

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

February 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Under Japanese GAAP]

Company name:	Beagle Inc.	Listed on:	Tokyo Stock Exchange
Securities code:	3981	URL	<a href="https://www.beagle.com">https://www.beagle.com</a>
Representative:	Jimpei Yoshida	President and Representative Director	
Contact:	Tatsuji Miyoshi	Executive Officer and General Manager, Corporate Management Division	
		Tel: +81-3-6706-4000	
Scheduled date of General Meeting of Shareholders:	March 27, 2025		
Date for commencement of dividend payments:	March 28, 2025		
Scheduled date of Securities Report submission:	March 28, 2025		
Supplementary notes to financial statements:	Yes		
Briefing on financial statements:	Yes (For institutional investors and analysts)		

(Rounded down to nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1 to December 31, 2024)

#### (1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	18,446	(3.3)	2,783	10.6	1,786	19.4	1,726	19.8	1,303	89.1
Fiscal year ended December 31, 2023	19,080	2.0	2,516	(11.8)	1,496	(14.7)	1,440	(10.4)	689	3.7

For reference: Comprehensive income  
Fiscal year ended December 31, 2024: 1,303 million yen (89.1%)  
Fiscal year ended December 31, 2023: 689 million yen (3.7%)

	Net income per share	Net income per share fully diluted	Return on equity	Return on asset	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	220.02	219.21	18.1	9.7	9.7
Fiscal year ended December 31, 2023	114.74	114.11	10.4	7.7	7.8

For reference: Share of loss (profit) of entities accounted for using equity method  
Fiscal year ended December 31, 2024: – million yen  
Fiscal year ended December 31, 2023: – million yen

Note: Adjusted EBITDA = Operating profit + Depreciation (including amortization of publishing rights) + Amortization of goodwill + Amortization of leasehold deposits + Share compensation expenses ± Other adjustment items

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio	Net income per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	17,294	7,486	43.3	1,343.75
December 31, 2023	18,384	6,953	37.8	1,153.25

For reference: Shareholders' equity

As of December 31, 2024: 7,481 million yen

As of December 31, 2023: 6,953 million yen

## (3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2024	2,341	(245)	(1,803)	5,118
Fiscal year ended December 31, 2023	1,859	(173)	(1,078)	4,825

## 2. Dividends

	Annual dividends					Cash dividends (total)	Dividend payout ratio (consolidated)	Dividend-to-net-asset ratio (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	—	0.00	—	15.00	15.00	90	13.1	1.4
Fiscal year ended December 31, 2024	—	0.00	—	23.00	23.00	128	10.5	1.8
Fiscal year ending December 31, 2025 (Forecast)	—	0.00	—	48.00	48.00		30.2	

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025  
(January 1 to December 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,593	6.2	2,775	(0.3)	1,764	(1.3)	1,709	(1.0)	885	(32.1)	159.02

\* Notes

(1) Significant changes in the scope of consolidation during the period: None

New: None

Exclusion: None

(2) Changes in accounting policy and changes and restatements of accounting estimates

(a) Changes in accounting policy accompanying the revision of accounting standards: None

(b) Changes in accounting policy other than those listed in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

(3) Number of shares issued (common stock)

(a) Number of shares issued at end of period (including treasury shares)

December 31, 2024	6,283,986 shares	December 31, 2023	6,263,986 shares
-------------------	------------------	-------------------	------------------

(b) Number of treasury shares at end of period

December 31, 2024	716,353 shares	December 31, 2023	234,706 shares
-------------------	----------------	-------------------	----------------

(c) Average number of shares during the period

December 31, 2024	5,924,701 shares	December 31, 2023	6,006,454 shares
-------------------	------------------	-------------------	------------------

\* The Company's financial statements are not subject to audits by certified public accountant or audit corporation.

\* Appropriate use of earnings forecasts and other pertinent information

(Cautionary Statement with Respect to Forward-Looking Statements)

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors. For notes concerning underlying assumptions of the earnings forecast and the use of the earnings forecast, refer to page 5 of the supplemental materials entitled "1. Explanation of Operating Results, etc., (4) Future Outlook."

(How to access the supplementary notes to financial statements and briefing on financial statements)

The Company plans to hold a briefing on financial statements for institutional investors and analysts on Monday, February 17, 2025. The Company will publish the presentation materials used during this meeting on its website immediately after the meeting.

