August 14, 2026

Consolidated Financial Results for the Second Quarter (Interim Period) 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
Representative: Jimpei Yoshida President and Representative Director
Contact: Tatsuji Miyoshi Executive Officer and General Manager, Corporate Management Division
Tel: +81-3-6706-4000

Scheduled date of interim report submission: August 14, 2026
Date for commencement of dividend payments: -
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 Second Quarter of the Fiscal Year Ending December 31, 2026 (January 1 to June 30, 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	%
Interim period of the fiscal year ending December 31, 2026	7,721	(7.3)	929	(5.1)	448	(10.3)	420	(10.0)	178	(13.4)
Interim period of the fiscal year ended December 31, 2025	8,332	(12.0)	979	(28.6)	499	(42.7)	467	(44.6)	206	(53.2)

For reference: Comprehensive income
Interim period of the fiscal year ending December 31, 2026: 178 million yen (-13.4%)
Interim period of the fiscal year ended December 31, 2025: 206 million yen (-53.2%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
Interim period of the fiscal year ending December 31, 2026	31.97	31.92
Interim period of the fiscal year ended December 31, 2025	36.94	36.83

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	%
June 30, 2026	14,740	8,018	54.3
December 31, 2025	16,556	8,063	48.6

For reference: Shareholders' equity
As of June 30, 2026: 8,001 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	–	0.00			
Fiscal year ending December 31, 2026 (Forecast)			–	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	15,263	(8.7)	1,675	(28.6)	745	(45.5)	698	(47.1)	271	(60.3)	48.55

Note: Revisions from the most recently announced earnings forecast: Yes

Note: For the revision of the consolidated earnings forecast, please refer to the "Notice Regarding the Revisions of the Full-year Consolidated Earnings Forecast" announced today (August 14, 2026).

* Notes

(1) Significant changes in the scope of consolidation during the interim period under review: None
New: None Exclusion: None

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

Note: For details, refer to page 11 of the supplemental materials entitled “(4) Notes to Consolidated Interim Financial Statements, (Application of Special Accounting Treatment for Preparation of Consolidated Interim 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)

June 30, 2026	6,301,986 shares	December 31, 2025	6,301,986 shares

(b) Number of treasury shares at end of period

June 30, 2026	708,210 shares	December 31, 2025	713,699 shares

(c) Average number of shares during the period (the first six months)

June 30, 2026	5,590,350 shares	June 30, 2025	5,585,323 shares

* The Company’s interim financial statements are not subject to a review by a 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 forecasts and the use of the earnings forecasts, refer to page 5 of the supplemental materials entitled “1. Qualitative Information on the Interim Financial Results, (3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts.”

○ Supplemental Materials

1. Qualitative Information on the Interim Financial Results

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

(1) Explanation of Operating Results

During the interim period under review, 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 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 2026,” Impress Corporation estimates that the growth rate of the e-book market will be around 2% in fiscal 2026.

On the other hand, competition in the e-book publication market is intensifying due to market maturation, as well as increasing competition for consumers’ disposable income as they return to spending on real-world experiences such as travel and dining out. In addition, with the printed publication market continuing to shrink, the business environment surrounding the Company is becoming increasingly challenging.

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 continued to create new works, controlled the number of distributions, and implemented other measures.

As a result, net sales for the interim period under review totaled 7,721,528 thousand yen (down 7.3% year on year), adjusted EBITDA was 929,022 thousand yen (down 5.1% year on year), operating profit was 448,220 thousand yen (down 10.3% year on year), ordinary profit was 420,969 thousand yen (down 10.0% year on year) and profit attributable to owners of the parent totaled 178,716 thousand yen (down 13.4% 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, “He’s a Total Catch—But My Sister-in-Law Wants to Steal Everything That’s Mine,” recorded strong distribution net 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 5.0% 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 5,088,766 thousand yen (down 2.7% year on year) and operating profit came in at 265,131 thousand yen (compared to operating loss of 50,271 thousand yen in the previous interim period).

(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 14.2% 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 18.8% year on year.

