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May 29, 2026

MEDIA DO Co., Ltd.

Representative: Yasushi Fujita, President and CEO

(Securities code: 3678, TSE Prime)

Inquiries: Shoichiro Tokoro, Senior Executive Officer

(Tel: +81-3-6212-5111)

## **Financial Results FAQs for Q4 and Full-Year FYE 2/26**

MEDIA DO Co., Ltd. ("the Company") discloses the main questions received from investors regarding the financial results for the fiscal year ended February 28, 2026, along with the respective answers, as follows.

To strengthen information dissemination to investors and ensure fair disclosure, the Company plans to compile and publish these responses at the end of the month following the financial results announcement (August, November, February, and May). While slight discrepancies may arise due to timing differences, the most recent responses are presented as the Company's latest policy at the time of disclosure.

For details, please refer to the attached Financial Results FAQs.

Additionally, materials related to the financial results for the fiscal year ended February 28, 2026, can be accessed below.

■ Consolidated financial results

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/201715/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/201715/00.pdf)

■ Financial results briefing

URL: [https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/201891/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/201891/00.pdf)

■ Video of financial results briefing (Japanese only)

URL: <https://mediado.jp/ir/>

■ Transcript of presentation

URL: <https://finance.logmi.jp/en/articles/383948>



# Financial Results FAQs

MEDIA DO Co., Ltd.  
Financial Results for Q4 and Full-Year FYE 2/26  
May 29, 2026



## Q4

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**Financial Results FAQs**

**Q4 and Full-Year FYE 2/26**



## Q1 What is your assessment of Full-Year FYE 2/26 results?

**A**

For the full year of FYE 2/26, while net sales trended steadily, profits came in lower than anticipated.

Although consolidated net sales hit a record high for the first time in four years and met the initial forecast, profit line items fell short of our initial targets.

Net sales increased 6.5% YoY, driven by stable growth in existing distribution channels in the eBook Distribution business, as well as contributions from new distribution channels launched in July.

Operating profit decreased 0.9% YoY. This decline was primarily due to delayed profitability improvements during the second half in our Strategic Investment businesses (mainly NIHONBUNGEISHA and Flier), as well as development investments in our translation system aimed at accelerating overseas expansion.

Profit attributable to owners of parent rose to \$11.4 million (compared to \$8.5 million in the previous fiscal year). This growth reflects a \$3.3 million gain on the sale of "MyAnimeList" shares recorded in March 2025.

	FYE 2/25	FYE 2/26	YoY
Net sales	<b>\$639.7 million</b>	<b>\$681.3 million</b>	<b>+6.5%</b> (+\$41.6 million)
EBITDA	<b>\$23.7 million</b>	<b>\$23.0 million</b>	<b>-3.2%</b> (-\$0.7 million)
Operating profit	<b>\$15.5 million</b>	<b>\$15.4 million</b>	<b>-0.9%</b> (-\$0.1 million)
Profit attributable to owners of parent	<b>\$8.5 million</b>	<b>\$11.4 million</b>	<b>+33.3%</b> (+\$2.9 million) Impact of MAL gain on sale: +\$3.3 million

\* Calculated at the exchange rate as of April 10, 2026 (\$1 = ¥159.30)



