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February 13, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Under Japanese GAAP]

Company name:	Beaglee Inc.	Listed on:	Tokyo Stock Exchange
Securities code:	3981	URL	https://www.beaglee.com
Representative:	Jimpei Yoshida	President and Representative Director	
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Scheduled date of General Meeting of Shareholders:	March 27, 2026		
Date for commencement of dividend payments:	March 30, 2026		
Scheduled date of Securities Report submission:	March 27, 2026		
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, 2025 (January 1 to December 31, 2025)

(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, 2025	16,720	(9.4)	2,346	(15.7)	1,368	(23.4)	1,319	(23.5)	683	(47.6)
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

For reference: Comprehensive income
 Fiscal year ended December 31, 2025: 683 million yen (-47.6%)
 Fiscal year ended December 31, 2024: 1,303 million yen (89.1%)

	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, 2025	122.37	122.08	8.8	7.8	8.2
Fiscal year ended December 31, 2024	220.02	219.21	18.1	9.7	9.7

For reference: Share of loss (profit) of entities accounted for using equity method
 Fiscal year ended December 31, 2025: – million yen
 Fiscal year ended December 31, 2024: – 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, 2025	16,556	8,063	48.6	1,440.53
December 31, 2024	17,294	7,486	43.3	1,343.75

For reference: Shareholders' equity
As of December 31, 2025: 8,050 million yen
As of December 31, 2024: 7,481 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, 2025	1,539	(222)	(1,141)	5,293
Fiscal year ended December 31, 2024	2,341	(245)	(1,803)	5,118

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, 2024	–	0.00	–	23.00	23.00	128	10.5	1.8
Fiscal year ended December 31, 2025	–	0.00	–	42.00	42.00	234	34.3	3.0
Fiscal year ending December 31, 2026 (Forecast)	–	0.00	–	45.00	45.00		34.9	

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2026
(January 1 to December 31, 2026)

(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	%	
Full year	17,091	2.2	2,441	4.1	1,491	9.0	1,443	9.4	721	5.5	Yen 129.05

* 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: Yes

(d) Restatements: None

(3) Number of shares issued (common stock)

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

December 31, 2025	6,301,986 shares	December 31, 2024	6,283,986 shares
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(b) Number of treasury shares at end of period

December 31, 2025	713,699 shares	December 31, 2024	716,353 shares
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(c) Average number of shares during the period

December 31, 2025	5,586,817 shares	December 31, 2024	5,924,701 shares
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* 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 the notes on the underlying assumptions about 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 16, 2026. The Company will publish the presentation materials used during this meeting on its website immediately after the meeting.

○ Supplemental Materials

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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, 2025), against the backdrop of improved employment and income environment and an increase in demand driven by inbound tourism, the Japanese economy continued to recover gradually. On the other hand, the business environment remained uncertain due to factors such as increased downside risks to personal consumption resulting from the continued price hikes, the trends in the U.S. trade policy, heightened geopolitical risks and the impact of the unstable yen exchange rate.

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 2025,” Impress Corporation estimates that the growth rate of the e-book market will be around 4% in fiscal 2025, 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.

As a result, net sales for the consolidated fiscal year under review totaled 16,720,153 thousand yen (down 9.4% year on year), Adjusted EBITDA was 2,346,185 thousand yen (down 15.7% year on year), operating profit came in at 1,368,394 thousand yen (down 23.4% year on year), ordinary profit was 1,319,589 thousand yen (down 23.5% year on year) and profit attributable to owners of the parent totaled 683,683 thousand yen (down 47.6% 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 8.8% (18.1% at the end of the previous consolidated fiscal year), a decrease of 9.3 points compared to the end of the previous consolidated fiscal year. This was attributable to a decrease in income taxes resulting from the succession of tax loss carryforwards from Bunkasha Group Co., Ltd., which was a consolidated subsidiary of the Company in the previous consolidated fiscal year, accompanying the implementation of an absorption-type merger.

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 Company strived to increase the number of subscribers and customer spending by promoting the flow of visit, retention, and purchase among users. To nurture loyal customers, the Company continued to encourage high spending through the “No. 1 sense of value” strategy and actively implemented sales promotions to acquire a wide range of users, including the launch of the Machi-Comi service, which allows users to read one issue of Manga Kingdom for free after a certain amount of time has passed.

