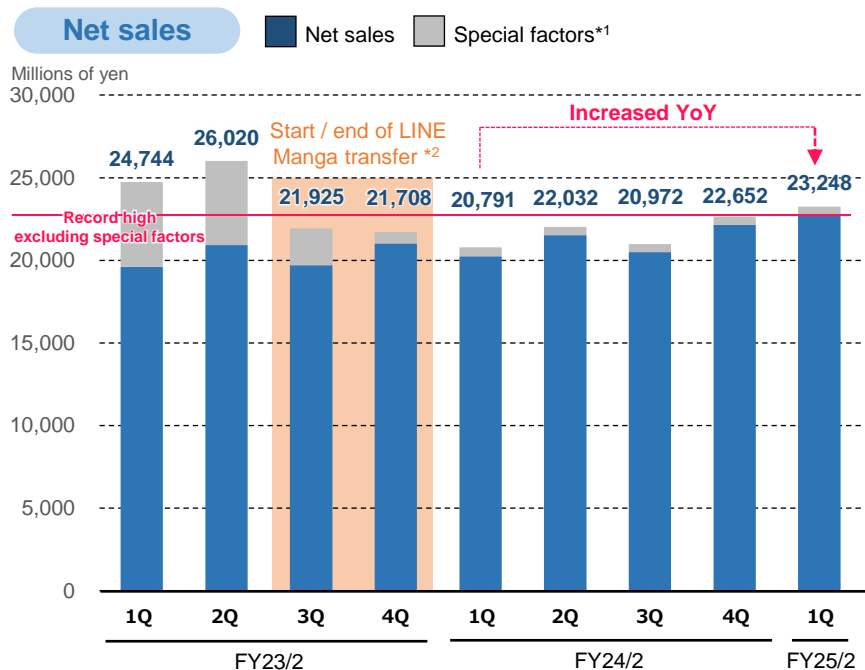
*3 The FanTop Business includes figures for new businesses such as XR and GREET as well as MyAnimeList, J-Comic Terrace, and Nagisa in FY23/2

2. Earnings Trends

eBook Distribution Business

Trends in Net Sales and Operating Profit

- ✓ Net sales increased YoY, partly due to the impact of new sales channels acquired in February 2024, and also achieved a record high in terms of actual net sales excluding special factors
- ✓ Although there was no significant change in SG&A expenses QoQ, operating profit was almost unchanged QoQ due to deterioration in the gross profit margin

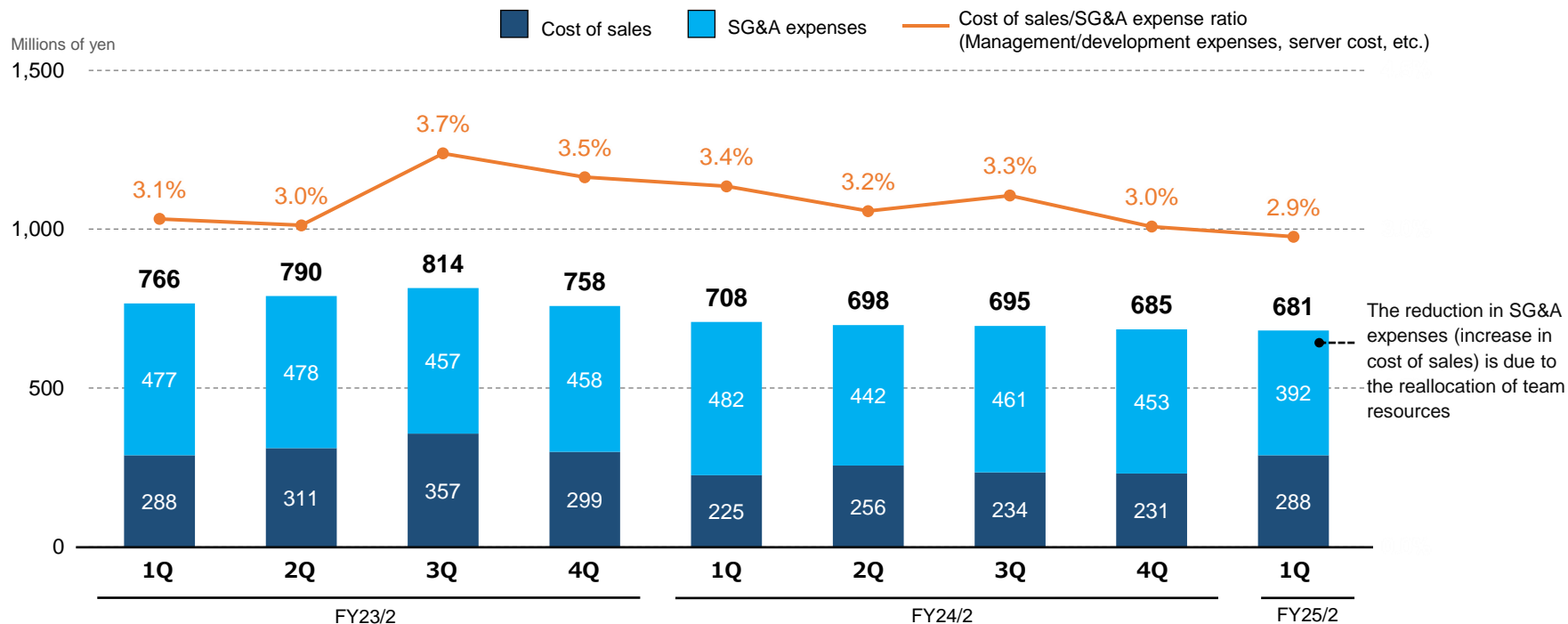


*1 Sales for LINE Manga

*2 Transfer of back-end operations for major publishers that accounted for the majority of sales to LINE Manga

Cost Structure (Cost of Sales/SG&A Expenses Excluding Royalties)

- ✓ The ratio of the cost of SG&A expenses excluding royalties, etc. rose temporarily in 3Q FY23/2, when net sales decreased due to the start of the transfer of LINE Manga, but both the absolute amount and rate of the cost of Sales/SG&A expenses have been improving since then due to the streamlining and sophistication of business processes
- ✓ Although the composition of the cost of Sales/SG&A expenses changed due to organizational changes, the total amount was almost unchanged QoQ