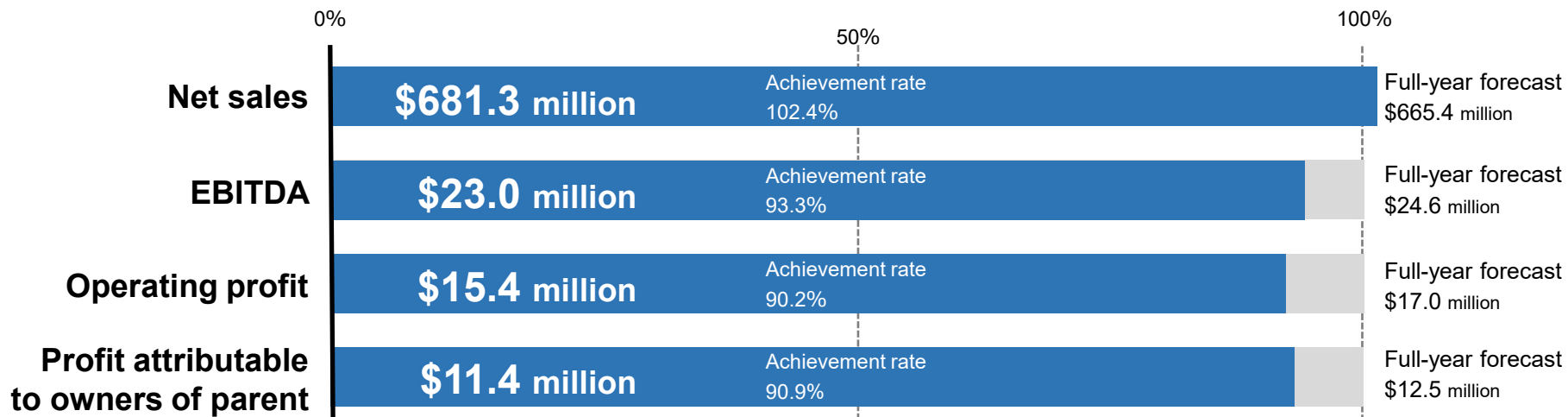
## Q1 What is your assessment of Full-Year FYE 2/26 results?

**A**

### [Achievement Rate Against Full-Year Forecast]

Net Sales (102.4% achievement): Exceeded the full-year forecast, driven by higher-than-planned growth in both existing and new distribution channels in the eBook Distribution business.

Profits (EBITDA: 93.3%, Operating profit: 90.2%, Profit attributable to owners of parent: 90.9%): Came in below our initial forecasts due to delayed improvement in profitability in the Strategic Investment businesses (specifically NIHONBUNGEISHA and Flier) during the second half.



\* Calculated at the exchange rate as of April 10, 2026 (\$1 = ¥159.30)