○ Supplemental Materials

1. Explanation of Operating Results, etc. ....	2
(1) Explanation of Operating Results for the Fiscal Year Under Review .....	2
(2) Explanation of Financial Condition for the Fiscal Year Under Review .....	3
(3) Explanation of Cash Flows for the Fiscal Year Under Review .....	4
(4) Future Outlook.....	5
2. Basic Approach Concerning Selection of Accounting Standards .....	5
3. Consolidated Financial Statements and Notes .....	6
(1) Consolidated Balance Sheet .....	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	8
(3) Consolidated Statement of Changes in Equity.....	10
(4) Consolidated Statement of Cash Flows .....	12
(5) Notes to Consolidated Financial Statements.....	13
(Notes on the Going-Concern Assumption) .....	13
(Changes in Presentation Method).....	13
(Segment Information, etc.).....	13
(Per Share Information) .....	16
(Significant Subsequent Events).....	16

## 1. Explanation of Operating Results, etc.

Forward-looking statements appearing below are based on information available as of the end of the period under review.

### (1) Explanation of Operating Results for the Fiscal Year Under Review

During the fiscal year under review (January 1 to December 31, 2024), the Japanese economy continued to recover gradually as social and economic activities have been returning to normal due to factors such as an increase in inbound demand and a recovery in domestic demand, and corporate activities and personal consumption have been showing signs of recovery. On the other hand, the business environment remains uncertain due to factors including future policy trends in the United States, the rise in geopolitical risk associated with the prolonged Russian-Ukrainian war and the escalation of tensions in the Middle East, and concerns of economic stagnation brought about by the unstable yen exchange rate and inflation.

As for the business environment surrounding the Company, the printed publication market shrank, but the e-book publication market continued to grow. According to “eBook marketing report 2024,” Impress Corporation estimates that the growth rate of the e-book market will be around 5% in fiscal 2024, and going forward, the e-book and e-comic markets are expected to continue to see moderate growth in size.

Given this market environment, in the Platform Segment, the Group pursued efficient investments while focusing on building the brand of e-comic distribution service Manga Kingdom, and in the Contents Segment, the Group generated stable profits driven by the ongoing growth in the digital domain.

In addition, the Company implemented an absorption-type merger in which Bunkasha Co., Ltd. was the surviving company and Bunkasha Group Co., Ltd. was the absorbed company, effective December 1, 2024, and inherited the loss carried forward for tax purposes, resulting in a decrease in income taxes.

As a result, consolidated net sales for the fiscal year under review totaled 18,446,924 thousand yen (down 3.3% year on year), Adjusted EBITDA was 2,783,283 thousand yen (up 10.6% year on year), operating profit came in at 1,786,902 thousand yen (up 19.4% year on year), ordinary profit was 1,726,009 thousand yen (up 19.8% year on year) and profit attributable to owners of the parent totaled 1,303,525 thousand yen (up 89.1% year on year). The Group regards return on equity (ROE) as an important management indicator. At the end of the current consolidated fiscal year, ROE was 18.1% (10.4% at the end of the previous consolidated fiscal year), an increase of 7.7 points compared to the end of the previous consolidated fiscal year.

The management results for each segment are presented below.

#### (Platform Segment)

In terms of the comic distribution service Manga Kingdom, a mainstay service in the Platform Segment, the Group actively carried out promotional campaigns appealing a sense of value and sales promotion activities for acquiring a broad range of users, in order to increase subscribers and customer spending by promoting the flow of visit, retention and purchase. On the other hand, the number of active users was on a downward trend, and it continued to take a certain amount of time to retain and develop light users. As a result, Manga Kingdom net sales decreased 5.7% year on year.

In addition, the Group proceeded with negotiations on the content license for “yomoyo,” a comic distribution service for North America that was launched in June 2023.

In collaboration with Amuse Inc., a general entertainment company, the Group announced the results of the “Aim for media mix! - contemporary romance x fantasy novel contest” that was held from July to October 2023, and it promoted the adaptation of the winning works into comics. In March 2024, the Group launched Project CO -

MUSIX, a cross-media project to create next-generation content that fuses music and manga, and it developed the first omnibus works on Manga Kingdom, video platforms, SNS, etc.

On the profit front, while net sales decreased year on year, operating expenses, mainly advertising expenses, also decreased year on year.

