



Financial Results Q2 FY3/2026

November 2025

NexTone Inc.

TSE Growth Market: 7094



Contents

i	Executive Summary	3
ii	Summary of Financial Results Q2 FY3/2026	4
iii	Medium-term Business Plan (FY3/2026 - FY3/2028)	23
iv	APPENDIX	30

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Executive Summary

Highlights of Financial Results Q2 FY3/2026

- ✓ Sales increased year-on-year due to growth in core businesses, and operating profit increased significantly due to the effect of increased sales and successful cost control.
- ✓ The number of songs under copyright management and the number of master recordings handled, which form the foundation of the business, both increased steadily.

Transaction volume

192.1

(¥100 millions)

YoY **+10.2%**

Net sales

102.6

(¥100 millions)

YoY **+9.0%**

Operating profit

5.8

(¥100 millions)

YoY **+55.4%**

Number of songs under copyright management

75.8

YoY **+14.7**

Year-on-year increase of **+6.7**
(10,000 songs)

Number of master recordings handled

159.8

YoY **+22.0**

Year-on-year increase of **+12.8**
(10,000 master recordings)

Summary of Financial Results

Q2 FY3/2026

Summary of Financial Results Q2 FY3/2026

- ✓ Both sales and profit increased year-on-year, reflecting steady performance against the backdrop of expansion in the music-related market.

(¥100 million, unless otherwise stated)

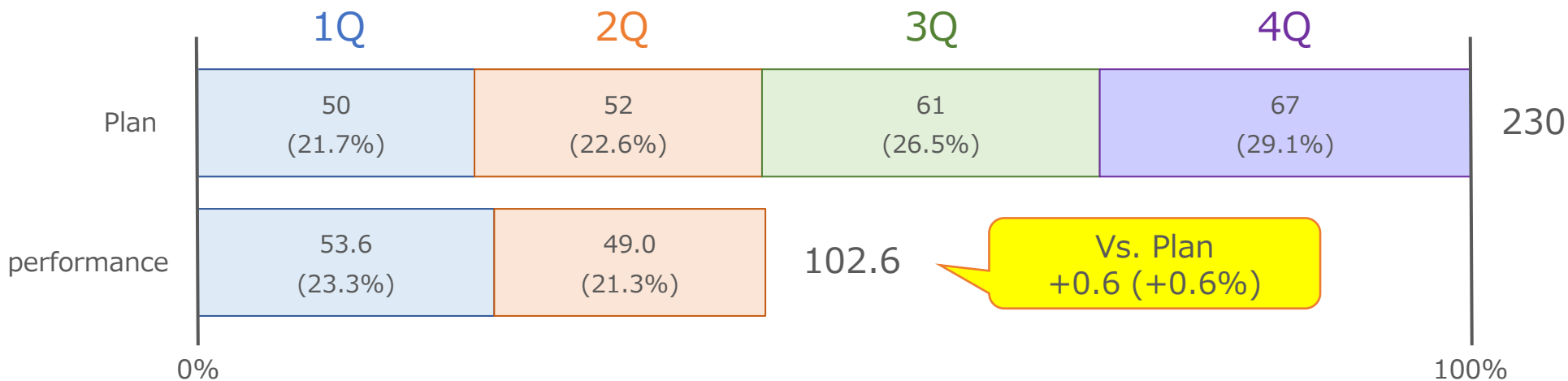
	2025/3	2026/3	compared to the same period		2025/3	2026/3
	2Q	2Q	increase or decrease	percentage change	full fiscal year	Full-year Plan
Net sales	94.1	102.6	+8.5	+9.0%	194.1	230
SG & A	19.0	19.9	+0.9	+4.6%	38.2	43
Operating profit	3.7	5.8	+2.1	+55.4%	10.0	18
Ordinary profit	3.9	5.9	+2.0	+50.6%	10.2	18
Profit attributable to owners of parent	2.9	3.7	+0.8	+28.4%	6.9	12
Operating profit margin	4.0%	5.7%	+1.7pt	—	5.2%	7.8%
Number of songs under copyright management (10,000 songs)	61.1	75.8	+14.7	+24.1%	69.1	79
Number of master recordings handled (10,000 master recordings)	137.8	159.8	+22.0	+16.0%	147	175

Quarterly Financial Results 1

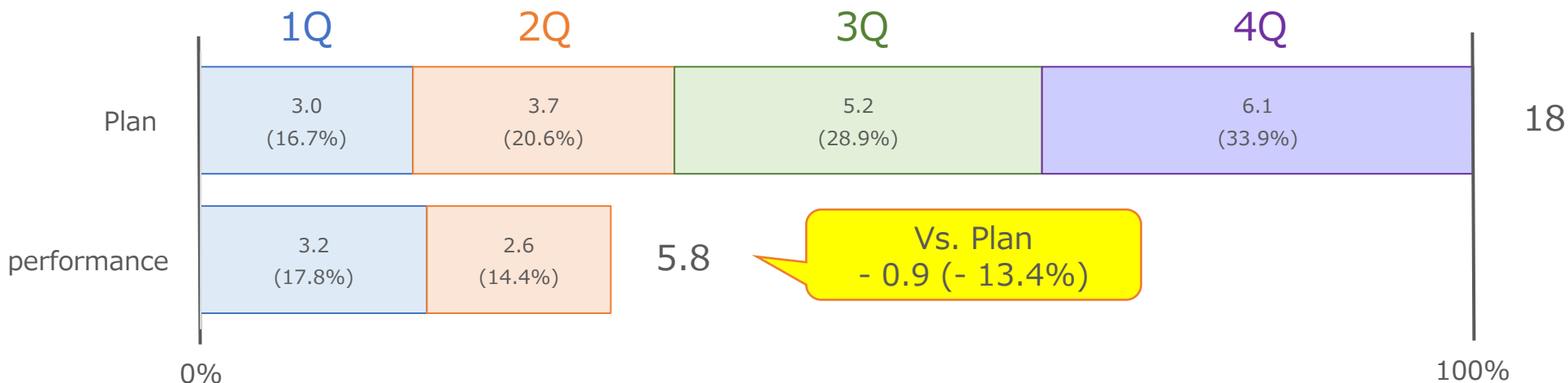
- ✓ Net sales were in line with the plan. Operating profit margin declined due to the impact of sales mix.

Net sales

(¥100 million)

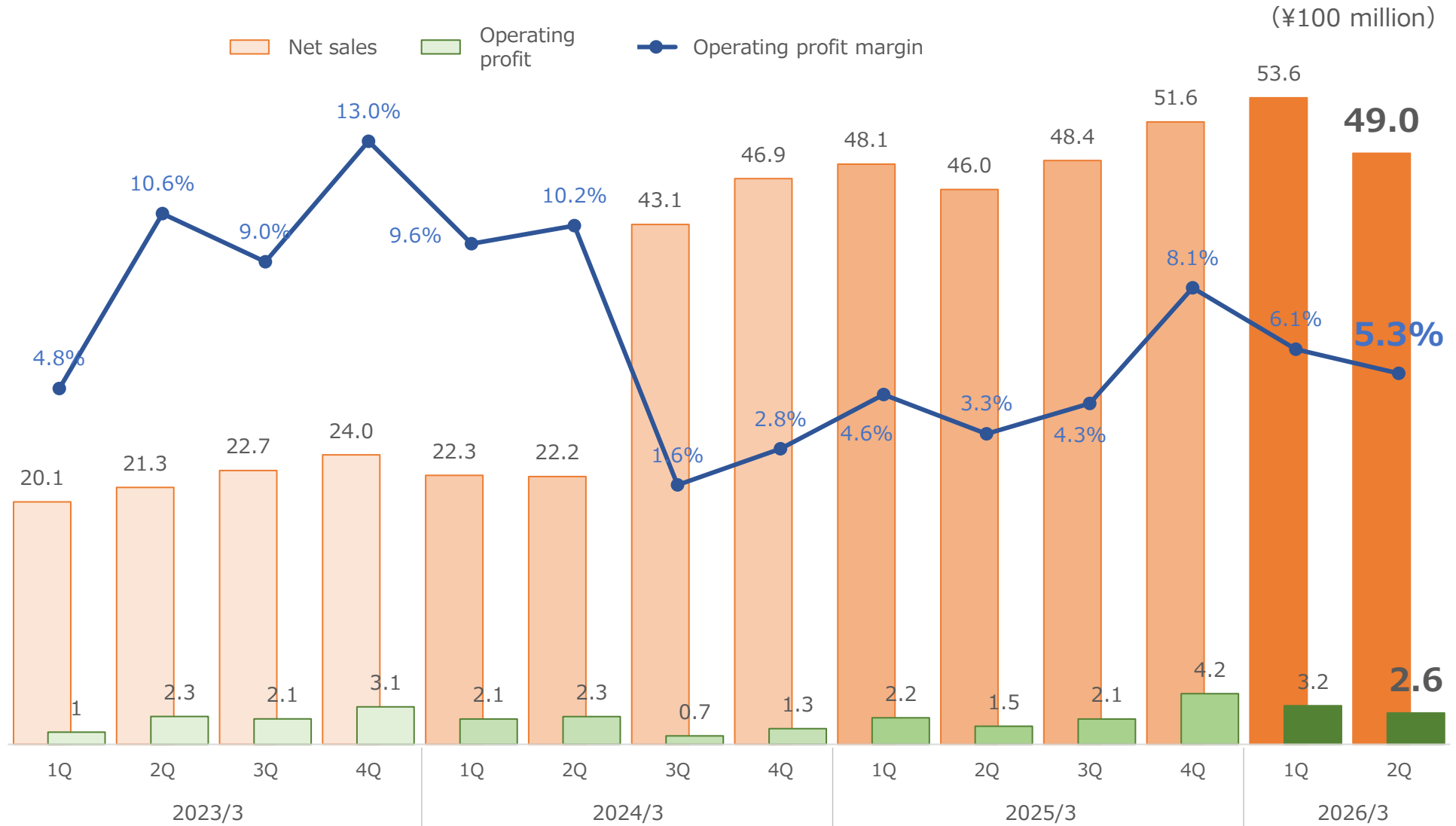


Operating profit



Quarterly Financial Results 2

- ✓ Since the Q3 FY3/2024, when the Recochoku Group was consolidated, business performance has been strong.



Results by Segment (1/4) ■ Copyright Management Business

- ✓ Revenue increased year on year due to the direct collection of usage fees for watching YouTube videos worldwide and the expansion of direct contracts with copyright management companies in each country. Slightly decreased YoY due to an increase in personnel expenses and system-related expenses.

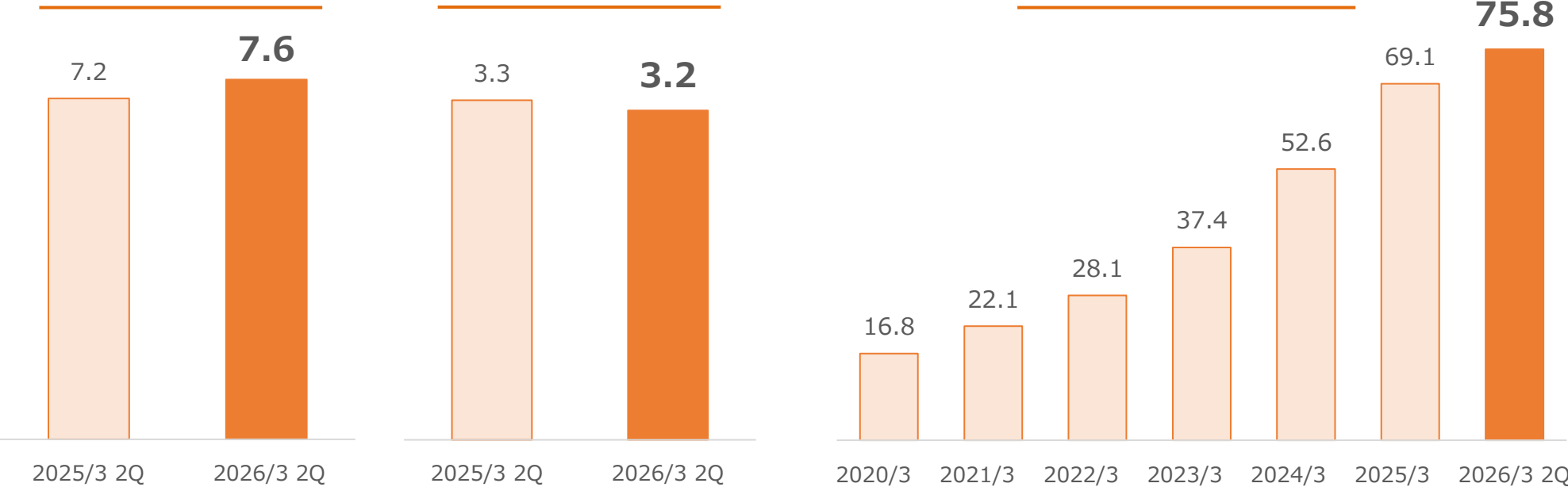
(¥100 million, unless otherwise stated)

	2025/3	2026/3	compared to the same period		2025/3	2026/3
	2Q	2Q	increase or decrease	percentage change	full fiscal year	Full-year Plan
Net sales	7.2	7.6	+0.4	+5.7%	15.2	19.2
Operating profit	3.3	3.2	-0.1	-1.6%	6.9	8.9

Net sales
(¥100 million)

Operating profit
(¥100 million)

Number of songs under copyright management
(10,000 songs)



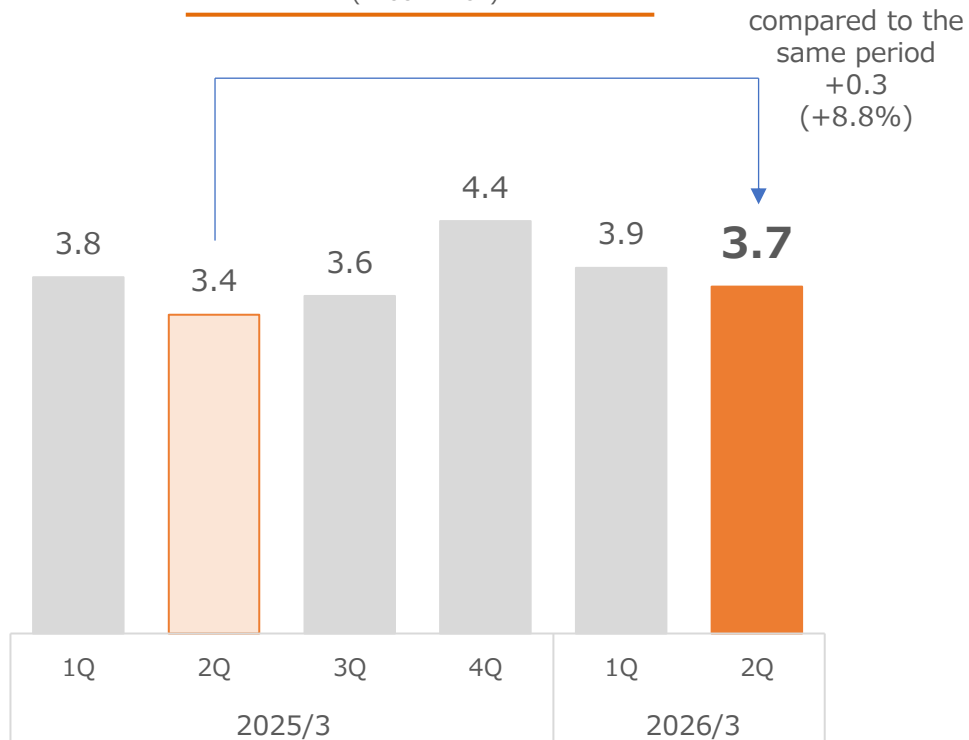
Quarterly Financial Results ■ Copyright Management Business

(¥100 million)

	2025/3				2026/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	3.8	3.4	3.6	4.4	3.9	3.7
Operating profit	1.8	1.5	1.4	2.2	1.6	1.6

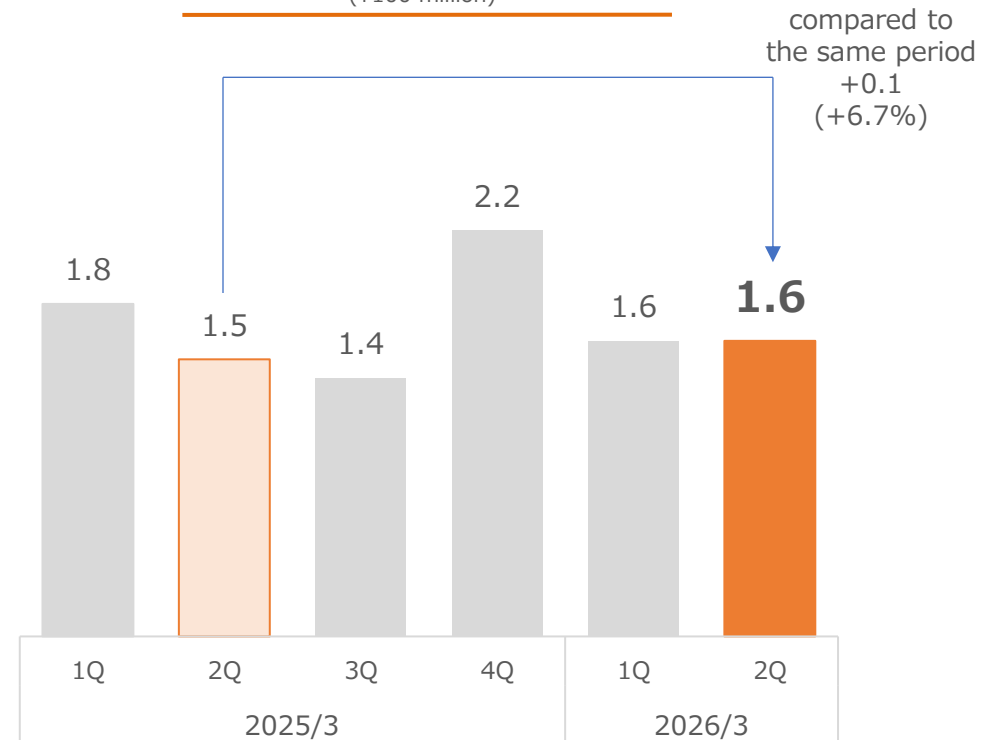
Quarterly Net sales

(¥100 million)