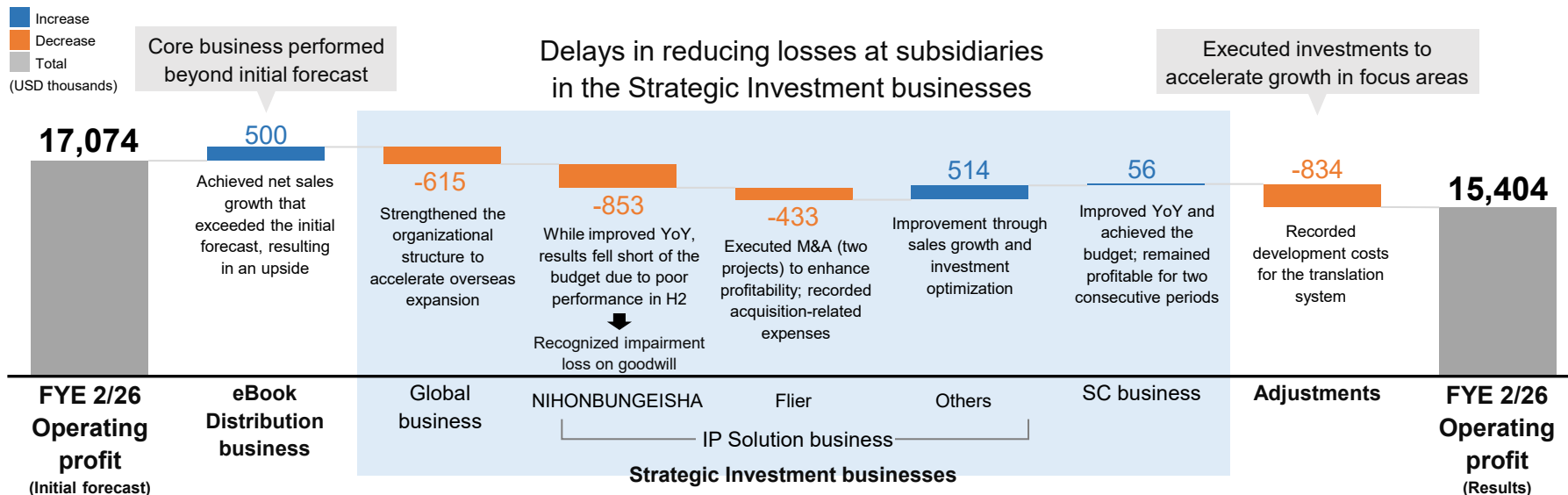


Q2

# What were the factors behind operating profit for FYE 2/26 falling short of the initial plan?

A

Operating profit for FYE 2/26 came in at \$15.4 million against our initial forecast of \$17.0 million. In the eBook Distribution business, although a decline in profit had been expected in Q3 due to the termination of a high-margin service, both existing and new distribution channels grew above expectations, resulting in performance exceeding the forecast. In contrast, the Strategic Investment businesses achieved a cumulative year-on-year improvement in profit/loss of +\$2,023 thousand; however, performance fell short of the initial forecast due to delayed improvement in profitability, primarily at NIHONBUNGEISHA and Flier.



\* Calculated at the exchange rate as of April 10, 2026 (\$1 = ¥159.30)



### Q3 What is your financial forecast for FYE 2/27?

**A**

Our consolidated financial forecast for FYE 2/27 projects net sales of \$740.7 million (+8.7% YoY), operating profit of \$15.0 million (-2.2% YoY), and profit attributable to owners of parent of \$7.5 million (-34.0% YoY) (details of the factors behind changes in operating profit are provided on the following page). Note that the decline in profit attributable to owners of parent is primarily due to the absence of a one-time gain of (+\$3.3 million from the sale of MyAnimeList shares, which was recorded in FYE 2/26).

	FYE 2/26 Results	FYE 2/27 Forecast	YoY
Net sales	<b>\$681.3 million</b>	<b>\$740.7 million</b>	<b>+8.7%</b> (+\$59.4 million)
Operating profit	<b>\$15.4 million</b>	<b>\$15.0 million</b>	<b>-2.2%</b> (-\$0.4 million)
Ordinary profit	<b>\$15.9 million</b>	<b>\$12.8 million</b>	<b>-19.6%</b> (-\$3.1 million)
Profit attributable to owners of parent	<b>\$11.4 million</b>	<b>\$7.5 million</b>	<b>-34.0%</b> (-\$3.9 million) Impact of the gain from the sale of MAL in FYE 2/26 (+\$3.3 million)
EBITDA	<b>\$23.0 million</b>	<b>\$25.7 million</b>	<b>+11.8%</b> (+\$2.7 million)



**Q4**

## What are the factors behind the projected change in operating profit by business segment for FYE 2/27?

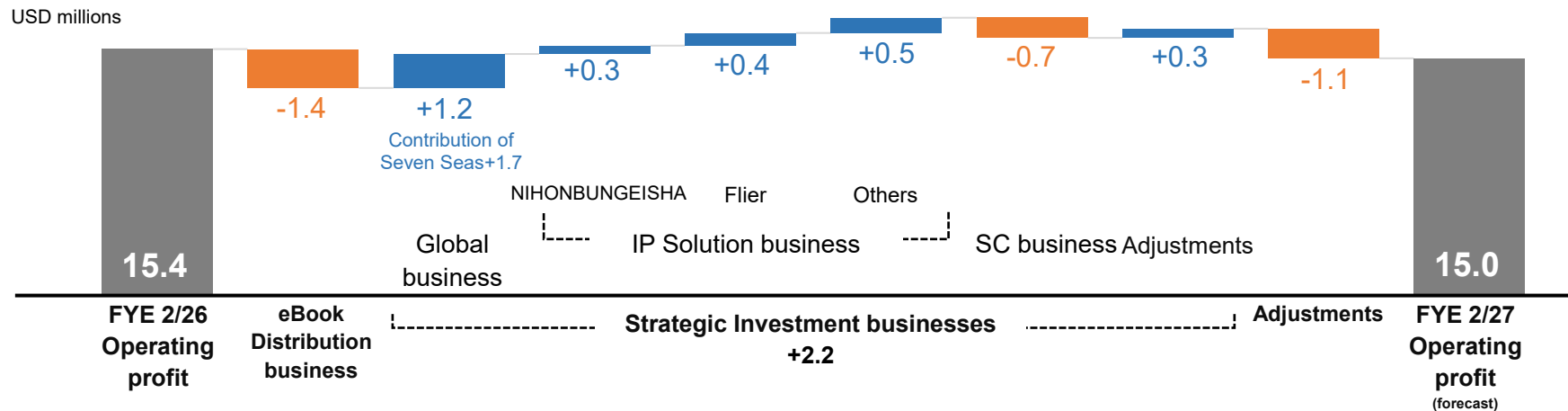
**A**

We project operating profit for FYE 2/27 to be \$15.0 million, a decrease of \$0.4 million (-2.2%) year on year. The breakdown is as follows:

**eBook Distribution Business [-\$1.4 million]** : Although net sales are expected to increase, profit is projected to decline due to the impact of the termination of a high-margin service in H2 FYE 2/26, as well as investments to strengthen our position as industry infrastructure.

**Strategic Investment Businesses [+\$2.2 million]** : Driven by the contribution of Seven Seas from Q2 (9 months), as well as profit improvement mainly in the IP Solution business.

**Adjustments (Corporate Expenses) [-\$1.8 million]**: Reflects an increase in corporate expenses, including strengthened cybersecurity measures and organizational enhancements for future growth.





Q5

## What are the factors behind the projected progress rate of operating profit for Q1 FYE 2/27 tracking lower than in typical years?

A

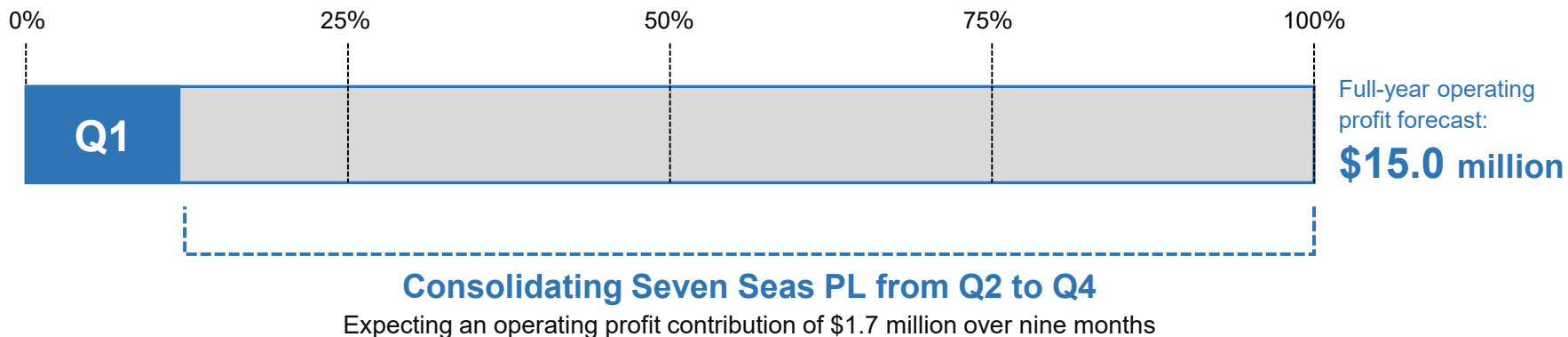
The operating profit progress rate in Q1 FYE 2/27 against the full-year target is expected to be lower than in typical years due to the following factors:

[eBook Distribution Business]

1. Seasonality: Net sales are weighted toward Q2 and Q4, which include long holiday periods.
2. Gross profit decline: Gross profit will be lower year on year due to the termination of a high-margin service in H2 FYE 2/26.

[Strategic Investment Businesses]

1. Consolidation timing: Financial results of Seven Seas, acquired in March 2026, will be consolidated from Q2.
2. NIHONBUNGEISHA: Losses are expected to continue.