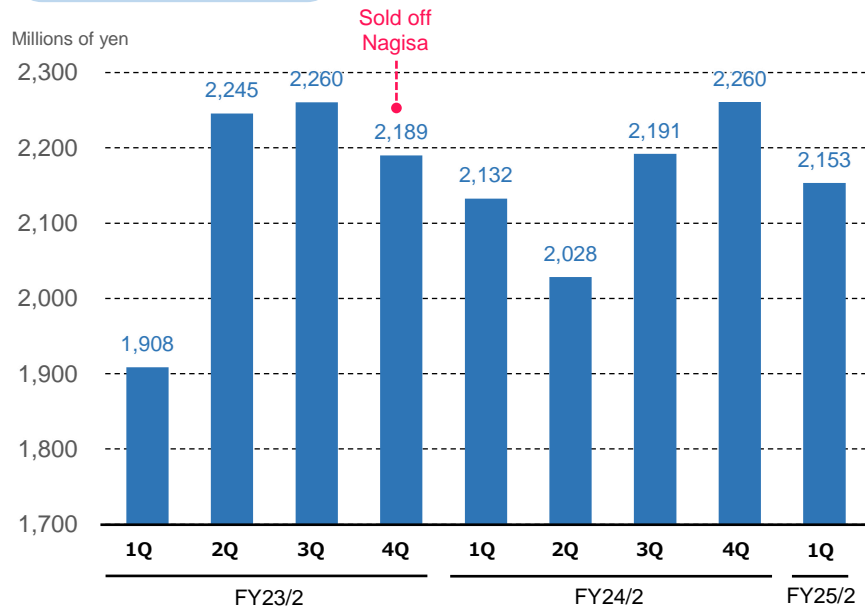
2. Earnings Trends

Strategic Investment Businesses

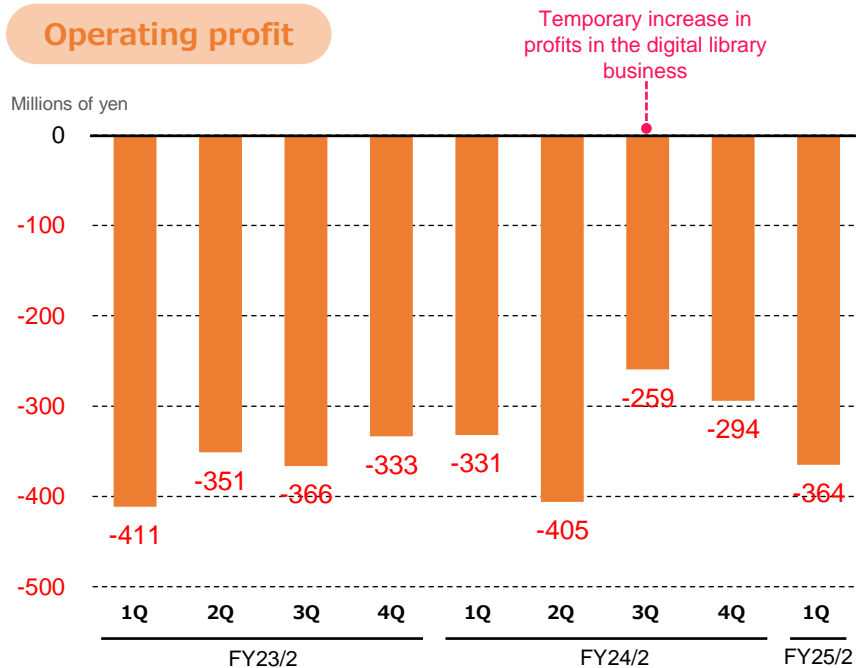
Trends in Net Sales and Operating Profit

- While net sales increased in the global business, the imprint business, which includes NIHONBUNGEISHA, whose sales and profit are temporarily deteriorating due to restructuring, worsened significantly YoY and QoQ
- Operating profit deteriorated YoY and QoQ due to decreased sales in the imprint business and increased personnel expenses in the global business