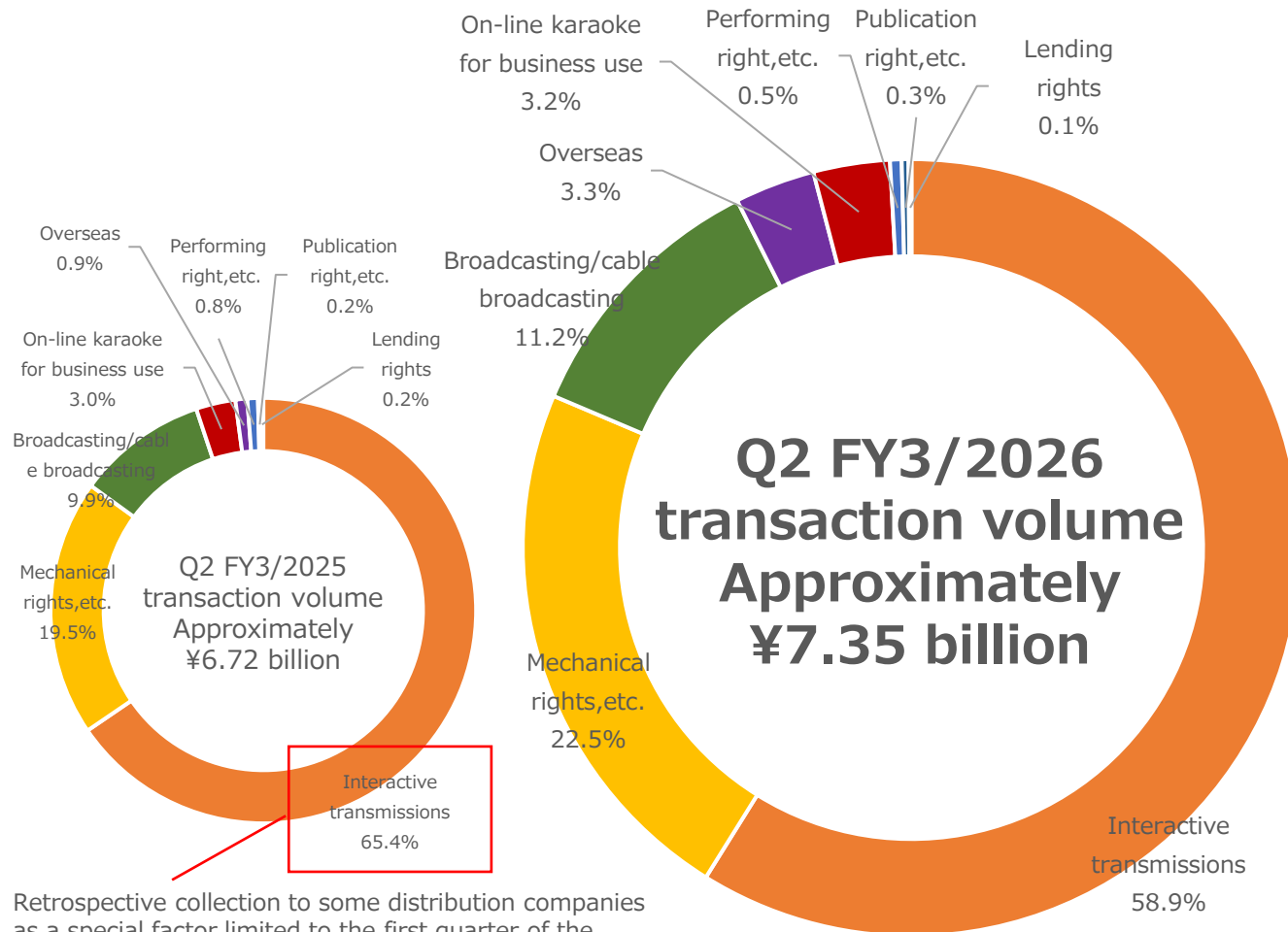
Quarterly Operating profit

(¥100 million)

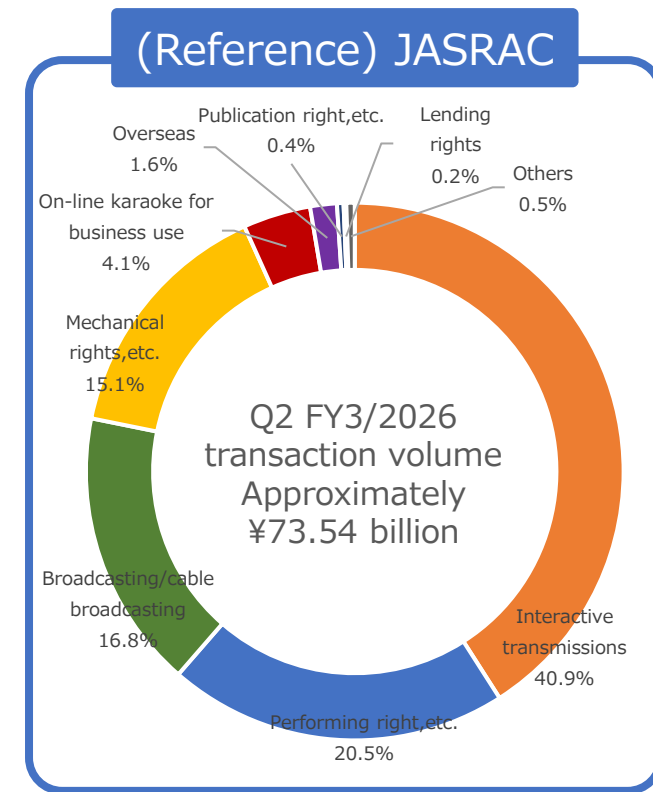


Breakdown of Transaction volume

- ✓ The percentages of "Mechanical rights, etc." and "Overseas" in the gross transaction volume of the Copyright Management Business increased year-on-year.
- ✓ The percentage of "Interactive transmissions" decreased year-on-year due to the impact of the mix and special factors in the first quarter of the previous fiscal year.



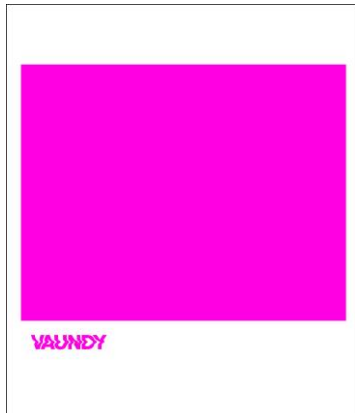
Retrospective collection to some distribution companies as a special factor limited to the first quarter of the previous fiscal year.
(390 million yen on a gross transaction volume basis)



Reference: Japan Music Copyright Association
Q2 FY3/2025 Financial Results

Top songs distributed for the first half of the fiscal year

(Japanese syllabary order)



「Kaiju no Hanauta」
Vaundy
© 2020 by SDR Inc.



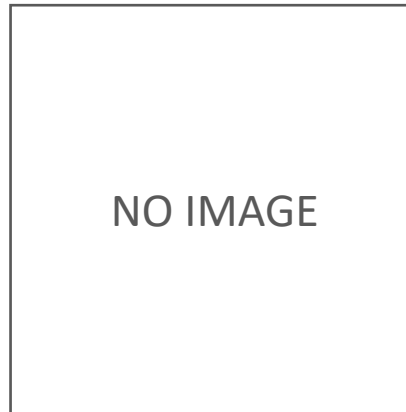
「Kawaii Dakejya Damedesuka?」
CUTIE STREET
© ASOBIMUSIC Co., Ltd.,



「Shinjidai」
Ado
© Eiichiro Oda / 2022 "One Piece" Production Committee
© UNIVERSAL MUSIC LLC. All rights reserved.



「Chiisana Koi no Uta」
MONGOL800
© 2001 HIGH WAVE Co., Ltd.



「Driver's High」
L'Arc~en~Ciel



「Hai Yorokonde」
Kocchi no Kento
© blowout Music Labels

Results by Segment (2/4)

■ DD (Digital Content Distribution) Business

- ✓ Both sales and profit increased year-on-year due to growth in the streaming music distribution market and the video distribution service market, as well as an increase in the playback of original discs related to anime / game and Internet creators such as VTuber.

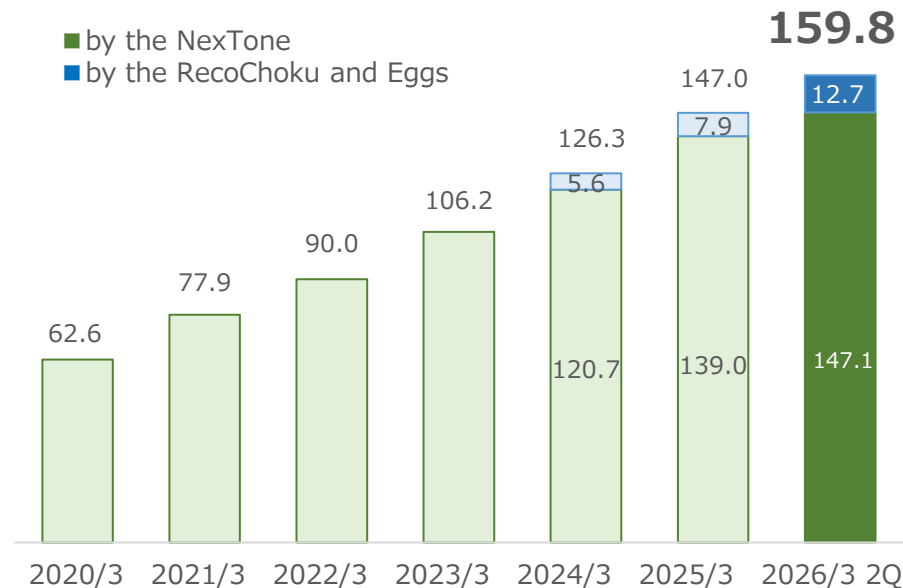
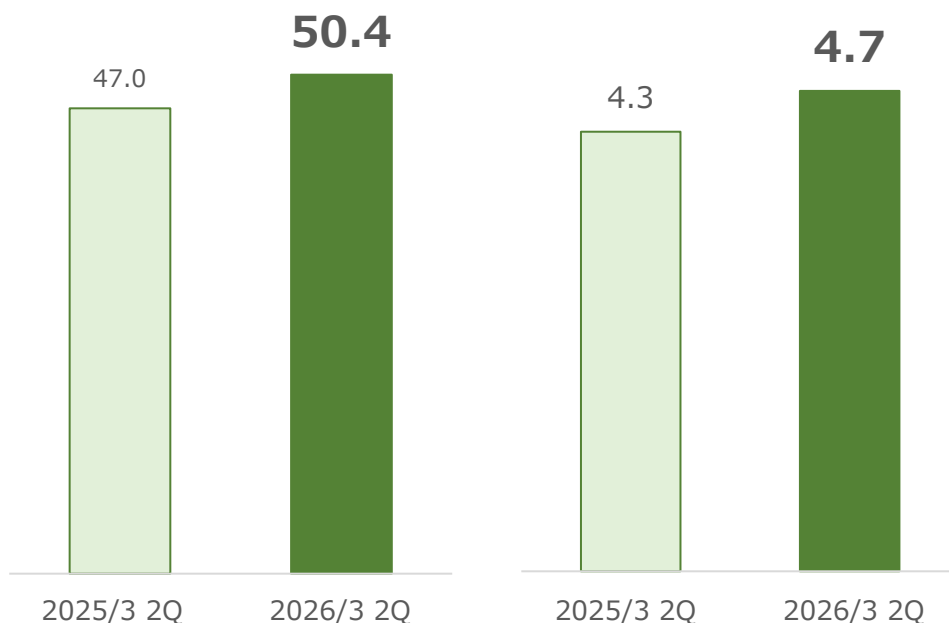
(¥100 million, unless otherwise stated)

	2025/3	2026/3	compared to the same period		2025/3	2026/3
	2Q	2Q	increase or decrease	percentage change	full fiscal year	Full-year Plan
Net sales	47.0	50.4	+3.4	+7.2%	96.8	125.3
Operating profit	4.3	4.7	+0.4	+8.5%	9.6	12.5

Net sales
(¥100 million)

Operating profit
(¥100 million)

Number of master recordings handled
(10,000 master recordings)



Quarterly Financial Results

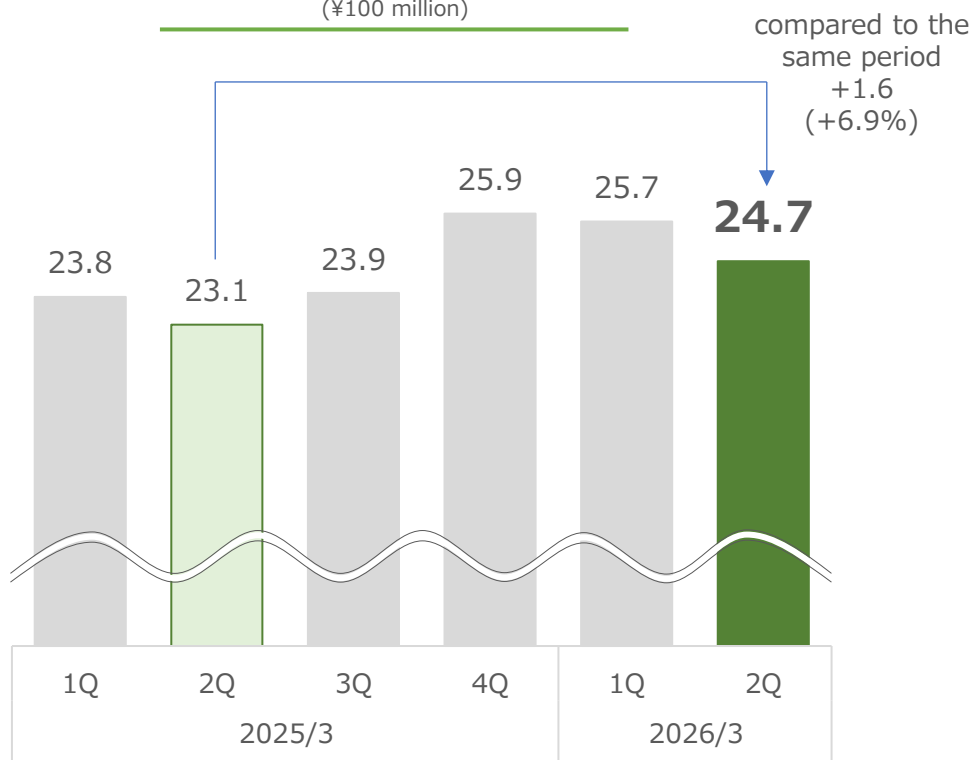
■ DD (Digital Content Distribution) Business

(¥100 million)

	2025/3				2026/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	23.8	23.1	23.9	25.9	25.7	24.7
Operating profit	2.2	2.1	2.4	2.9	2.4	2.3

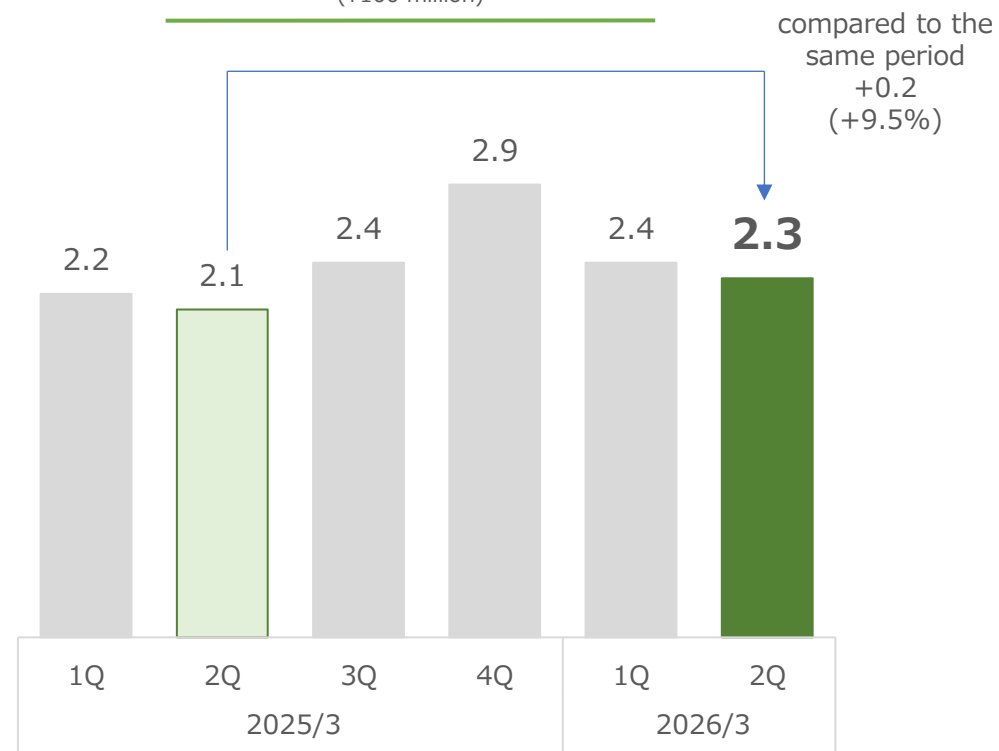
Quarterly Net sales

(¥100 million)



Quarterly Operating profit

(¥100 million)



Major master recordings for the first half of the fiscal year (Japanese syllabary order)



「It's Going Down Now」

Azumi Takahashi, Lotus Juice,
ATLUS Sound Team

(Songs recorded in Persona 3 Reload Original
Soundtrack)

© ATLUS / SEGA All rights reserved.