As a result, segment net sales totaled 11,799,865 thousand yen (down 6.1% year on year) and operating profit came in at 632,749 thousand yen (up 8.1% year on year).

#### (Contents Segment)

In the Contents Segment, the Company increased the number of publications, mainly as digital contents, and actively conducted sales promotion activities tailored to the characteristics and readers' needs of each e-bookstore. In printed publishing, in consideration of the shrinking market for such publishing, the Company implemented cost controls such as management of distribution numbers and pricing.

In digital publishing, the Company worked to create content and expand genres in line with readers' tastes, and strengthened promotions using SNS and video platforms. As a result, sales of works in the women's comic genre, particularly the BL and TL genres, which are Bunkasha Co., Ltd.'s strengths, and works from digital comic magazines launched in recent years remained strong. As a result, net sales increased 9.6% year on year. In addition, as a new initiative, the Company launched the light BL label "GUSHgem" in April 2024.

In printed publishing, as a result of controlling the number of distributions and implementing bimonthly publications and suspended publications of magazines, net sales decreased 13.3% year on year.

In addition, in January 2024, two works from Bunkasha and Kaiohsha were made into TV dramas. "“I” that cannot be erased ~digital tattoos continue to go viral~" was broadcast on Nippon TV and "Although I love you, and you?" was broadcast on Yomiuri TV. Furthermore, a drama based on the popular BL title "Perfect Propose" that has a cumulative circulation of more than 210,000 copies has been distributed on Fuji TV's official video streaming service FOD since February 2024, and "Mr. Mitsuya's planned feeding" was broadcast on Mainichi Broadcasting System in July 2024.

On the profit front, profit increased year on year in digital publishing, while profit mainly decreased in printed publishing.

As a result, segment net sales totaled 6,823,417 thousand yen (up 2.2% year on year) and operating profit came in at 1,153,312 thousand yen (up 26.6% year on year).

## (2) Explanation of Financial Condition for the Fiscal Year Under Review

#### (Assets)

Total assets at the end of the fiscal year under review amounted to 17,294,580 thousand yen, down 1,090,377 thousand yen compared to the previous fiscal year end.

Current assets totaled 8,579,904 thousand yen, down 429,291 thousand yen over the previous fiscal year end. This is mainly attributable to an increase in cash and deposits of 293,227 thousand yen, offset with a decrease in accounts receivable - trade of 735,465 thousand yen.

Non-current assets totaled 8,714,675 thousand yen, down 661,086 thousand yen compared to the previous fiscal year end. This is mainly attributable to an increase in investments and other assets of 148,044 thousand yen, offset with a decrease in intangible assets of 804,266 thousand yen.

(Liabilities)

Total liabilities at the end of the fiscal year under review amounted to 9,808,044 thousand yen, down 1,623,670 thousand yen compared to the previous fiscal year end.

Current liabilities totaled 8,023,044 thousand yen, down 443,460 thousand yen over the previous fiscal year end. This is mainly attributable to an increase in accrued consumption taxes of 112,619 thousand yen, offset with decreases in notes and accounts payable - trade of 208,160 thousand yen, accounts payable - other of 166,263 thousand yen, income taxes payable of 141,351 thousand yen, and refund liabilities of 66,365 thousand yen.

Non-current liabilities totaled 1,785,000 thousand yen, down 1,180,210 thousand yen over the previous fiscal year end. This is mainly attributable to decreases in long-term loans payable of 1,020,000 thousand yen and deferred tax liabilities of 160,210 thousand yen.

(Net assets)

Net assets at the end of the fiscal year under review totaled 7,486,535 thousand yen, up 533,293 thousand yen compared to the previous fiscal year end. This is mainly attributable to increases in retained earnings of 1,211,521 thousand yen and in treasury shares of 693,271 thousand yen.

As a result, the shareholders' capital ratio came to 43.3%.

(3) Explanation of Cash Flows for the Fiscal Year Under Review

The balance of cash and cash equivalents ("cash") was 5,118,725 thousand yen at the end of the fiscal year under review, up 293,227 thousand yen compared to the end of the previous fiscal year.

Cash flows and the factors behind them are detailed below.