Net Sales

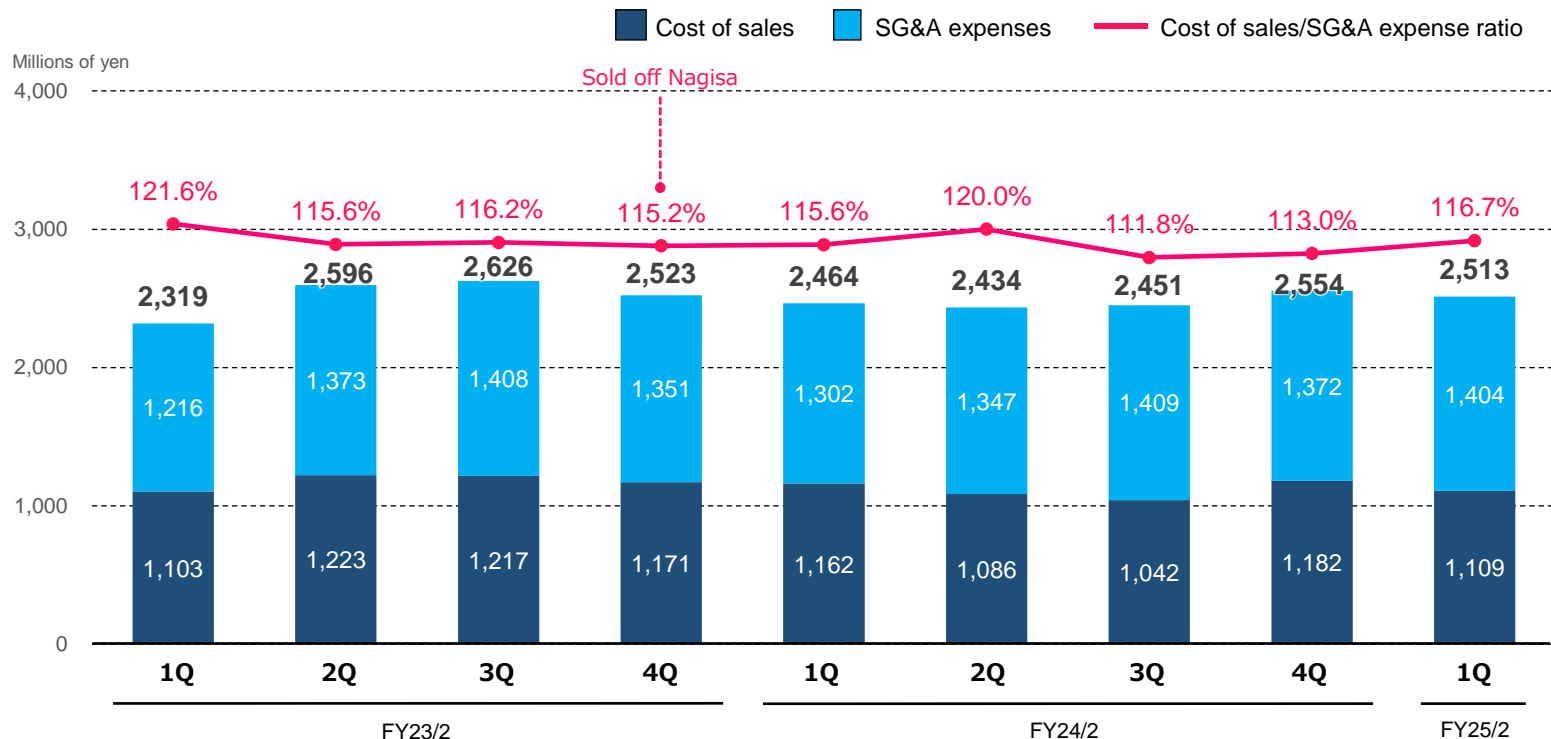


Operating profit



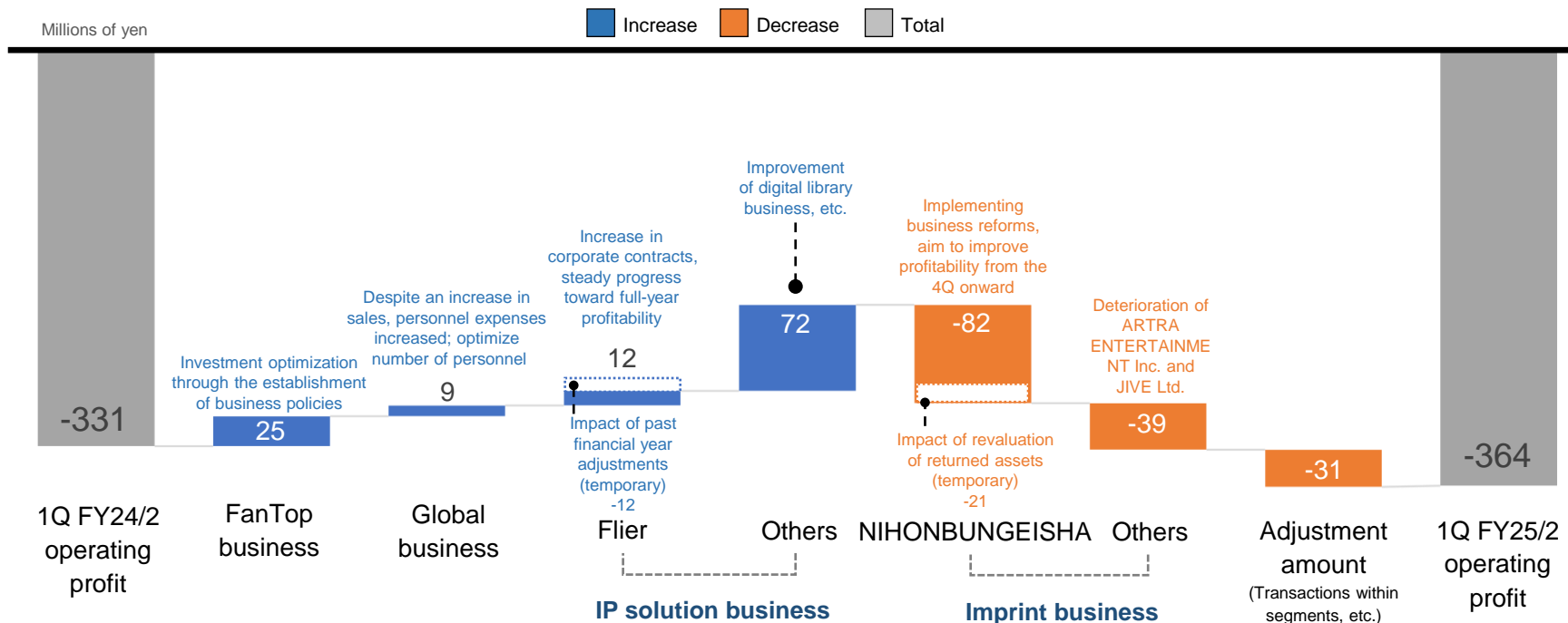
Cost Structure

- ✓ Cost of sales decreased mainly due to the impact of decreased sales in the imprint business
- ✓ SG&A expenses increased YoY and QoQ mainly due to increased personnel expenses in the global business



Operating Profit YoY Comparison

- ✓ The FanTop business, which continues investment optimization since FY24/2, and the IP solution business, mainly Flier Inc., which is a SaaS-type business model, contributed to improved profits
- ✓ On the other hand, sales decreased by 33 million yen from 1Q FY24/2 due to deteriorating sales and profit in the imprint business, which includes NIHONBUNGEISHA



Results for 1Q FY25/2 (P/L)

	FY24/2								FY25/2	
	1Q		2Q		3Q		4Q		1Q	
Millions of yen										
Net sales*1	22,632		23,764		22,917		24,721		25,113	
eBook Distribution Business	20,791	91.9%	22,032	92.7%	20,972	90.7%	22,652	91.6%	23,248	92.6%
Strategic Investment Businesses	2,132	9.4%	2,028	8.5%	2,191	10.3%	2,260	9.1%	2,153	8.6%
Cost of sales, SG&A expenses*2	22,147		23,256		22,444		24,122		24,633	
Royalties/other cost of sales	19,443	85.9%	20,508	86.3%	19,559	85.3%	21,259	86.0%	21,800	86.8%
Commissions	27	0.1%	25	0.1%	25	0.1%	24	0.1%	24	0.1%
Advertising expenses	61	0.3%	66	0.3%	65	0.3%	50	0.2%	67	0.3%
Personnel expenses	1,520	6.7%	1,562	6.6%	1,595	7.0%	1,547	6.3%	1,605	6.4%
Depreciation/amortization (excluding goodwill)	173	0.8%	116	0.5%	165	0.7%	170	0.7%	153	0.6%
Amortization of goodwill	174	0.8%	176	0.7%	178	0.8%	172	0.7%	163	0.7%
Others	744	3.3%	799	3.4%	855	4.3%	897	3.6%	818	3.3%
EBITDA	834		800		817		942		797	
Operating profit	485		508		473		599		480	
Ordinary income	441		496		500		552		496	
Profit before income taxes	435		494		606^{*3}		-1,097^{*4}		469	
Profit attributable to owners of parent	232		277		351		-1,180		249	

*1 Adjustment amounts not included in the eBook distribution business and the strategic investments businesses were -¥290mn in 1Q FY24/2, -¥296mn in 2Q, -¥246mn in 3Q, -¥191mn in 4Q, -¥288mn in 1Q FY25/2

*2 Of which ¥18,870mn in 1Q FY24/2, ¥20,035mn in 2Q, ¥19,133mn in 3Q, ¥20,710mn in 4Q, ¥21,307mn in 1Q FY25/2 were related to the eBook distribution business

*3 Recorded a gain on sale of investment securities of ¥106mn from the transfer of shares of A.I. Squared, Inc.

