

Translation

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Summary of Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending November 2025 (Based on Japanese GAAP)

October 7, 2025

Company name: note inc. Listing exchange: Tokyo Stock Exchange
Securities code: 5243 URL: <https://ir.note.jp/en>
Representative: Sadaaki Kato, Founder & CEO
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Scheduled date for commencing -
dividend payments:
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly financial results briefing session: Yes (for institutional investors, analysts and retail investors)

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Financial Results for the First Three Quarters (December 1, 2024 to August 31, 2025) of the Fiscal Year Ending November 30, 2025

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three quarters ended August 31, 2025	3,046	23.8	167	199.3	127	271.3	139	179.2	212	344.2
First three quarters ended August 31, 2024	2,461	—	55	—	34	—	50	—	47	—

(Note) Comprehensive income (loss)

As of August. 31, 2025 446 million yen (832.6%)

As of August. 31, 2024 47 million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three quarters ended August 31, 2025	13.02	12.49
First three quarters ended August 31, 2024	3.12	3.06

- (Note) 1. Since note, inc. (the “Company”) started to prepare quarterly consolidated financial statements from the first quarter of the fiscal year ending November 30, 2024, the year-on-year changes for the first three quarters ended August 31, 2024 are not indicated.
2. Adjusted EBITDA = Operating profit + Depreciation + Stock compensation expense + Other one-time expenses

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2025	6,018	2,798	45.6
As of November 30, 2024	3,769	1,722	45.2

(Reference) Total shareholders' equity

As of August 31, 2025 2,747 million yen

As of November 30, 2024 1,702 million yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
Fiscal year ended Nov. 30, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending Nov. 30, 2025	—	0.00	—		
Fiscal year ending Nov. 30, 2025 (Forecast)				0.00	0.00

(Note) Revisions to the most recently announced dividends forecast: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending November 30, 2025 (from December 1, 2024 to November 30, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent		Basic earnings per share
Full year	Millions of yen 4,125	% 24.5	Millions of yen 200	% 278.5	Millions of yen 210	% 179.3	Millions of yen 330	% 233.5	Yen 20.11

(Note) 1. Revisions to the most recently announced dividends forecast: No
2. The consolidated financial forecasts for the fiscal year ending November 2025 have been revised from the forecasts announced on January 14, 2025. Please refer to the "Announcement on Upward Revision to Full-Year Consolidated Earnings Forecast" released today for details.

*Explanatory notes

- (1) Significant changes in the scope of consolidation during the first: No
three quarters of the fiscal year ending November 2025
- (2) Application of accounting treatments specific to the preparation : No
of quarterly consolidated financial statements
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - 1) Changes in accounting policies due to revisions to : No
accounting standards and other regulations
 - 2) Changes in accounting policies other than those in 1) above : No
 - 3) Changes in accounting estimates : No
 - 4) Restatement of prior period financial statements : No

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	As of August 31, 2025	16,649,800 shares	As of Nov. 30, 2024	15,390,500 shares
2) Number of treasury shares at the end of the period	As of August 31, 2025	123 shares	As of Nov. 30, 2024	123 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	First three quarters ended August 31, 2025	16,327,024 shares	First three quarters ended August 31, 2024	15,351,292 shares

- * Review of Quarterly Consolidated Financial Statements : No
by Certified Public Accountant or Audit Firm
- * Explanation regarding the appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual results, etc. may materially differ from the forecast due to various factors. For the assumptions underlying the financial forecasts and notes on the use of these forecasts, please refer to "1. Overview of Operating Results, etc. (3) Explanations on Consolidated Earnings Forecast and Other Forecast Information" on page 3 of the attached materials.

(How to obtain supplementary materials on financial results briefing materials and details of financial results briefing session)
The Company will hold a quarterly financial results briefing session for institutional investors, analysts and retail investors on October 7, 2025 (Tuesday). The materials for this briefing session will be disclosed on TDnet and will also be posted on its website.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the First Three Quarters of the Fiscal Year under Review

During the consolidated third quarter period, the Japanese economy experienced a gradual recovery. While personal consumption showed some weakness in consumer sentiment due to the impact of rising prices, it remained firm against the backdrop of an improving employment and income environment. Furthermore, corporate profits continued their improving trend. Nevertheless, the outlook remains uncertain, largely due to a global economic slowdown caused by the effects of various countries' trade policies and ongoing concerns about a potential decline in corporate earnings.