(Cash flows from operating activities)

The main factors for an increase in cash flows from operating activities were profit before income taxes of 1,726,009 thousand yen, along with depreciation of 395,965 thousand yen, amortization of goodwill of 590,649 thousand yen, a decrease in notes and accounts receivable - trade of 739,838 thousand yen, and a decrease/increase in consumption taxes receivable/payable of 112,619 thousand yen. The main factors for a decrease were decreases in notes and accounts payable - trade of 208,160 thousand yen, accounts payable - other of 166,208 thousand yen, refund liabilities of 66,365 thousand yen, other of 44,326 thousand yen, interest expenses paid of 50,890 thousand yen, and income taxes paid of 717,829 thousand yen.

As a result, cash flows gained from operating activities amounted to 2,341,510 thousand yen (compared to 1,859,715 thousand yen in the previous fiscal year).

(Cash flows from investing activities)

The main factors for a decrease in cash flows from investing activities were a 161,028 thousand yen expenditure for the purchase of intangible assets and a 65,946 thousand yen expenditure for the payments of leasehold and guarantee deposits.

As a result, cash flows used in investing activities amounted to 245,001 thousand yen (compared to 173,689 thousand yen in the previous fiscal year).

(Cash flows from financing activities)

The main factors for a decrease in cash flows from financing activities were a 1,020,000 thousand yen expenditure for the repayments of long-term loans payable, a 700,036 thousand yen expenditure for the purchase of treasury shares, and dividend payment of 90,364 thousand yen.

As a result, cash flows used in financing activities amounted to 1,803,281 thousand yen (compared to 1,078,509 thousand yen in the previous fiscal year).

#### (4) Future Outlook

As for the business environment surrounding the Company, while the printed publishing market is shrinking, the e-book and e-comic markets are expected to continue to expand gradually going forward.

In this environment, the Group has formulated the Medium-Term Management Plan 2027 for the period from fiscal 2025 to fiscal 2027 with the aim of achieving sustainable growth and improving corporate value over the medium to long term.

In the Platform Segment, the Group will focus on expanding services and content to support the re-growth of Manga Kingdom. It will continue to cultivate loyal customers with high spending motivation through our “No. 1 sense of value” strategy, and will also acquire and retain light users by launching of Machi-Comi service, which allows users to read one episode in Manga Kingdom for free after a certain period of time has passed, and implementing effective promotions. In addition to the serialization of original works, the Group will promote the acquisition of new licenses and advance distribution titles, and strive to differentiate ourselves by expanding the lineup of titles that are “only available on Manga Kingdom.” As the Group plans to move its head office in the third quarter of the fiscal year ending December 2025 and factor in a one-time expense arising from this move, it expects to see a year-on-year decrease in profits.

In the Contents Segment, the Group will strive to further grow digital sales by developing the content production system to be more in tune with changes in reader preferences and characteristics of distribution media, and by creating works in genres targeting a broader range of readers, in addition to content geared towards women, which is a mainstay genre. In terms of sales for printed publishing, the Group will continue to implement thorough cost controls such as distribution management and pricing, and it will also strive to improve profitability by promoting effective sales promotions that match the characteristics of each genre.

Based on the above, the Company’s full-year earnings forecast for the fiscal year ending December 2025 calls for net sales of 19,593 million yen (up 6.2% year on year), adjusted EBITDA of 2,775 million yen (down 0.3% year on year), operating profit of 1,764 million yen (down 1.3% year on year), ordinary profit of 1,709 million yen (down 1.0% year on year), and profit attributable to owners of the parent of 885 million yen (down 32.1% year on year).

\* For details of the Medium-Term Management Plan 2027, please refer to the Notice Regarding the Formulation of the Medium-Term Management Plan announced on February 14, 2025.

## **2. Basic Approach Concerning Selection of Accounting Standards**

The Group prepares consolidated financial statements in accordance with J-GAAP in consideration of comparability with other companies in the same industry in Japan. Furthermore, the Group will continue to examine, as needed, the application of International Financial Reporting Standards (IFRS) taking into account the future growth of its overseas business and the situation domestically and internationally.



### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2023)	End of Current Consolidated Fiscal Year (As of December 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	4,825,497	5,118,725
Notes receivable	30,745	26,372
Accounts receivable - trade	4,001,549	3,266,083
Merchandise and finished goods	58,552	63,594
Supplies	623	459
Advance payments - trade	8,097	30,451
Prepaid expenses	67,510	74,842
Accounts receivable - other	7,853	6,370
Income taxes receivable	4,839	—
Consumption taxes receivable	10,565	—
Other	1,091	912
Allowance for doubtful accounts	(7,729)	(7,907)
Total current assets	9,009,196	8,579,904
Non-current assets		
Property, plant and equipment		
Buildings	14,662	14,662
Facilities attached to buildings	75,012	75,258
Tools, furniture and fixtures	147,433	156,125
Accumulated depreciation	(168,060)	(181,863)
Accumulated impairment loss	(1,602)	(1,602)
Total property, plant and equipment	67,444	62,580
Intangible assets		
Goodwill	8,328,371	7,737,721
Software	127,602	91,852
Content assets	248,578	218,740
Software in progress	639	7,500
Content assets in progress	3,370	6,013
Publishing rights	432,666	275,333
Other	1,232	1,032
Total intangible assets	9,142,462	8,338,195
Investments and other assets		
Leasehold and guarantee deposits	108,492	174,439
Deferred tax assets	37,380	120,780
Others	19,981	18,680
Total investments and other assets	165,854	313,899
Total non-current assets	9,375,761	8,714,675
Total assets	18,384,958	17,294,580

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2023)	End of Current Consolidated Fiscal Year (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,437,019	3,228,859
Short-term loans payable	2,000,000	2,000,000
Current portion of long-term loans payable	1,020,000	1,020,000
Accounts payable - other	394,325	228,061
Accrued expenses	35,367	42,944
Income taxes payable	426,812	285,461
Accrued consumption taxes	27,328	139,947
Contract liabilities	592,763	568,950
Refund liabilities	366,313	299,948
Deposits received	39,295	55,357
Other	127,279	153,513
Total current liabilities	8,466,504	8,023,044
Non-current liabilities		
Long-term loans payable	2,805,000	1,785,000
Deferred tax liabilities	160,210	—
Total non-current liabilities	2,965,210	1,785,000
Total liabilities	11,431,715	9,808,044
<b>Net asset</b>		
Shareholders' equity		
Capital stock	1,901,359	1,906,359
Capital surplus	1,900,859	1,905,859
Retained earnings	3,501,267	4,712,788
Treasury shares	(350,242)	(1,043,514)
Total shareholders' equity	6,953,242	7,481,492
Share acquisition rights	—	5,043
Total net assets	6,953,242	7,486,535
<b>Total liabilities and net assets</b>	<b>18,384,958</b>	<b>17,294,580</b>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statement of Income

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2023)	Current Consolidated Fiscal Year (January 1 to December 31, 2024)
Net sales	19,080,733	18,446,924
Cost of sales	12,532,377	12,106,072
Gross profit	6,548,356	6,340,851
Selling, general and administrative expenses	5,051,447	4,553,949
Operating profit	1,496,908	1,786,902
Non-operating income		
Interest income	24	325
Dividend income	107	127
Reimbursement receivables	2,590	1,892
Subsidy income	—	600
Gain on sale of businesses	—	963
Compensation receivables	1,908	—
Other	459	208
Total non-operating income	5,091	4,117
Non-operating expenses		
Interest expenses	51,354	50,685
Borrowing expenses	2,874	2,880
Consumption taxes - deferred	4,442	5,510
Other	2,869	5,933
Total non-operating expenses	61,540	65,010
Ordinary profit	1,440,459	1,726,009
Profit before income taxes	1,440,459	1,726,009
Income taxes – current	797,767	579,853
Income taxes – deferred	(46,513)	(157,369)
Total income taxes	751,254	422,483
Profit	689,204	1,303,525
Profit attributable to owners of the parent	689,204	1,303,525

Consolidated statement of comprehensive income

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2023)	Current Consolidated Fiscal Year (January 1 to December 31, 2024)
Profit	689,204	1,303,525
Comprehensive income	689,204	1,303,525
(Breakdown)		
Comprehensive income related to owners of the parent	689,204	1,303,525

### (3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (January 1 to December 31, 2023)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	1,893,301	1,892,826	2,885,192	(356,628)	6,314,691
Change					
Issuance of new stock	8,057	8,057			16,115
Dividend of surplus			(71,968)		(71,968)
Profit attributable to owners of the parent			689,204		689,204
Acquisition of treasury shares				—	—
Disposal of treasury shares		(24)	(1,161)	6,385	5,198
Change of items other than shareholders' equity (net)					
Total change	8,057	8,033	616,074	6,385	638,550
Year-end balance	1,901,359	1,900,859	3,501,267	(350,242)	6,953,242