On the other hand, while the Company placed advertisements focusing more on light users than in the previous fiscal year to acquire and retain them and acquired new users, the number of heavy users decreased more than anticipated. As a result, Manga Kingdom net sales decreased 10.6% year on year.

In addition, in March 2025, “The night spider drinks honey ~The marriage fraudster and the fallen woman~,” a short drama based on the Company’s original work, was distributed on the short drama app BUMP.

Furthermore, the Company has partnered with HJ Holdings, Inc., the operator of the Hulu online video streaming service, and began offering digital comics on Hulu in October 2025.

In terms of profits, there was a year-on-year decrease in operating expenses, mainly advertising and promotion expenses, but gross profit decreased year on year due to a decrease in net sales.

As a result, segment net sales totaled 10,626,829 thousand yen (down 9.9% year on year) and operating profit was 432,385 thousand yen (down 31.7% 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, although the effect of boosting sales due to hits among newly released works was limited, net sales increased 0.5% year on year due to the steady promotion of the creation of content tailored to readers' tastes and the expansion of genres.

In printed publishing, as a result of implementing measures such as controlling the number of distributions, net sales decreased 25.0% year on year.

In addition, in April 2025, two of Bunkasha's works were made into TV dramas, with "Blind Love of a Dark Lawyer: The Most Obsessed and Pure Love Story in the World" being broadcast on TOKYO MX and "Womb Love" being broadcast on Yomiuri TV. Furthermore, in October 2025, "Then Why Don't You Cook It Yourself?" was broadcast on the TBS network, "Is It a Crime to Kill the Guy Who Took My Daughter's Life?" was broadcast on Kansai Television, and "Please Sleep With Me, Tachibana!: My First Sexual Partner is My Hot Coworker?!" was broadcast on TOKYO MX.

On the profit front, earnings in digital publishing decreased year on year due to an increase in cost of sales including manuscript fees, and earnings in printed publishing also decreased year on year due to a decrease in net sales for printed publishing.

As a result, segment net sales totaled 6,378,320 thousand yen (down 6.5% year on year) and operating profit came in at 935,817 thousand yen (down 18.9% 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 16,556,762 thousand yen, down 737,817 thousand yen compared to the end of the previous fiscal year.

Current assets totaled 8,623,798 thousand yen, up 43,893 thousand yen from the previous fiscal year end. This was mainly attributable to a decrease of 126,162 thousand yen in accounts receivable - trade, while cash and deposits increased by 175,271 thousand yen.

Non-current assets totaled 7,932,963 thousand yen, down 781,711 thousand yen compared to the previous fiscal year end. This was mainly attributable to an increase of 68,402 thousand yen in property, plant and equipment, while intangible assets decreased by 753,969 thousand yen and investments and other assets decreased by 96,144 thousand yen.

(Liabilities)

Total liabilities at the end of the fiscal year under review amounted to 8,493,039 thousand yen, down 1,315,004 thousand yen compared to the end of the previous fiscal year.

Current liabilities totaled 7,728,039 thousand yen, down 295,004 thousand yen over the previous fiscal year end. This was mainly attributable to an increase of 49,496 thousand yen in accounts payable - other, while notes and accounts payable - trade decreased by 138,977 thousand yen, accrued consumption taxes decreased by 107,964 thousand yen, and refund liabilities decreased by 108,661 thousand yen.

Non-current liabilities totaled 765,000 thousand yen, down 1,020,000 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease in long-term loans payable of 1,020,000 thousand yen.

(Net assets)

Net assets at the end of the fiscal year under review totaled 8,063,722 thousand yen, up 577,187 thousand yen compared to the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings of 555,627 thousand yen.

As a result, the shareholders' capital ratio came to 48.6%.

