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May 8, 2026

Non-consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3663
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 Scheduled date of commencing dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2026	2,803	16.7	1,211	59.6	1,213	61.7	813	18.9
March 31, 2025	2,401	—	759	—	750	—	684	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2026	27.46	27.42
March 31, 2025	22.26	22.24

(Note) The financial results for the fiscal year ended December 31, 2024 have been disclosed on a consolidated basis. However, beginning with the three months ended March 31, 2025, the financial results are disclosed on a non-consolidated basis. Accordingly, the year-on-year percentage changes for the three months ended March 31, 2025 are not presented.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2026	8,435	4,668	54.6
December 31, 2025	7,910	4,334	54.0

Reference: Equity

As of March 31, 2026: ¥4,607 million
 As of December 31, 2025: ¥4,273 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	—	22.00	—	14.00	36.00
Fiscal year ending December 31, 2026	—				
Fiscal year ending December 31, 2026 (Forecast)		18.00	—	20.00	38.00

Notes: 1. Revision to the forecast for dividends announced most recently: None
2. The second quarter-end dividend for the fiscal year ended December 31, 2025 includes a commemorative dividend of 10 yen per share for listing on the Prime Market of the Tokyo Stock Exchange.

3. Non-consolidated financial results forecast for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	5,016	5.8	1,598	4.2	1,579	3.1	1,054	21.1	35.57
Full year	9,963	5.2	3,317	11.8	3,282	11.8	2,192	30.4	73.97

Note: Revision to the financial results forecast announced most recently: None

*** Notes**

(1) Adoption of accounting methods specific to the preparation of quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to reasons other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026	34,771,180 shares
As of December 31, 2025	36,271,180 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	5,140,164 shares
As of December 31, 2025	6,639,764 shares

(iii) Average number of shares outstanding during the period

Three months ended March 31, 2026	29,631,016 shares
Three months ended March 31, 2025	30,752,897 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of non-consolidated financial results forecast and other forward-looking information” on page 4 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of operating results

The Company operates a business that develops and provides services and platforms in the globally expanding creator economy market. To achieve further growth, we have formulated our “Medium-Term Management Plan 2025–2027.” Under this Medium-Term Management Plan, we have set forth our vision as “Creating a More Passionate World.” Through providing services that support the “CREATOR JOURNEY”—the path through which creators produce works and audiences enjoy them in the creator economy market—we strive to create “a world that is more vibrant when everyone’s passions are connected.” As part of this Medium-Term Management Plan, we have designated a return on equity (ROE) of 30% or higher during the period as an important KPI.

The Company operates in two fields: the “Creator Support field,” which focuses on development and sales of CLIP STUDIO PAINT, a software product for producing illustrations, manga, Webtoon, and animation; and the “Creator Platform field,” which consists of e-book Solution, a new platform service that is under planning and development to support monetization by creators, and new services to strengthen the user community.

While continuing to further enhance the profitability of “CLIP STUDIO PAINT,” the Company will expand its business domain to encompass the entire creator economy market. By leveraging the trust earned from creators and strengths built around “CLIP STUDIO PAINT,” as well as its accumulated assets, the Company aims to develop and provide new services in the Creator Platform field, establishing a new core pillar of its business.

In the fiscal year under review, we continued to prioritize management focused on CLIP STUDIO PAINT, our made-in-Japan, subscription model-based creative application for creators, which is globally recognized, make strategic investment, and strive to enhance corporate value.

Our operating results for the second fiscal year of the Medium-Term Management Plan 2025–2027 progressed well in line with the plan. Our business progressed solidly, with CLIP STUDIO PAINT at the core, and we recorded new highs in our major KPIs, such as quarterly net sales and operating profit. We have established a foundation for sustainable growth and achieved management with an awareness of financial soundness.

As a result, for the three months under review, the Company’s net sales amounted to ¥2,803,808 thousand (up 16.7% year-on-year), operating profit amounted to ¥1,211,410 thousand (up 59.6% year-on-year), and the operating margin was 43.2% (up 11.6 percentage points year-on-year).

Ordinary profit amounted to ¥1,213,668 thousand (up 61.7% year-on-year) due to factors such as recording of ¥5,283 thousand in interest income as non-operating income, while ¥3,033 thousand in foreign exchange losses was recorded as non-operating expenses. Profit amounted to ¥813,799 thousand (up 18.9% year-on-year) due to the recording of ¥399,869 thousand in income taxes. The progress rates on the first-half financial results forecast announced on February 13, 2026 are 55.9% for net sales and 75.8% for operating profit, and the progress rates on the full-year financial results forecasts are 28.1% for net sales and 36.5% for operating profit.