*4 Recorded a gain on change in equity of ¥110mn from the third-party allocation of new shares of MyAnimeList. Posted extraordinary losses totaling ¥1,769mn, including an impairment loss of ¥465mn for the VSC business and ¥438mn in impairment of goodwill related to Supadū Limited

Results for 1Q FY25/2 (B/S)

Millions of yen	4Q FY24/2	1Q FY25/2	QoQ change	Main Factors of Change
Current assets	36,396	36,657	261	
Cash and deposits	11,004	10,752	-252	
Notes, accounts receivable and contract assets	23,294	23,594	300	Accompanied by an increase in sales revenue
Non-current assets	15,215	15,225	10	
Property, plant and equipment	672	711	39	
Software	664	702	38	
Goodwill	5,765	5,652	-113	
Investment securities	5,870	5,852	-18	
Total assets	51,612	51,883	271	
Current liabilities	31,386	31,918	532	
Notes and accounts payable – trade	26,165	27,115	950	Accompanied by an increase in sales revenue
Current portion of long-term borrowings	2,217	2,211	-6	
Total non-current liabilities	4,017	3,704	-313	
Long-term borrowings	3,128	2,807	-321	
Total liabilities	35,403	35,622	219	
Total shareholders' equity	15,262	15,173	-89	
Capital	5,959	5,959	0	
Capital surplus	5,737	5,737	0	
Retained earnings	3,614	3,525	-89	Net income for 1Q FY25/2: ¥ 244mn –Dividends: ¥ 332mn
Treasury shares	-48	-48	0	
Total accumulated other comprehensive income	920	1,077	157	Increase in foreign currency translation adjustment account due to yen depreciation
Share option	-	0	0	
Non-controlling interest	25	9	-16	
Total net assets	16,208	16,260	52	
Total liabilities and net assets	51,612	51,883	271	

MEDIA DO Co., Ltd.

Financial Results Briefing for the Three Months Ended May 31, 2024

03 | Growth Strategy

The corporate philosophy of MEDIA DO

MISSION

Unleashing a virtuous cycle of literary creation

VISION

More Content for More People!

Article 1, Chapter 1 General Provisions, Copyright Act of Japan

The purpose of this Act is to provide for authors' rights and neighboring rights with respect to works, as well as with respect to performances, phonograms, broadcasts, and cablecasts, and to ensure protection for the rights of authors and other such persons while according attention to the fair exploitation of these cultural products, and thereby to contribute to cultural development.

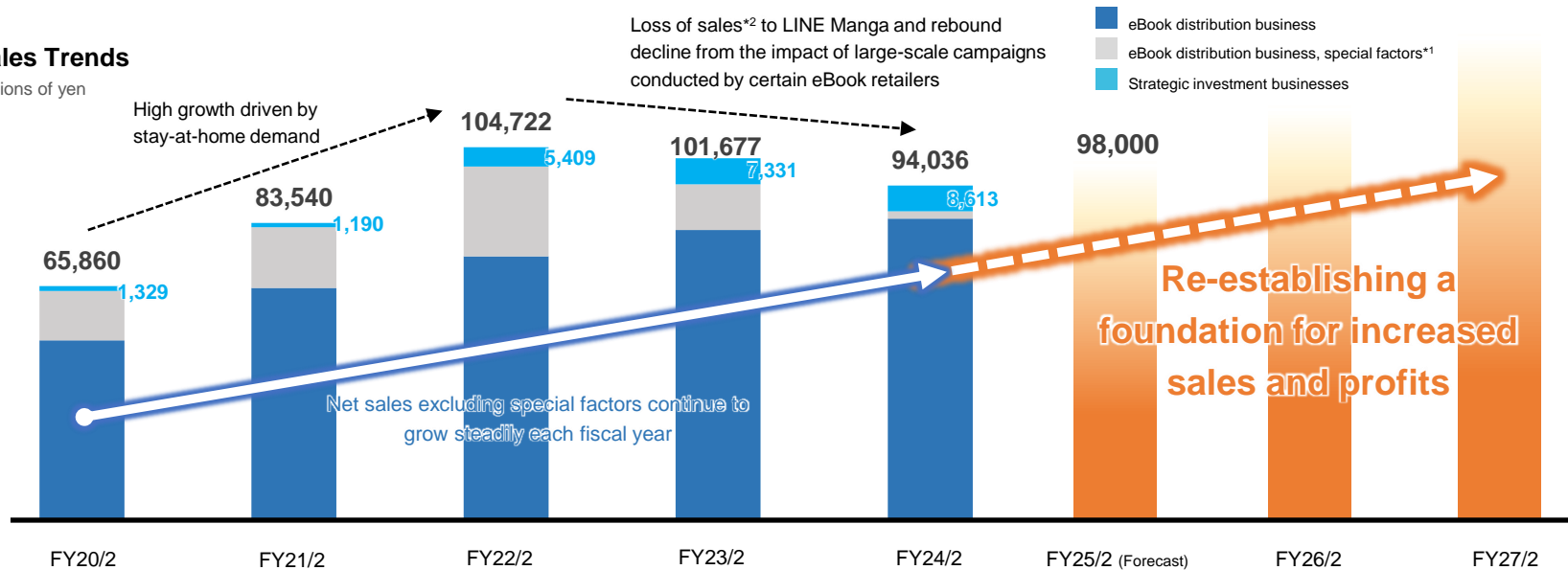
3. Growth Strategy

Performance Forecast for FY25/2 and Beyond

- ✓ Expect to increase both sales and profits for the first time in three years, bottoming out in FY24/2, which was affected by the transfer of LINE Manga
- ✓ Expanding market share in the eBook distribution business, improving profit/loss through progress in each of the strategic investment businesses, and embarking on fundamental improvements through business portfolio review
- ✓ Aim to achieve an ROE of 10% or higher for profit as soon as possible

Sales Trends

Millions of yen



*1 Total amount reflecting net sales to LINE Manga and impacts of large-scale campaigns conducted by certain eBook retailers in FY22/2

*2 Due to the integration of Yahoo Japan Corporation and LINE Corporation, the distribution of eBooks for LINE Manga, which had been a major business partner in FY22/2, was transferred from MEDIA DO to eBook Initiative Japan Co., Ltd., an eBook retailer of a Yahoo Japan subsidiary.

In FY23/2, there was an impact of approximately ¥6bn on sales compared to the previous fiscal year, and in FY24/2, approximately ¥11bn. For details, please refer to the "Notice Regarding Status of Transactions with Main Business Partner, and Earnings Forecasts for Current Fiscal Year" released on April 14, 2022. (https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/116242/00.pdf)