「il vento d'oro」

Yugo Kanno

(Songs recorded in JOJO'S BIZARRE ADVENTURE -
Golden Wind O.S.T vol.1 Overture

© 2018 Warner Bros. Entertainment Inc.
All rights reserved.



「Cloudless」

Yorushika

(Songs recorded in No Encore for the
Underdog)

© 2018 U & R records



「Chisana Koi no Uta」

MONGOL800

(Songs included in MESSAGE)

© 2001 High Wave

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「Tetoris」

Hiiragi Magnetite

© 2024 Hiiragi magnetite



「115 million kilometer film」

Official hige dandism

(Songs recorded in ESCAPARADE)

© 2018 LASTRUM Music
Entertainment Inc.

Results by Segment (3/4) ■ Digital Music Provider Business

- ✓ The revision of the service fee for the "d Hits" personal service in December 2024 was successful, resulting in year-on-year increases in both sales and profit.
- ✓ In June 2025, we started offering "RecoChoku play," a licensing scheme for corporate users of the master recordings.

(¥100 million, unless otherwise stated)

	2025/3	2026/3	compared to the same period		2025/3	2026/3
	2Q	2Q	increase or decrease	percentage change	full fiscal year	Full-year Plan
Net sales	37.1	38.3	+1.2	+3.4%	75.8	75.1
operating profit	6.4	7.9	+1.5	+24.1%	13.3	14.8

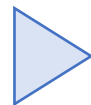
Started offering "RecoChoku play" to karaoke companies



June 2025: Commercial master recordings licensing scheme for karaoke singing
Build "RecoChoku play" and start offering it to karaoke equipment manufacturers.

First

KoshidakaDigital「E-bo」
Operation of Koshidaka「Manekineko」
Started introduction at approximately
200 stores in Tokyo and three
prefectures.



As of September 30, 2025, the number of stores
nationwide reached approximately 400.
(out of approximately 700 stores)

Currently in discussions to make a second or later
deal with a karaoke equipment manufacturer.

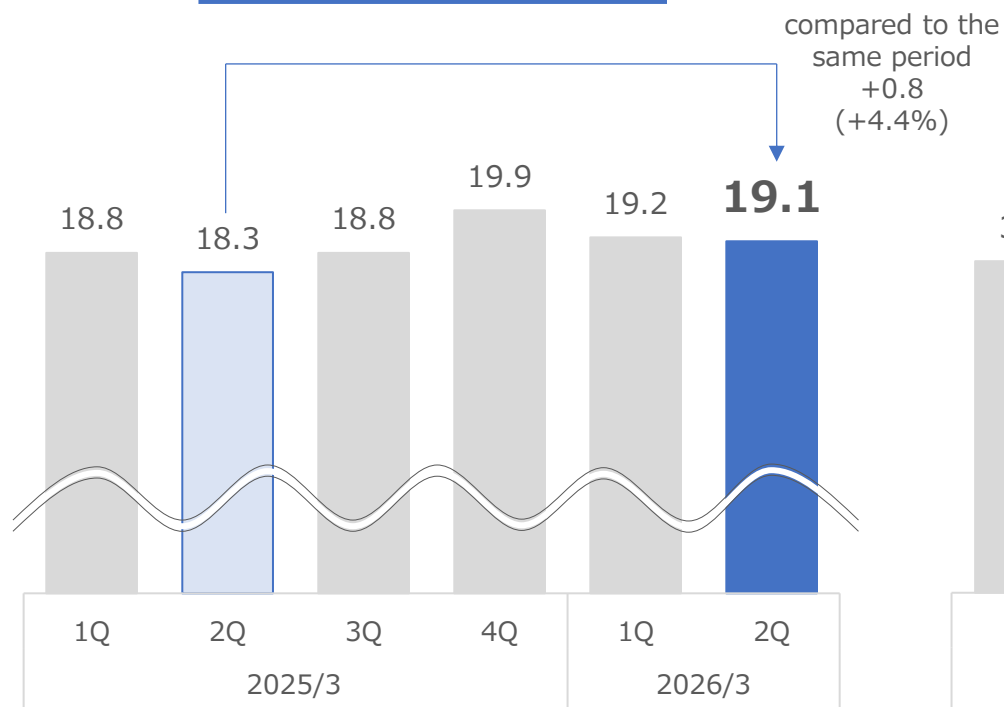
Quarterly Financial Results ■ Digital Music Provider Business

(¥100 million)

	2025/3				2026/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	18.8	18.3	18.8	19.9	19.2	19.1
Operating profit	3.2	3.1	3.3	3.6	3.9	4.0

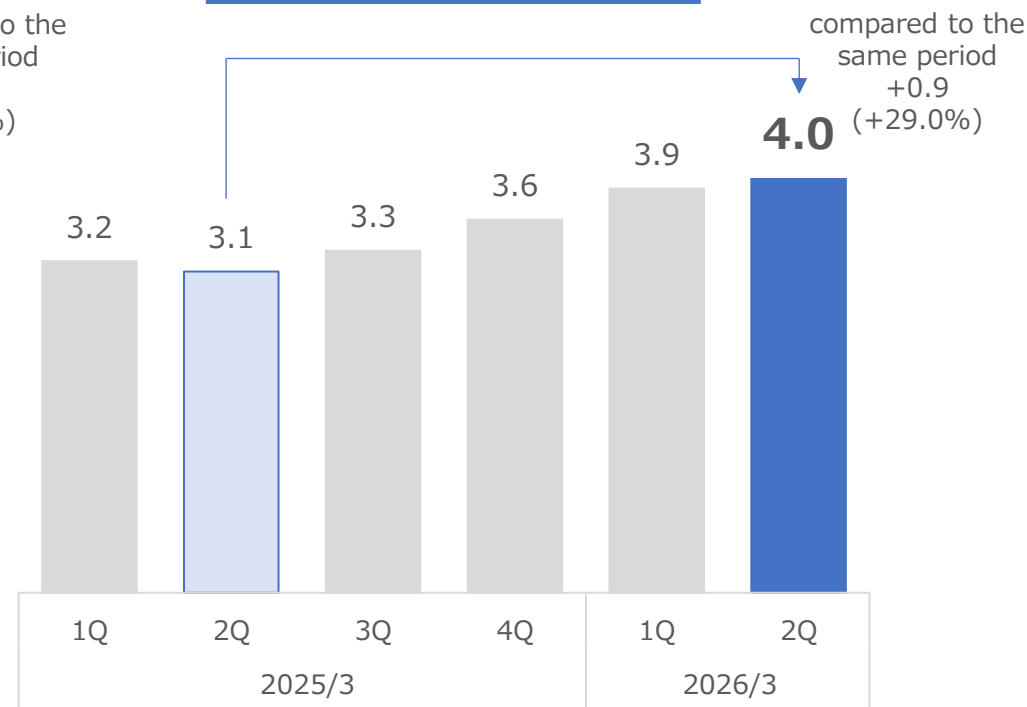
Quarterly Net sales

(¥100 million)



Quarterly Operating profit

(¥100 million)



Results by Segment (4/4) ■ Business Support

- ✓ Significant year-on-year increase in sales and improvement in profit due to the implementation of several large-scale live viewing projects in the Company's casting business.

(¥100 million, unless otherwise stated)

	2025/3	2026/3	compared to the same period		2025/3	2026/3
	2Q	2Q	increase or decrease	percentage change	full fiscal year	Full-year Plan
Net sales	7.2	10.7	+3.5	+48.1%	14.9	26.3
Operating profit	-2.3	-1.7	+0.6	—	-4.2	-1.8

Example of casting business results

Event support

indigo la End



The symposium was held in Tokyo and Osaka on June 30 and July 3.
Commemorating the launch of Indigo la End "Touya no Magic vol. 1"
Support for premium screenings

Artist Casting

FLOW



Conducted on Sunday, August 10
Lions Festivals 2025
Casting of Ceremonial Pitch and Special Live

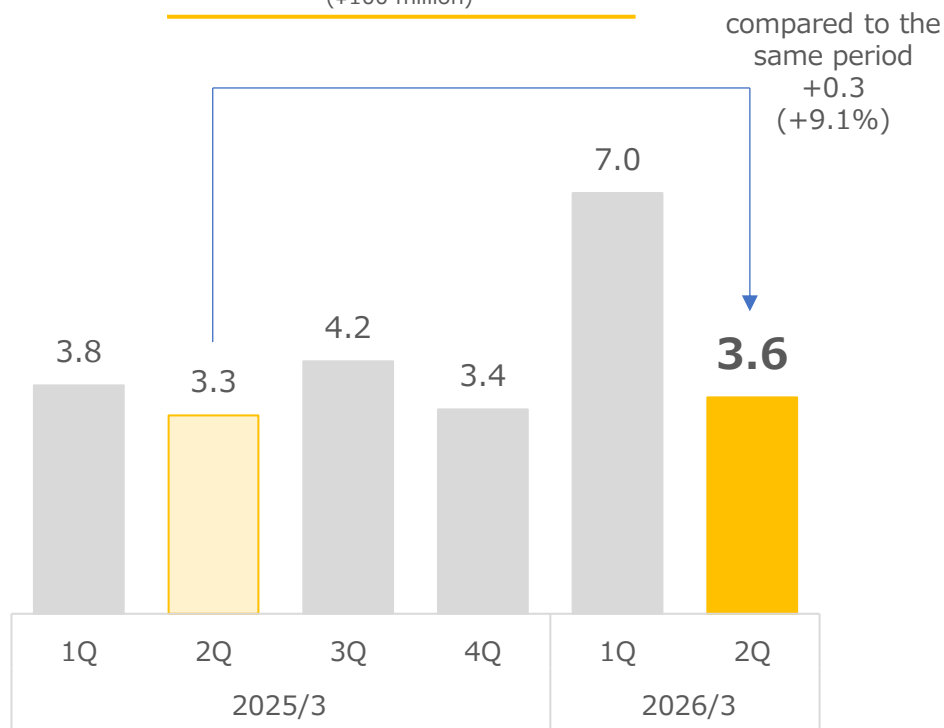
Quarterly Financial Results ■ Business Support

(¥100 million)

	2025/3				2026/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	3.8	3.3	4.2	3.4	7.0	3.6
Operating profit	-1.2	-1.1	-0.9	-0.9	-0.6	-1.0

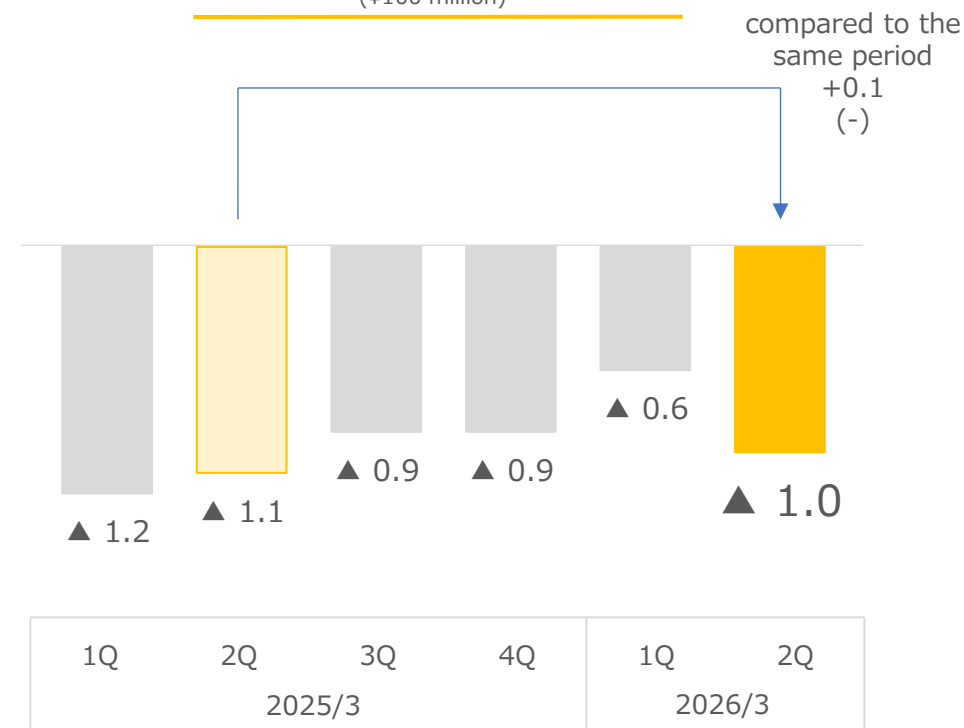
Quarterly Net sales

(¥100 million)



Quarterly Operating profit

(¥100 million)



Status of new services of the RecoChoku Group

■ DD Business

Progress

「FLAGGLE」

Launched on July 1, 2025.
As of the end of September 2025, the Company handled 42,000 master recordings.

■ Business Support

Progress

solution 「PlayPASS PAK」

Launched PlayPASS PAK service, a new selection of playback media.

As the first step
Uma Musume Pretty Derby
6th EVENT Autumn Performance
Included in a commemorative CD.



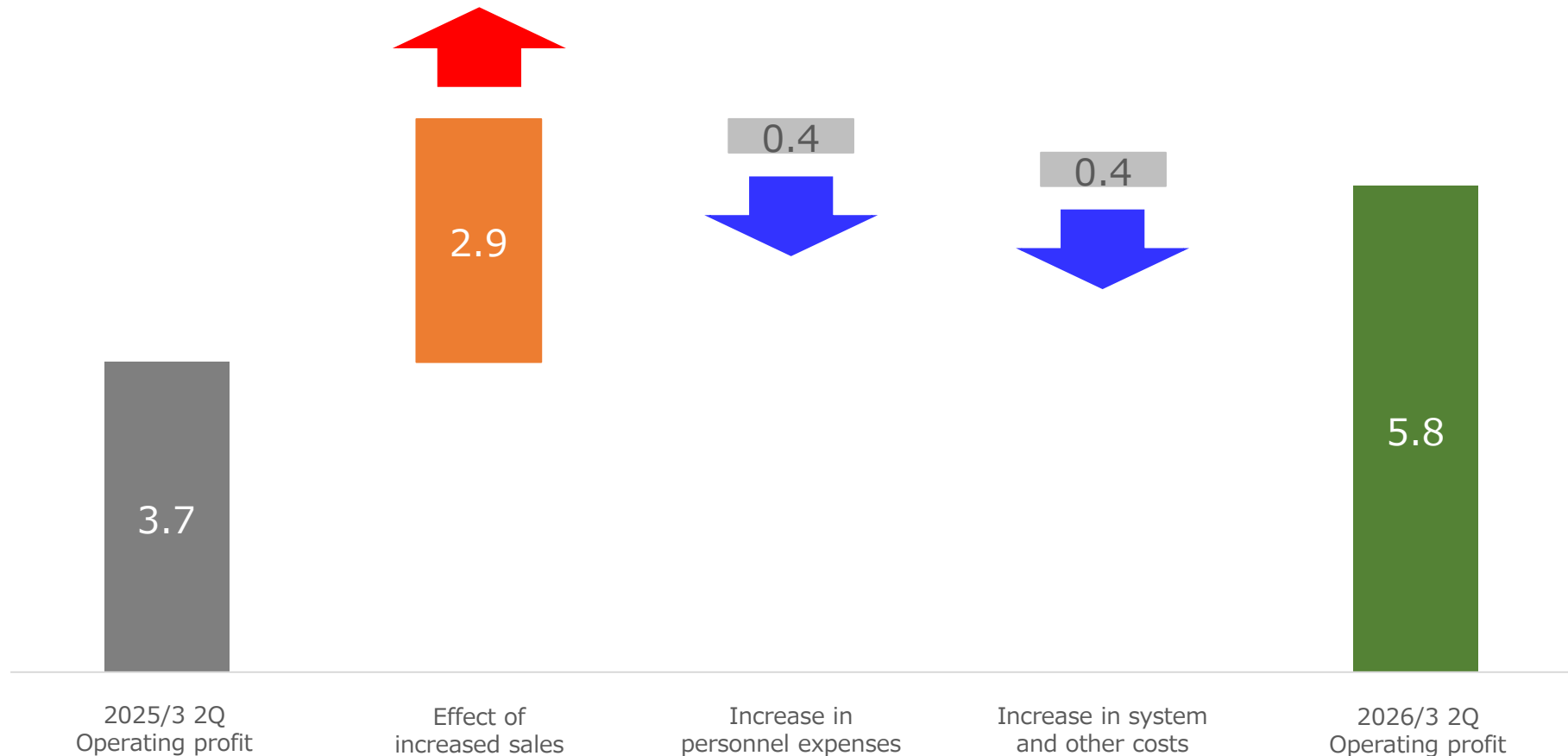
Eggs Live House Solutions

On September 30, 2025, the Company released "GIGGS," a live platform app that collects information on live houses and live performances nationwide.

