Supplementary Material for the Capital and Business Alliance with NAVER Corporation and Issuance of New Shares through Third-Party Allotment

November 5, 2025 note inc. (TSE Growth: 5243)

*Notice: This document has been translated by AI based on the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

Background and Objectives of this Capital and Business Alliance

We have entered into a capital and business alliance with NAVER, a company globally expanding its content business centered on "NAVER," Korea's largest search engine, **to significantly accelerate the expansion strategy of the note ecosystem**.

*Items marked with a red line indicate areas where effects from this alliance are anticipated.

note

A platform that serves as an activity hub for all creators

note PRO

Providing support for corporate communications and AI functions using note's technology

Corporate Services

Hosting "contests" in collaboration with companies to collect works on note

Expanding note's Ecosystem

Mutual Interaction

New Services

Launch new services and businesses utilizing note's assets, including in the IP and AI domains

note

note AI CREATIVE

TALES & CO.

Innovation in the Creation-Related Value Chain through AI

NAVER Corporation Overview

NAVER

A global IT company that operates "NAVER," Korea's largest search engine, alongside the messaging platform "LINE" and "WEBTOON," the world's largest digital comic platform.

Company Name	NAVER Corporation
Headquarters	95, Jeongjail-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea
Business Overview	Korea's largest internet company and one of the world's leading tech companies, deploying a wide range of AI technologies and platform services, including the "NAVER" search engine, the mobile payment service "NAVER Pay," the cloud business "NAVER Cloud," online advertising, and digital content businesses such as Webtoon. The company created the messaging platform "LINE"* and is also a leader in the content domain, operating "WEBTOON," the world's largest digital comic platform supported by numerous readers across more than 150 countries, in addition to "LINE Manga" in Japan.
Established	June 1999
Number of Employees	15,305
Consolidated Revenue	KRW 10,737.7 billion (approx. JPY 1,155.3 billion) FY ended December 2024

*"LINE" is operated by LY Corporation, which is a company under a holding company jointly controlled by NAVER Corporation and SoftBank Corp.

NAVER Corporation's Strengths

NAVER

A global IT company operating "NAVER," Korea's largest search engine, alongside "WEBTOON," the world's largest digital comic platform, and UGC platforms such as "NAVER BLOG" and "NAVER Cafe."

IT and AI-Related Technology Centered on Korea's Largest Search Engine

Operates "NAVER," Korea's largest search engine, and possesses technologies related to recommendation and personalization. Engages in a wide range of businesses, including FinTech, e-commerce, and AI-related services.

Foundation as Korea's Largest UGC Platform

Operates the blog service "NAVER BLOG" and the community platform "NAVER Cafe." Possesses Korea's largest UGC ecosystem, with a total of 8 billion pieces of content across its platforms (*1).

Global Track Record in Content and IP Expansion

Operates "WEBTOON," the world's No. 1 digital comic platform, which has approximately 170 million monthly active users (*2) in over 150 countries. Also runs various creator support programs.

*1: Cited from NAVER Corporation website *2: Cited from NAVER Integrated Report 2024

Content of the Capital and Business Alliance

We will collaborate in the following areas to further accelerate the achievement of both note's and NAVER's missions and their business growth. We aim to expand the creative ecosystem globally in the age of AI.

note × NAVER

① Collaboration in Generative AI Technology

Jointly explore the utilization of AI and emerging technologies to promote the use of AI in creative fields and facilitate the digitalization, discovery, and distribution of high-quality content.

② Platform-to-Platform Collaboration

Seek possibilities for collaboration, such as mutual utilization of content and IP, cross-distribution, and global expansion opportunities, between the platforms and related services of both companies, aiming to expand the business foundation in the UGC domain.

③ Global IP Development and Expansion

Promote the joint development and expansion of intellectual property (IP) and content, such as comics, animation, live-action dramas, and Webtoons, targeting the global market, based on works posted on note, TALES, and other platforms.

④ Execution of Strategic Investments

Jointly explore strategic investment opportunities, including M&A and capital and business alliances, aimed at expanding business areas and establishing a competitive advantage to achieve goals ① through ③.

