Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Based on Japanese GAAP)

November 5, 2025

Company name: SM ENTERTAINMENT JAPAN Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 4772 URL https://www.streammedia.co.jp
Representative: President Kim Dong Woo
Inquiries: Financial Management Div. Director Kim Hyeong Joo TEL 03-6809-6118
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2025	7,463	(0.8)	225	(38.1)	236	(35.2)	460	49.8
Nine months ended September 30, 2024	7,521	0.3	363	(0.9)	365	(3.0)	307	(3.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	3.98	–
Nine months ended September 30, 2024	2.65	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	14,610	8,091	50.4
As of December 31, 2024	14,405	7,783	48.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	–	0.00	–	1.00	1.00
Year ending December 31, 2025	–	0.00	–		
Year ending December 31, 2025 (Forecast)				2.00	2.00

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,595	(1.2)	153	(57.8)	167	(55.2)	411	(47.7)	3.55

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2025: No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of September 30, 2025	115,904,831 shares	As of December 31, 2024	115,904,831 shares

Number of treasury shares at the end of the period

As of September 30, 2025	9,930 shares	As of December 31, 2024	9,930 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	115,894,901 shares	Nine months ended September 30, 2024	115,894,940 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	2,452,621	4,010,074
Accounts receivable - trade	6,118,211	5,107,499
Merchandise	11,535	15,830
Broadcasting rights	321,562	300,491
Contents business rights	2,267,798	1,866,457
Advance payments to suppliers	305,251	326,702
Advances paid	896,243	423,215
Other	405,305	581,178
Total current assets	12,778,529	12,631,450
Non-current assets		
Property, plant and equipment	20,070	21,377
Intangible assets	7,647	5,658
Investments and other assets		
Investment securities	1,385,827	1,670,816
Long-term loans receivable	93,577	90,577
Deferred tax assets	156,244	156,244
Other	66,696	152,192
Allowance for doubtful accounts	(102,851)	(118,123)
Total investments and other assets	1,599,495	1,951,707
Total non-current assets	1,627,213	1,978,743
Total assets	14,405,742	14,610,193
Liabilities		
Current liabilities		
Accounts payable - trade	5,106,702	5,106,448
Contract liabilities	293,305	370,551
Provision for bonuses	55,436	–
Other	734,332	499,409
Total current liabilities	6,189,777	5,976,409
Non-current liabilities		
Deferred tax liabilities	417,158	528,260
Other	15,348	14,387
Total non-current liabilities	432,506	542,647
Total liabilities	6,622,284	6,519,057
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	5,988,803	5,988,803
Retained earnings	330,170	675,060
Treasury shares	(33,136)	(33,136)
Total shareholders' equity	6,335,837	6,680,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	576,643	680,157
Total accumulated other comprehensive income	576,643	680,157
Share acquisition rights	466,104	252,891
Non-controlling interests	404,872	477,359
Total net assets	7,783,457	8,091,136
Total liabilities and net assets	14,405,742	14,610,193

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	7,521,054	7,463,697
Cost of sales	5,904,308	5,906,378
Gross profit	1,616,746	1,557,319
Selling, general and administrative expenses	1,253,333	1,332,229
Operating profit	363,412	225,089
Non-operating income		
Interest income	1,668	5,865
Dividend income	–	8,019
Outsourcing service income	1,009	2,379
Other	41	192
Total non-operating income	2,719	16,456
Non-operating expenses		
Interest expenses	48	36
Foreign exchange losses	834	4,771
Total non-operating expenses	882	4,807
Ordinary profit	365,248	236,738
Extraordinary income		
Gain on sale of non-current assets	18,666	–
Gain on reversal of share acquisition rights	706	233,487
Total extraordinary income	19,372	233,487
Extraordinary losses		
Impairment losses	–	157
Total extraordinary losses	–	157
Profit before income taxes	384,621	470,068
Income taxes - current	79,984	7,169
Total income taxes	79,984	7,169
Profit	304,636	462,899
Loss attributable to non-controlling interests	(2,976)	(2,114)
Profit attributable to owners of parent	307,613	460,785

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	304,636	462,899
Other comprehensive income		
Valuation difference on available-for-sale securities	(532,194)	173,886
Total other comprehensive income	(532,194)	173,886
Comprehensive income	(227,557)	636,786
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,198)	564,299
Comprehensive income attributable to non-controlling interests	(218,359)	72,487