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May 15, 2026

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2026 [Under Japanese GAAP]

Company name:	Beaglee Inc.	Listed on:	Tokyo Stock Exchange
Securities code:	3981	URL:	https://www.beaglee.com
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Date for commencement of dividend payments:	-		
Supplementary notes to financial statements:	Yes		
Briefing on financial statements:	None		

(Rounded down to nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2026 (January 1 to March 31, 2026)

(1) Consolidated Operating Results (Cumulative)

(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	%
First quarter of the fiscal year ending December 31, 2026	3,767	(9.1)	425	(9.3)	184	(19.2)	171	(19.3)	30	(66.9)
First quarter of the fiscal year ended December 31, 2025	4,146	(11.8)	469	(28.5)	228	(43.9)	212	(45.9)	92	(54.7)

For reference: Comprehensive income

First quarter of the fiscal year ending December 31, 2026: 30 million yen (-66.9%)

First quarter of the fiscal year ended December 31, 2025: 92 million yen (-54.7%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
First quarter of the fiscal year ending December 31, 2026	5.47	5.46
First quarter of the fiscal year ended December 31, 2025	16.53	16.47

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
	Millions of yen	Millions of yen	%
March 31, 2026	14,776	7,862	53.1
December 31, 2025	16,556	8,063	48.6

For reference: Shareholders' equity

As of March 31, 2026: 7,845 million yen

As of December 31, 2025: 8,050 million yen

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	0.00	–	42.00	42.00
Fiscal year ending December 31, 2026	–				
Fiscal year ending December 31, 2026 (Forecast)		0.00	–	45.00	45.00

Note: Revisions from the most recently announced dividend forecast: None

Note: The Company's date of record for dividends is the final day of the second quarter and the final day of the fiscal year per the provisions of the Articles of Incorporation. At present, however, the Company's basic policy is to provide a dividend of surplus one time per year as a year-end dividend.

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

Note: Revisions from the most recently announced earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the first quarter under review: None

New: None

Exclusion: None

(2) Application of special accounting treatment for the preparation of the quarterly consolidated financial statements: Yes

Note: For details, refer to page 9 of the supplemental materials entitled “(3) Notes to Quarterly Consolidated Financial Statements, (Application of Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements).”

(3) 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: None

(d) Restatements: None

(4) Number of shares issued (common stock)

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

March 31, 2026	6,301,986 shares	December 31, 2025	6,301,986 shares
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(b) Number of treasury shares at end of period

March 31, 2026	713,699 shares	December 31, 2025	713,699 shares
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(c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

March 31, 2026	5,588,287 shares	March 31, 2025	5,583,033 shares
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* Review of quarterly consolidated financial statements by a certified public accountant or audit corporation: None

* 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 forecasts and the use of the earnings forecasts, refer to page 4 of the supplemental materials entitled “1. Qualitative Information on the Quarterly Financial Results, (3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts.”

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1. Qualitative Information on the Quarterly Financial Results

The forward-looking statements appearing below are based on information available as of the end of the period under review.

(1) Explanation of Operating Results

During the consolidated cumulative first quarter under review (January 1 to March 31, 2026), against the backdrop of an improving employment and income environment and increased 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 continued price hikes, trends in U.S. trade policy, heightened geopolitical risks, and the impact of the unstable yen exchange rate.

According to “eBook marketing report 2025,” Impress Corporation estimates that the growth rate of the e-book market will be around 3% in fiscal 2026, and going forward, the e-book and e-comic markets are expected to continue to see moderate growth in size.

On the other hand, the business environment surrounding the Company is becoming increasingly challenging due to intensifying competition in the e-book publication market and the continued shrinkage of the printed publication market.

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 cumulative first quarter under review totaled 3,767,627 thousand yen (down 9.1% year on year), operating profit was 184,650 thousand yen (down 19.2% year on year), ordinary profit was 171,669 thousand yen (down 19.3% year on year) and profit attributable to owners of the parent totaled 30,565 thousand yen (down 66.9% year on year).

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. The Company actively implemented sales promotions to acquire a wide range of users, including its continued efforts to encourage high spending through the “No. 1 sense of value” strategy to nurture loyal customers. In addition, the Company’s original work, “My Entitled Sister-in-Law Is Stealing My Man, My Home and My Everything Else from Me,” recorded strong distribution sales by other companies.

On the other hand, despite the Company’s focus on the efficient management and optimization of advertising intended to retain and nurture heavy users, it was unable to offset the continued decline in the number of active users since the previous fiscal year. As a result, Manga Kingdom net sales decreased 8.9% year on year.

In addition, the Company has started social media marketing leveraging short videos to acquire new users and raise awareness of Manga Kingdom.