3. Growth Strategy

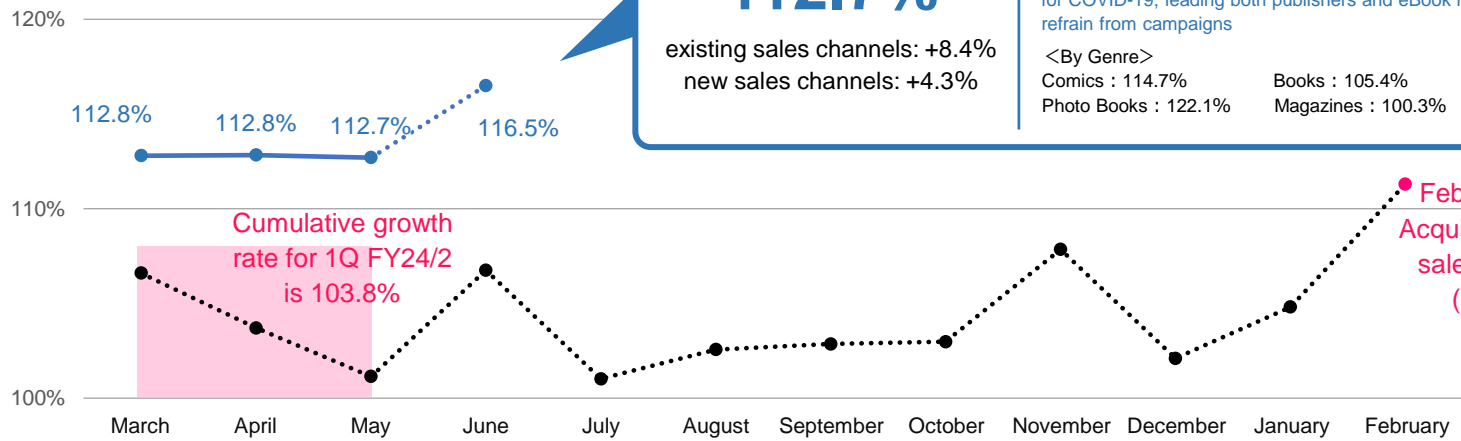
eBook distribution business

YoY Net Sales Growth Rate

- ✓ After acquiring new sales channels in February 2024, **the growth rate remains strong, exceeding 110% YoY**
- ✓ The YoY growth rate of the number of campaigns has been recovering, and **the growth rate of existing sales channels, excluding new sales channels, is around 108.4%, indicating that the growth rate of the market itself has been recovering as well**

YoY net sales growth rate*

— YoY comparison for FY25/2
 - - - YoY comparison for FY24/2



Cumulative growth rate for 1Q

112.7%

existing sales channels: +8.4%
 new sales channels: +4.3%

- ✓ Impact of acquiring new distribution channels in February 2024
- ✓ The number of campaigns is also on a recovery trend

*The previous year's growth rate of 103.8% was due to changes in the flow of people following the transition to category 5 measures for COVID-19, leading both publishers and eBook retailers to refrain from campaigns

<By Genre>

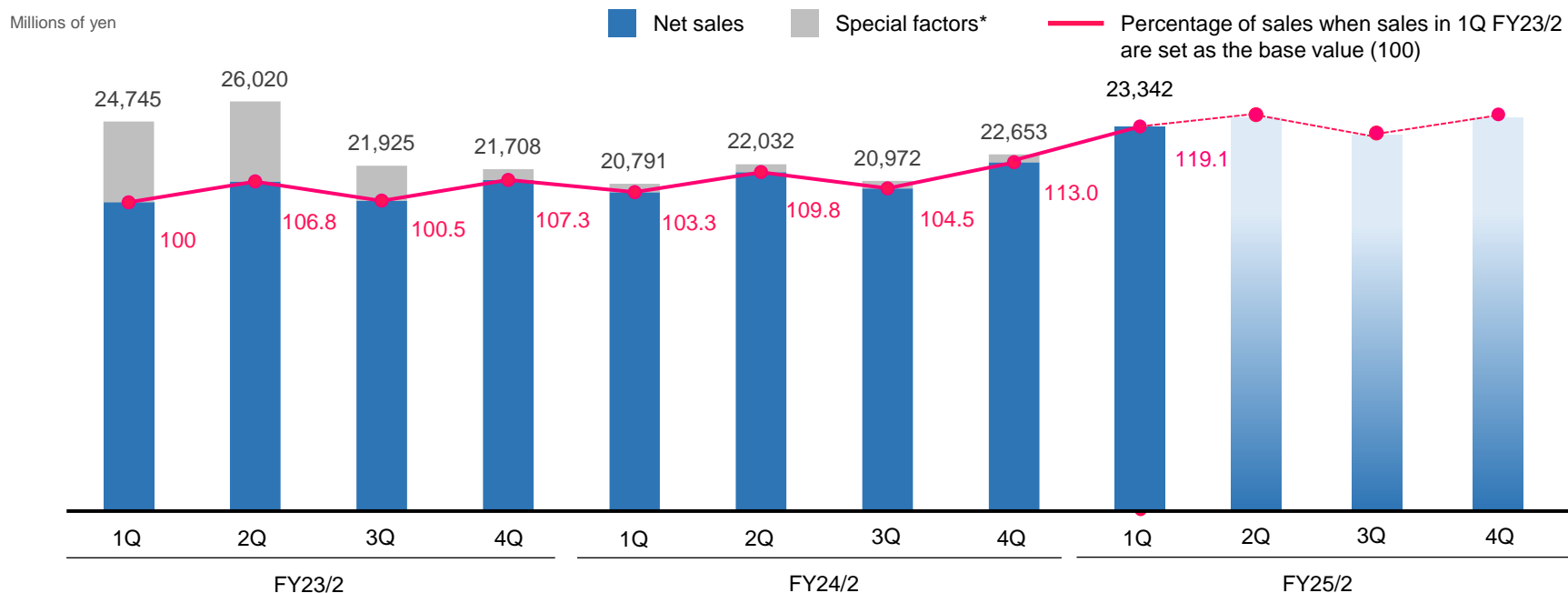
Comics : 114.7%	Books : 105.4%
Photo Books : 122.1%	Magazines : 100.3%

* Calculated excluding sales for LINE Manga (June 2024 is a preliminary figure)

About Seasonality

- ✓ Usually, sales bottom out in 1Q and **tend to increase in 2Q and 4Q** with the long vacation when sales potentially increase
- ✓ We aim to support the market expansion by contributing to reduce distribution energy use as the biggest eBook wholesaler and increase sales from 2Q and onward