Growth Vision from the Capital and Business Alliance

By partnering with NAVER, which has a proven track record in global IP and content business, **note's Total Addressable Market (TAM) will expand into the global content market.** We aim to further accelerate business growth through **collaboration in the Generative AI domain, UGC platform business, and IP business**.

Content market: 12.4 trillion yen[1], Global content market: 135 trillion yen[2]

Digital content market: 9.4 trillion yen[1]

Online text content market: 1.9 trillion yen[1]

note GMV: 17.0 billion yen[3]

TAM expands into the global market through the alliance with NAVER

*1 Source: National Institute of Information and Communications Policy, Ministry of Internal Affairs and Communications, "Survey on Media Software Production and Distribution (June 2024)." Market size is for 2022.
*2 Source: Ministry of Economy, Trade and Industry "Entertainment & Creative Industry Policy Study Group 1st Meeting Secretariat Materials (November 2024)" Market size is for 2022.
*3 The figures are for FY 2024.

Overview of Third-Party Allotment

To advance the initiatives related to the Capital and Business Alliance, we will execute a third-party allotment of shares to NAVER Corporation.

Purpose	To promote initiatives outlined in the business alliance and drive further business growth.
Offering Summary	● Allottee (Planned): NAVER Corporation ● Number of New Shares Issued: 1,429,500 shares (Dilution Rate: 8.6%) ● Issue Price: JPY 1,399 per share (Issued at a 10% premium to the closing price of JPY 1,272 on the preceding day, November 4) ● Funds to be Raised (Gross): JPY 1,973,870,500 ● Payment Date: December 1, 2025
Fundraising Amount	● Total Payment Amount (Gross Proceeds): JPY 1,999,870,500 ● Estimated Amount of Issuance Expenses: JPY 26,000,000 ● Estimated Net Proceeds: JPY 1,973,870,500

Outline of Use of Proceeds

The policy is to utilize the raised funds for strategic investments, including IP-related initiatives, platform development, AI-related projects, and M&A, to accelerate business growth.

	Specific Use	Amount (Millions of JPY)	Description
1	**Growth Investment for IP/Content Development and Global Expansion, along with Creator Training Expenses**	**500**	• Planning and development for joint media and global expansion of promising creators and content discovered on both companies' platforms. • Training and development of promising and new creators.
2	**Investment in Platform Development, including Existing Businesses**	**373**	• Functional development of our core platforms, such as "note" and "TALES," and strengthening of the development structure. • Exploration of potential future collaboration with platforms owned by NAVER Corporation.
3	**Expenses for Research, Development, etc., Related to Generative AI**	**100**	• Research and development concerning advanced technology, predicated on the protection of creators' rights. • Development aimed at improving the user experience related to Generative AI and fundamentally streamlining business operations.
4	**Future M&A and Capital/Business Alliances**	**1,000**	• M&A and strategic investments targeting companies that contribute to strengthening IP creation and expansion capabilities, expanding the note business and ecosystem, and possessing advanced AI-related technologies.

Post-Financing Balance Sheet Status

The status of the balance sheet following this third-party allotment is as follows. In addition to this, we have secured a JPY 1.2 billion overdraft facility from financial institutions, ensuring sufficient financial soundness.

As of the end of August 2025

Assets 6,018 million yen	Liabilities 3,220 million yen
Cash and deposits 2,884	Deposits received 1,988
	Borrowings 780
	Other liabilities 451
	Net assets 2,798 million yen
Accounts receivable - other 1,597	Shareholders' equity 2,513
Investment Securities 1,084	
Other assets 452	Others 285

Post-Financing Image

Assets 7,992 million yen	Liabilities 3,220 million yen
Cash and deposits 4,858	Deposits received 1,988
Financing* +1,973	Borrowings 780
	Other liabilities 451
	Net assets 4,772 million yen
Accounts receivable - other 1,597	Shareholders' equity 4,487
	Financing* +1,973
Investment Securities 1,084	
Other assets 452	Others 285

*This is an estimated value calculated by deducting the estimated issuance expenses of JPY 26 million related to the new shares from the total payment amount (gross proceeds) of JPY 1,999 million for the new shares.