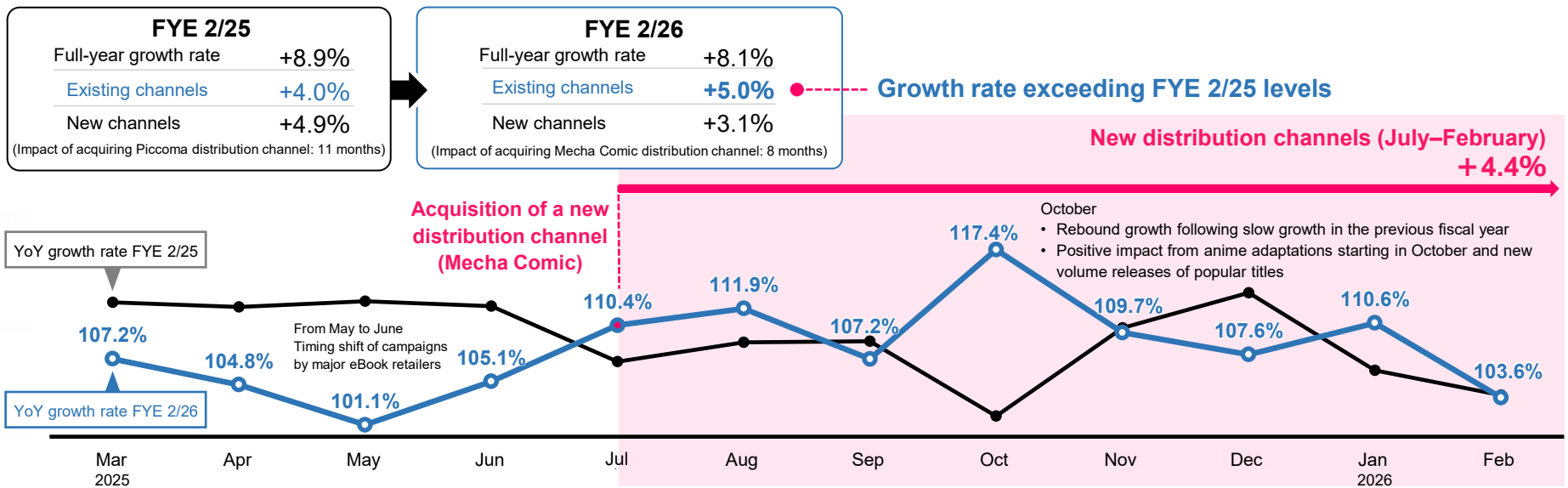


**Q6**

# What is the growth rate of the distribution business, broken down into existing and new distribution channels?

**A**

In the eBook Distribution business, the net sales growth rate of the distribution segment was 108.1% for FYE 2/26. Existing distribution channels recorded growth of 5.0%, exceeding the 4.0% growth in FYE 2/25. This was driven by active campaigns at major eBook retailers, a rebound from relatively low growth in October of the previous fiscal year, and contributions from anime adaptations launched in October as well as new releases of popular titles. New distribution channels recorded growth of 3.1%. This was driven primarily by the start of new transactions with Mecha Comic in July. The growth rate for new distribution channels from July to February was 4.4%.





Q7

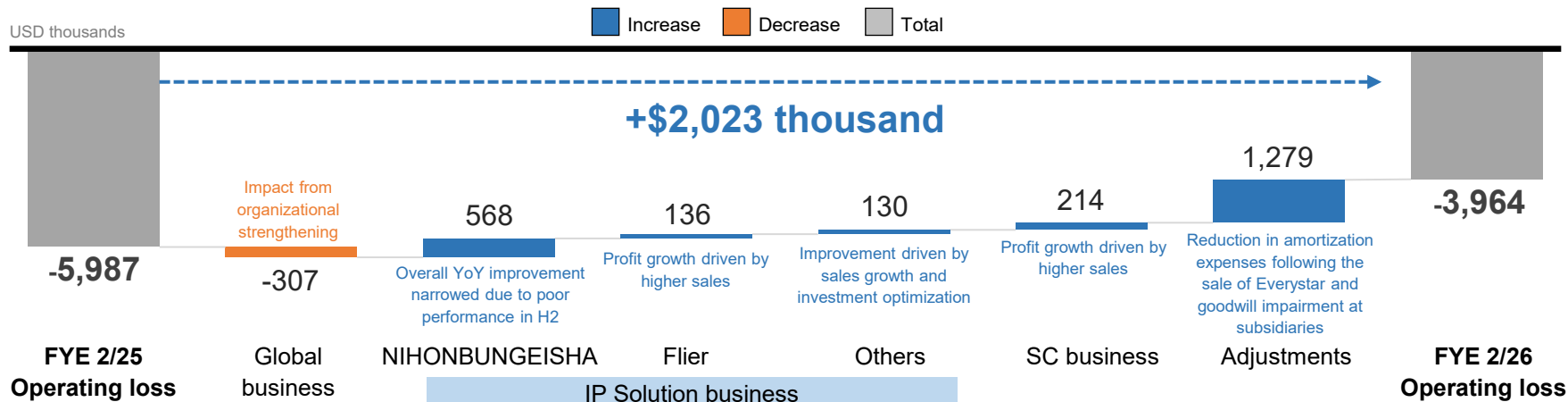
## What were the factors behind the improvement in operating profit/loss in the Strategic Investment businesses in FYE 2/26, and what is the future outlook?