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

The balance of cash and cash equivalents ("cash") was 5,293,996 thousand yen at the end of the fiscal year under review, up 175,271 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 1,285,949 thousand yen, along with depreciation of 358,726 thousand yen, amortization of goodwill of 590,649 thousand yen, and a decrease in notes and accounts receivable - trade of 137,874 thousand yen. The main factors for a decrease were decreases in notes and accounts payable - trade of 138,977 thousand yen, refund liabilities of 108,661 thousand yen, a decrease/increase in consumption taxes receivable/payable of 112,736 thousand yen, interest expenses paid of 59,321 thousand yen, and income taxes paid of 542,576 thousand yen.

As a result, cash flows gained from operating activities amounted to 1,539,397 thousand yen (compared to 2,341,510 thousand yen in the previous fiscal year).

(Cash flows from investing activities)

The main factors for an increase in cash flows from investing activities were proceeds from refund of leasehold and guarantee deposits of 49,925 thousand yen. On the other hand, the main factors for a decrease in funds were purchase of property, plant and equipment of 102,646 thousand yen and purchase of intangible assets of 169,585 thousand yen.

As a result, cash flows used in investing activities amounted to 222,198 thousand yen (compared to 245,001 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, and dividend payment of 128,052 thousand yen.

As a result, cash flows used in financing activities amounted to 1,141,927 thousand yen (compared to 1,803,281 thousand yen in the previous fiscal year).

(4) Future Outlook

For the fiscal year ending December 31, 2026, the Group will continue to focus on restructuring the business foundation to enable sustainable growth and strengthening content creation capabilities.

In the Platform Segment, for Manga Kingdom, the Group will continue to cultivate loyal customers with high spending motivation through the “No. 1 sense of value” strategy, and strive to maintain sales and expand earnings by rigorously implementing efficient advertising operations. 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.” In addition, the Platform Segment is expected to see an increase in net sales and profit due to an increase in net sales accompanying the provision of digital comics on the Hulu online video streaming service, which is an initiative with HJ Holdings, Inc.

In the Contents Segment, the Group will continue to 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. As a result, the Contents Segment is expected to see an increase in net sales and profit.

Based on the above, the Company’s full-year earnings forecast for the fiscal year ending December 2026 calls for net sales of 17,091 million yen (up 2.2% year on year), adjusted EBITDA of 2,441 million yen (up 4.1% year on year), operating profit of 1,491 million yen (up 9.0% year on year), ordinary profit of 1,443 million yen (up 9.4% year on year), and profit attributable to owners of the parent of 721 million yen (up 5.5% year on year).

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, 2024)	End of Current Consolidated Fiscal Year (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	5,118,725	5,293,996
Notes receivable	26,372	14,660
Accounts receivable - trade	3,266,083	3,139,921
Merchandise and finished goods	63,594	50,477
Supplies	459	323
Advance payments - trade	30,451	38,832
Prepaid expenses	74,842	81,205
Accounts receivable - other	6,370	8,869
Consumption taxes receivable	–	4,772
Other	912	340
Allowance for doubtful accounts	(7,907)	(9,601)
Total current assets	8,579,904	8,623,798
Non-current assets		
Property, plant and equipment		
Buildings	14,662	22,585
Facilities attached to buildings	75,258	91,934
Tools, furniture and fixtures	156,125	176,525
Accumulated depreciation	(181,863)	(158,470)
Accumulated impairment loss	(1,602)	(1,591)
Total property, plant and equipment	62,580	130,982
Intangible assets		
Goodwill	7,737,721	7,147,072
Software	91,852	93,161
Content assets	218,740	219,080
Software in progress	7,500	197
Content assets in progress	6,013	5,680
Publishing rights	275,333	118,000
Other	1,032	1,032
Total intangible assets	8,338,195	7,584,225
Investments and other assets		
Leasehold and guarantee deposits	174,439	129,666
Deferred tax assets	120,780	69,416
Others	18,680	18,671
Total investments and other assets	313,899	217,755
Total non-current assets	8,714,675	7,932,963
Total assets	17,294,580	16,556,762