	Share acquisition rights	Total net assets
Beginning balance	—	6,314,691
Change		
Issuance of new stock		16,115
Dividend of surplus		(71,968)
Profit attributable to owners of the parent		689,204
Acquisition of treasury shares		—
Disposal of treasury shares		5,198
Change of items other than shareholders' equity (net)	—	—
Total change	—	638,550
Year-end balance	—	6,953,242

## Current consolidated fiscal year (January 1 to December 31, 2024)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	1,901,359	1,900,859	3,501,267	(350,242)	6,953,242
Change					
Issuance of new stock	5,000	5,000			10,000
Dividend of surplus			(90,439)		(90,439)
Profit attributable to owners of the parent			1,303,525		1,303,525
Acquisition of treasury shares				(700,036)	(700,036)
Disposal of treasury shares		—	(1,565)	6,764	5,199
Change of items other than shareholders' equity (net)					
Total change	5,000	5,000	1,211,521	(693,271)	528,249
Year-end balance	1,906,359	1,905,859	4,712,788	(1,043,514)	7,481,492

	Share acquisition rights	Total net assets
Beginning balance	—	6,953,242
Change		
Issuance of new stock		10,000
Dividend of surplus		(90,439)
Profit attributable to owners of the parent		1,303,525
Acquisition of treasury shares		(700,036)
Disposal of treasury shares		5,199
Change of items other than shareholders' equity (net)	5,043	5,043
Total change	5,043	533,293
Year-end balance	5,043	7,486,535

## (4) Consolidated Statement of Cash Flows

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2023)	Current Consolidated Fiscal Year (January 1 to December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	1,440,459	1,726,009
Depreciation	423,202	395,965
Amortization of goodwill	590,649	590,649
Interest expenses	51,354	50,685
Borrowing expenses	2,874	2,880
Decrease (increase) in notes and accounts receivable - trade	346,554	739,838
Increase (decrease) in notes and accounts payable - trade	126,484	(208,160)
Increase (decrease) in accounts payable - other	(70,086)	(166,208)
Increase (decrease) in contract liabilities	(72,452)	(23,812)
Increase (decrease) in refund liabilities	(51,552)	(66,365)
Decrease/increase in consumption taxes receivable/payable	(139,364)	112,619
Other	31,265	(44,326)
Subtotal	2,679,390	3,109,777
Interest and dividend income received	132	452
Interest expenses paid	(51,292)	(50,890)
Income taxes paid	(768,513)	(717,829)
Cash flows from operating activities	1,859,715	2,341,510
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,247)	(18,311)
Purchase of intangible assets	(154,450)	(161,028)
Payments of leasehold and guarantee deposits	—	(65,946)
Other	7	285
Cash flows from investing activities	(173,689)	(245,001)
Cash flows from financing activities		
Repayments of long-term loans payable	(1,020,000)	(1,020,000)
Payments of borrowing expenses	(2,874)	(2,880)
Proceeds from issuance of common shares	16,115	10,000
Purchase of treasury shares	—	(700,036)
Payment of dividends	(71,750)	(90,364)
Cash flows from financing activities	(1,078,509)	(1,803,281)
Net increase (decrease) in cash and cash equivalents	607,517	293,227
Cash and cash equivalents at beginning of period	4,217,980	4,825,497
Cash and cash equivalents at end of period	4,825,497	5,118,725

(5) Notes to Consolidated Financial Statements

(Notes on the Going-Concern Assumption)

N/A

(Changes in Presentation Method)

Consolidated statements of cash flows

“Increase (decrease) in accrued expenses” under “Cash flows from operating activities,” which was stated independently in the previous consolidated fiscal year, has been included in “Other” from the current consolidated fiscal year due to its lack of materiality.

As a result, 582 thousand yen included in “Increase (decrease) in accrued expenses” under “Cash flows from operating activities” and 30,683 thousand yen in “Other” in the consolidated statements of cash flows for the previous consolidated fiscal year have been reclassified as 31,265 thousand yen in “Other.”

(Segment Information, etc.)

1. Summary of reporting segments

(1) Method of determining reporting segments

The Company’s reporting segments provide financial information prepared separately from other reporting segments and they are subject to periodic reviews by the Board of Directors in order to determine allocation of management resources and evaluate business performance. The Company comprises segments for each business type, with the reporting segments classified as Platform Segment and Contents Segment.