A

Operating loss in the Strategic Investment businesses narrowed by \$2.0 million year on year to -\$3.9 million, due to improvements across each business.

**Factors for improvement:** The breakdown is as shown in the chart below. While the Global business saw a deterioration due to investments for organizational strengthening, improvement was made in other areas, including the IP Solution business. NIHONBUNGEISHA recorded a year-on-year improvement of \$568 thousand ; however, the extent of improvement was limited compared to the initial plan due to weak performance in the comic segment in H2. On the other hand, reforms in the practical book segment progressed, and it achieved its highest profit level.

**Outlook for FYE 2/27:** Although NIHONBUNGEISHA is expected to remain in a loss as reforms continue, overall operating loss is projected to narrow by +\$2.2 million year on year to -\$1.7 million, driven by improvements in other businesses.



\* Calculated at the exchange rate as of April 10, 2026 (\$1 = ¥159.30)



Q8

## When do you expect to begin consolidating Seven Seas' financial results, and what is its projected earnings contribution?

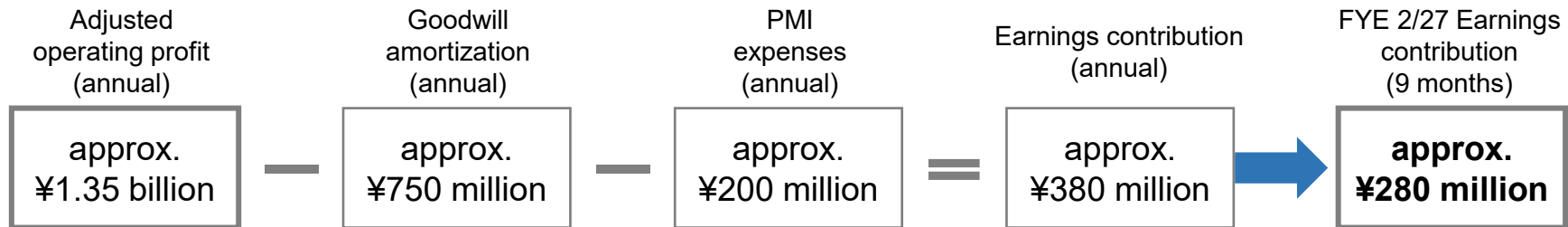
A

Seven Seas Entertainment is expected to be consolidated from Q2 of FYE 2/27, and an operating profit contribution of ¥280 million is expected for the 9-month period. This figure is calculated as Seven Seas' adjusted operating profit after deducting goodwill amortization and PMI expenses, based on the following assumptions:

- Adjusted operating profit (annual): Approximately ¥1.35 billion, conservatively assumed compared to the FY2024 actual of approximately ¥1.6 billion
- Deduction items (annual) : Goodwill amortization of approximately ¥750 million and PMI expenses of approximately ¥200 million
- Earnings contribution (annual) : Approximately ¥380 million after the above deductions

The 9-month equivalent of this annual amount, approximately ¥280 million, is incorporated as the contribution for FYE 2/27.

These assumptions and figures are based on current estimates and may be subject to change.