The Company emphasizes increasing capital efficiency and enhancing shareholder returns, and carried out its first cancellation of 1,500,000 shares of treasury shares on March 16, 2026. In addition, for the fiscal year ending December 31, 2026, the Company plans to pay an annual dividend of ¥38 per share (an increase of ¥2 from the previous year), comprising an interim dividend of ¥18 and a year-end dividend of ¥20.

<Creator Support field>

The Creator Support field provides services related to content production worldwide through CLIP STUDIO PAINT, the illustration, manga, Webtoon and animation app, which supports the creative activities of creators active in the graphics industry. Cumulative shipments of CLIP STUDIO PAINT, the Company’s core service, reached a total of 63.17 million units by March 2026 (up 26.9% year-on-year) and 64.30 million units by April 2026. In addition, the subscription Annual Recurring Revenue (ARR) of the same application was ¥5.8 billion in March 2026 (up 25.9% year-on-year), recording a new high. For the provision of a license to use CLIP STUDIO PAINT via a subscription model, the Company’s focus, subscription plans may lower the barriers to using the software by offering the software at a low price, but the short-term profitability is limited compared with the one-time purchase versions. That being said, the aim of increasing subscription model contracts will continue, as stable earnings in the medium to long term are expected to be generated with continued use. The monthly churn rate of CLIP STUDIO PAINT subscription contracts was 5.4% at the end of March 2026. CLIP STUDIO PAINT is offered in 11 languages, and more than 80% of its shipments are of non-Japanese versions for overseas markets. To further increase sales and the number of users, the Company will continue to conduct marketing efforts not only for the English-, Korean-, German-, and French-speaking areas, but also for high growth potential emerging countries in Southeast Asia and the

Central and South American region, and will also continue to support mainstream payment options in each country, thereby seeking to maximize prospective customers.

In the three months ended March 31, 2026, we made a major update of CLIP STUDIO PAINT in March 2026, with the aim of boosting both sales and the number of users of CLIP STUDIO PAINT as well as increasing the number of subscription contracts, and Version 5.0 was released.

Version 5.0, which was released globally, received a strong response and achieved sales results that significantly exceeded the initial plan. The Company continues sales to users of the one-time purchase model and has implemented an offering model under which those users are required to sign an additional subscription contract or buy the new version on special offer to make use of all the latest functions available in Version 5.0 or later. This offering model has led to an increase in subscription contracts and improved sales due to higher demand among users of the one-time purchase model of old versions for preferential purchases and repurchases of the new version. In conjunction with the major version update, the Company also revised the price of the one-time purchase version with the aim of improving profitability and ensuring the continued provision of services, implementing an average price increase of 10%. The price will be revised to match the increased value of services with the regular release of major updates in the future.

<Creator Platform field>

In the Creator Platform field, the Company develops, provides, and operates a service platform that can serve as a new place for creators' activities by leveraging the trust and strengths cultivated with CLIP STUDIO PAINT, as well as the assets accumulated through its distribution solutions, and aims to stimulate creative activities and expand its business in the creator economy market and in broader fields beyond content production.

In the three months ended March 31, 2026, the Company promoted the planning and consideration of new platform services, while conducting research on the ecosystem, global industry trends, and service models in the creator economy market. The Company continues its planning and development efforts for the global release of two services: (i) a "platform to support creators' monetization (name undecided)" and (ii) "services to strengthen user communities (name undecided)." The Company plans to start providing (i) the "platform to support creators' monetization (name undecided)" during the fiscal year ending December 31, 2026.

In addition, the Company continued to operate its existing community services that support the use of CLIP STUDIO PAINT, while implementing continuous functional improvements to enhance user retention among subscription users. The Company also worked to increase the number of users of its platform services through initiatives such as operating Mochikomi online, a service that supports matching aspiring manga artists and manga editors seeking new talent, as well as implementing functional updates. Many creators have already made their debut through Mochikomi online, and the Company will use this track record and know-how for the new platform currently under development.

The number of users worldwide of the Company's creator platform services exceeded 12 million (up 22.8% year-on-year).

(2) Explanation of financial position

Total assets at the end of the first quarter under review amounted to ¥8,435,766 thousand, up ¥525,485 thousand from the end of the previous fiscal year. The main factors include decreases of ¥91,276 thousand in prepaid expenses, ¥74,849 thousand in accounts receivable - other, and ¥64,695 thousand in investment securities, and increases of ¥603,678 thousand in cash and deposits, ¥76,510 thousand in software in progress, ¥59,371 thousand in accounts receivable - trade, and ¥15,943 thousand in software.