Supplemental Explanation of this Financing

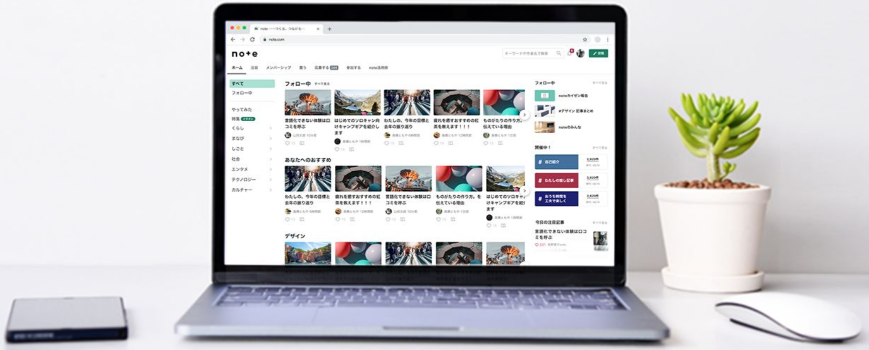
Background Leading to the Capital and Business Alliance with NAVER	Around May 2025, NAVER Corporation approached our company for discussions aimed at creating concrete synergy, noting the common strengths, visions, and high affinity between the business strategies of the two companies. Since then, the management teams of both companies have held continuous dialogues. Through repeated discussions on our respective business strategies and our vision for the media platform and IP/content creation businesses, we confirmed many common points in the direction the two companies are pursuing. This strengthened our conviction that significant synergy could be expected by collaborating in the Generative AI technology domain and cooperating in the UGC platform-related business and IP-related business. Subsequently, we agreed that in order to advance these initiatives more reliably, quickly, and from a long-term perspective, it was essential to establish a capital relationship—not just a temporary operational alliance—to clearly demonstrate mutual commitment. We concluded that this alliance was the best option to maximize both companies' corporate value, leading to the execution of this Capital and Business Alliance Agreement.
Rationale for Selecting the Third-Party Allotment	Our current cash reserves are planned for investment in accelerating the growth of existing businesses (e.g., product development and hiring). Additional fundraising is required to pursue new initiatives related to the content of this Capital and Business Alliance. Therefore, we decided to raise funds through this third-party allotment. Although this third-party allotment will result in the dilution of existing shareholders' ownership and voting rights, we believe that this Capital and Business Alliance and the third-party allotment are aimed at achieving our sustained growth and enhancing corporate value, thereby also contributing to the interests of our existing shareholders.
Method for Determining the Issue Price of the New Shares	The issue price for this third-party allotment was determined by ensuring fairness and certainty of the transaction, predicated on the protection of existing shareholders' interests. First, to ensure fairness as a price determination rule, we primarily adopted the Volume-Weighted Average Price (VWAP) for the last one month. Furthermore, to protect the interests of existing shareholders, a floor of 95% of the closing price on the business day immediately preceding was set, and to ensure certainty and stability of the transaction, a ceiling of 110% of the closing price on the business day immediately preceding was set. Based on these rules, since the one-month VWAP up to the business day immediately preceding the date of the Board of Directors resolution was JPY 1,490, the floor (95% of the closing price) was JPY 1,208, and the ceiling (110% of the closing price) was JPY 1,399, the issue price was determined to be JPY 1,399. This means the funds were raised from NAVER Corporation at a price representing a 10% premium to the closing price.

* For details, please refer to our timely disclosure dated November 5, 2026, "Notice Regarding Capital and Business Alliance with NAVER Corporation and Issuance of New Shares through Third-Party Allotment."

Appendix

Our Group's Initiatives Related to the UGC Platform

note



note is a C2C content platform that empowers all types of creators. Launched in April 2014.