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2024)	End of Current Consolidated Fiscal Year (As of December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,228,859	3,089,881
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	228,061	277,558
Accrued expenses	42,944	75,282
Income taxes payable	285,461	291,223
Accrued consumption taxes	139,947	31,983
Contract liabilities	568,950	556,739
Refund liabilities	299,948	191,287
Deposits received	55,357	48,555
Other	153,513	145,526
Total current liabilities	8,023,044	7,728,039
Non-current liabilities		
Long-term loans payable	1,785,000	765,000
Total non-current liabilities	1,785,000	765,000
Total liabilities	9,808,044	8,493,039
Net asset		
Shareholders' equity		
Capital stock	1,906,359	1,910,859
Capital surplus	1,905,859	1,910,491
Retained earnings	4,712,788	5,268,416
Treasury shares	(1,043,514)	(1,039,647)
Total shareholders' equity	7,481,492	8,050,119
Share acquisition rights	5,043	13,603
Total net assets	7,486,535	8,063,722
Total liabilities and net assets	17,294,580	16,556,762

(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, 2024)	Current Consolidated Fiscal Year (January 1 to December 31, 2025)
Net sales	18,446,924	16,720,153
Cost of sales	12,106,072	11,012,906
Gross profit	6,340,851	5,707,246
Selling, general and administrative expenses	4,553,949	4,338,852
Operating profit	1,786,902	1,368,394
Non-operating income		
Interest income	325	3,749
Dividend income	127	107
Reimbursement receivables	1,892	–
Subsidy income	600	–
Gain on sale of businesses	963	10,000
Refunds received	–	1,167
Other	208	525
Total non-operating income	4,117	15,549
Non-operating expenses		
Interest expenses	50,685	59,132
Borrowing expenses	2,880	2,875
Consumption taxes - deferred	5,510	57
Other	5,933	2,288
Total non-operating expenses	65,010	64,354
Ordinary profit	1,726,009	1,319,589
Extraordinary losses		
Loss on retirement of non-current assets	–	13,080
Office relocation expenses	–	20,560
Total extraordinary losses	–	33,640
Profit before income taxes	1,726,009	1,285,949
Income taxes – current	579,853	550,903
Income taxes – deferred	(157,369)	51,363
Total income taxes	422,483	602,266
Profit	1,303,525	683,683
Profit attributable to owners of the parent	1,303,525	683,683

Consolidated statement of comprehensive income

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2024)	Current Consolidated Fiscal Year (January 1 to December 31, 2025)
Profit	1,303,525	683,683
Comprehensive income	1,303,525	683,683
(Breakdown)		
Comprehensive income related to owners of the parent	1,303,525	683,683

(3) Consolidated Statement of Changes in Equity

Previous 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

Current consolidated fiscal year (January 1 to December 31, 2025)

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	1,906,359	1,905,859	4,712,788	(1,043,514)	7,481,492
Change					
Issuance of new stock	4,500	4,500			9,000
Dividend of surplus			(128,055)		(128,055)
Profit attributable to owners of the parent			683,683		683,683
Acquisition of treasury shares				—	—
Disposal of treasury shares		132	—	3,866	3,999
Change of items other than shareholders' equity (net)					
Total change	4,500	4,632	555,627	3,866	568,627
Year-end balance	1,910,859	1,910,491	5,268,416	(1,039,647)	8,050,119

	Share acquisition rights	Total net assets
Beginning balance	5,043	7,486,535
Change		
Issuance of new stock		9,000
Dividend of surplus		(128,055)
Profit attributable to owners of the parent		683,683
Acquisition of treasury shares		—
Disposal of treasury shares		3,999
Change of items other than shareholders' equity (net)	8,559	8,559
Total change	8,559	577,187
Year-end balance	13,603	8,063,722