Under such circumstances, the Company Group operates with the mission, "Start, and Keep on Creating," and aims to build an ecosystem on the internet that connects creators, media, and fans. In addition to its media platform business centered on "note"—a platform where creators can create, publish, and sell digital content while communicating with users—the Company also established Tales & Co. Inc. in May 2024 to develop its IP & Content Creation business.

For the first three quarters of the fiscal year under review, net sales were 3,046,595 thousand yen (up 23.8% year on year). Operating profit was 127,310 thousand yen (up 271.3% year on year), ordinary profit was 139,998 thousand yen (up 179.2% year on year) and profit attributable to owners of parent was 212,575 thousand yen (up 344.2% year on year).

The operating results by segment are as follows:

The Company Group previously had a single segment, the "Media Platform Business," but with the inclusion of Tales & Co. inc. as a consolidated subsidiary in May 2024, which was classified as "IP & Content Creation Business," the Company Group changed to two segment classifications, "Media Platform Business" and "IP & Content Creation Business," from the fourth quarter of the previous fiscal year. Therefore, segment information for the same period of the previous fiscal year has been restated based on the new segment classifications.

(Media Platform Business)

In the Media Platform Business, the Company operates the CtoC media platform "note," the corporate information dissemination media SaaS "note pro," and corporate services such as corporate-sponsored contests on "note."

For "note," continuous function improvements have led to a steady increase in users and content gathering on the platform, and as of the end of August 2025, the total number of user accounts reached 10.52 million, and the total number of published content items reached 64.07 million. The gross merchandise value for the first three quarters was 5,537 million yen (up 27.4% year on year), remaining at a high level. For "note pro," the number of corporate users continues to increase due to enhanced functionality, strengthened sales activities, and higher corporate recognition resulting from the growth of the "note" platform. As a result, the ARR (Note 1) reached 648 million yen as of the end of August 2025 (up 23.9% year-on-year). Regarding corporate services business, "note contest" projects have been steady due to an increase in the number of note users.

In addition, the Company also began offering new services, such as launching "note Money" in March 2025, a finance and investment information site that features articles from "note" useful for understanding markets and companies, and "TALES" in April 2025, a story-posting site jointly operated by the Company and its subsidiary, Tales & Co., Inc.

As a result, net sales for the Media Platform Business were 2,996,379 thousand yen (up 21.9% year on year). The breakdown is as follows: net sales from note of 2,436,531 thousand yen (up 21.8% year on year), net sales from note pro of 474,195 thousand yen (up 25.1% year on year), net sales from corporate services of 64,918 thousand yen (up 5.2% year on year), and other net sales of 20,734 thousand yen (up 26.4% year on year). Segment profit was 170,391 thousand yen (up 142.8% year on year).

- (Note) 1. ARR = Annual Recurring Revenue is the MRR (Note 2) for the last month of each quarter multiplied by 12.
2. MRR = Monthly Recurring Revenue includes the basic fee for note pro in addition to some optional fees.

(IP & Content Creation Business)

In the IP & Content Creation Business, the Company is engaged in agent services for creators' plans and works, content production and sales, and undertaking planning and content production from external companies.

As a result, the IP & Content Creation business posted net sales of 55,465 thousand yen (up 1,241.7% year on year) and a segment loss of 8,711 thousand yen (compared to a segment loss of 5,762 thousand yen in the same period of the previous fiscal year).

(2) Overview of Financial Position for the First Three Quarters of the Fiscal Year under Review

(Assets)

Total assets at the end of the first three quarters increased by 2,249,823 thousand yen from the end of the previous fiscal year to 6,018,975 thousand yen.

Current assets increased by 1,187,799 thousand yen from the end of the previous fiscal year to 4,859,235 thousand yen. This was mainly due to factors such as an increase of 729,771 thousand yen in cash and deposits, and an increase of 387,964 thousand yen in accounts receivable - other.

Non-current assets increased by 1,062,024 thousand yen from the end of the previous consolidated fiscal year to 1,159,739 thousand yen, mainly due to an increase of 1,084,340 thousand yen in investment securities.

(Liabilities)

Total liabilities at the end of the first three quarters increased by 1,173,104 thousand yen from the end of the previous fiscal year to 3,220,092 thousand yen.