Changes in net sales in the eBook distribution business

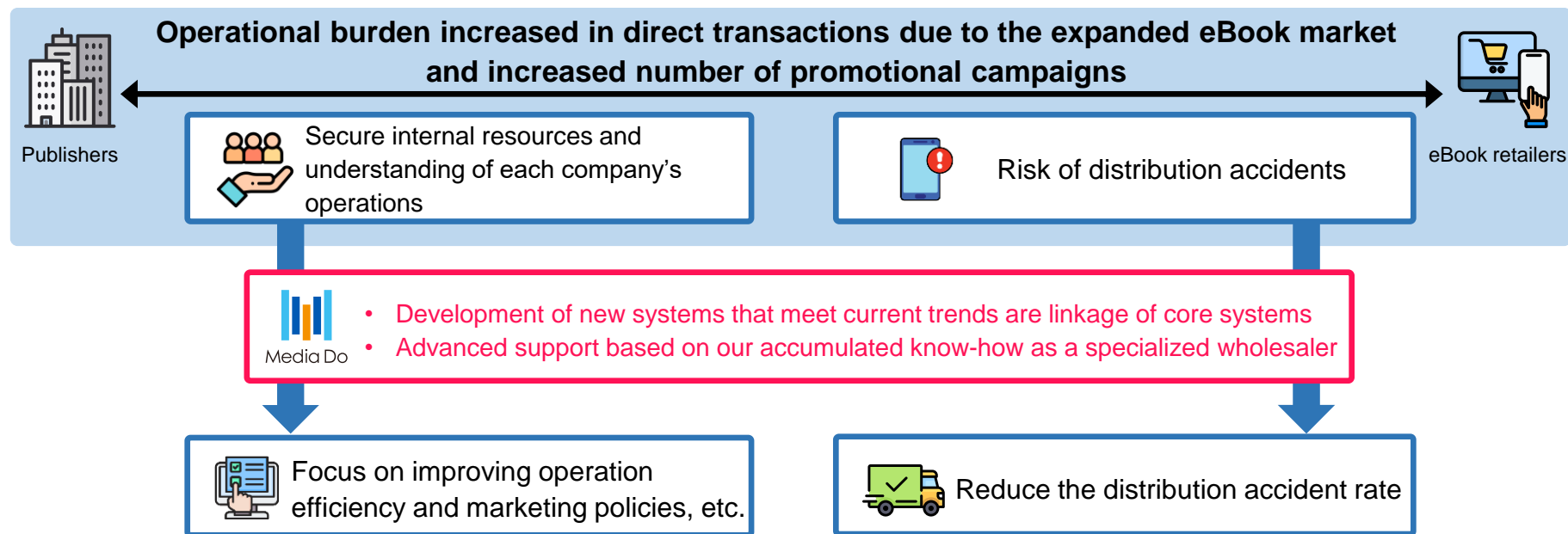


* Sales for LINE Manga

3. Growth Strategy | eBook Distribution Business

Aim to further expand market share of eBook distribution business by resolving issues in direct transactions

- ✓ As the eBook market expands and the number of campaigns increases, **the operational burden of eBook distribution increases year by year.**
- ✓ **In eBook distribution, there are significant challenges, such as securing internal resources and the risk of distribution accidents**
- ✓ We solve issues by providing detailed support based on our accumulated know-how through system development and linkage. We aim to further expand our market share amid the expansion of MEDIA DO's contribution value with market growth



Aim to acquire new sales channels following the acquisition of new sales channels in February 2024

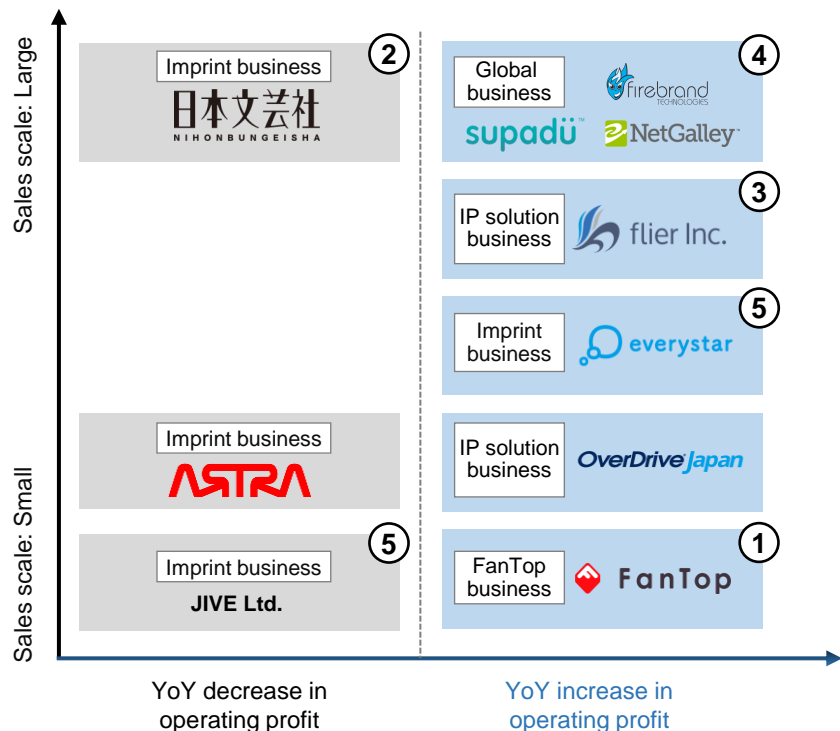
3. Growth Strategy

Strategic investment businesses

Profit and Loss in Strategic Investment Businesses

- ✓ Operating profit in the imprint business decreased year-on-year, but operating profit in other businesses increased year-on-year

Position map of strategic investment businesses



① **FanTop** ➔P. 34

- ✓ Improve operating profit by optimizing investment
- ✓ Increase the number of installations through proposals utilizing FanTop according to needs

② **NIHONBUNGEISHA** ➔P. 35

- ✓ Mr. Takemura, who has extensive experience in the publishing industry, has been appointed as President and CEO
- ✓ Although there is a time lag before the improvement of the PL, various measures focusing on digital and print books have already been initiated

③ **flier** ➔P. 36

- ✓ Steadily improve sales and profits by increasing corporate contracts
- ✓ Release a new service (flier Growth Organization Navi) and promote cross-selling

④ **Global business** ➔P. 37–39

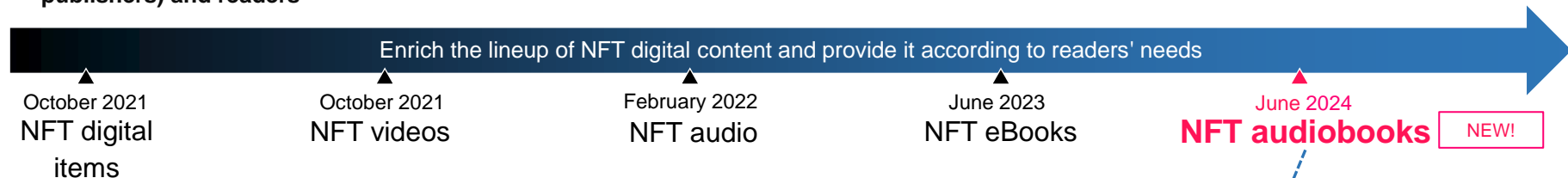
- ✓ Launch FLYWHEEL as a new product lineup
- ✓ Expand customer networks by providing one-stop support for publishing workflow

⑤ **Everystar, JIVE**

- ✓ Plan to integrate Everystar (web-novel platform) and JIVE (publishing company)
- ✓ All-in-one service from discovering original works to turning them into comics

Expand the lineup of NFT digital content to meet various needs

- ✓ Provide a reading experience that fulfills various user needs by enriching the lineup of NFT digital content
- ✓ Contribute to diversifying the ways for fans to enjoy books by offering NFT audiobooks accompanied by print books for the first time
- ✓ Aim to increase the sales of publications and the number of FanTop members by responding to the diverse needs of content holders (mainly publishers) and readers



Examples of initiatives with KAWADE SHOBO SHINSHA

Example of contributing to diversifying the ways for fans to enjoy "Ano natsu ga houwa suru."