In addition, the BK Label, which publishes works primarily in the high fantasy and isekai romance genres, held the 2nd BK Novel Award, a contest held in collaboration with Shosetsuka ni Naro, and focused on discovering new titles and creating new content by soliciting a wide range of works with guaranteed publication in book form and manga adaptation.

Moreover, "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.

Furthermore, "Are the sexy buttocks not good?," a work published by Kaiohsha, was made into a TV drama in July 2026, and was broadcast on TOKYO MX, while "Perfect Addiction" was made into an anime and was broadcast on TV Kanagawa.

On the profit front, earnings in digital publishing decreased year on year due to a decrease in net sales from the digital domain and 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 2,730,434 thousand yen (down 15.3% year on year) and operating profit came in at 182,993 thousand yen (down 66.7% year on year).

(2) Explanation of Financial Condition

i. Financial Position

(Assets)

Total assets at the end of the interim period under review amounted to 14,740,932 thousand yen, down 1,815,830 thousand yen compared to the end of the previous fiscal year.

Current assets totaled 7,139,657 thousand yen, down 1,484,140 thousand yen from the previous fiscal year end. This is mainly attributable to a decrease in cash and deposits of 1,001,707 thousand yen and a decrease in accounts receivable - trade of 464,260 thousand yen.

Non-current assets totaled 7,601,274 thousand yen, down 331,689 thousand yen compared to the previous fiscal year end. This was mainly attributable to a decrease in intangible assets of 350,740 thousand yen.

(Liabilities)

Total liabilities at the end of the interim period under review amounted to 6,722,097 thousand yen, down 1,770,942 thousand yen compared to the end of the previous fiscal year.

Current liabilities totaled 6,467,097 thousand yen, down 1,260,942 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease of 644,757 thousand yen in notes and accounts payable - trade, a decrease of 500,000 thousand yen in short-term loans payable, a decrease of 47,057 thousand yen in contract liabilities, a decrease of 59,492 thousand yen in refund liabilities, and a decrease of 57,643 thousand yen in other liabilities, despite an increase of 56,530 thousand yen in deposits received.

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

(Net assets)

Total net assets at the end of the interim period under review amounted to 8,018,834 thousand yen, down 44,887 thousand yen compared to the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings of 56,858 thousand yen.

As a result, the shareholders' capital ratio came to 54.3%.

ii. Cash Flow Position

The balance of cash and cash equivalents ("cash") was 4,292,289 thousand yen at the end of the interim period under review, down 1,001,707 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 in the interim period of the year under review were profit before income taxes of 420,969 thousand yen, along with depreciation of 176,939 thousand yen, amortization of goodwill of 295,324 thousand yen, and a decrease in notes and accounts receivable - trade of 470,990 thousand yen. The main factors for a decrease were a decrease in notes and accounts payable - trade of 644,757 thousand yen, a decrease in refund liabilities of 59,492 thousand yen, and income taxes paid of 304,638 thousand yen.

As a result, cash flows gained from operating activities amounted to 358,567 thousand yen (compared to 57,865 thousand yen in the previous interim period).

(Cash flows from investing activities)

The main factor for a decrease in cash flows from investing activities in the interim period of the fiscal year under review was 106,002 thousand yen expenditure for the purchase of intangible assets.

As a result, cash flows used in investing activities amounted to 114,638 thousand yen (compared to 87,454 thousand yen in the previous interim period).

(Cash flows from financing activities)

The main factors for a decrease in cash flows from financing activities in the interim period of the fiscal year under review were repayments of short-term loans payable of 500,000 thousand yen, repayments of long-term loans payable of 510,000 thousand yen, and dividend payment of 234,350 thousand yen.

As a result, cash flows used in financing activities amounted to 1,245,636 thousand yen (compared to 631,510 thousand yen in the previous interim period).

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

In light of the results for the interim period under review, the Company revised the consolidated earnings forecast for the fiscal year ending December 31, 2026 from the one announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2025” released on February 13, 2026.
For details, please refer to the “Notice Regarding the Revisions of the Full-year Consolidated Earnings Forecast” announced today (August 14, 2026).