Current liabilities increased by 521,930 thousand yen from the end of the previous fiscal year to 2,568,918 thousand yen. This was mainly due to factors such as an increase in deposits received of 410,268 thousand yen, and an increase of 70,000 yen in current portion of long-term borrowings.

Non-current liabilities increased by 651,173 thousand yen from the end of the previous consolidated fiscal year, totaling 651,173 thousand yen. This was primarily due to an increase of 630,000 thousand yen in long-term borrowings.

(Net assets)

Total net assets at the end of the first three quarters increased by 1,076,719 thousand yen from the end of the previous fiscal year to 2,798,883 thousand yen. This was mainly due to an increase of 264,022 thousand yen in capital surplus and an increase of 519,634 thousand yen in retained earnings, and an increase of 233,713 thousand yen in valuation difference on available-for-sale securities among other factors.

(3) Explanations on Consolidated Earnings Forecast and Other Forecast Information

Given the steady progress in each business segment, the consolidated earnings forecast for the full fiscal year ending November 2025 has been revised upward, reflecting the results up to the third quarter and the outlook for the remainder of the year since the announcement on January 14, 2025.

For details, please refer to the "Announcement on Upward Revision to Full-Year Consolidated Earnings Forecast" disclosed today.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of November 30, 2024)	First three quarters of fiscal year under review (As of August 31, 2025)
Assets		
Current assets		
Cash and deposits	2,154,912	2,884,683
Notes and accounts receivable - trade	195,711	256,039
Merchandise and finished goods	830	1,238
Work in process	612	548
Accounts receivable - other	1,209,473	1,597,437
Other	109,895	119,287
Total current assets	3,671,436	4,859,235
Non-current assets		
Property, plant and equipment	10,311	5,179
Investments and other assets		
Investment securities	—	1,084,340
Other	87,404	70,220
Total investments and other assets	87,404	1,154,560
Total non-current assets	97,715	1,159,739
Total assets	3,769,151	6,018,975
Liabilities		
Current liabilities		
Accounts payable - trade	3,474	5,579
Current portion of long-term borrowings	80,000	150,000
Income taxes payable	3,804	1,897
Deposits received	1,577,858	1,988,126
Other	381,850	423,315
Total current liabilities	2,046,987	2,568,918
Non-current liabilities		
Long-term loans payable	—	630,000
Other	—	21,173
Total non-current liabilities	—	651,173
Total liabilities	2,046,987	3,220,092
Net assets		
Shareholders' equity		
Share capital	30,964	58,342
Capital surplus	1,987,652	2,251,675
Retained earnings	△315,903	203,730
Treasury shares	△69	△69
Total shareholders' equity	1,702,643	2,513,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	233,713
Total accumulated other comprehensive income	—	233,713
Share acquisition rights	19,520	51,491
Total net assets	1,722,164	2,798,883
Total liabilities and net assets	3,769,151	6,018,975

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

Quarterly Consolidated Statement of Income

First three quarters

	(Thousands of yen)	
	First three quarters of previous fiscal year (December 1, 2023 – August 31, 2024)	First three quarters of fiscal year under review (December 1, 2024 – August 31, 2025)
Net sales	2,461,880	3,046,595
Cost of sales	147,487	190,825
Gross profit	2,314,392	2,855,769
Selling, general and administrative expenses	2,280,105	2,728,458
Operating profit (loss)	34,287	127,310
Non-operating income		
Interest income	162	2,725
Foreign exchange gains	—	5,146
Penalty income	16,185	9,471
Other	4,000	1,559
Total non-operating income	20,348	18,903
Non-operating expenses		
Interest expenses	596	3,044
Share issuance costs	137	3,171
Other	3,755	—
Total non-operating expenses	4,489	6,215
Ordinary profit	50,146	139,998
Extraordinary gains		
Gain on sale of non-current assets	971	—
Total extraordinary gains	971	—
Extraordinary Loss		
Loss on disposal of fixed assets	—	0
Total extraordinary loss	—	0
Profit before income taxes	51,118	139,998
Income taxes – current	3,262	2,216
Income taxes – deferred	—	△74,793
Total income taxes	3,262	△72,577
Profit	47,855	212,575
Profit attributable to owners of parent	47,855	212,575

Quarterly Consolidated Statement of Comprehensive Income

First three quarters

(Thousands of yen)

	First three quarters of previous fiscal year (December 1, 2023 – August 31, 2024)	First three quarters of fiscal year under review (December 1, 2024 – August 31, 2025)
Net income	47,855	212,575
Other comprehensive income		
Net unrealized holding gains on available-for-sale securities	—	233,713
Total other comprehensive income	—	233,713
Comprehensive income	47,855	446,288
(Breakdown)		
Comprehensive income attributable to owners of parent	47,855	446,288

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amounts of Shareholder's Equity)

On January 29, 2025, the Company received payment from Google International LLC for a third-party allotment of new shares, resulting in an increase of 249,986 thousand yen each in capital stock and capital reserve.