Written by Iori Kanzaki

As a commemoration of the paperback edition release, both the complete edition with full narration and the Audible narrated version were simultaneously released

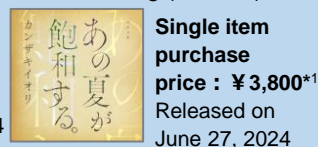
Print book



Kawade Bunko Edition



Audio reading (Audible)



Unit price increased by almost 4 times by enhancing the added value

NFT Complete Edition with Full Text Narration

Price excluding tax: ¥5,800 Released on June 27, 2024

- ✓ Approximately 15 hours of narration by popular voice actors
- ✓ A new type of audiobook that features opening and ending movies and background images to expand listeners' imaginations
- ✓ A book that can attract fans with its special design and high-quality paper, featuring a spin-off for the first time
- ✓ Only the first edition includes a card signed by the author



The total number of copies issued of publications*2 with NFT digital content has exceeded 2.46 million

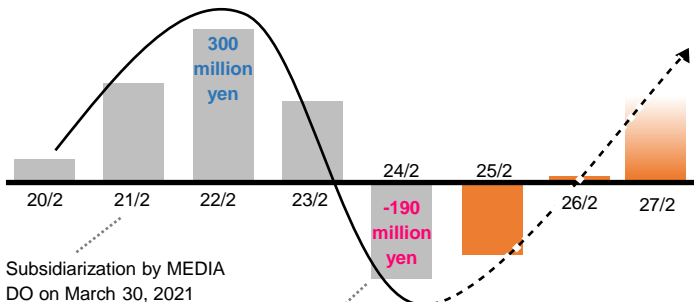
*1 Works eligible for unlimited listening for Audible membership plans (¥1,500/month)

*2 Cumulative total from October 2021 to June 30, 2024

Aim to improve profitability by initiating drastic reforms under new top management

- ✓ In May 2024, Hibiki Takemura, who has extensive experience in the publishing industry, was invited to serve as President and Representative Director, leading a fundamental reform of NIHONBUNGEISHA
- ✓ **Various measures have been initiated, mainly for digital and print books, although there is a time lag before profitability improves**
- ✓ Establish a structure that can leverage the strengths of our content and create a foundation for regrowth

Trends in Operating Profit (Image Diagram)



Hibiki Takemura assumed the position of President and Representative Director in May 2024

He is leading a fundamental reform of NIHONBUNGEISHA, leveraging his extensive experience in the publishing industry

<Brief personal history>

After graduating from Doshisha University in 2000, he joined Takeshobo Co., Ltd. Starting as an editor, he was also in charge of the digital business from the early days of eBooks. Contributed to the revival of Takeshobo while serving as an executive officer and director. After retiring from the company in 2020, served as an advisor to a total of 15 companies, including publishers and bookstores, as a manga consultant. December 2023: Director of NIHONBUNGEISHA Since May 2024: President and Representative Director of NIHONBUNGEISHA

High-quality work and editorial prowess that NIHONBUNGEISHA takes pride in

As the oldest publishing company with a history of 70 years, it boasts numerous long-term serializations that exceed dozens or even hundreds of volumes, showcasing unparalleled strength that transcends time in the industry

Editorial prowess to create hit serializations **adjusted to the times**



King of Minami



HADOU



Sake no Hosomichi




Ginga Densetsu Weed

+



Gannibal




SMILEY



Double Play

Profit and loss improvement through the restructuring of systems that leverage strengths




Digital

① Actively participate in new initiatives of eBook retailers

- ✓ Pikkoma, which became a leading manga app, began by distributing NIHONBUNGEISHA and Takeshobo works
- ✓ Actively participating in a variety of new services to regain the NIHONBUNGEISHA that was a leader in the early days of eBooks

② Establish a system that will enable us to strongly develop our work and editorial prowess in the eBook market

There is a work that increased its circulation from 13 million yen in April to 100 million yen in May



Print book

① Advanced inventory management

- ✓ Started the local cutting operation of returns and cut distribution costs
- ✓ Ensure shipment volume through strict inventory management, and aim to improve profit margins

② System Renewal

- ✓ Aiming to improve operational efficiency, cut costs, and increase profitability by promoting DX

3. Growth Strategy | IP Solution Business

Launch a new HR SaaS service for corporate customers and aim to expand sales through cross-selling

- ✓ Book summary service "flier" launched as a toC service
- ✓ Rapid growth in toB sales, capturing the needs of corporate human resource development. **The cumulative number of corporate contracts has doubled to 1,000 in the past two years**
- ✓ **Leveraging the connections with corporate management and human resource departments established through flier business, the company released a new service, "flier Growth Organization Navi," to address the challenges of human capital management. The company aims to efficiently increase the number of new users**



- ✓ Book summary service for business people
- ✓ Provides summaries of more than 3,600 books
- ✓ Enables efficient knowledge acquisition and the development of self-motivated study habits

Although it was toC at the time of its founding, toB grew rapidly and became the main service

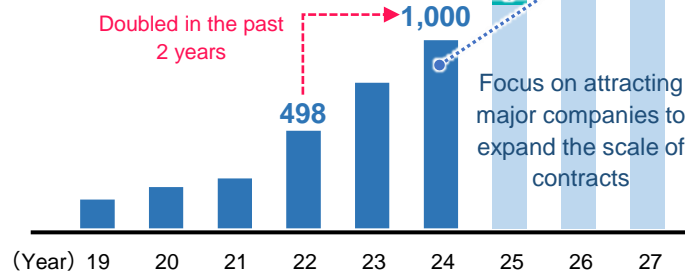
Corporate services as welfare benefits are growing strongly

- ✓ Corporate clients expand in response to corporate human resource development needs
- ✓ Aiming to increase the scale of contracts per company by focusing on cultivating large companies in the future

Trends in the cumulative number of corporate contracts

- flier Growth Organization Navi
- flier business

Expand the number of companies as quickly as possible by leveraging the customer base of flier business



Accelerate sales growth by developing multiple HR SaaS services to meet the needs for corporate human resource development and human capital management promotion

New toB service

flier 成長組織ナビ™

Employee survey service for developing environments for growth

- ✓ Employees answer around 30 questions once or twice a year to visualize development issues and support the development of environments that help employees grow
- ✓ Can be used as an indicator for human capital information disclosure, which has become mandatory
- ✓ Revenue model based on Number of Employees x Unit Price

3. Growth Strategy | Global Business

Provide multifaceted support for publishers to enter overseas markets by leveraging our connections with the overseas publishing industry

- ✓ As overseas demand for Japanese content increases, the need for publishers to enter overseas markets grows, but they face issues with know-how for overseas expansion
- ✓ Leverage the unique position and know-how of the Media Do Group, which has an overseas base in the US and deals with more than 500 overseas publishers, to comprehensively support overseas content development

Overseas demand for Japanese content is growing rapidly

- The export value of content reached a record high of 4.7 trillion yen in 2022
- The government has set a goal of expanding the export amount to 20 trillion yen by 2033
- The percentage of Japanese comics legally translated into English is less than 2%, and there is large room for expansion



Domestic publishers, including major publishers

While there is a growing desire to enter overseas markets, there is insufficient know-how about marketing and distribution in these markets

Support not only for translation and wholesale but also for marketing and promotion are available



Become the best partner for developing your content overseas, based on the trust from the domestic and overseas publishing industries

- ✓ Track record of managing the distribution of content from more than 2,220 domestic publishers
- ✓ Expertise in the overseas publishing industry and experience in transactions with over 500 European and American publishers



An example of support for Shueisha, one of the four major publishers, to develop its content overseas



Love Like The Falling Petals

(Japanese title: Sakura no youna boku no koibito)

- Translation and publishing (print book/eBook)
- Achieved 868% of the target through crowdfunding, including merchandise
- Distribution, promotion activities (author signings and speaking events), etc.