Liabilities at the end of the first quarter under review amounted to ¥3,767,487 thousand, up ¥191,221 thousand from the end of the previous fiscal year. The main factors include decreases of ¥775,812 thousand in provision for retirement benefits for directors (and other officers), ¥36,396 thousand in income taxes payable, and ¥26,479 thousand in accrued expenses, and increases of ¥673,893 thousand in accounts payable - other, ¥158,632 thousand in long-term accounts payable - other, ¥129,766 thousand in advances received, and ¥69,725 thousand in provision for bonuses.

Net assets at the end of the first quarter under review amounted to ¥4,668,278 thousand, up ¥334,264 thousand from the end of the previous fiscal year. The main factors include decreases of ¥1,500,915 thousand in other capital surplus and treasury shares due to cancellation of treasury shares and ¥64,695 thousand in valuation difference on available-for-sale securities, and an increase of ¥398,959 thousand in retained earnings. The equity-to-asset ratio was 54.6%.

(3) Explanation of non-consolidated financial results forecast and other forward-looking information

The first-half and full-year financial results forecasts for the fiscal year ending December 31, 2026 remains unchanged from the forecasts announced on February 13, 2026. Sales of the Company's core service, CLIP STUDIO PAINT, are expected to remain stable, mainly under the subscription model. The Company will promptly disclose any revisions to the financial results forecasts as necessary, while closely monitoring sales trends from regular campaigns for the one-time purchase version, which are conducted every year to acquire new users.

The Company has established a business structure centered on providing value that cannot be replaced by AI.

The main users of CLIP STUDIO PAINT, the Company's core service, are creators, mainly hobbyists and highly skilled amateurs. These users continue to use the Company's service for the value of the "creative experience," which cannot be replaced by AI and includes the joy of creating by themselves, skill improvement, and empathy within the community. Even in an environment where the use of AI is expanding, both sales and the number of users of CLIP STUDIO PAINT have continued to grow.

The Company will continue to promote the use of AI in its business, while providing value that cannot be replaced by AI, and will aim to continue business growth.

In the Company's overseas operations, sales of CLIP STUDIO PAINT are settled in currencies other than Japanese yen, and server usage fees and advertising expenses are also invoiced in foreign currencies. As such, fluctuations in sales and expenses tend to offset each other. Consequently, the impact of exchange rate fluctuations on profit is considered to be minor, and there is no significant impact on the full-year financial results forecast. Additionally, the Company's international transactions are conducted in a variety of currencies, including not only the U.S. dollar but also the euro, Korean won, and others. Therefore, fluctuations in any single currency do not have a significant impact on the full-year financial results forecast.

In the Medium-Term Management Plan, the Company has set a target of ROE of 30% or higher. If performance for the rest of the fiscal year under review progresses as planned, ROE for the full fiscal year is expected to be 40% or higher.

2. Quarterly Non-consolidated Financial Statements and Major Notes

(1) Quarterly non-consolidated balance sheet

(Unit: thousands of yen)

	Previous fiscal year (December 31, 2025)	Three months under review (March 31, 2026)
Assets		
Current assets		
Cash and deposits	4,086,301	4,689,979
Accounts receivable - trade	366,130	425,502
Finished goods	13,604	10,619
Raw materials and supplies	96,983	96,755
Accounts receivable - other	458,341	383,491
Prepaid expenses	338,334	247,058
Allowance for doubtful accounts	(93,499)	(95,930)
Total current assets	5,266,196	5,757,475
Non-current assets		
Property, plant and equipment		
Buildings	187,599	199,549
Accumulated depreciation	(102,273)	(105,535)
Buildings (net)	85,326	94,013
Tools, furniture and fixtures	308,660	298,129
Accumulated depreciation	(243,993)	(236,311)
Tools, furniture and fixtures (net)	64,667	61,818
Total property, plant and equipment	149,993	155,832
Intangible assets		
Patent right	33,423	31,942
Trademark right	33,613	32,330
Software	918,689	934,633
Software in progress	276,369	352,879
Other	18,878	22,253
Total intangible assets	1,280,974	1,374,038
Investments and other assets		
Investment securities	567,648	502,952
Shares of subsidiaries and associates	10,056	10,056
Leasehold and guarantee deposits	133,364	133,364
Deferred tax assets	502,046	502,046
Total investments and other assets	1,213,115	1,148,420
Total non-current assets	2,644,083	2,678,290
Total assets	7,910,280	8,435,766