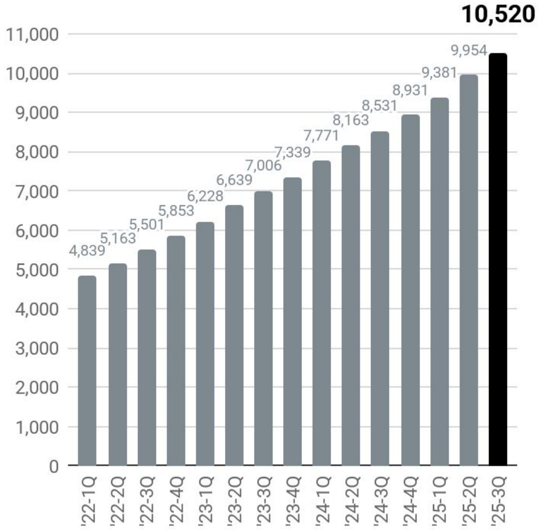
Monthly Active Users	**73.59** million
Number of User Accounts	**10.52** million
Amount of Published Content	**64.07** million
Annual Gross Merchandise Value (tax inclusive)	**17.0** billion yen

MAU: Abbreviation for Monthly Active Users, representing the total number of active browsers that accessed "note" at least once a month, including non-members. Figure as of February 2025.
The number of registered users and the number of published content items are figures as of the end of August 2025, and the Annual Gross Merchandise Value is the figure as of the end of November 2024.

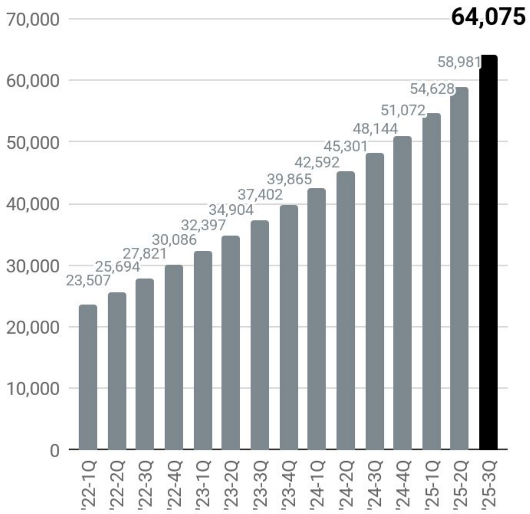
Growth of note, a Creative Community

The number of users, creators, and content have all continued to grow, and the note community is growing steadily.

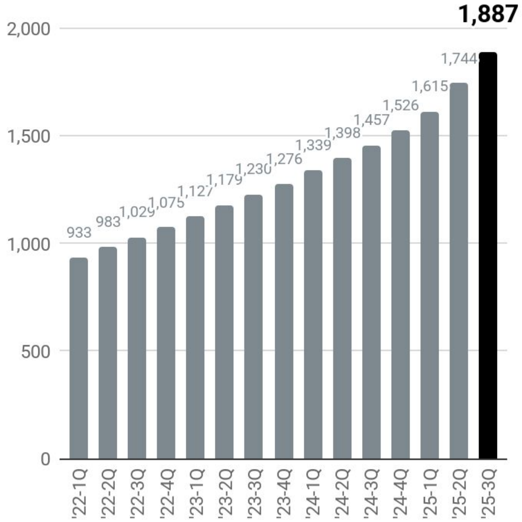
Registered User Accounts (thousand)



Amount of Published Content*1 (thousand)