Factors for Changes in Operating profit

- ✓ Operating profit increased as the effect of increased sales absorbed the increase in personnel expenses, system expenses, and other costs.

Factors for Changes in Operating profit (¥100 million)



Status of balance sheet

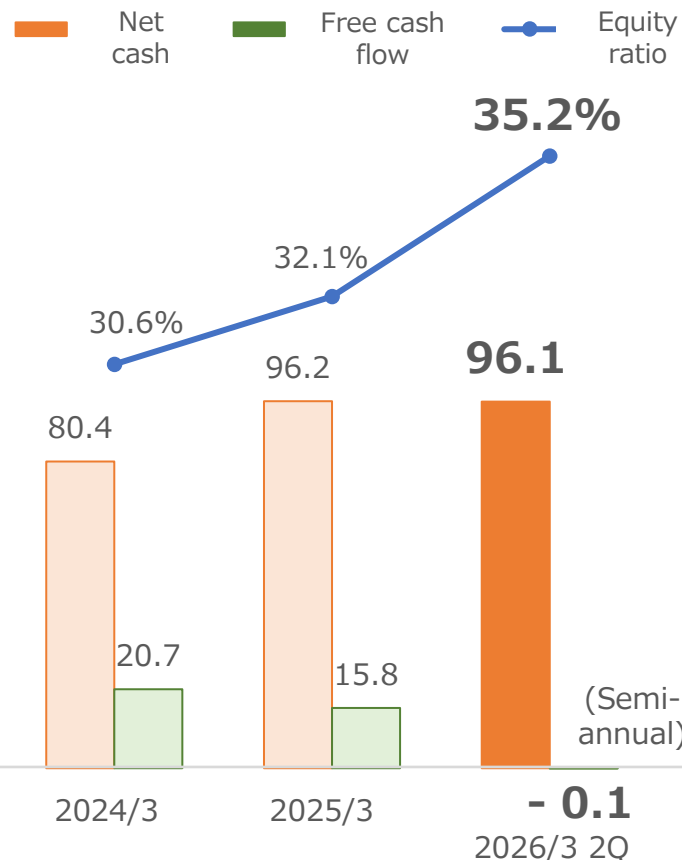
- ✓ Meets listing criteria for the Prime Market, "net assets of ¥5 billion or more."
- ✓ Free cash flow was temporarily negative due to a delay in the timing of deposits and withdrawals of accounts receivable and accounts payable related to large-scale live viewing in the Casting Business.
Accounts receivable - trade is scheduled to be received in November 2025.
- ✓ Continue to manage our business without debt. Net cash was approximately ¥9.6 billion. We will continue to consider investments in personnel and systems for growth, investments that will lead to future business expansion and revitalization of the music industry, including M&A, and shareholder returns.

(¥100 million)

	2024/3	2025/3	2026/3 2Q	Compared to the end of increase or decrease
Current assets	103.4	122.7	119.8	-2.9
cash	80.4	96.2	96.1	-0.1
Accounts receivable	16.0	17.4	18.4	+1.0
Non-current assets	28.9	25.5	26.3	+0.8
Intangible assets	20.7	17.8	18.7	+0.9
total assets	132.3	148.3	146.1	-2.2
Liabilities	80.8	91.1	84.9	-6.2
Trade payables	29.7	34.3	29.8	-4.5
Accounts payable	37.8	43.3	44.5	+1.2
Net assets	51.5	57.1	61.2	+4.1
Total liabilities and shareholders' equity	132.3	148.3	146.1	-2.2

* In the Q2 FY3/2025, the Company finalized the provisional accounting treatment for the business combination. The figures for the FY3/2024 are calculated using the same method as the previous fiscal year. Accordingly, the Company has reflected the details of the finalization of provisional accounting treatment.

Changes in Financial Position (¥100 million)

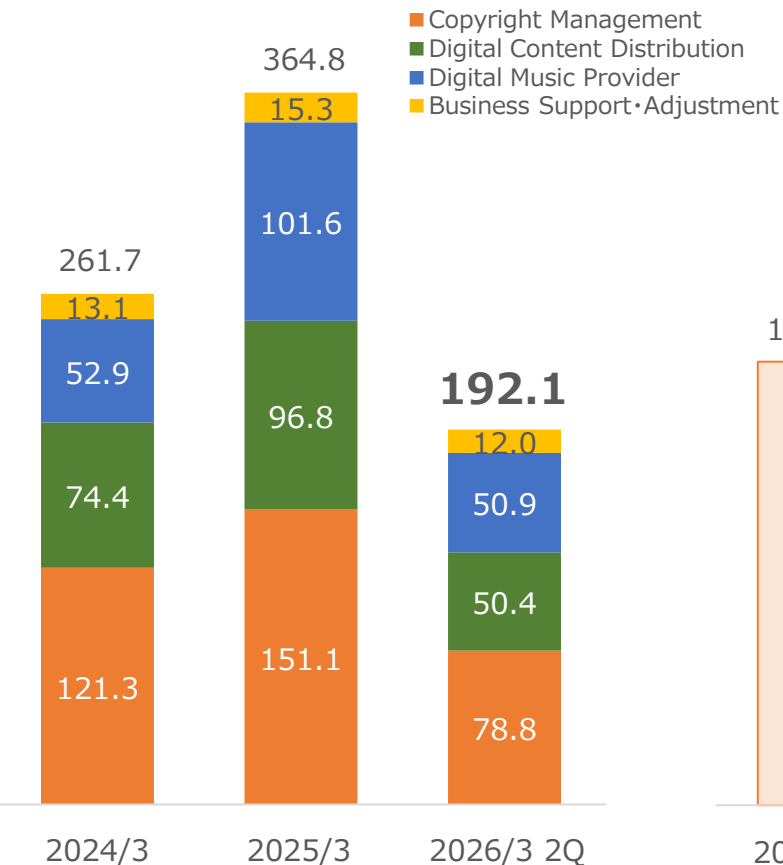


Medium-term Business Results

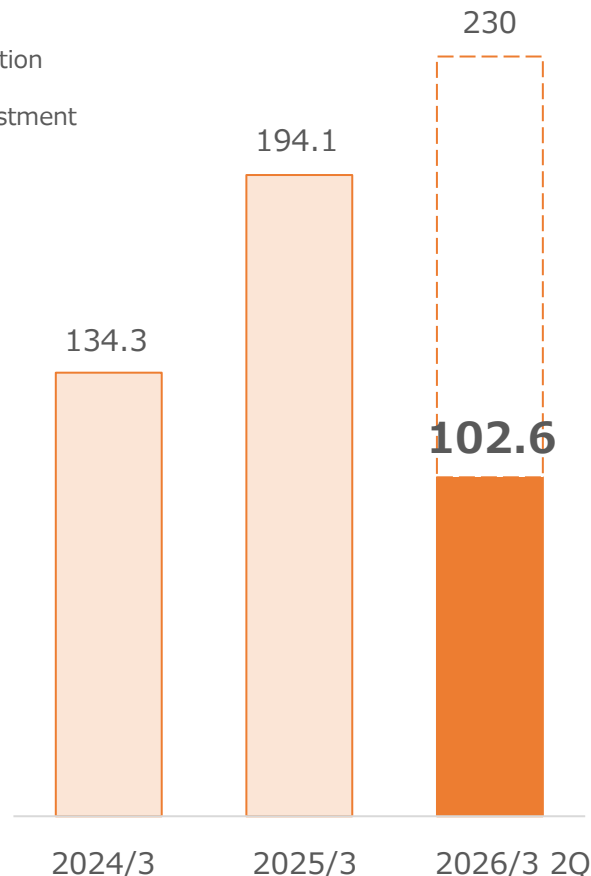
- ✓ Transaction volume and net sales remained strong against the backdrop of the expansion of the music distribution market and an increase in the number of songs under copyright management and the number of master recordings handled.

Transaction volume (¥100 million)

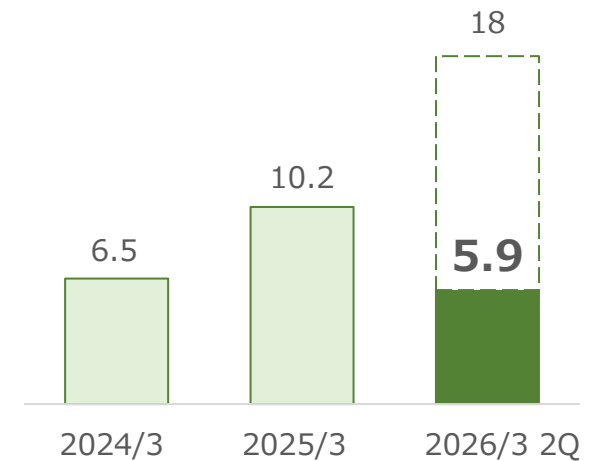
Copyright management: Transaction volume
= Amount collected
(Only the Company's commission is included in sales.)



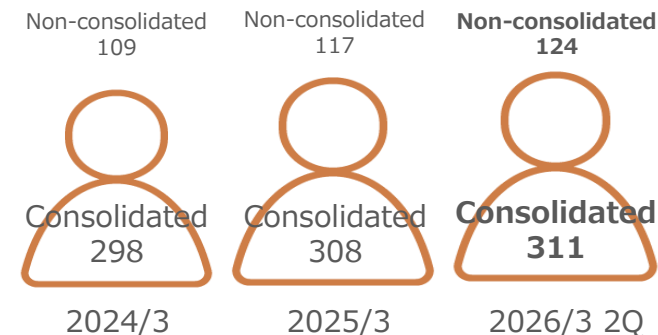
Net sales (¥100 million)



Ordinary profit (¥100 million)



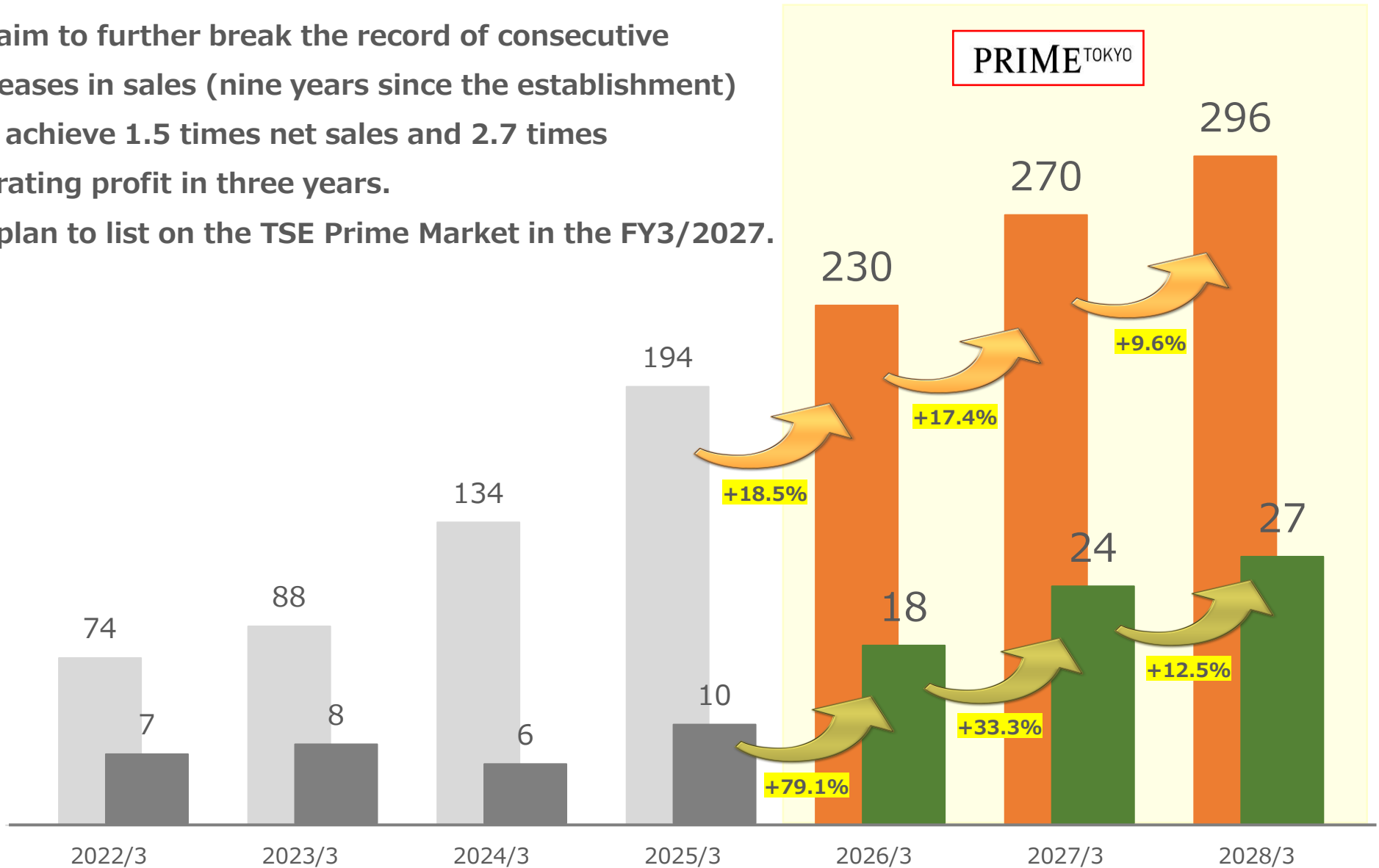
Number of employees (persons)



Medium-term Business Plan (FY3/2026 - FY3/2028)

Medium-term Business Plan (Consolidated) (FY3/2026 - FY3/2028)

We aim to further break the record of consecutive increases in sales (nine years since the establishment) and achieve 1.5 times net sales and 2.7 times operating profit in three years. We plan to list on the TSE Prime Market in the FY3/2027.