**Q9**

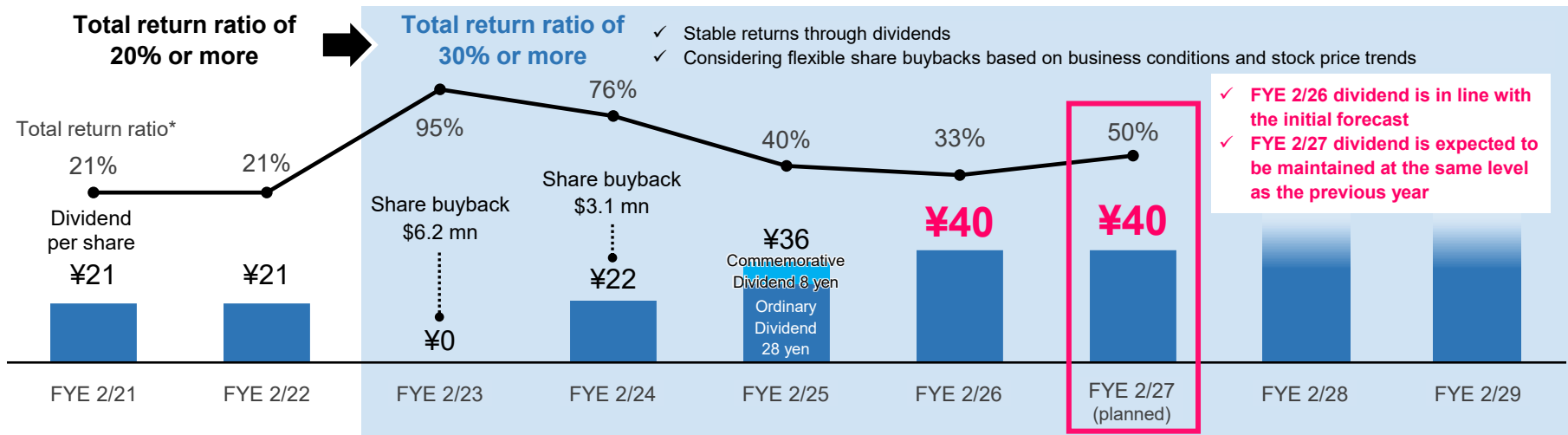
## What is your shareholder return policy going forward?

**A**

Since FYE 2/23, we have raised the total return ratio target from 20% or more to 30% or more and have been working to strengthen shareholder returns.  
 FYE 2/26 (actual) : The annual dividend per share was ¥40, the highest level to date (total dividend amount: ¥607 million yen), and the total return ratio was 33%.

FYE 2/27 (forecast): Although a decline in profit is expected, we plan to maintain the annual dividend per share at ¥40, the same level as the previous fiscal year, based on confidence in future growth. The total return ratio is expected to be 50%, and we will continue to provide stable dividends.

We do not currently plan to conduct share buybacks; however, we will make flexible decisions based on future performance and share price trends.



# Financial Results FAQs

## Year-round



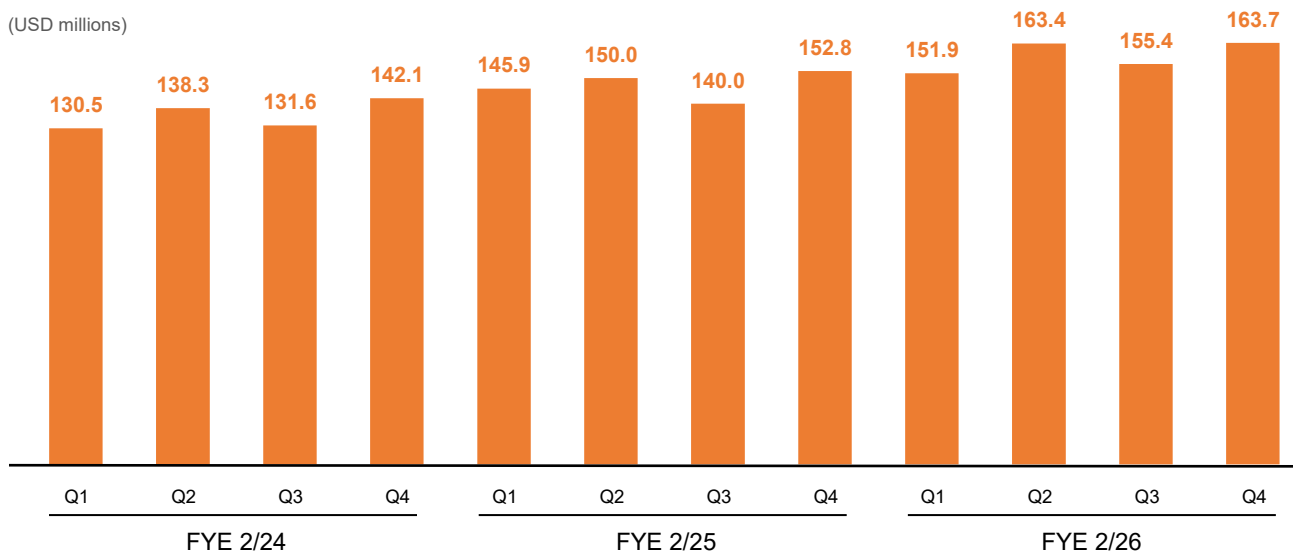
## Q10 What is the seasonality of net sales?