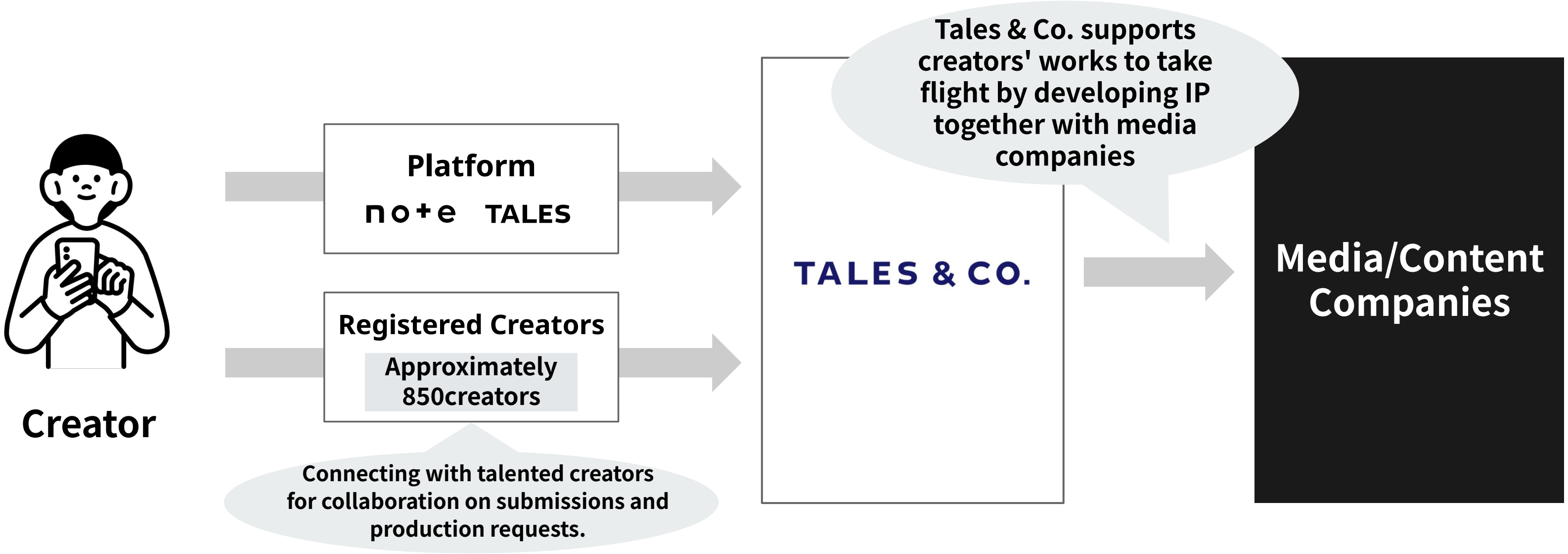
Number of Creators *2 (thousand)



*1 Amount of published content is the total number of contents currently published on note as of the end of each month.
*2 Number of creators is the total number of accounts that have posted content on note in the past (including those that have been deleted).

Goals of Tales & Co.

Tales & Co. aims to expand the note group's value proposition to include Creation, realizing media mix and IP creation through co-creation with media and content companies.



Creation of Media Mix and IP through Co-creation with Media Companies

Strengths of Tales & Co.

Tales & Co. is strengthened by its team of proven editors—including CEO Hagiwara and Director Kato—who have a track record of producing numerous hit works. Our capability lies in establishing a system for IP development by identifying a work's potential and realizing the optimal media mix.

▶ President and CEO: Takeshi Hagiwara

After working at Gyosei Corporation and Gentosha Comics, he joined Fujimi Shobo (now KADOKAWA). He held several key roles, including Deputy Editor-in-Chief of Fujimi Fantasia Bunko, Founding Editor-in-Chief of Fujimi L Bunko and Kadokawa BOOKS, and Founding Editor-in-Chief of Kakuyomu.
In 2017, he became independent and co-founded Balus Inc. as a Director and CCO. He joined note inc. in 2022 and currently serves as the CEO of Tales & Co.

Major Projects Launched

Saekano: How to Raise a Boring Girlfriend

Kakuriyo: Bed and Breakfast for Spirits

Lycoris Recoil

Love Live! Hasunosora Jogakuin School Idol Club

▶ Director: Sadaaki Kato (note CEO)

Worked as an editor at ASCII and Diamond, Inc. As one of Japan's leading editors, he has produced numerous bestsellers, including What If the Manageress of a High School Baseball Team Read Drucker's “Management” (Natsumi Iwasaki) and Zero (Takafumi Horie). He launched the content distribution site "cakes" in 2012 and the media platform "note" in 2014.

Major Works Edited

What If the Manageress of a High School Baseball Team Read Drucker's “Management” (Natsumi Iwasaki)

Zero (Takafumi Horie)

At the End of the Matinee (Keiichiro Hirano)

Key Works by Tales & Co.: Original IP

The IP "I've Fallen in Love with My Childhood Friend" saw its manga and novel adaptations published by KADOKAWA in August. Additionally, multiple other works are currently being prepared for commercialization.

