Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Based on Japanese GAAP)

November 4, 2026

Company name: SM ENTERTAINMENT JAPAN Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 4772 URL https://www.smej.co.jp
Representative: President Kim Dong Woo
Inquiries: Director and Head of Management Kim Hyeong Joo TEL 03-6809-6118
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2026	8,736	17.1	281	24.9	325	37.5	668	45.1
Nine months ended September 30, 2025	7,463	(0.8)	225	(38.1)	236	(35.2)	460	49.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2026	5.77	–
Nine months ended September 30, 2025	3.98	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2026	14,595	7,514	48.2
As of December 31, 2025	14,532	7,922	49.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	–	0.00	–	2.00	2.00
Year ending December 31, 2026	–	0.00	–		
Year ending December 31, 2026 (Forecast)				1.00	1.00

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,089	(10.8)	247	42.4	257	32.4	253	(32.5)	2.19

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2026: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	115,904,831 shares	As of December 31, 2025	115,904,831 shares

Number of treasury shares at the end of the period

As of September 30, 2026	9,960 shares	As of December 31, 2025	9,930 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2026	115,894,888 shares	Nine months ended September 30, 2025	115,894,901 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	3,704,305	4,799,984
Accounts receivable - trade	5,512,671	5,993,066
Merchandise	–	16,003
Broadcasting rights	270,826	171,956
Contents business rights	1,753,506	1,496,431
Advance payments to suppliers	558,313	427,220
Advances paid	527,542	972,215
Other	348,278	432,422
Allowance for doubtful accounts	(5,142)	(5,839)
Total current assets	12,670,302	14,303,462
Non-current assets		
Property, plant and equipment	18,995	24,854
Intangible assets	4,921	7,564
Investments and other assets		
Investment securities	1,573,183	–
Long-term loans receivable	90,577	87,577
Deferred tax assets	94,038	94,038
Other	199,077	196,331
Allowance for doubtful accounts	(118,133)	(118,131)
Total investments and other assets	1,838,742	259,815
Total non-current assets	1,862,659	292,234
Total assets	14,532,961	14,595,696
Liabilities		
Current liabilities		
Accounts payable - trade	5,160,215	5,983,581
Contract liabilities	342,917	407,656
Provision for bonuses	46,029	–
Other	554,001	688,683
Total current liabilities	6,103,163	7,079,921
Non-current liabilities		
Deferred tax liabilities	493,668	–
Other	14,065	872
Total non-current liabilities	507,733	872
Total liabilities	6,610,897	7,080,794
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	5,988,803	5,988,803
Retained earnings	590,116	1,026,924
Treasury shares	(33,136)	(33,139)
Total shareholders' equity	6,595,783	7,032,588
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	642,628	–
Total accumulated other comprehensive income	642,628	–
Share acquisition rights	231,962	226,785
Non-controlling interests	451,689	255,527
Total net assets	7,922,064	7,514,901
Total liabilities and net assets	14,532,961	14,595,696

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net sales	7,463,697	8,736,831
Cost of sales	5,906,378	7,076,771
Gross profit	1,557,319	1,660,059
Selling, general and administrative expenses	1,332,229	1,379,004
Operating profit	225,089	281,055
Non-operating income		
Interest income	5,865	11,231
Dividend income	8,019	12,166
Foreign exchange gains	–	1,183
Outsourcing service income	2,379	6,210
Gain on adjustment of accounts payable	–	12,220
Other	192	1,393
Total non-operating income	16,456	44,405
Non-operating expenses		
Interest expenses	36	25
Foreign exchange losses	4,771	–
Total non-operating expenses	4,807	25
Ordinary profit	236,738	325,435
Extraordinary income		
Gain on sale of investment securities	–	827,482
Gain on reversal of share acquisition rights	233,487	5,176
Total extraordinary income	233,487	832,659
Extraordinary losses		
Impairment losses	157	–
Total extraordinary losses	157	–
Profit before income taxes	470,068	1,158,095
Income taxes - current	7,169	248,774
Total income taxes	7,169	248,774
Profit	462,899	909,320
Profit (loss) attributable to non-controlling interests	(2,114)	240,723
Profit attributable to owners of parent	460,785	668,597

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit	462,899	909,320
Other comprehensive income		
Valuation difference on available-for-sale securities	173,886	(1,079,514)
Total other comprehensive income	173,886	(1,079,514)
Comprehensive income	636,786	(170,193)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	564,299	25,968
Comprehensive income attributable to non-controlling interests	72,487	(196,162)