**A**

Typically, net sales tend to be higher in Q2 and Q4, which include long holiday periods (such as summer and year-end/new year holidays).

### Net sales trends in the eBook Distribution business

(USD millions)



\* Calculated at the exchange rate as of April 10, 2026 (\$1 = ¥159.30)



**Q11**

## What are the criteria for reviewing the business portfolio?

**A**

We apply an ROIC threshold of 8% as a criterion for reviewing our business portfolio. If a business is expected to fall below this ROIC threshold in third year following an acquisition, we consider initiatives such as pivoting the business, replacing its management, or pursuing a sale or exit. In recent years, we have taken the following actions, and we will continue to appropriately review and optimize our business portfolio going forward.

	Subsidiaries	Equity-method affiliates	Non-affiliated companies and businesses
FYE 2/24	<p><b>Sale</b> J-Comic Terrace</p>	—	<p><b>Withdrawal</b> Vertical-scroll comic business (withdrawal from content production)</p> <p><b>Sale</b> A.I. Squared</p>
FYE 2/25	<p><b>Withdrawal</b> JIVE (Withdrawal from the print book business)</p> <p><b>Sale</b> Everystar</p>	—	<p><b>Sale</b> PUBNAVI</p> <p><b>Sale</b> Music Business</p> <p><b>Sale</b> Creatubbles</p>
FYE 2/26	<p><b>Liquidation</b> JIVE</p> <p><b>Sale</b> ARTRA ENTERTAINMENT</p>	<p><b>Sale</b> MyAnimelist</p> <p><b>Sale</b> PUBFUN</p>	<p><b>Sale</b> StorySoop</p> <p><b>Sale</b> MediBang</p> <p><b>Sale</b> WCS</p>
FYE 2/27	<p><b>Acquisition</b> <b>Seven Seas Entertainment</b></p>	—	<p><b>Sale</b> Contents Lab. Blue</p>



Q12

## Please explain the background of introducing the takeover defense measures in December 2025.

A

In light of the rapid changes in the business environment in the publishing and content industry in recent years, we have determined that maintaining a policy of neutral and independent business operations into the future as a company providing industry infrastructure is essential for the development of the publishing industry and the sustainable enhancement of our corporate value.

Standing between numerous publishers and eBook retailers and handling eBook distribution, the Company deals with highly confidential transaction data and sales information as a "neutral and independent infrastructure for the publishing industry". Given this position, we recognize that the influence of specific capital through unintended acquisitions could potentially impede the sound transactions and security of the industry as a whole. We have always built good relationships with our shareholders through regular dialogue; however, a specific shareholder's holding ratio exceeding a certain level may affect the trust in our position within the industry, regardless of whether there is actual influence or not.

Therefore, we concluded that a framework is necessary to confirm the investment purpose and business policy in advance when share accumulations exceed a certain level, and to secure the information and time for general shareholders and business partners to make appropriate judgments.

This measure is not intended to exclude specific investors, but strictly to ensure neutral and independent operations as an industry infrastructure and to maximize medium- to long-term corporate value. We will continue to pursue optimal corporate governance through constructive dialogue with our stakeholders.

## Forward-looking statement and unaudited information disclaimers

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