(Unit: thousands of yen)

	Previous fiscal year (December 31, 2025)	Three months under review (March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	131,152	114,830
Accounts payable - other	156,573	830,466
Advances received	1,328,647	1,458,413
Accrued expenses	76,029	49,550
Income taxes payable	455,956	419,560
Provision for bonuses	70,499	140,224
Other	213,973	215,453
Total current liabilities	2,432,831	3,228,498
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	775,812	-
Provision for retirement benefits	335,924	348,659
Long-term accounts payable - other	31,698	190,330
Total non-current liabilities	1,143,434	538,989
Total liabilities	3,576,266	3,767,487
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus		
Legal capital surplus	2,500	2,500
Other capital surplus	6,403,039	4,902,124
Total capital surplus	6,405,539	4,904,624
Retained earnings		
Other retained earnings		
Retained earnings brought forward	4,380,687	4,779,646
Total retained earnings	4,380,687	4,779,646
Treasury shares	(6,644,237)	(5,143,322)
Total shareholders' equity	4,151,989	4,550,948
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	121,704	57,009
Total valuation and translation adjustments	121,704	57,009
Share acquisition rights	60,320	60,320
Total net assets	4,334,014	4,668,278
Total liabilities and net assets	7,910,280	8,435,766

(2) Quarterly non-consolidated statements of income
Three months ended March 31, 2026

(Unit: thousands of yen)

	Previous three months under review (from January 1, 2025 to March 31, 2025)	Three months under review (from January 1, 2026 to March 31, 2026)
Net sales	2,401,549	2,803,808
Cost of sales	980,271	854,176
Gross profit	1,421,277	1,949,632
Selling, general and administrative expenses	662,118	738,221
Operating profit	759,159	1,211,410
Non-operating income		
Interest income	2,598	5,283
Other	82	8
Total non-operating income	2,680	5,291
Non-operating expenses		
Commission expenses	8,505	-
Foreign exchange losses	2,593	3,033
Other	172	-
Total non-operating expenses	11,272	3,033
Ordinary profit	750,567	1,213,668
Extraordinary income		
Gain on extinguishment of tie-in shares	153,875	-
Total extraordinary income	153,875	-
Pre-tax net profit	904,442	1,213,668
Income taxes - current	219,814	399,869
Total income taxes	219,814	399,869
Profit	684,628	813,799

(3) Notes to quarterly non-consolidated financial statements

(Note on entity's ability to continue as going concern)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

(Cancellation of treasury shares)

The Company resolved to cancel treasury shares by written resolution in lieu of a resolution of the Board of Directors, as provided for in Article 370 of the Companies Act and Article 27 of the Company's Articles of Incorporation, dated March 6, 2026. Based on the provisions of Article 178 of the Companies Act, the Company carried out the cancellation of 1,500,000 shares of treasury shares on March 16, 2026. As a result, during the three months ended March 31, 2026, other capital surplus and treasury shares each decreased by ¥1,500,915 thousand.

(Adoption of accounting methods specific to the preparation of quarterly non-consolidated financial statements)

Calculation of tax expenses

The Company calculates tax expenses by multiplying profit before income taxes by a reasonably estimated effective tax rate for profit before income taxes for the fiscal year under review after the application of tax effect accounting.

(Additional information)

(Change in presentation method)

(Quarterly non-consolidated balance sheet)

"Long-term accounts payable - other," which was previously included in "Other" under "Non-current liabilities," has been presented separately from the first quarter under review because its monetary significance has increased.

To reflect this change in presentation method, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the non-consolidated balance sheet for the previous fiscal year, ¥31,698 thousand in "Other" under "Non-current liabilities" has been reclassified as ¥31,698 thousand in "Long-term accounts payable - other."

(Segment information, etc.)

[Segment information]

Segment information is omitted as the Company operates a single reportable segment.

(Notes to quarterly non-consolidated cash flow statements)

The Company has not prepared the quarterly non-consolidated cash flow statements for the three months ended March 31, 2026. Depreciation (including amortization related to intangible assets) for the three months ended March 31, 2025 and 2026 is as follows

	Previous three months under review (from January 1, 2025 to March 31, 2025)	Three months under review (from January 1, 2026 to March 31, 2026)
Depreciation	¥173,016 thousand	¥172,990 thousand

(Significant subsequent events)

Not applicable.