Furthermore, the Company has fully launched various initiatives to acquire new users for the Hulu digital comic distribution service.

In terms of profits, there was a year-on-year decrease in gross profit, while operating expenses, mainly advertising and promotion expenses, also decreased significantly year on year.

As a result, segment net sales totaled 2,510,608 thousand yen (down 5.6% year on year) and operating profit came in at 151,493 thousand yen (up 2,111.8% 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, while the Company promoted the creation of content tailored to readers' tastes and the expansion of genres, net sales decreased 14.9% year on year due to the limited boost to sales from hits among newly released works.

In printed publishing, as a result of implementing measures such as controlling the number of distributions, net sales decreased 17.5% year on year.

In addition, "Stealing Back My Marriage," a work published by Bunkasha, was made into a TV drama in January 2026, and "Ten Months of DINKs ~Is it Wrong Not to Have Kids?~," another work published by Bunkasha, was also made into a TV drama in March 2026. Both dramas were broadcast on TV Tokyo.

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

As a result, segment net sales totaled 1,304,037 thousand yen (down 15.5% year on year) and operating profit came in at 33,110 thousand yen (down 85.1% year on year).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the current consolidated first quarter amounted to 14,776,025 thousand yen, down 1,780,737 thousand yen compared to the end of the previous fiscal year.

Current assets totaled 7,022,006 thousand yen, down 1,601,792 thousand yen from the previous fiscal year end. This is mainly attributable to a decrease in cash and deposits of 1,177,449 thousand yen and a decrease in accounts receivable - trade of 405,125 thousand yen.

Non-current assets totaled 7,754,018 thousand yen, down 178,944 thousand yen compared to the previous fiscal year end. This was mainly attributable to a decrease in intangible assets of 184,782 thousand yen.

(Liabilities)

Total liabilities at the end of the current consolidated first quarter amounted to 6,913,937 thousand yen, down 1,579,101 thousand yen compared to the end of the previous fiscal year.

Current liabilities totaled 6,403,937 thousand yen, down 1,324,101 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease of 665,093 thousand yen in notes and accounts payable - trade, a decrease of 500,000 thousand yen in short-term loans payable, a decrease of 160,487 thousand yen in income taxes payable, and a decrease of 51,520 thousand yen in refund liabilities, despite an increase of 78,620 thousand yen in deposits received.

Non-current liabilities totaled 510,000 thousand yen, down 255,000 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease in long-term loans payable of 255,000 thousand yen.

(Net assets)

Total net assets at the end of the current consolidated first quarter amounted to 7,862,087 thousand yen, down 201,635 thousand yen compared to the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings of 204,142 thousand yen.

As a result, the shareholders' capital ratio came to 53.1%.

(3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts

There have been no changes to the consolidated earnings forecast announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2025” released on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated First Quarter (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	5,293,996	4,116,547
Notes receivable	14,660	7,944
Accounts receivable - trade	3,139,921	2,734,796
Merchandise and finished goods	50,477	49,117
Supplies	323	276
Advance payments - trade	38,832	46,293
Prepaid expenses	81,205	71,643
Accounts receivable - other	8,869	4,348
Consumption taxes receivable	4,772	–
Other	340	740
Allowance for doubtful accounts	(9,601)	(9,700)
Total current assets	8,623,798	7,022,006
Non-current assets		
Property, plant and equipment		
Buildings	22,585	22,585
Facilities attached to buildings	91,934	92,181
Tools, furniture and fixtures	176,525	177,884
Accumulated depreciation	(158,470)	(166,066)
Accumulated impairment loss	(1,591)	(1,591)
Total property, plant and equipment	130,982	124,992
Intangible assets		
Goodwill	7,147,072	6,999,409
Software	93,161	89,510
Content assets	219,080	225,079
Software in progress	197	27
Content assets in progress	5,680	5,717
Publishing rights	118,000	78,666
Other	1,032	1,032
Total intangible assets	7,584,225	7,399,443
Investments and other assets		
Leasehold and guarantee deposits	129,666	128,541
Deferred tax assets	69,416	83,026
Others	18,671	18,014
Total investments and other assets	217,755	229,582
Total non-current assets	7,932,963	7,754,018
Total assets	16,556,762	14,776,025