Medium-term Business Plan (By Segment)

(¥100 million, unless otherwise stated)

	2025/3	2026/3		2027/3		2028/3	
		Plan	Year-on-year	Plan	Year-on-year	Plan	Year-on-year
Net sales	194.1	230	+18.5%	270	+17.4%	296	+9.6%
Copyright Management Business	15.2	19.2	+26.3%	22.6	+17.7%	24.8	+9.7%
DD business	96.8	125.3	+29.4%	144.2	+15.1%	165.1	+14.5%
Digital Music Provider Business	75.8	75.1	-0.9%	71.3	-5.1%	67.3	-5.6%
Business Support	14.9	26.3	+76.5%	39.8	+51.3%	48.1	+20.9%
Reconciling items	-8.7	-15.9	—	-7.9	—	-9.3	—
SG & A	38.2	43	+12.6%	44	+2.3%	46	+4.5%
Personnel expenses	23.5	26	+10.6%	27	+3.8%	29	+7.4%
Others system	14.6	17	+16.4%	17	± 0	17	± 0
Operating profit	10.0	18	+79.1%	24	+33.3%	27	+12.5%
Copyright Management Business	6.9	8.9	+29.0%	11.1	+24.7%	12.3	+10.8%
DD business	9.6	12.5	+30.2%	13.6	+8.8%	15.4	+13.2%
Digital Music Provider Business	13.3	14.8	+11.3%	14.6	-1.4%	13.9	-4.8%
Business Support	-4.2	-1.8	—	2.5	—	4.1	+64.0%
Reconciling items	-15.6	-16.4	—	-17.8	—	-18.7	—
operating margin	5.2%	7.8%	+2.6pt	8.9%	+1.1pt	9.1%	+0.2pt
Number of copyright-controlled works (10,000 Melody)	69.1	79	+14.3%	91	+15.2%	104	+14.3%
Number of master recordings Handled (10,000 master recordings)	147.0	175	+19.0%	200	+14.3%	225	+12.5%

Management indicators that are important to management

Business KPIs

- ◆ Transaction volume of Copyright Management Business (%)

Target: Growth rate of 10% or more
FY3/2025: 24.5% increase

- ◆ Share of royalty revenue (%)

Target: 10% in the medium term, 50% in the long term
FY3/2024: 7.8%

- ◆ Number of songs under copyright management (10,000 songs)

Target: Increase by 10 songs or more every fiscal year
FY3/2025: 17 songs added, 69.1 songs

- ◆ Number of master recordings handled (NexTone + RecoChoku + Eggs) (10,000 master recordings)

Target: Increase by 23 master recordings or more each fiscal year
FY3/2025: Increase of 20.7 master recordings, 147 master recordings

Financial KPIs

- ◆ Net sales (Amount)

Target (FY3 / 2028): ¥29.6 billion or more
FY3/2025: ¥19.41 billion

- ◆ Net sales to the previous fiscal year (%)

Target (FY3 / 2028): Growth rate of 10-20%
FY3/2025: 44.6%

- ◆ operating margin (%)

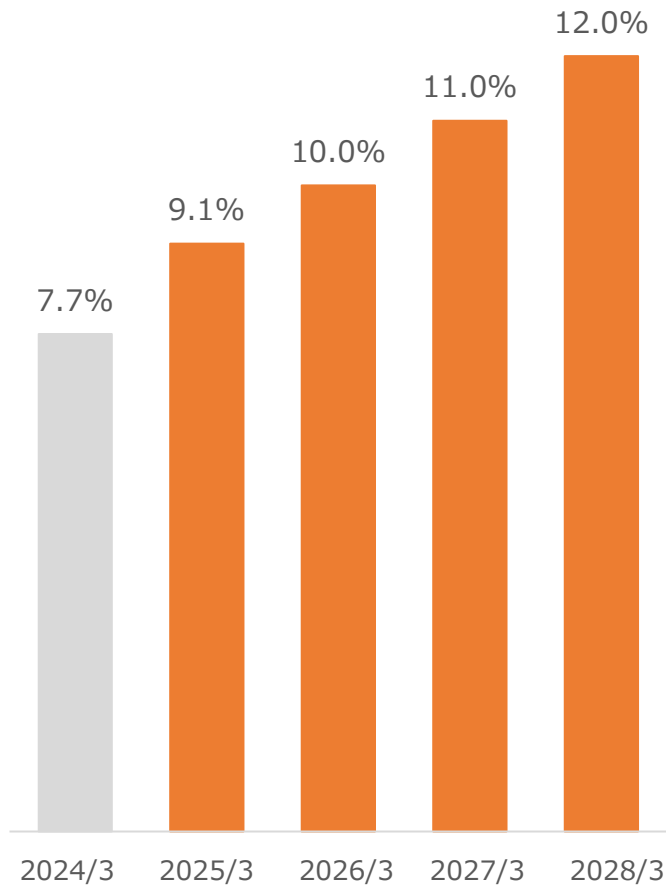
Target (FY3 / 2028): 9% or higher
FY3/2025: 5.2%

- ◆ Increase in ordinary profit (Amount)

Target (by the FY3/2026): Satisfy the TSE Prime Market standard
(Total of ¥2.5 billion over two years)
FY3/2025: ¥1.02 billion

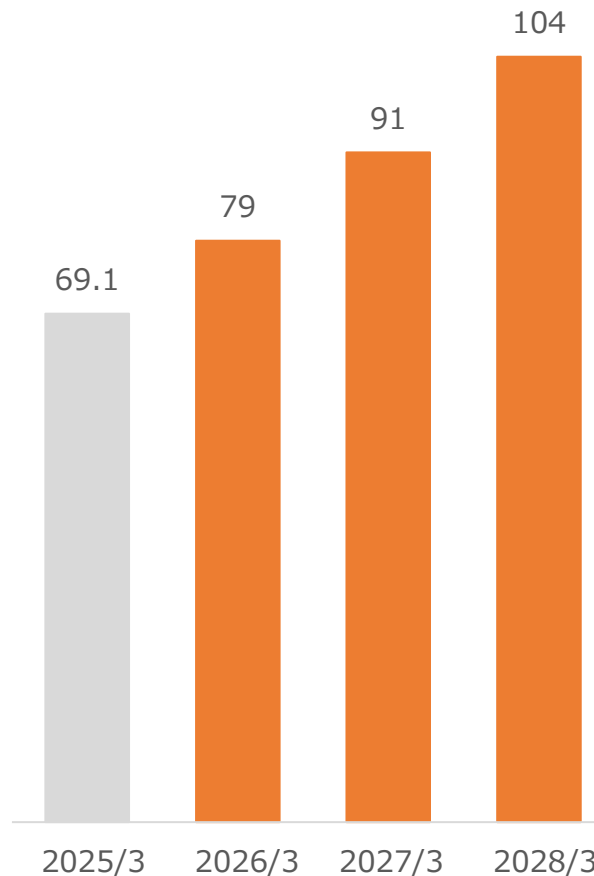
Expansion plan for business KPIs

- ◆ Share of royalty revenue (%)
Target: 10% in the medium term,
50% in the long term



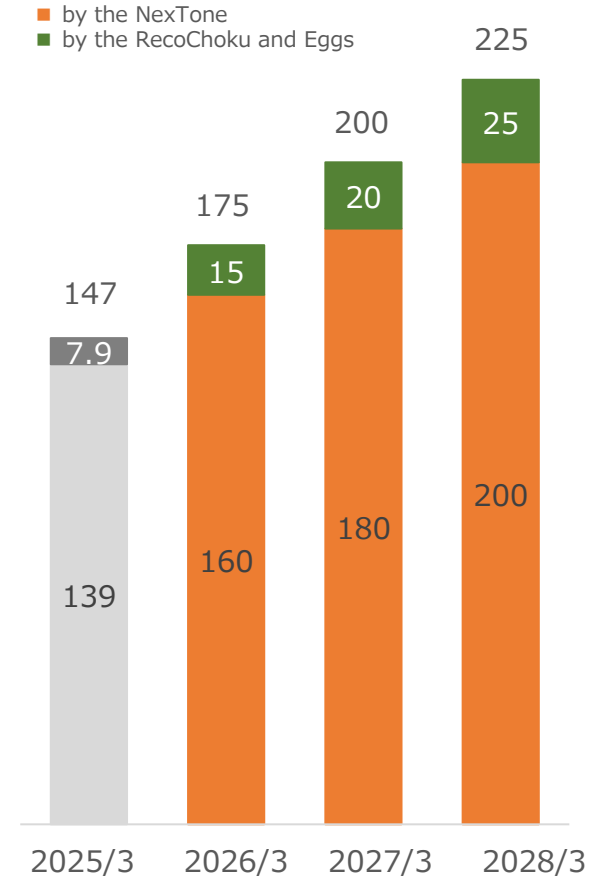
- ◆ Number of songs under copyright management
Target: Increase by 100,000 songs or more every fiscal year

(10,000 songs)



- ◆ Number of master recordings handled
Target: Increase by 230,000 master recordings or more each fiscal year

(10,000 master recordings)



* Market share from FY3/2025 onward is the share of JASRAC royalties.
Calculated on the assumption that the amount collected will increase by 6% year-on-year

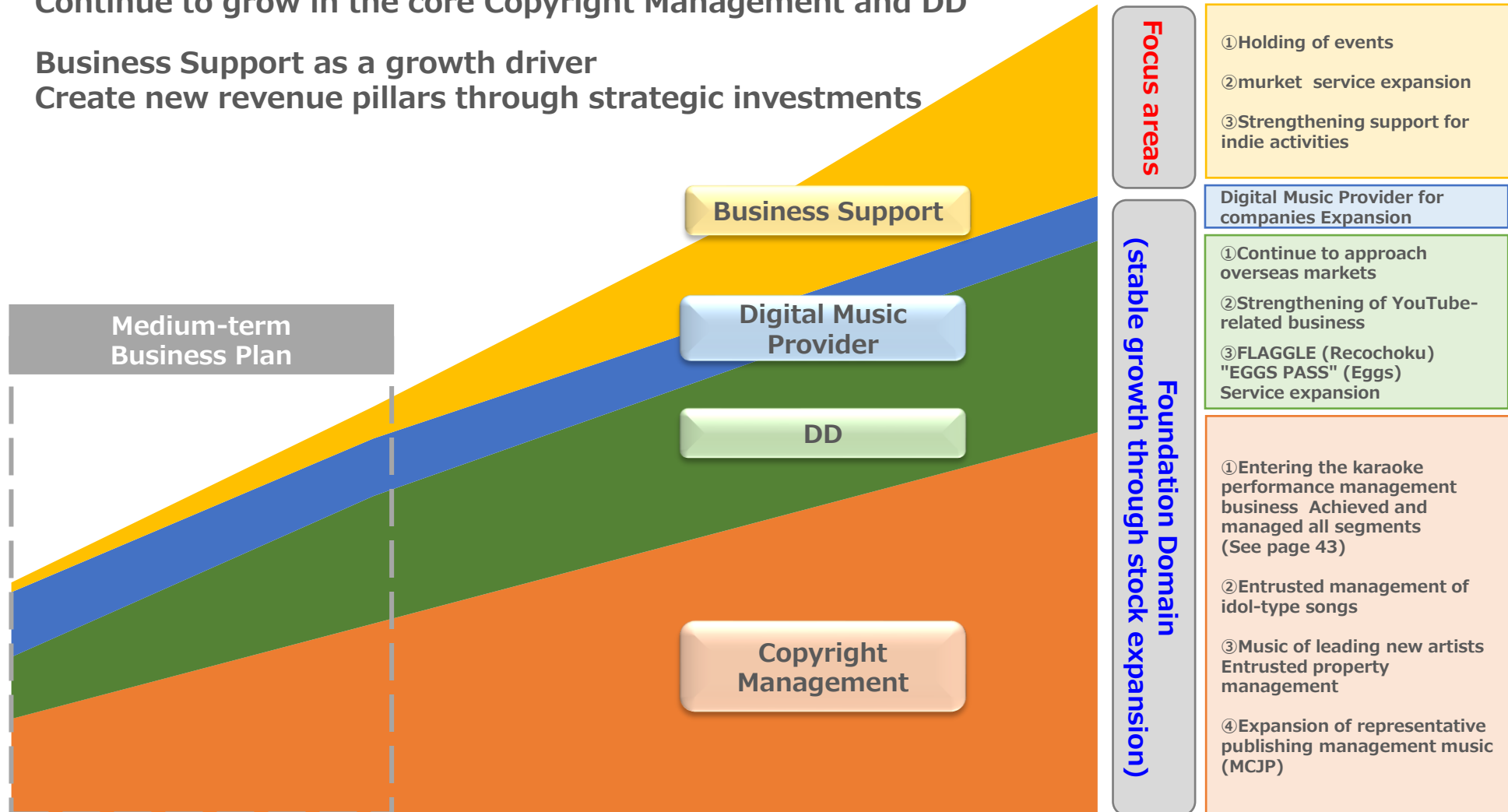
Future Growth Strategies

Image of business growth (Transaction volume basis)

Continue to grow in the core Copyright Management and DD

Business Support as a growth driver

Create new revenue pillars through strategic investments



Sustainability Initiatives / Human Capital Policy

Sustainability Policy

As the one and only agent playing the sound of the next generation, the NexTone Group continually expands the business of managing and promoting the use of music copyrights and the business of supporting rights holders and creators to ensure the appropriate collection and distribution of music copyright licensing fees and support, thereby contributing to the creation of a rich society, further development of the music culture and industry, and realization of a sustainable and better society.

Environment environment

Social Society

Governance Governance

Materiality		
Promotion of DX	Sustainable development of music culture and the music industry	Highly reliable system
	Development and utilization of human resources	Strengthening governance

Indicators related to human capital (as of March 31, 2025)			
Indicators	single	Consolidated	Targets
Ratio of women in managerial positions	21.1%	22.5%	FY3/2026:30% or more
Gender pay gap (*1)	69.6%	69.9%	FY3/2026:75% or more
Male employees taking childcare leave	100%	66.7% (*2)	75% or more
Paid leave utilization rate (*3)	48.5%	38.3%	FY3/2026:60% or more

*1. In calculating the gender wage gap, employees on leave of absence and temporary employees (employees working less than 20 hours per week) are excluded from the calculation of average salary, etc.

*2. Some group companies have adopted flexible working systems, such as flextime systems and telecommuting, to enable each company to balance childcare and work.
We encourage employees to work in a comfortable and comfortable environment.

*3. The number of paid leave days taken includes the number of paid leave days carried over from the previous fiscal year.

APPENDIX NexTone Company Overview

Company overview

Company name	NexTone Inc.	
representative	President & CEO Masahiro Anan	
Date of incorporation	September 2000 (Changed corporate name to NexTone in February 2016 after merger of eLicense and Japan Rights Clearance)	
head office location	Yebisu Garden Place Tower 10F, 4-20-3 Ebisu, Shibuya-ku, Tokyo, JAPAN	
Capital stock	¥1,218 million (the end of March 2025)	
Composition of Directors	President & CEO Masahiro Anan President & COO Yuji Arakawa Managing Director Fumihiro Watanabe Director Daisuke Adachi Outside Director Yuko Abe * Outside Director Junki Kosaka * Outside Director Atsuko Ogi * Outside Director Yu Tamura *	Full-time Auditor Kazutoshi Watanabe Outside Auditor Nobuyuki Kobayashi * Outside Auditor Toshifumi Oshima * * The Company has designated Ms. Yuko Abe, Mr. Junki Kosaka, Ms. Atsuko Ogi, Mr. Yu Tamura, Mr. Nobuyuki Kobayashi, and Mr. Toshifumi Oshima as Independent Officers as set forth by Tokyo Stock Exchange, Inc.
Description of business	Copyright Management Business / DD Business / Digital Music Provider Business / Business Support	
S a l e s	Consolidated: 19,412 million yen (FY3/2025)	
Number of employees	Consolidated: 308, Non-consolidated: 117 (the end of March 2025) * Excluding part-time workers	
total assets	¥14,831 million (the end of March 2025)	
G r o u p companies	NexTone Systems Inc. MCJP Inc. RecoChoku Co.,Ltd. Eggs Co.,Ltd.	

- ✓ Through the capital and business alliance with RecoChoku, we revised our corporate philosophy on April 1, 2024, with the aim of clearly stating the ideal image we should aim for as a comprehensive music agent that goes beyond music copyright management in the future, and reviewing our raison d'être.

Corporate Philosophy

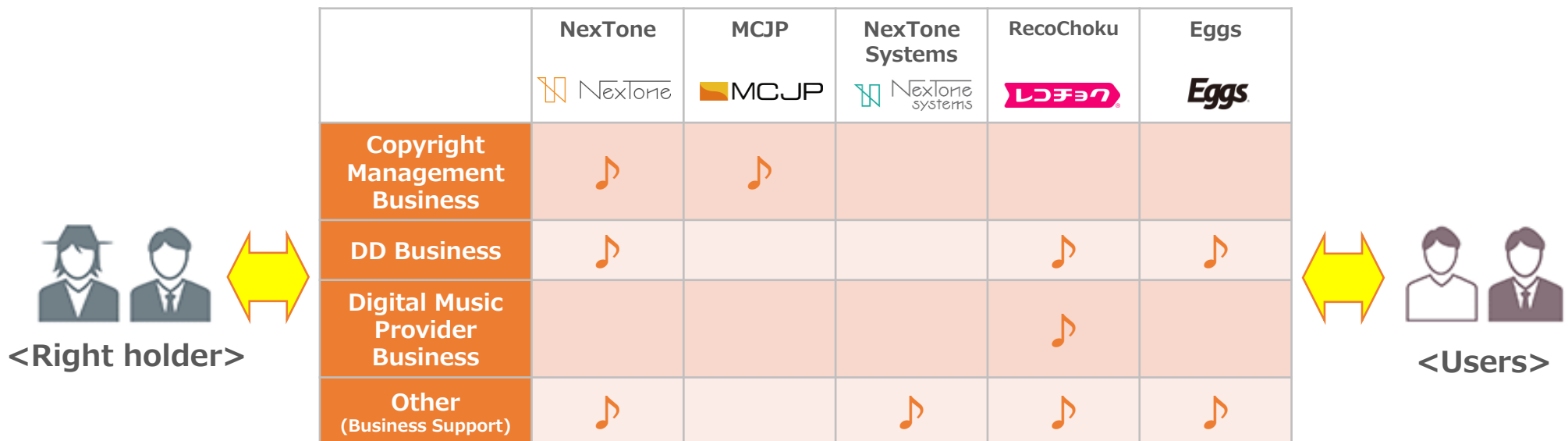
For the Future of Music

– We will continue our challenge for the development of the music culture and industry –

vision

The one and only agent playing the sound of the next generation

Matrix diagram of the Group's business



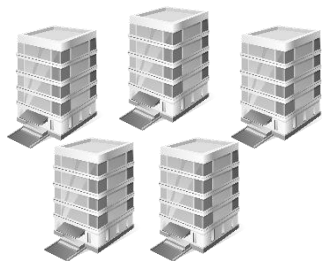
Background of Establishment (Company history)

- ✓ With the enforcement of the "Act on Copyright, etc. Management Service" many private companies have entered the business, assuming the progress of digitization.
- ✓ The Company was established through the merger and integration of two of these companies, e-License Inc. and Japan Rights Clearance Inc.
- ✓ Barriers to entry are extremely high, and each company has effectively withdrawn. Currently, the Company is the only private company that is taking action against JASRAC.

"Low commission fees"
"Songs and continuous
Music must be provided."
"Requires investment in
expertise and systems"

Substantial withdrawal
* 1

Other companies
(more than 20)



Many private companies have entered the
music copyright management business.

November 2000
Act on Copyright, etc. Management
Service * 2 was enacted.

September 2000

e-License Inc.