Tokyo Swindlers

(Japanese title: Jimenshi tachi)

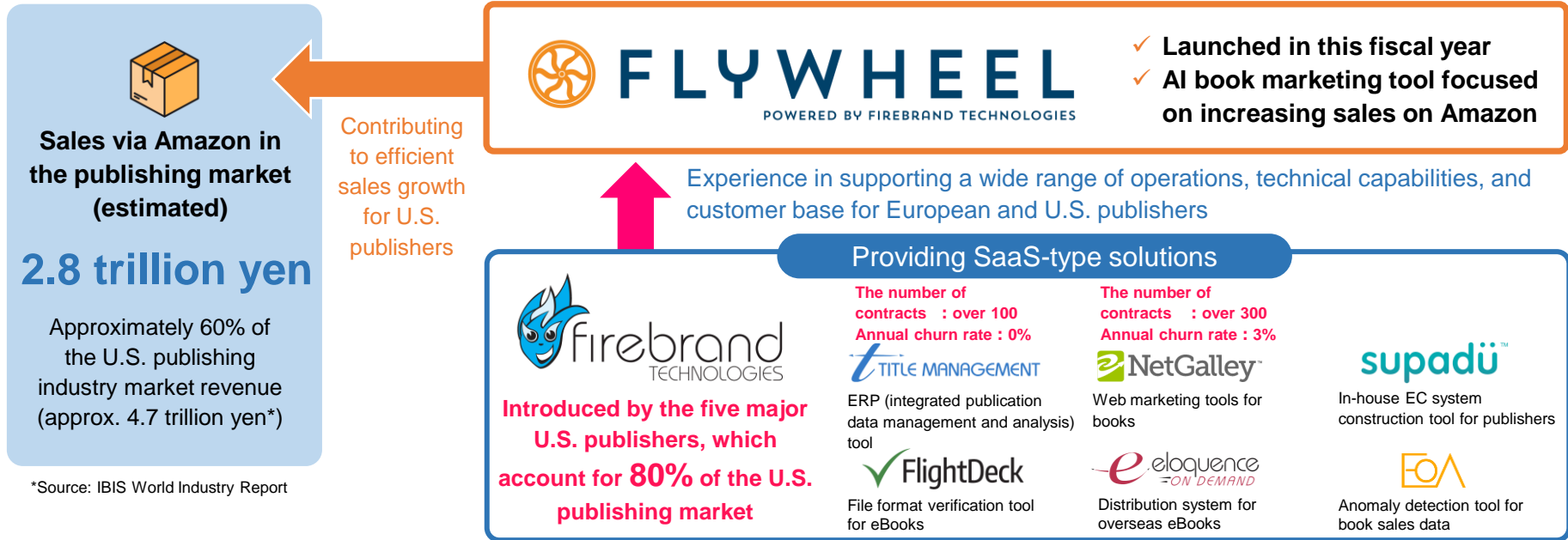
- Translation and publishing (print book/eBook)
- Marketing and distribution for eBook retailers
- Tie-up marketing with a Netflix drama series



3. Growth Strategy | Global Business

New service to increase sales on Amazon, which accounts for 60% of U.S. publishers' sales

- ✓ Of the 4.7 trillion yen in U.S. publishing industry market, approximately 60%, 2.8 trillion yen, is via Amazon. U.S. publishers have great need to expand sales on Amazon to increase sales efficiently
- ✓ FLYWHEEL, a new service, is an AI book marketing tool focused on increasing sales on Amazon, which will help publishers increase their book sales on the platform
- ✓ The Firebrand Group has been supporting European and U.S. publishers for over 35 years with DX services for a variety of business operations. The Firebrand Group aims to quickly expand its new services by leveraging its established customer base of European and U.S. publishers



3. Growth Strategy | Global Business

FLYWHEEL uses AI to automatically promote best-selling books, supporting publishers in increasing their sales

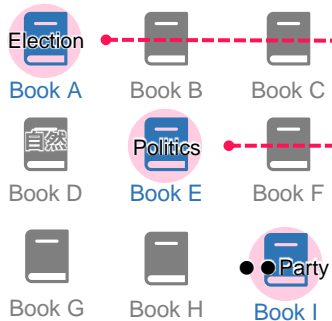
- ✓ To achieve sales growth on Amazon, it is necessary to analyze sales trends, conduct sales promotions in line with trends, and enhance **strategies for display ranking of books on Amazon**
- ✓ Developed and launched FLYWHEEL, a unique AI tool, leveraging Firebrand Group's long business history and technological foundation for publishing DX services
- ✓ In the pre-service implementation, a 15% increase in sales was achieved for the 100 titles whose bibliographic information was updated with FLYWHEEL. Amazon sells approximately 800 million books (2.8 trillion yen) per year (approximately 60% of the U.S. publishing industry market revenue.) Aim to expand the number of introductions and increase sales through a success-based fee service with low barriers to introduction



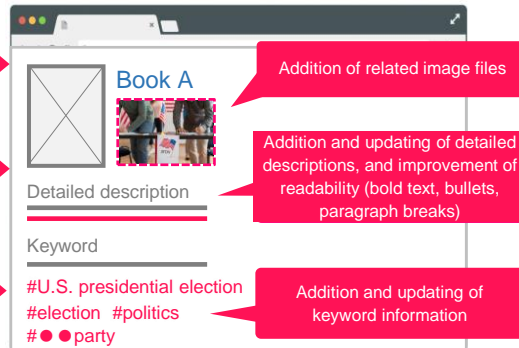
AI book marketing tool focused on increasing sales on Amazon

Example: When the U.S. presidential election is trending

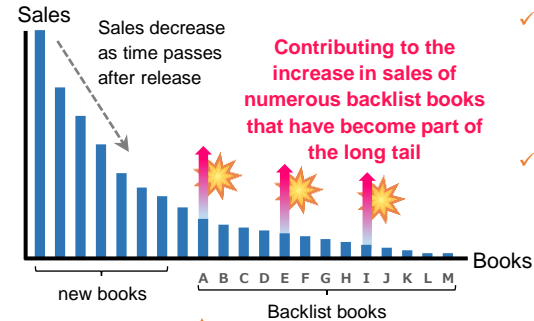
① Following the trend, pick up election-related books



② Automatically update information on Amazon



Increase in sales on Amazon



- ✓ Achieved a 15% increase in sales of 100 works with updated bibliographic information
- ✓ Revenue-sharing (contingency fee) model with 15% to 20% of increased sales as commission (no base fee)

Room for future expansion

Amazon sells approximately 800 million books (2.8 trillion yen) per year, and aims to expand the number of introductions and increase sales through a success-based fee service with low barriers to introduction

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