(4) Consolidated Statement of Cash Flows

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1 to December 31, 2024)	Current Consolidated Fiscal Year (January 1 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	1,726,009	1,285,949
Depreciation	395,965	358,726
Amortization of goodwill	590,649	590,649
Interest expenses	50,685	59,132
Borrowing expenses	2,880	2,875
Decrease (increase) in notes and accounts receivable - trade	739,838	137,874
Increase (decrease) in notes and accounts payable - trade	(208,160)	(138,977)
Increase (decrease) in accounts payable - other	(166,208)	44,840
Increase (decrease) in contract liabilities	(23,812)	(12,211)
Increase (decrease) in refund liabilities	(66,365)	(108,661)
Decrease/increase in consumption taxes receivable/ payable	112,619	(112,736)
Other	(44,326)	29,977
Subtotal	3,109,777	2,137,438
Interest and dividend income received	452	3,856
Interest expenses paid	(50,890)	(59,321)
Income taxes paid	(717,829)	(542,576)
Cash flows from operating activities	2,341,510	1,539,397
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,311)	(102,646)
Purchase of intangible assets	(161,028)	(169,585)
Payments of leasehold and guarantee deposits	(65,946)	-
Proceeds from refund of leasehold and guarantee deposits	-	49,925
Other	285	109
Cash flows from investing activities	(245,001)	(222,198)
Cash flows from financing activities		
Repayments of long-term loans payable	(1,020,000)	(1,020,000)
Payments of borrowing expenses	(2,880)	(2,875)
Proceeds from issuance of common shares	10,000	9,000
Purchase of treasury shares	(700,036)	-
Payment of dividends	(90,364)	(128,052)
Cash flows from financing activities	(1,803,281)	(1,141,927)
Net increase (decrease) in cash and cash equivalents	293,227	175,271
Cash and cash equivalents at beginning of period	4,825,497	5,118,725
Cash and cash equivalents at end of period	5,118,725	5,293,996

(5) Notes to Consolidated Financial Statements

(Notes on the Going-Concern Assumption)

N/A

(Change in Accounting Estimates)

Revision of Estimates for Asset Retirement Obligations

During the fiscal year under review, the Company revised its estimates for asset retirement obligations previously recorded as obligations to restore properties to their original condition under real estate lease agreements, based on newly obtained information regarding the restoration expenses required upon leaving the premises. As a result, 14,347 thousand yen was added to the balance of asset retirement obligations before the revision, and the restoration obligation was fulfilled during the fiscal year under review.

Please note that this revision of the estimates has resulted in a decrease of 14,347 thousand yen in operating profit, ordinary profit, and profit before income taxes for the fiscal year under review.

(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, 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.

Current consolidated fiscal year (January 1 to December 31, 2025)

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	9,910,772	–	9,910,772	–	9,910,772
Others' distribution	394,482	4,741,410	5,135,892	–	5,135,892
Printed publishing	–	1,017,195	1,017,195	–	1,017,195
Others	266,973	389,318	656,291	–	656,291
Revenue from contracts with customers	10,572,229	6,147,924	16,720,153	–	16,720,153
Net sales to external customers	10,572,229	6,147,924	16,720,153	–	16,720,153
Intersegment sales and transfers	54,600	230,396	284,996	(284,996)	–
Total	10,626,829	6,378,320	17,005,149	(284,996)	16,720,153
Segment profit	432,385	935,817	1,368,203	191	1,368,394
Segment assets	6,220,988	10,371,980	16,592,969	(36,206)	16,556,762
Other items					
Depreciation	183,594	175,322	358,917	(191)	358,726
Amortization of goodwill	243,897	346,752	590,649	–	590,649
Increase in tangible fixed assets and intangible fixed assets	418,246	30,722	448,969	–	448,969

Notes: 1. Adjustments of segment profit of 191 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, 2024)	Current Consolidated Fiscal Year (January 1 to December 31, 2025)
Net assets per share	1,343.75 yen	1,440.53 yen
Net income per share	220.02 yen	122.37 yen
Net income per share fully diluted	219.21 yen	122.08 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, 2024)	Current Consolidated Fiscal Year (January 1 to December 31, 2025)
Net income per share		
Profit attributable to owners of the parent (thousands of yen)	1,303,525	683,683
Amount not attributed to common shareholders (thousands of yen)	–	–
Profit attributable to owners of the parent related to common stock (thousands of yen)	1,303,525	683,683
Average number of common stock shares during the period (shares)	5,924,701	5,586,817
Net income per share fully diluted		
Profit attributable to owners of the parent (thousands of yen)	–	–
Increase in the number of common stock (shares)	21,894	13,549
(Of this, share acquisition rights [shares])	(21,894)	(13,549)
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)	One type of stock acquisition rights (Number of stock acquisition rights: 160)

(Significant Subsequent Events)

N/A