December 2000

Japan Rights Clearance Inc.

Merger and
business
integration

February 2016

the company



September 2023
RecoChoku CO., LTD.

Capital and business
alliance

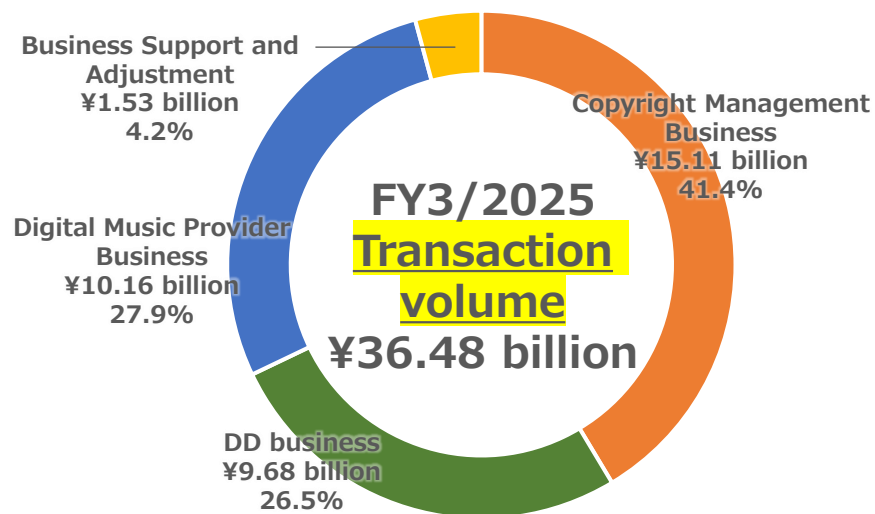
Japanese Society for Rights of Authors, Composers and Publishers(JASRAC)

* 1 Although the company registration remains, music management has already been transferred to the JASRAC.

* 2 Before the Act on Copyright, etc. Management Service. was enacted, the Japanese Society for Copyrights in Music (JASRAC) was the only management company authorized under the Act on Intermediary Services for Copyrights.

Description of business (Consolidated)

- ✓ In addition to the core Copyright Management Business, the Group operates the DD Business, Digital Music Provider Business, and Business Support to provide broad support to both rights holders and users in the music industry.

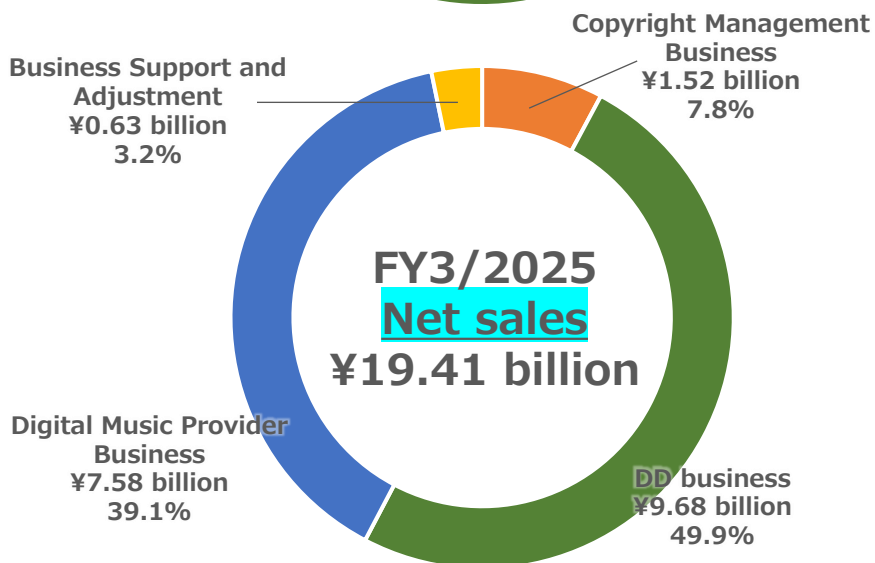


■ Copyright Management Business

License of the music works entrusted by the copyright holder; Collection and distribution of royalties, and agency services for music publishers

■ DD Business

To provide music and video content to music distributors in Japan and overseas, the Company will provide a comprehensive service.
Content management service for YouTube



■ Digital Music Provider Business

Digital Music Provider(for individuals),
Digital Music Provider(for companies)

■ Business Support

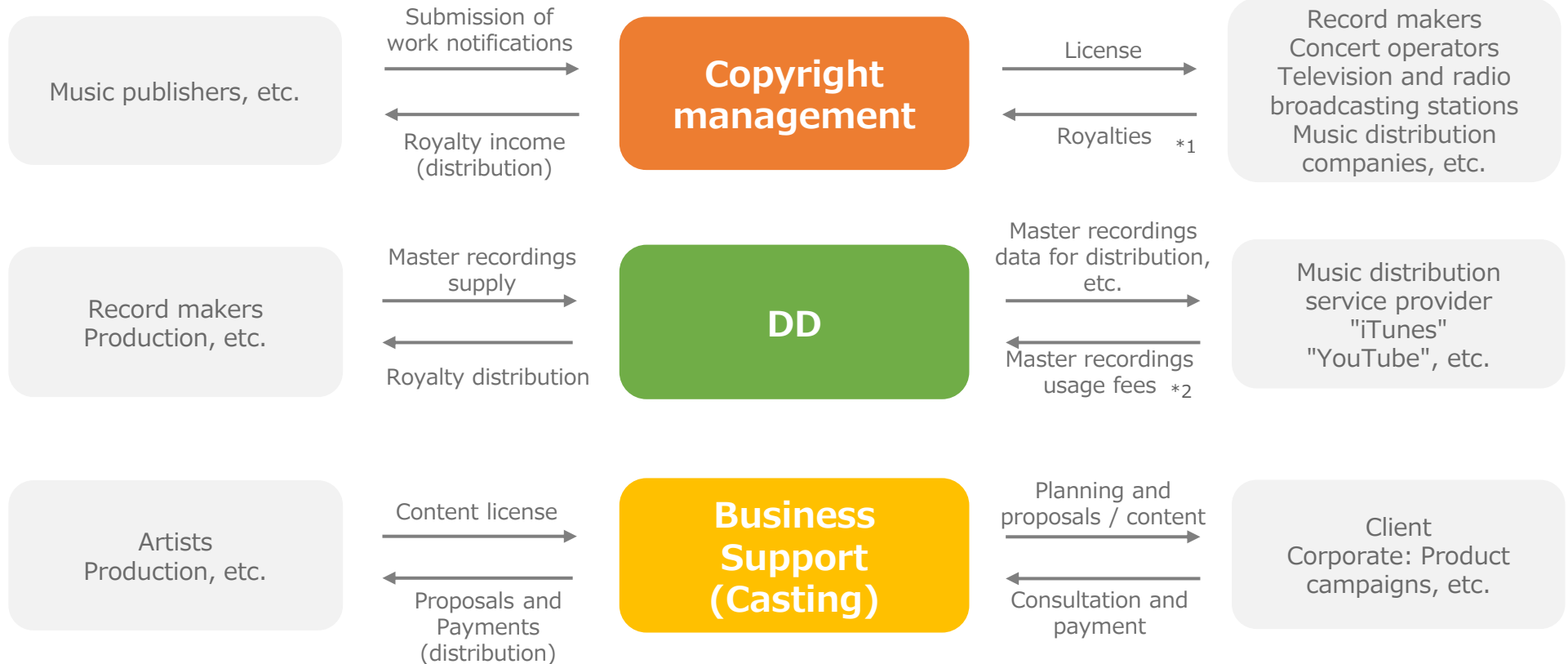
Casting Business, Reuse Product Business, System Development, Maintenance and Operation Business, Solution Business, Agent Business, etc.

- ✓ The Company functions as an intermediary agent between right holders and users.
- ✓ We are developing a stock-type business that basically collects usage fees from users and distributes them to content holders and others.

Rights holders



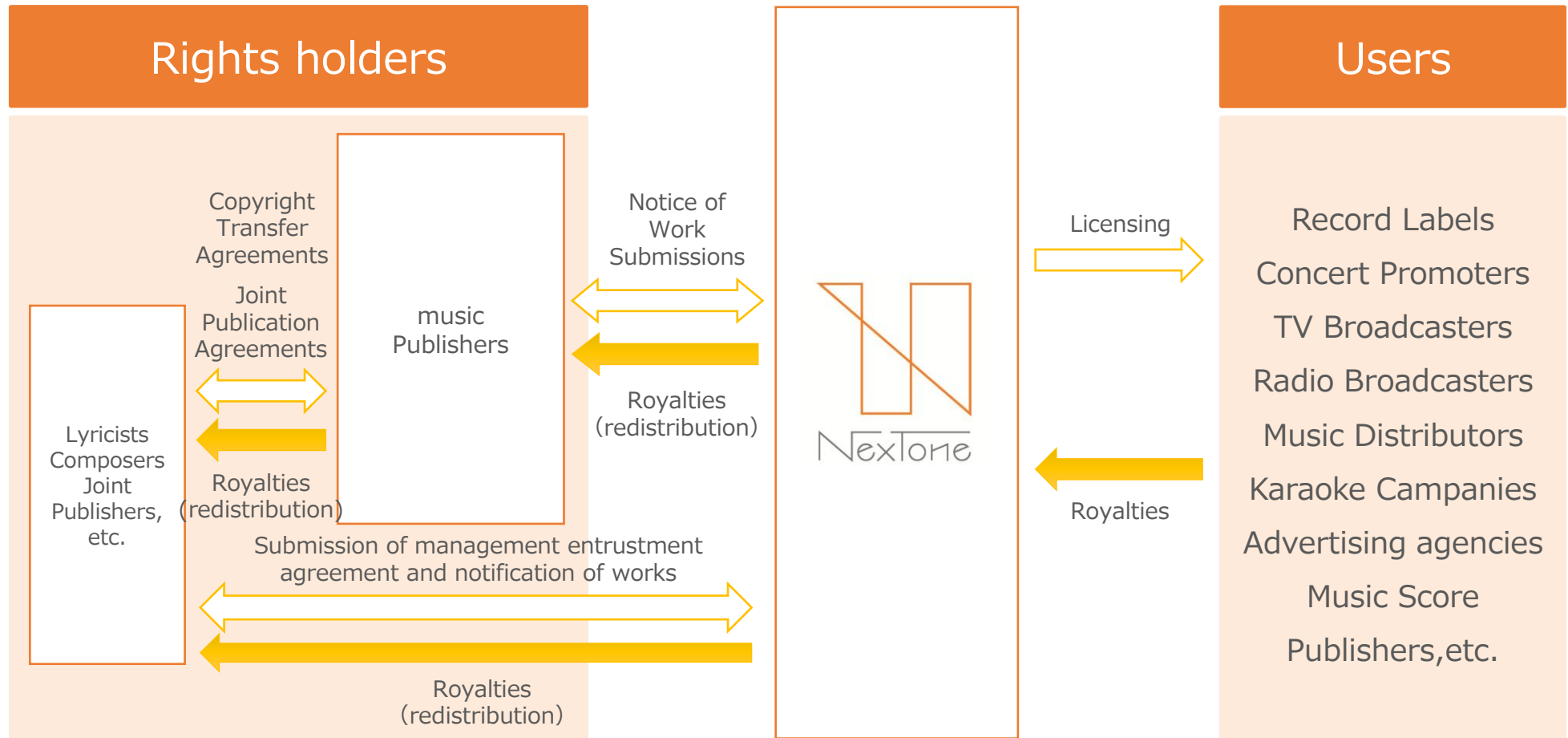
Users



* 1 Only the Company's commission portion of the amount collected is recorded as sales.

* 2 The amount collected is recorded as sales.

Basic Flow of the Company's Copyright Management Business



Scope of Copyright Management Business and DD Business

Copyright Management Business

[Managed assets]

Songs

By author
Produced
Music works

"Lyrics" and "Melody"



management



Users
"Record maker"
"Concert operator"
"Television and Radio Stations"
"Music distribution business"
To "karaoke operators"
For the use of music works
License, and collect and distribute usage fees

DD Business

[Managed assets]

Master recordings

Depending on the artist
Recorded demonstration
Original content

Sound and Video Data



management



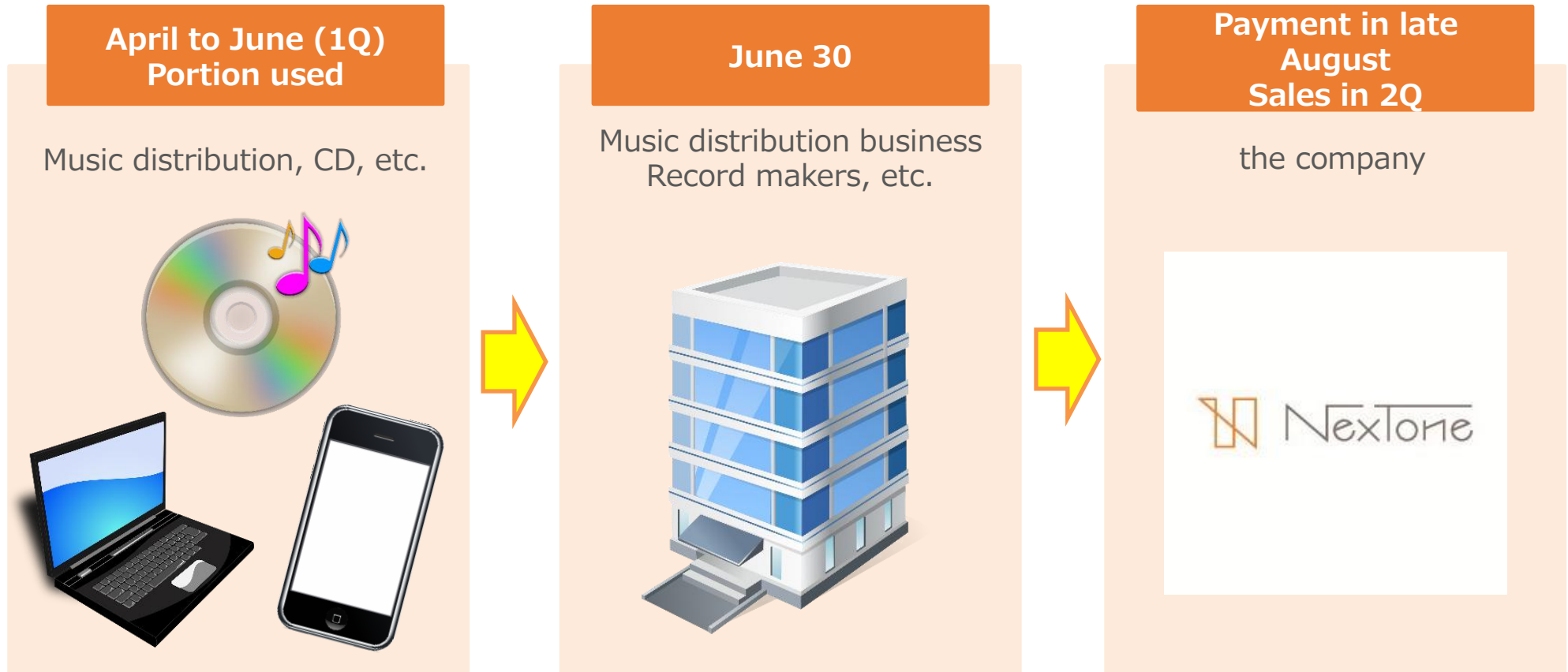
Original content
Domestic and overseas
Music distribution service
"iTunes"
"YouTube"
"amazon music" and
"Spotify"
Royalty
Collection and distribution

iTunes is a trademark of Apple Inc. / YouTube is a trademark of Google LLC

Amazon music is a trademark of Amazon.com, Inc. or its affiliates. / Spotify is a registered trademark of Spotify Group.

Copyright management Business: Time lag between use and sales

- ✓ As shown in the diagram below, there is a time lag of 1Q between the timing of Interactive transmission, Mechanical rights, Publication rights, Lending rights, etc. and the timing of sales recognition.
- ✓ There is a 2Q time lag between Broadcasting and On-line karaoke for business use.



Comparison with JASRAC

[Characteristics of the Company's Copyright Management]

- ✓ Flexible management that takes into account the wishes of right holders to the greatest extent possible.
- ✓ In addition to providing highly transparent distribution details that show the detailed usage status of managed songs, we provide a distribution analytics tool.

	The Company	JASRAC
Royalty collection (Actual for FY3/2025)	¥14.15 billion	¥144.58 billion
Royalty collection Changes	<div><div>11.55</div><div>14.15</div><div>+22.5%</div></div> <div>2024/32025/3</div>	<div><div>137.16</div><div>144.58</div><div>+5.4%</div></div> <div>2024/32025/3</div>
Management method	Mainly digital management	Mixed analog / digital management
Scope of Management of Copyrights, etc.	Other than "Places of entertainment, karaoke performances, etc."	All domains
settlor Type of contract with	consignment contract <Delegation / Brokerage>	Trust agreement <Copyrights transferred to JASRAC>
Reflecting the Will of Rights holders	At the discretion of the rights holders Flexible rate changes	It is difficult to reflect the intent of rights holders

(Source) JASRAC collection is JASRAC, Press conference materials for each fiscal year

Features and Strengths 1

The one and only Challenger

- ✓ In 2000, the law was revised and some 20 companies announced they would enter the market.
- ✓ However, all new entrants other than the Company have effectively scaled back their businesses. Currently, the Company has a two company structure consisting of the JASRAC and the Company.
- ✓ System management of data and information related to the daily use of a large amount of copyrights, collection of specific fees, and distribution payment operations are quite burdensome. Barriers to entry are high.