"I've Fallen in Love with My Childhood Friend"
(Original: Fumiaki Maruto, Manga: Yomu)

- The manga and novel were published by KADOKAWA in August.
- The Chinese translated edition of the dōjinshi was published in September.
- The release of the French translated edition of the commercial version is also confirmed.

Entertainment novel MOOK
「Distillery」Blue,Red,Music

- The initial print run of the new Music publication sold out, necessitating a reprint.
- Multiple featured works are in progress for commercialization, including novel and comic adaptations.

"Girls x Vampire"
(Original: Mikami Teren, Manga: Minori Chigusa)

- Self-published (Dōjinshi) sales started.
- The German translated edition of the dōjinshi has been confirmed for release.
- Multiple works are currently in progress for commercialization.

Key Works by Tales & Co.: B2B Editing Business

Projects contracted for production from media and distribution platforms are also increasing in number.

App game scenario
"Hypnosis Mic -Dream Rap Battle-"

● Received an order from Odd Number, the app developer, for game scenario production.

Stream Distribution Game Scenario:
"Hamukoi - The Sweet Daily Lives of Me Reincarnated as a Hamster and Three Sisters -"

● Received an order from Kodansha the game developer, for game scenario production.

Other Production Track Records

- Original work for video production (animation and live-action)
- Manga original story
- Game scenarios
- Novel editing

and others.

Story Submission Site TALES

We launched the story submission site TALES in April 2025, jointly operated with note inc. The goal is to match submitted works with diverse media—such as publishers, video production companies, and streaming platforms—to create globally appealing Intellectual Properties (IPs).

Key Features of TALES

①Operational Structure Enabling Diverse Media Expansion

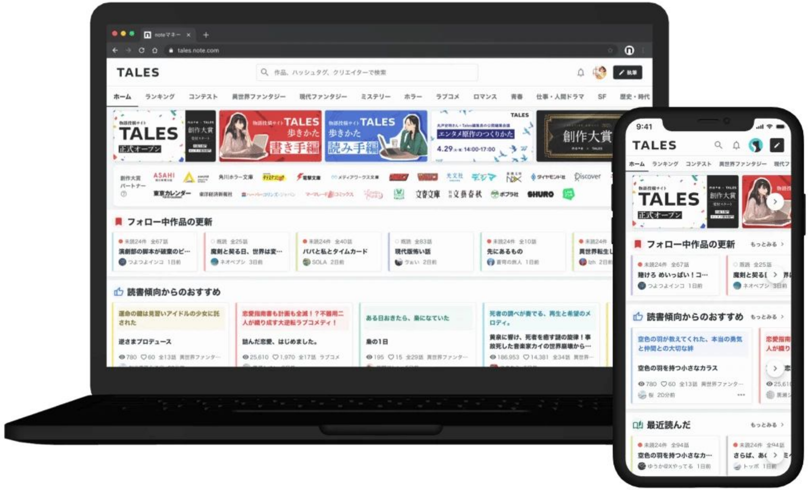
Not bound to specific labels, capable of partnering with various publishers, film companies, and video streaming platforms

②Genre-specific Rankings Display

Popular works in each genre are visible at a glance, making it easier to explore genres you don't usually read

③Partner Program Providing Advertising Revenue Sharing

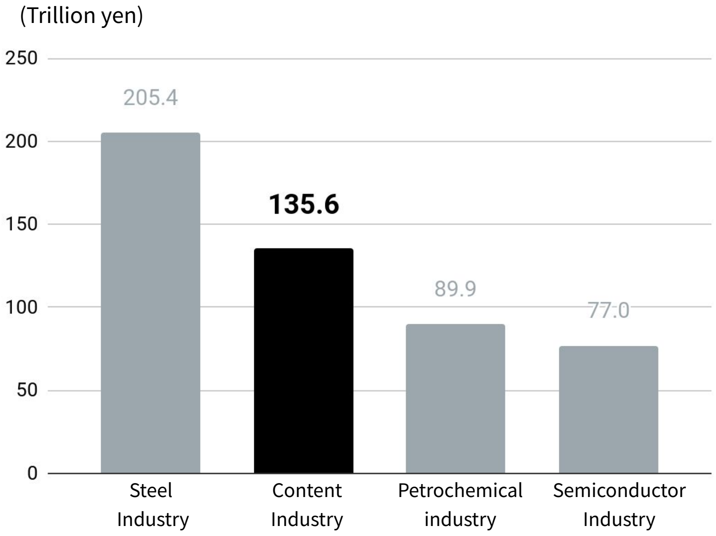
Displays advertisements aligned with the world view of submitted works and readers' interests, returning this advertising revenue to creators