(2) Types of products and services belonging to each reporting segment

The Platform Segment comprises subscription services and other ancillary businesses centered on Manga Kingdom, the Company’s existing business.

The Contents Segment comprises e-books, publishing and other ancillary businesses centered on the Group’s subsidiary Bunkasha Group’s existing businesses.

2. Method of calculating the amount of net sales, profit/loss, assets, liabilities, and other accounting items for each reporting segment

Accounting treatment methods for reported business segments are generally the same as those appearing in “Significant matters that form the basis of preparing consolidated financial statements.”

Reporting segment profits are based on operating profit. Intersegment profits and transfers are based on real market prices.



3. Information on the amount of net sales, profit/loss, assets, liabilities, and other accounting items for each reporting segment, and breakdown of revenue

Previous consolidated fiscal year (January 1 to December 31, 2023)

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	11,745,548	—	11,745,548	—	11,745,548
Others' distribution	389,063	4,354,147	4,743,211	—	4,743,211
Printed publishing	—	1,688,344	1,688,344	—	1,688,344
Others	428,151	475,477	903,628	—	903,628
Revenue from contracts with customers	12,562,763	6,517,969	19,080,733	—	19,080,733
Net sales to external customers	12,562,763	6,517,969	19,080,733	—	19,080,733
Intersegment sales and transfers	1,090	158,306	159,397	(159,397)	—
Total	12,563,854	6,676,276	19,240,131	(159,397)	19,080,733
Segment profit	585,371	910,956	1,496,327	581	1,496,908
Segment assets	8,587,068	17,601,249	26,188,318	(7,803,360)	18,384,958
Other items					
Depreciation	241,442	181,915	423,357	(154)	423,202
Amortization of goodwill	243,897	346,752	590,649	—	590,649
Increase in tangible fixed assets and intangible fixed assets	316,698	15,946	332,644	—	332,644

Notes: 1. Adjustments of segment profit of 581 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the consolidated statement of income.

Current consolidated fiscal year (January 1 to December 31, 2024)

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	11,077,719	—	11,077,719	—	11,077,719
Others' distribution	350,063	4,772,748	5,122,812	—	5,122,812
Printed publishing	—	1,413,088	1,413,088	—	1,413,088
Others	369,894	463,409	833,304	—	833,304
Revenue from contracts with customers	11,797,677	6,649,246	18,446,924	—	18,446,924
Net sales to external customers	11,797,677	6,649,246	18,446,924	—	18,446,924
Intersegment sales and transfers	2,188	174,170	176,358	(176,358)	—
Total	11,799,865	6,823,417	18,623,283	(176,358)	18,446,924
Segment profit	632,749	1,153,312	1,786,061	840	1,786,902
Segment assets	6,770,495	11,048,853	17,819,349	(524,769)	17,294,580
Other items					
Depreciation	214,524	181,645	396,170	(204)	395,965
Amortization of goodwill	243,897	346,752	590,649	—	590,649
Increase in tangible fixed assets and intangible fixed assets	293,904	21,318	315,223	—	315,223

Notes: 1. Adjustments of segment profit of 840 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the consolidated statement of income.

## (Per Share Information)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2023)	Current Consolidated Fiscal Year (January 1 to December 31, 2024)
Net assets per share	1,153.25 yen	1,343.75 yen
Net income per share	114.74 yen	220.02 yen
Net income per share fully diluted	114.11 yen	219.21 yen

Note: The basis for calculating the amounts of net profit per share and net profit per share fully diluted is presented below.

	Previous Consolidated Fiscal Year (January 1 to December 31, 2023)	Current Consolidated Fiscal Year (January 1 to December 31, 2024)
Net income per share		
Profit attributable to owners of the parent (thousands of yen)	689,204	1,303,525
Amount not attributed to common shareholders (thousands of yen)	—	—
Profit attributable to owners of the parent related to common stock (thousands of yen)	689,204	1,303,525
Average number of common stock shares during the period (shares)	6,006,454	5,924,701
Net income per share fully diluted		
Profit attributable to owners of the parent (thousands of yen)	—	—
Increase in the number of common stock (shares)	33,308	21,894
(Of this, share acquisition rights [shares])	(33,308)	(21,894)
Summary of diluted shares not included in the calculation of net income per share fully diluted because there were no dilution effects	—	One type of stock acquisition rights (Number of stock acquisition rights: 780)

## (Significant Subsequent Events)

N/A