2. Consolidated Interim Financial Statements and Notes

(1) Consolidated Interim Balance Sheet

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated Interim Period (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	5,293,996	4,292,289
Notes receivable	14,660	7,930
Accounts receivable - trade	3,139,921	2,675,661
Merchandise and finished goods	50,477	51,099
Supplies	323	249
Advance payments - trade	38,832	51,965
Prepaid expenses	81,205	67,102
Accounts receivable - other	8,869	1,337
Consumption taxes receivable	4,772	–
Other	340	1,763
Allowance for doubtful accounts	(9,601)	(9,742)
Total current assets	8,623,798	7,139,657
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	182,729
Accumulated depreciation	(158,470)	(173,991)
Accumulated impairment loss	(1,591)	(1,591)
Total property, plant and equipment	130,982	121,912
Intangible assets		
Goodwill	7,147,072	6,851,747
Software	93,161	100,222
Content assets	219,080	234,586
Software in progress	197	151
Content assets in progress	5,680	6,411
Publishing rights	118,000	39,333
Other	1,032	1,032
Total intangible assets	7,584,225	7,233,485
Investments and other assets		
Leasehold and guarantee deposits	129,666	127,416
Deferred tax assets	69,416	96,635
Others	18,671	21,824
Total investments and other assets	217,755	245,876
Total non-current assets	7,932,963	7,601,274
Total assets	16,556,762	14,740,932

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2025)	Consolidated Interim Period (As of June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,089,881	2,445,124
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	301,319
Accrued expenses	75,282	69,310
Income taxes payable	291,223	254,439
Accrued consumption taxes	31,983	42,457
Contract liabilities	556,739	509,682
Refund liabilities	191,287	131,794
Deposits received	48,555	105,086
Other	145,526	87,883
Total current liabilities	7,728,039	6,467,097
Non-current liabilities		
Long-term loans payable	765,000	255,000
Total non-current liabilities	765,000	255,000
Total liabilities	8,493,039	6,722,097
Net asset		
Shareholders' equity		
Capital stock	1,910,859	1,910,859
Capital surplus	1,910,491	1,910,359
Retained earnings	5,268,416	5,211,557
Treasury shares	(1,039,647)	(1,031,650)
Total shareholders' equity	8,050,119	8,001,126
Share acquisition rights	13,603	17,708
Total net assets	8,063,722	8,018,834
Total liabilities and net assets	16,556,762	14,740,932

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

Consolidated Interim Statement of Income

(Unit: thousands of yen)

	Previous Consolidated Interim Period (January 1 to June 30, 2025)	Current Consolidated Interim Period (January 1 to June 30, 2026)
Net sales	8,332,274	7,721,528
Cost of sales	5,469,407	5,245,708
Gross profit	2,862,866	2,475,819
Selling, general and administrative expenses	2,363,004	2,027,599
Operating profit	499,862	448,220
Non-operating income		
Interest income	1,336	2,857
Dividend income	107	95
Refunds received	1,167	–
Other	358	850
Total non-operating income	2,970	3,802
Non-operating expenses		
Interest expenses	30,364	28,317
Borrowing expenses	2,611	1,286
Other	1,906	1,449
Total non-operating expenses	34,883	31,053
Ordinary profit	467,949	420,969
Profit before income taxes	467,949	420,969
Income taxes – current	261,624	242,253
Total income taxes	261,624	242,253
Profit	206,324	178,716
Profit attributable to owners of the parent	206,324	178,716

Consolidated Interim Statement of Comprehensive Income

(Unit: thousands of yen)

	Previous Consolidated Interim Period (January 1 to June 30, 2025)	Current Consolidated Interim Period (January 1 to June 30, 2026)
Profit	206,324	178,716
Comprehensive income	206,324	178,716
(Breakdown)		
Comprehensive income related to owners of the parent	206,324	178,716

(3) Consolidated Interim Statement of Cash Flows

(Unit: thousands of yen)