In addition, pursuant to a resolution at the 13th Annual General Meeting of Shareholders held on February 24, 2025, effective April 2, 2025, the Company eliminated its accumulated deficit. This was executed by first decreasing capital stock by 271,851 thousand yen and transferring the same amount to other capital surplus (in accordance with Article 447, Paragraph 1 of the Companies Act), and subsequently decreasing other capital surplus by 307,058 thousand yen and transferring that amount to retained earnings (in accordance with Article 452 of the Companies Act).

Furthermore, due to the issuance of new shares upon the exercise of stock options, capital stock and capital reserve each increased by 49,242 thousand yen.

As a result of these events, as of the end of the current interim consolidated accounting period, capital stock stood at 58,342 thousand yen, capital surplus at 2,251,675 thousand yen, and retained earnings at 203,730 thousand yen.

(Notes to Quarterly Consolidated Statements of Cash Flows)

The Quarterly Consolidated Statements of Cash Flows for the current third quarter cumulative period have not been prepared. The depreciation and amortization (including amortization of intangible assets) for the third quarter cumulative period are as follows:

	First three quarters of previous fiscal year (December 1, 2023 – August 31, 2024)	First three quarters of fiscal year under review (December 1, 2024 – August 31, 2025)
Depreciation and amortization	7,009thousand yen	5,132thousand yen

(Notes on Segment Information, etc.)

[Segment information]

I. First three quarters of previous fiscal year (From December 1, 2023 to August 31, 2024)

Information on net sales and profit (loss) by reportable segment

	Reportable segment			Adjustments (Note 1)	(Thousands of yen) Quarterly consolidated statement of income amount (Note 2)
	Media Platform Business	IP & Content Creation Business	Total		
Net sales					
External customers	2,457,746	4,134	2,461,880	—	2,461,880
Intersegment	—	—	—	—	—
Total	2,457,746	4,134	2,461,880	—	2,461,880
Segment profit (loss)	70,188	△5,762	64,426	△30,139	34,287

(Note) 1. The adjustment amount of segment profit (loss) includes corporate expenses of 30,139 thousand yen that are not allocated to reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to reportable segments.

2. Segment profit (loss) is reconciled with operating loss in the quarterly consolidated statement of income.

II. First three quarters of fiscal year (From December 1, 2024 to August 31, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment			Adjustments (Note 1)	Quarterly consolidated statement of income amount (Note 2)
	Media Platform Business	IP & Content Creation Business	Total		
Net sales					
External customers	2,996,379	50,215	3,046,595	—	3,046,595
Intersegment	—	5,250	5,250	Δ5,250	—
Total	2,996,379	55,465	3,051,845	Δ5,250	3,046,595
Segment profit (loss)	170,391	Δ8,711	161,679	Δ34,369	127,310

(Note) 1. The adjustment amount of segment profit (loss) includes corporate expenses of 34,369 thousand yen that are not allocated to reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to reportable segments.

2. Segment profit (loss) is reconciled with operating profit in the quarterly consolidated statement of income.

2. Changes in reportable segments

The Company Group previously had a single segment, the "Media Platform Business," but with the inclusion of newly established note AI creative inc. and Tales & Co. inc. in the scope of consolidation during the previous fiscal year, the Company Group changed its segment presentation to include "Media Platform Business" and "IP & Content Creation Business" as reportable segments from the fourth quarter of the previous fiscal year.

In addition, from the first quarter of the current fiscal year, with the aim of more accurately managing the performance of each segment, certain expenses that were previously allocated to the "Media Platform Business" are now included in "Adjustments" as corporate expenses not attributable to reportable segments.

Segment information for the first three quarters of the previous fiscal year has been prepared based on the changed classification.