Barriers to entry into the copyright management business

① Copyright management is a low-profit business with commission fees of 5.0% to 9.8%

② Requires system management capabilities for the enormous and complex data and information related to daily copyright use

③ Stable and continuous music from leading copyright holders Management outsourcing is required.



With the revision of the law in 2000 More than 20 companies have registered.
Currently in a virtual withdrawal state



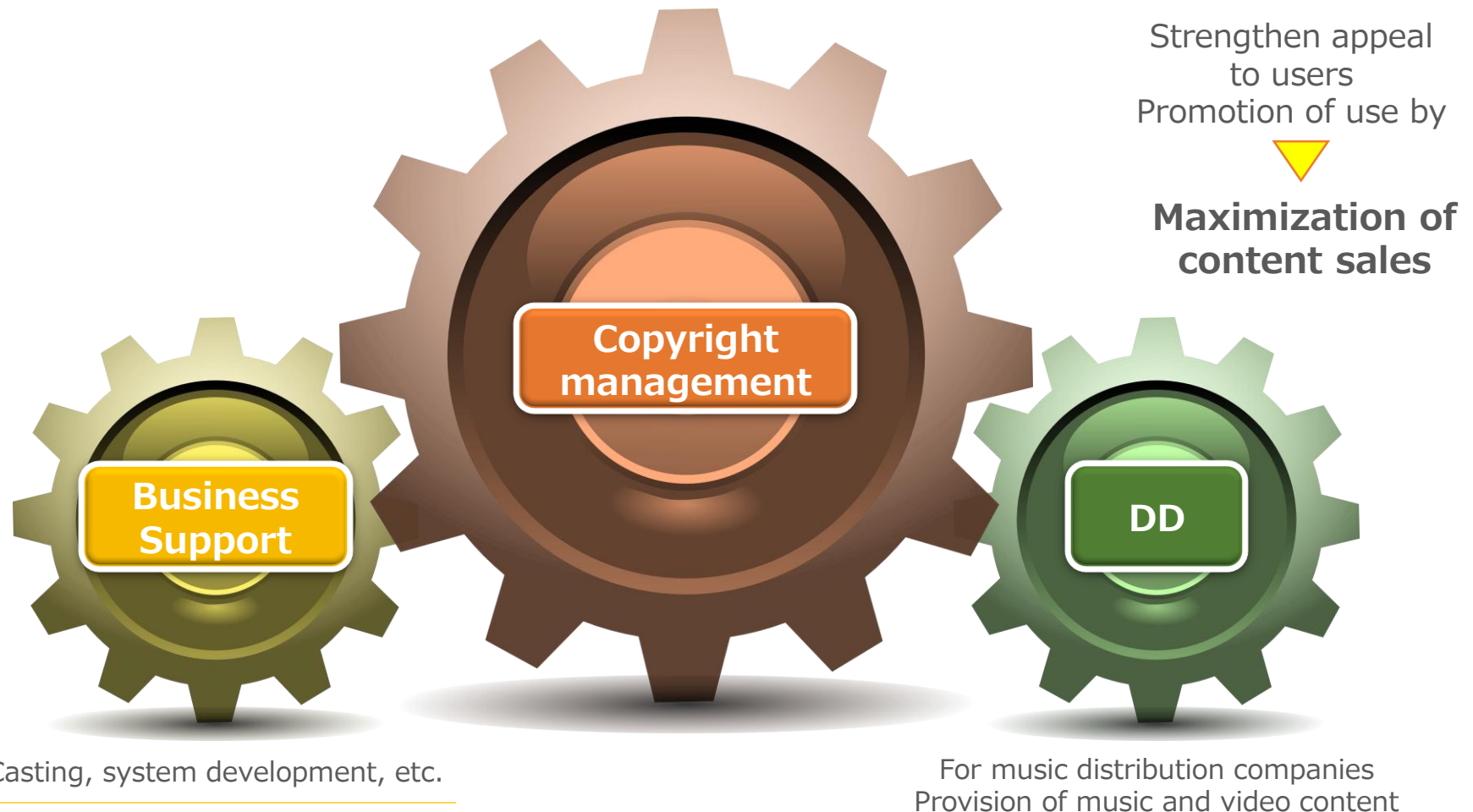
We are the only private company in the music copyright management business.
Transition to a two company structure consisting of the JASRAC and the Company

Characteristics and Strengths 2

Promoters of usage promotion

- ✓ Music usage data will also be used as an important asset to promote usage.
- ✓ Accelerate the speed of music penetration through content provision (DD) and business support for music distributors using data.

The one and only agent that not only manages music copyrights but also promotes their use



Characteristics and Strengths 2

Promoters for promoting use (case study)

Examples of initiatives with the VTuber Group "hololive"



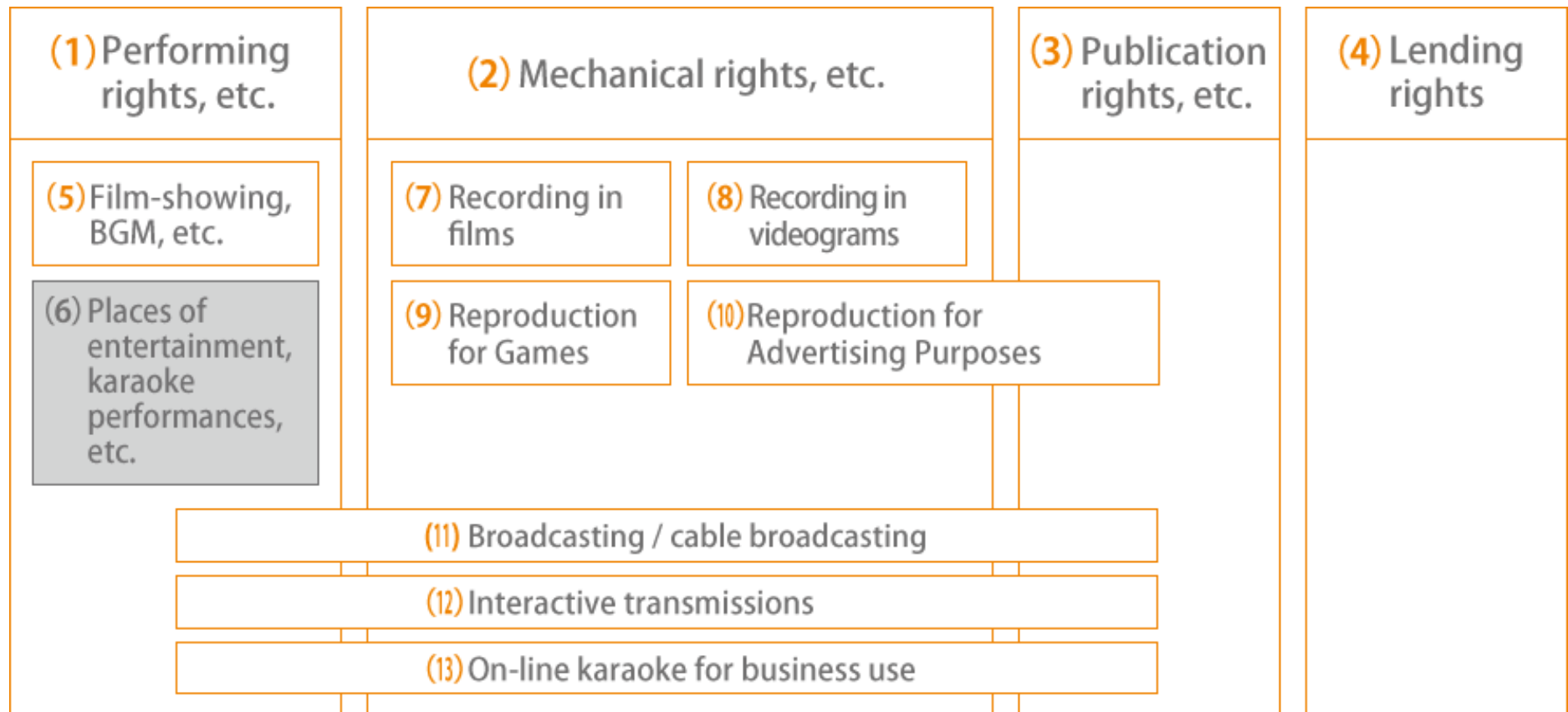
**Copyright
management**

**Music Publishing
Company
Business execution**

DD

CRIP
Music on YouTube
**Measures to improve
earnings from cover videos**

- ✓ Music copyrights are formed by the four decentralization <(1) ~ (4)> and the nine usage <(5) ~ (13)>. *
- ✓ As of April 2022, the Company manages all domains except "(6) Places of entertainment, karaoke performances, etc."



* In April 2022, "(5) Film-showing, BGM, etc." and "(6) Places of entertainment, Karaoke performances, etc." were added to the "(1) Performing rights, etc." category.

APPENDIX Overview of the RecoChoku Group

RecoChoku Company Overview



Company name	RecoChoku Co.,Ltd.
Mission	Maximize the revitalization of the music market
vision	Design a new relationship between people and music.
Incorporation date	July 2001
Capital stock	¥100 million
Major Shareholder	<ul style="list-style-type: none">•NexTone Inc.•AVEX ENTERTAINMENT CO., LTD.•Sony Music Entertainment (Japan) Inc.•Victor Entertainment Co.
representative	Toru Itabashi, President and CEO
Transaction volume / Net sales	Transaction volume: ¥12,600 million / Net sales: ¥8,600 million (FY3/2025) * Consolidated with Eggs Co.,Ltd.
Number of employees	191 people (Consolidated) ((the end of March 2025) * Consolidated with Eggs
Description of business	<ul style="list-style-type: none">•Digital Music Provider Business (for individuals, for companies)•Solutions Business
affiliated companies	Eggs Co.,Ltd. •Indie Artist Activity Support Business

Eggs Company Overview



Company name	Eggs Co.,Ltd.
Mission	Create a future full of diverse music.
vision	Meet artists and fans as many times as possible.
Incorporation date	December 2019
Capital stock	¥100 million
Major Shareholder	RecoChoku Co.,Ltd.
representative	Eitaro Shibasaki, CEO
Net sales	¥803 million (FY3/2025)
Number of employees	20 people ((the end of March 2025) (including employees seconded from RecoChoku Co.,Ltd.)
Description of business	Indie Artist Activity Support Business •DD Business •Agent Business

Digital Music Provider (for individuals)

A la carte



Streaming



Digital Music Provider (for companies)



solution (Business support for right holders)

Direct sales business support



Distribution and distribution
support



DX / Operation, etc.
Operational support

Eggs (Support for indie activities)