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated First Quarter (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,089,881	2,424,788
Short-term loans payable	2,000,000	1,500,000
Current portion of long-term loans payable	1,020,000	1,020,000
Accounts payable - other	277,558	259,067
Accrued expenses	75,282	65,877
Income taxes payable	291,223	130,735
Accrued consumption taxes	31,983	61,100
Contract liabilities	556,739	541,773
Refund liabilities	191,287	139,766
Deposits received	48,555	127,176
Other	145,526	133,650
Total current liabilities	7,728,039	6,403,937
Non-current liabilities		
Long-term loans payable	765,000	510,000
Total non-current liabilities	765,000	510,000
Total liabilities	8,493,039	6,913,937
Net asset		
Shareholders' equity		
Capital stock	1,910,859	1,910,859
Capital surplus	1,910,491	1,910,491
Retained earnings	5,268,416	5,064,274
Treasury shares	(1,039,647)	(1,039,647)
Total shareholders' equity	8,050,119	7,845,977
Share acquisition rights	13,603	16,110
Total net assets	8,063,722	7,862,087
Total liabilities and net assets	16,556,762	14,776,025

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Consolidated Cumulative First Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2025)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2026)
Net sales	4,146,836	3,767,627
Cost of sales	2,747,556	2,596,845
Gross profit	1,399,279	1,170,781
Selling, general and administrative expenses	1,170,718	986,130
Operating profit	228,560	184,650
Non-operating income		
Interest income	1,336	2,857
Other	345	445
Total non-operating income	1,681	3,302
Non-operating expenses		
Interest expenses	14,277	14,327
Borrowing expenses	1,291	1,286
Other	1,901	669
Total non-operating expenses	17,470	16,283
Ordinary profit	212,772	171,669
Profit before income taxes	212,772	171,669
Income taxes – current	120,465	141,104
Total income taxes	120,465	141,104
Profit	92,306	30,565
Profit attributable to owners of the parent	92,306	30,565

Quarterly Consolidated Statement of Comprehensive Income

Consolidated Cumulative First Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2025)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2026)
Profit	92,306	30,565
Comprehensive income	92,306	30,565
(Breakdown)		
Comprehensive income related to owners of the parent	92,306	30,565

(3) Notes to Quarterly Consolidated Financial Statements

(Application of Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements)

Calculation of Tax Costs

Tax costs are calculated by reasonably estimating the effective tax rate for each business year's profit before income taxes, including in the current consolidated first quarter, after the application of tax effect accounting and then multiplying this estimated effective tax rate by profit before income taxes.

However, in the event that the calculation of tax costs using the estimated effective tax rate yields a result that is notably lacking in rationality, then tax costs are calculated using the effective statutory tax rate.

(Notes on Segment Information, etc.)

Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2025)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	2,546,446	–	2,546,446	–	2,546,446
Others' distribution	51,373	1,161,533	1,212,907	–	1,212,907
Printed publishing	–	254,278	254,278	–	254,278
Others	48,675	84,528	133,203	–	133,203
Revenue from contracts with customers	2,646,495	1,500,340	4,146,836	–	4,146,836
Net sales to external customers	2,646,495	1,500,340	4,146,836	–	4,146,836
Intersegment sales and transfers	14,100	42,298	56,398	(56,398)	–
Total	2,660,595	1,542,638	4,203,234	(56,398)	4,146,836
Segment profit	6,849	221,663	228,512	47	228,560

Notes: 1. Adjustments of segment profit of 47 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

Current Consolidated Cumulative First Quarter (January 1 to March 31, 2026)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	2,303,300	–	2,303,300	–	2,303,300
Others' distribution	133,224	992,005	1,125,230	–	1,125,230
Printed publishing	–	189,474	189,474	–	189,474
Others	59,683	89,938	149,622	–	149,622
Revenue from contracts with customers	2,496,208	1,271,418	3,767,627	–	3,767,627
Net sales to external customers	2,496,208	1,271,418	3,767,627	–	3,767,627
Intersegment sales and transfers	14,400	32,618	47,018	(47,018)	–
Total	2,510,608	1,304,037	3,814,646	(47,018)	3,767,627
Segment profit	151,493	33,110	184,603	47	184,650

Notes: 1. Adjustments of segment profit of 47 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Current Consolidated Cumulative First Quarter (January 1 to March 31, 2026)

1. Dividend payment

Resolution	Type of shares	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Date of record	Date of effect	Source of dividends
Annual General Meeting of Shareholders held on March 27, 2026	Common stock	234,708	42.00	December 31, 2025	March 30, 2026	Retained earnings

2. Dividends whose record date falls within the current consolidated cumulative first quarter but whose effective date is after the last day of the current consolidated first quarter

N/A

3. Significant changes in the amount of shareholders' equity

N/A

(Notes on the Going-Concern Assumption)

N/A

(Notes to the Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the consolidated cumulative first quarter under review. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows.

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2025)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2026)
Depreciation	90,264 thousand yen	88,757 thousand yen
Amortization of goodwill	147,662 thousand yen	147,662 thousand yen