	Previous Consolidated Interim Period (January 1 to June 30, 2025)	Current Consolidated Interim Period (January 1 to June 30, 2026)
Cash flows from operating activities		
Profit before income taxes	467,949	420,969
Depreciation	178,580	176,939
Amortization of goodwill	295,324	295,324
Interest expenses	30,364	28,317
Borrowing expenses	2,611	1,286
Decrease (increase) in notes and accounts receivable - trade	142,539	470,990
Increase (decrease) in notes and accounts payable - trade	(627,298)	(644,757)
Increase (decrease) in accounts payable - other	123,803	25,946
Increase (decrease) in contract liabilities	(29,478)	(47,057)
Increase (decrease) in refund liabilities	(110,560)	(59,492)
Decrease/increase in consumption taxes receivable/payable	(121,571)	15,245
Other	(1,056)	5,193
Subtotal	351,206	688,905
Interest and dividend income received	1,444	2,952
Interest expenses paid	(30,608)	(28,651)
Income taxes paid	(264,176)	(304,638)
Cash flows from operating activities	57,865	358,567
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,813)	(8,635)
Purchase of intangible assets	(77,730)	(106,002)
Other	89	–
Cash flows from investing activities	(87,454)	(114,638)
Cash flows from financing activities		
Repayments of short-term loans payable	–	(500,000)
Repayments of long-term loans payable	(510,000)	(510,000)
Payments of borrowing expenses	(2,611)	(1,286)
Proceeds from issuance of common shares	9,000	–
Payment of dividends	(127,898)	(234,350)
Cash flows from financing activities	(631,510)	(1,245,636)
Net increase (decrease) in cash and cash equivalents	(661,099)	(1,001,707)
Cash and cash equivalents at beginning of period	5,118,725	5,293,996
Cash and cash equivalents at end of period	4,457,626	4,292,289

(4) Notes to Consolidated Interim Financial Statements

(Notes on the Going-Concern Assumption)

N/A

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

Current Consolidated Interim Period (January 1 to June 30, 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 belongs to the current consolidated interim period but whose effective date is after the end of the current consolidated interim period
N/A

3. Significant changes in the amount of shareholders' equity
On April 24, 2026, the Company disposed of 5,489 treasury shares based on a resolution at the meeting of the Board of Directors held on March 27, 2026, as restricted share compensation paid to the Company's directors. As a result, during the current consolidated interim period, retained earnings decreased by 866 thousand yen and treasury shares decreased by 7,997 thousand yen. As of the end of the current consolidated interim period, retained earnings totaled 5,211,557 thousand yen and treasury shares totaled 1,031,650 thousand yen.

(Application of Special Accounting Treatment for Preparation of Consolidated Interim 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 interim period, 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.

(Segment Information, etc.)

Previous Consolidated Interim Period (January 1 to June 30, 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	4,971,282	–	4,971,282	–	4,971,282
Others' distribution	113,551	2,405,414	2,518,965	–	2,518,965
Printed publishing	–	544,277	544,277	–	544,277
Others	118,675	179,073	297,748	–	297,748
Revenue from contracts with customers	5,203,508	3,128,765	8,332,274	–	8,332,274
Net sales to external customers	5,203,508	3,128,765	8,332,274	–	8,332,274
Intersegment sales and transfers	27,600	93,134	120,734	(120,734)	–
Total	5,231,108	3,221,900	8,453,008	(120,734)	8,332,274
Segment profit (loss)	(50,271)	550,038	499,766	95	499,862

Notes: 1. Adjustments of segment profit/loss of 95 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit/loss is the same as operating profit on the consolidated interim statement of income.

Current Consolidated Interim Period (January 1 to June 30, 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	4,724,119	–	4,724,119	–	4,724,119
Others' distribution	224,940	2,074,432	2,299,372	–	2,299,372
Printed publishing	–	370,408	370,408	–	370,408
Others	110,907	216,720	327,627	–	327,627
Revenue from contracts with customers	5,059,966	2,661,561	7,721,528	–	7,721,528
Net sales to external customers	5,059,966	2,661,561	7,721,528	–	7,721,528
Intersegment sales and transfers	28,800	68,873	97,673	(97,673)	–
Total	5,088,766	2,730,434	7,819,201	(97,673)	7,721,528
Segment profit	265,131	182,993	448,125	95	448,220

Notes: 1. Adjustments of segment profit of 95 thousand yen represents company-wide expenses and elimination of intersegment transactions.

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