media

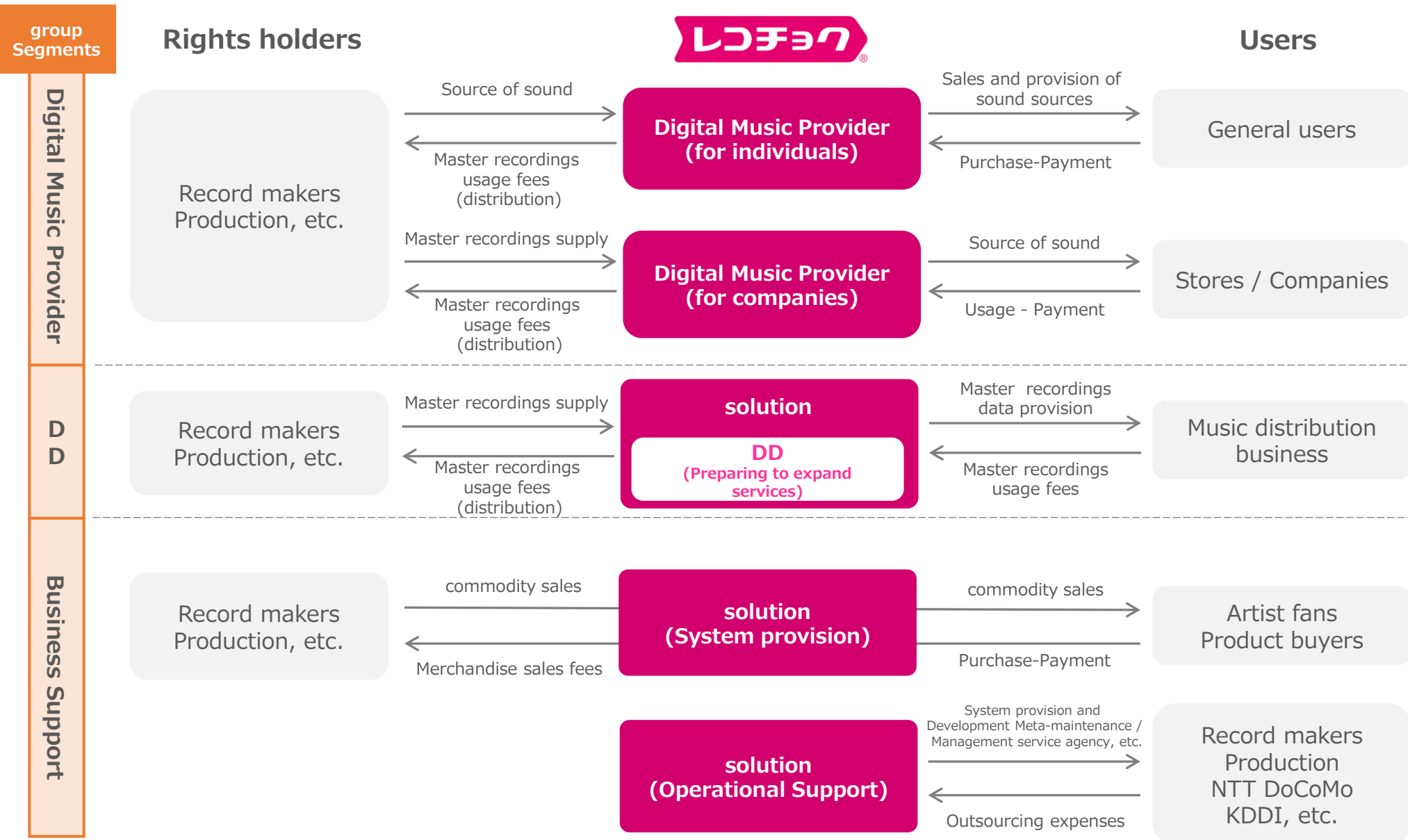


For DIY
Distribution and distribution
support

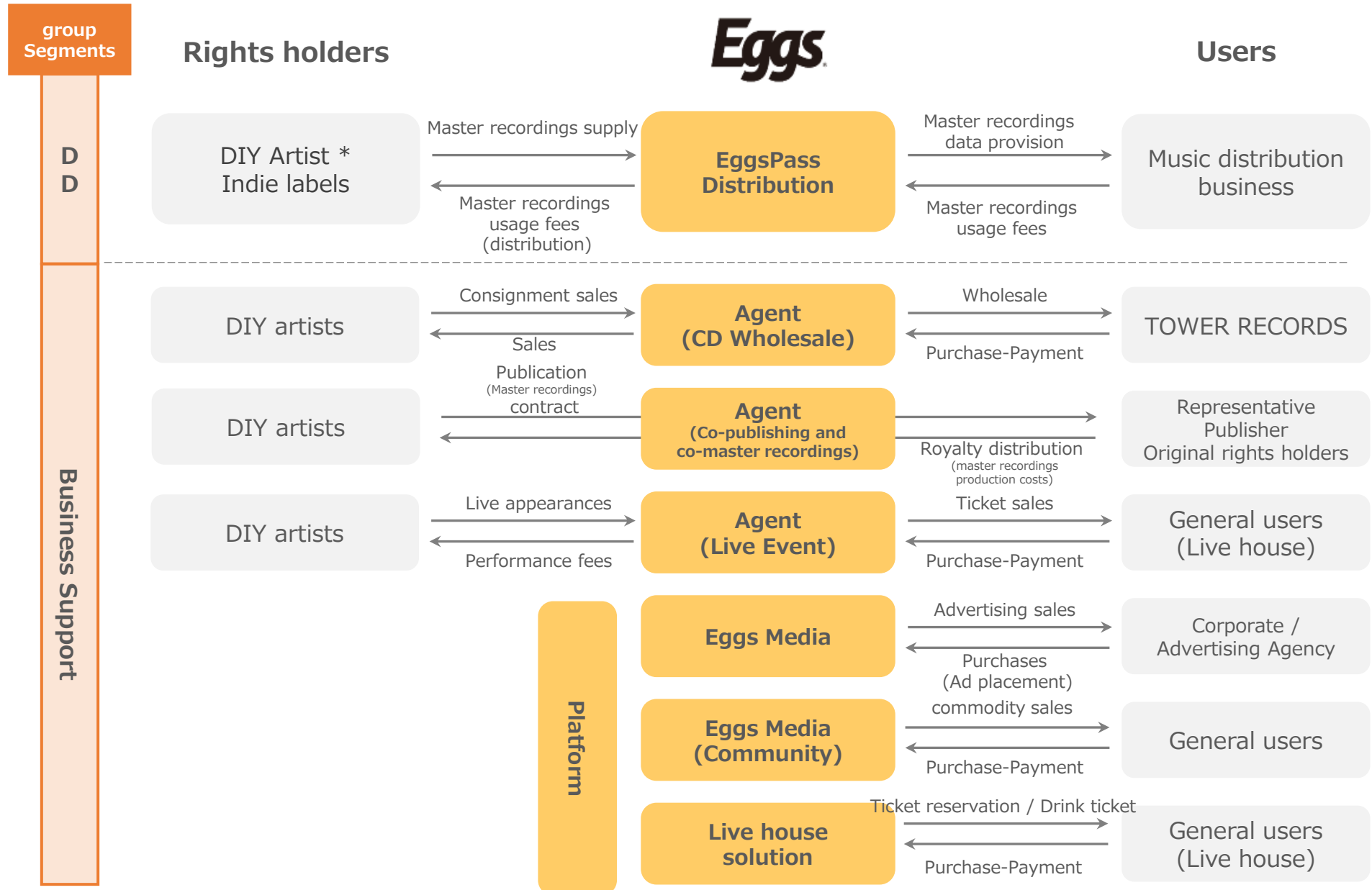


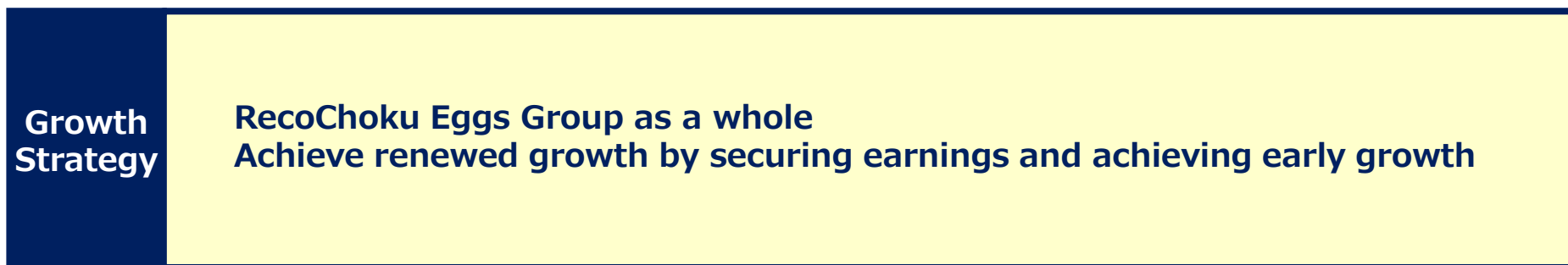
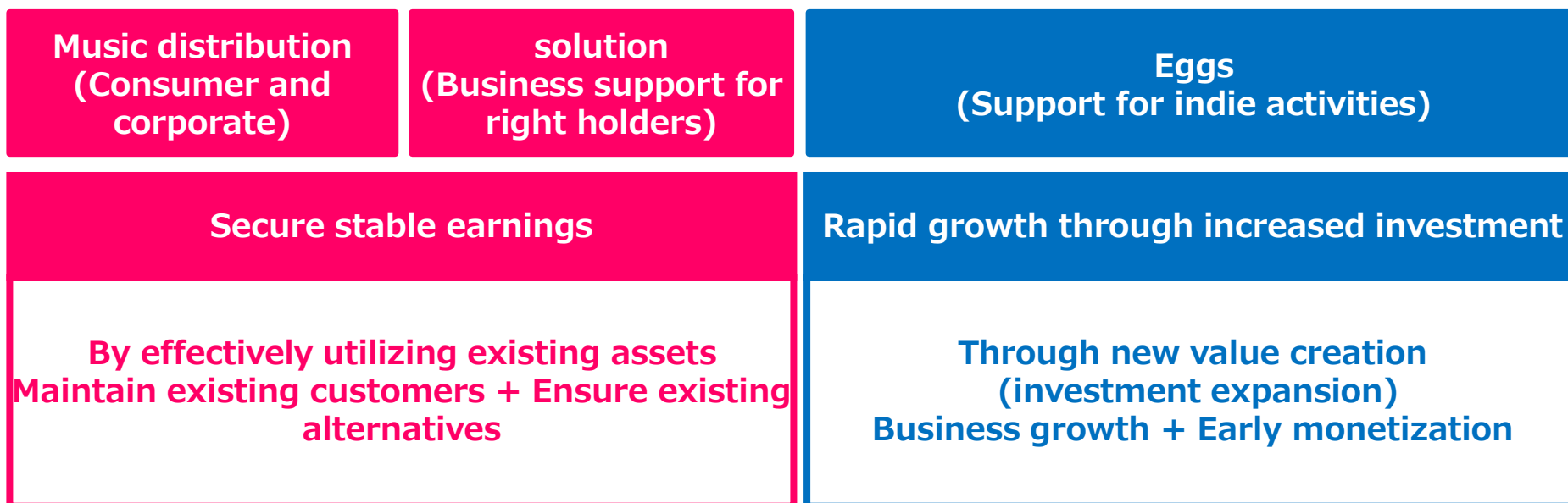
Merchandise sales / Live /
License Agent

Business Flow



Business Flow

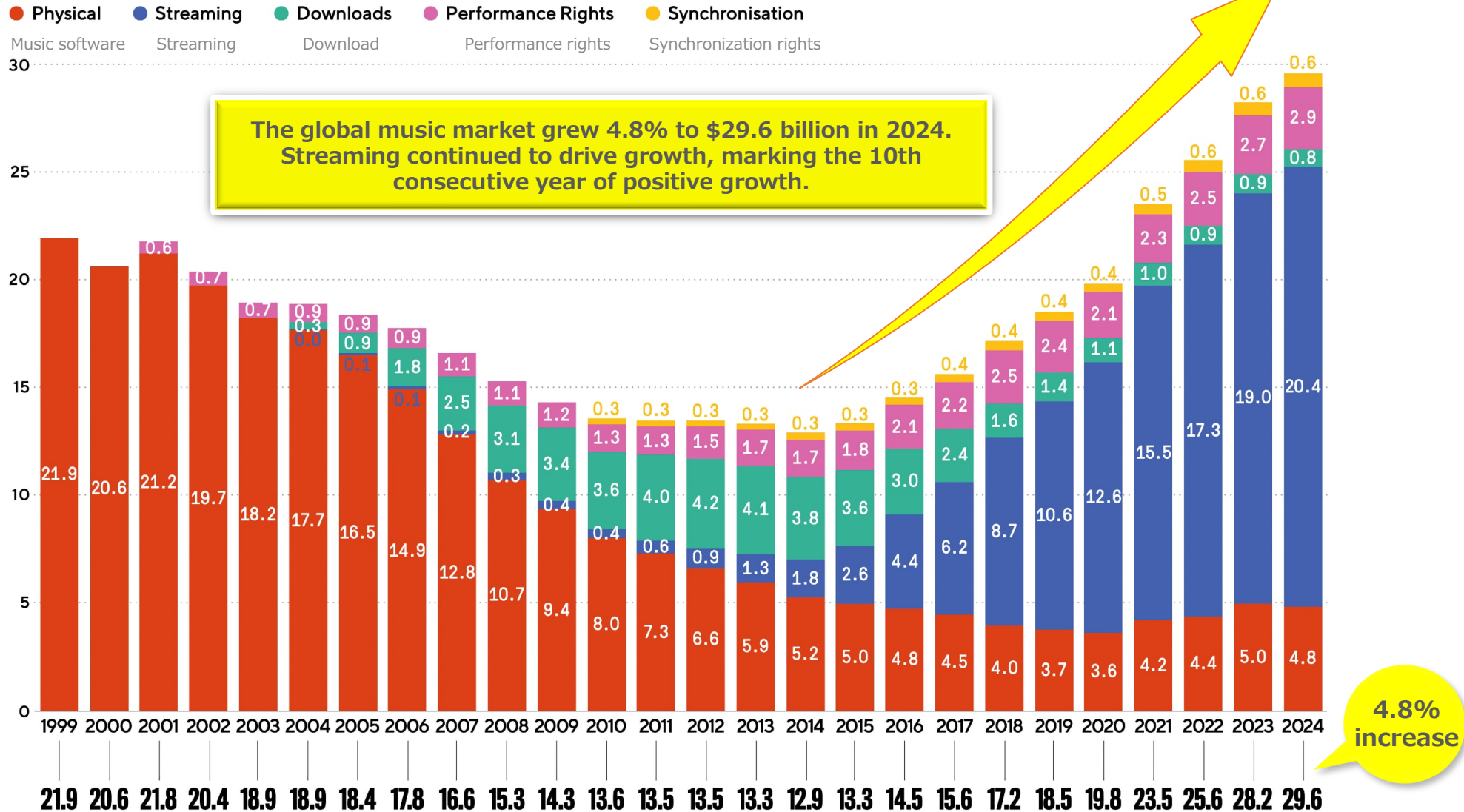




APPENDIX Related Market Data

Global Music Market Sales

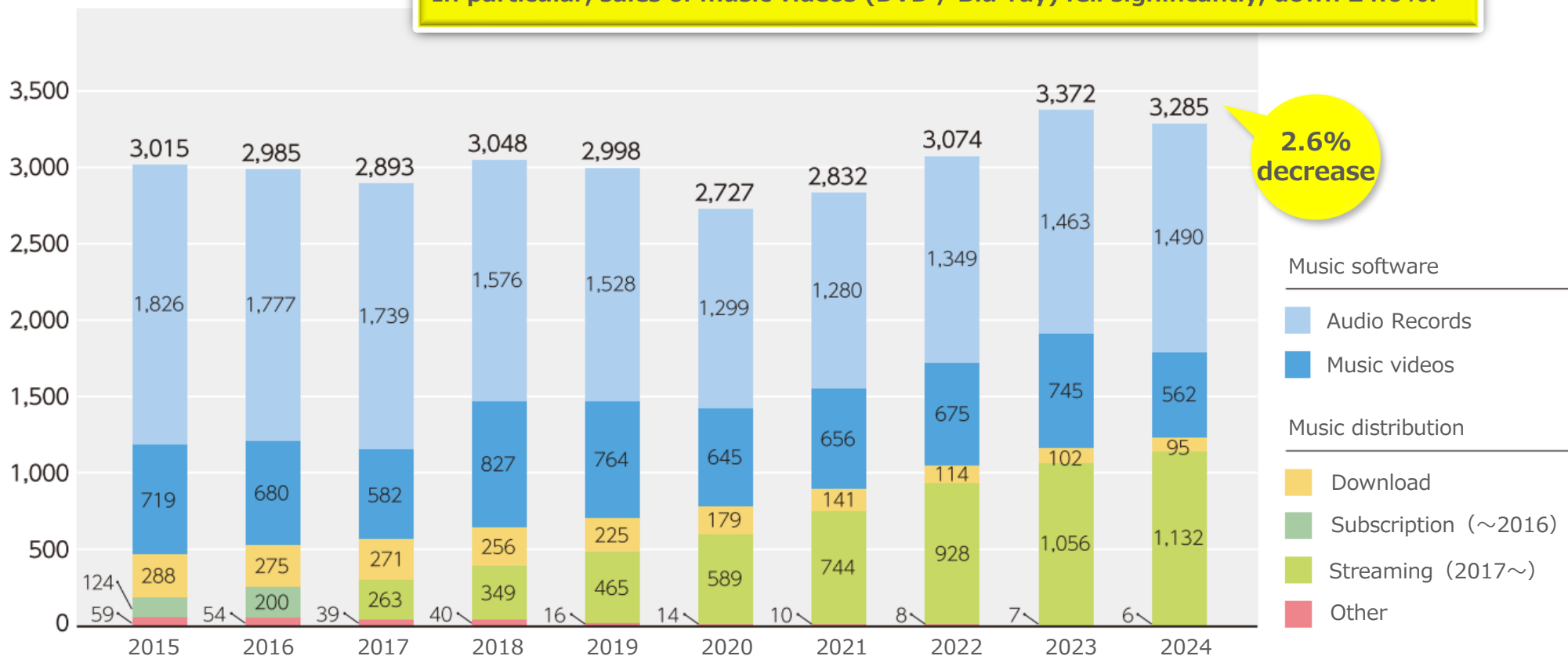
Global recorded music industry revenues 1999-2024 (US\$ billions)



Changes in Music Software Production and Music Distribution Sales in Japan

Music distribution sales increased 5.8% to ¥123.3 billion, marking the eleventh consecutive year of growth.
 Music software sales decreased 7.1% to ¥205.2 billion.
 In particular, sales of music videos (DVD / Blu-ray) fell significantly, down 24.6%.

(¥100 million)



2.6% decrease

Remarks

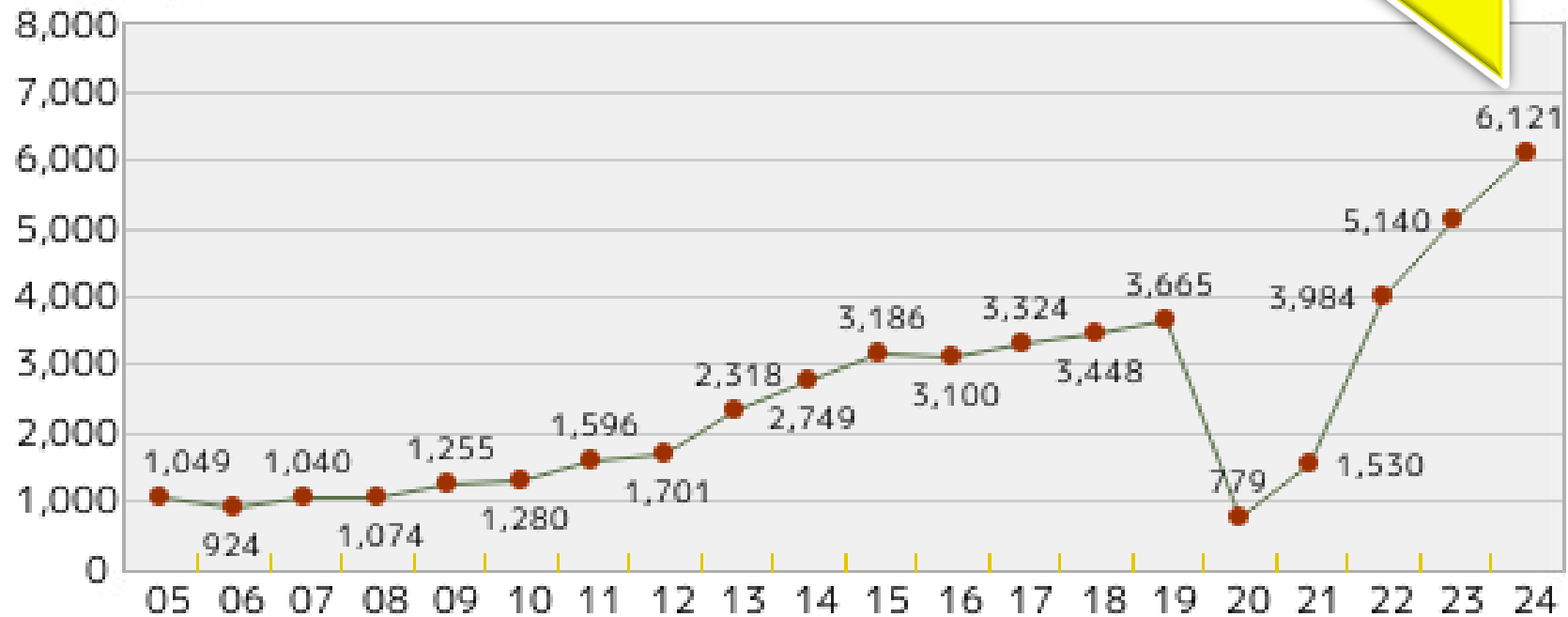
1. Base: Music software... Production, Music distribution... Sales
2. Others include "Master ringtones (~2021)" and "Ringback tones (~2021)"
3. The classification of music distribution sales has changed since 2017. "Subscription" is the classification used until 2016.

Annual sales of live music concerts in Japan

The number of performances and the number of people mobilized increased due to the operation of the new arena and the holding of large-scale performances by overseas artists. Against this backdrop, the number of performances and the number of people mobilized increased significantly.

Annual sales

Revenue
(¥100 million)



Information published by Concert Pro Motors Association

Trends in Music Copyright Management Market

- ✓ Since the COVID-19 pandemic, sales have been on a gradual increasing trend against the backdrop of the expansion of streaming distribution services.

Amount collected by the Company: ■

Amount collected by JASRAC: ■ Interactive transmissions, ■ broadcasting, etc.,
■ Performing rights, etc., ■ Mechanical rights, etc. ■ Other

(¥100 million)

1,500

1,000

500

0

2020/3

2021/3

2022/3

2023/3

2024/3

2025/3

Other

Mechanical rights, etc.

Performing rights, etc.

Broadcasting, etc.

Interactive transmissions

Share of collected amount: 8.9%

Notes to Plan

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Group and on certain assumptions deemed reasonable. They are not guarantees by the Company of future performance. Actual results may differ materially from those expressed in forward-looking statements due to a variety of factors.

**For IR-related Q & A,
please click here.**

