



September 30, 2026

MEDIA DO Co., Ltd.

Representative: Yasushi Fujita, President and CEO

(Securities code: 3678, TSE Prime)

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Notice Regarding Changes in Consolidated Subsidiaries (Transfer of Shares and Equity Interests) and Expected Recognition of Extraordinary Income

MEDIA DO Co., Ltd. (the "Company") announces that, at a meeting held today, its Board of Directors resolved to transfer all shares and equity interests in its consolidated subsidiaries Quality Solutions, Inc., NetGalley, LLC, and their three subsidiaries (the "Firebrand Group") to Valsoft Corporation Inc. ("Valsoft"), and entered into a share and equity interest transfer agreement as of today, as described below. As a result of this transfer, the Firebrand Group will be excluded from the scope of the Company's consolidation.

1. Reasons for the transfer of shares and equity interests

In January 2021, with the aim of supporting digital transformation in the global publishing industry and building networks with overseas publishers, the Company acquired and made subsidiaries of Quality Solutions, Inc., a U.S. provider of title and bibliographic information management systems and other solutions for the publishing industry, and NetGalley, LLC, which operates one of the world's leading digital galley distribution and review platforms. In January 2022, the Company added UK-based Supadü Ltd., which specializes in e-commerce websites and web development solutions for publishers, to the Group, thereby expanding its provision of digital transformation solutions to the publishing industry in Europe and the United States.

Meanwhile, as the Group sought to optimize the allocation of management resources in accordance with its growth strategy, it determined that focusing its overseas efforts on strengthening the overseas expansion of Japanese publishing content centered on Seven Seas Entertainment, LLC, a U.S. company made a consolidated subsidiary in March 2026, and thereby contributing to the development of Japan's publishing industry would enhance the Group's corporate value. At the same time, the Company concluded that, for the Firebrand Group to further expand its business and capabilities in European and U.S. markets, the best course would be to operate under a new partner with specialized expertise in the software business.

Valsoft, the transferee, is a Canada-based global software group specializing in the acquisition of and growth support for vertical market software businesses worldwide. It has more than 150 software companies under its umbrella and employs an operating model that supports sustainable growth through long-term capital investment and the introduction of shared infrastructure, including AI, while respecting the independence of each business's brand and operating structure. In 2024, Valsoft also acquired Above the Treeline, a U.S. company that provides Edelweiss+, a digital galley distribution and review platform widely used in the European and U.S. publishing industries. The Company determined that Valsoft is

the optimal partner because its investment policy and strong business foundation in the publishing sector will provide an environment in which stable, high-quality services can continue to be delivered to the Firebrand Group's existing customers, while also offering the potential to generate significant synergies between the platforms.

Based on the foregoing, the Company determined that the transfer represents the best option both for optimizing the Group's business portfolio and for supporting the Firebrand Group's further growth, and therefore decided to proceed with the transfer.

2. Overview of subsidiaries subject to change

The Firebrand Group, which will be excluded from the scope of the Company's consolidation as a result of the transfer of shares and equity interests, consists of the following five companies. The information below presents the two principal companies, (1) Quality Solutions, Inc. and (2) NetGalley, LLC, as representatives, with their respective subsidiaries included in each group overview.

(1) Quality Solutions, Inc.

(Including its wholly owned subsidiary QS Information Services, Inc.)

(1) Name	Quality Solutions, Inc.		
(2) Location	44 Merrimac St Ste 22, Newburyport, MA, 01950		
(3) Title and name of representative	CEO Angela Bole		
(4) Business activities	Development and provision of workflow and bibliographic information management services for publishers		
(5) Capital	USD 348 thousand		
(6) Date established	November 17, 1988		
(7) Major shareholders and ownership ratios	Media Do International, Inc. 100%		
(8) Relationship with the listed company	Capital relationship	A wholly owned consolidated subsidiary of the Company.	
	Personnel relationship	None.	
	Business relationship	None.	
(9) Consolidated operating results and financial position for the past three fiscal years (in thousands of USD)			
Fiscal year-end	FYE 12/23	FYE 12/24	FYE 12/25
Net sales	9,792	10,269	10,197
Operating profit	(810)	(1,535)	(1,799)
Net profit	(251)	(562)	(821)

(2) NetGalley, LLC

(Including its wholly owned subsidiaries NetGalley UK Ltd. and Supadü Ltd.)

(1) Name	NetGalley, LLC		
(2) Location	44 Merrimac St Ste 22, Newburyport, MA, 01950		
(3) Title and name of representative	CEO Angela Bole		
(4) Business activities	Operation of NetGalley, a digital galley distribution and review marketing platform for publishers		
(5) Capital	USD 4,501 thousand		
(6) Date established	December 2, 2008		
(7) Equity holders and ownership ratios	Media Do International, Inc. 100%		
(8) Relationship with the listed company	Capital relationship	A wholly owned consolidated subsidiary of the Company.	
	Personnel relationship	None.	
	Business relationship	Royalty Payment Transactions.	
(9) Consolidated operating results and financial position for the past three fiscal years (in thousands of USD)			
Fiscal year-end	FYE 12/23	FYE 12/24	FYE 12/25
Net sales	7,583	8,036	8,540
Operating profit	1,420	1,903	2,111
Net profit	477	807	1,027

3. Overview of the transferee

(1) Name	Valsoft Corporation Inc.	
(2) Location	7405 Rte Transcanadienne Suite 100 Montreal QC H4T 1Z2 Canada	
(3) Title and name of representative	CEO Sam Youssef	
(4) Business activities	Acquisition, ownership and operation of vertical market software companies	
(5) Capital	Not disclosed at the transferee's request.	
(6) Date established	June 13, 2015	
(7) Relationship with the listed company	Capital relationship	None.
	Personnel relationship	None.
	Business relationship	None.
	Related-party status	None.
(8) Net assets	Not disclosed at the transferee's request.	
(9) Total assets	Not disclosed at the transferee's request.	
(10) Major shareholders and ownership ratios	Not disclosed at the transferee's request.	

4. Transfer price and ownership of shares and equity interests before and after the transfer

Subsidiary subject to change	(1) Quality Solutions, Inc.	(2) NetGalley, LLC
(1) Shares and interests held before transfer	1,563.3 shares (Voting rights: 1,563 ; ownership: 100%)	100% (Voting rights: 100%)
(2) Shares and interests transferred	1,563.3 shares (Voting rights: 1,563)	100%
(3) Transfer price	USD 20 million (approx. 3,149 million yen)	
(4) Shares and interests held after transfer	0 shares (Voting rights: 0; ownership: 0%)	0% (Voting rights ownership: 0%)

Note) The yen equivalent is converted using the exchange rate as of September 29, 2026 (1 USD = 157.46 yen).

5. Schedule

(1) Date of Board resolution	September 30, 2026
(2) Agreement execution date	September 30, 2026
(3) Transfer completion date	September 30, 2026

6. Outlook

In connection with the transfer of shares and equity interests, the Company expects to recognize a gain on extraordinary income in Q3 of the fiscal year ending February 28, 2027. The amount of extraordinary income and its impact on full-year consolidated earnings are currently under review, taking other factors into account. The Company will promptly disclose any matters requiring announcement, including any revision to the earnings forecast.