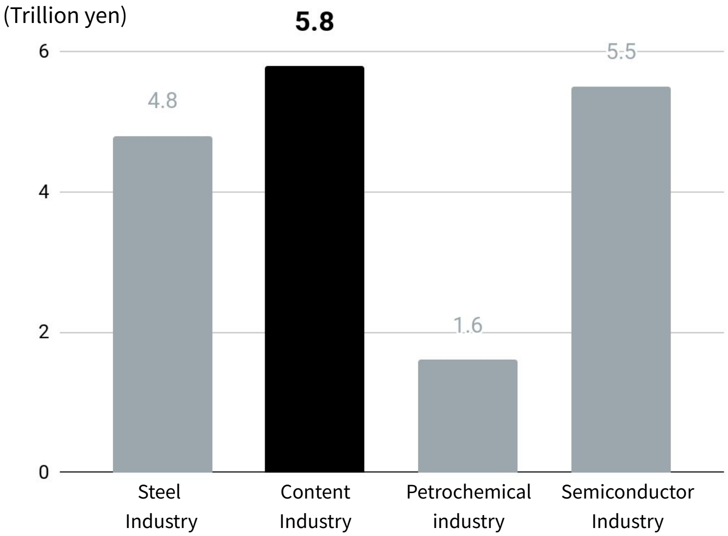
The Appeal of the Entertainment/Content Market

Content is one of the major fields in Japanese industry that has international appeal. Tales & Co. also aims to create appealing content and IP that can succeed globally.

Global Content Industry Market Size*



Export Scale of Japanese Content Industry*



*Source: Ministry of Economy, Trade and Industry (METI), "Entertainment and Creative Industries Strategy: Five-Year Action Plan Towards JPY 20 Trillion in Overseas Sales for the Content Industry (June 2025)."
The figure for "Global Market Size of the Content Industry" is based on 2022 data, and the figure for "Export Scale of Japan's Content Industry" is based on 2023 data.

note AI creative Leading note's AI Development

note AI creative leads various AI-related development for note and note pro. Based on the knowledge and technology obtained through this development, we also provide AI-related solutions to external companies, aiming for "Innovation of the value chain related to creation through AI.

- Lead AI-related development for note
- Improve operational productivity through AI utilization across note inc.

note AI CREATIVE → note

note AI CREATIVE → Media/Content Companies

Knowledge and technology gained from development for large-scale platform note will be expanded to external companies

Development Example: AI Review (β)

note PRO

投稿前の安心サポート！
「AIレビュー(β)」で
意図せぬトラブルを未然に防止

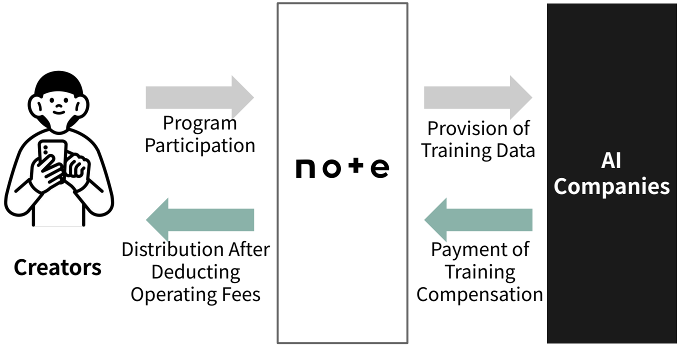
Developed a feature for note pro that uses AI to review articles before posting and displays alerts if there are expressions requiring consideration.

Creating New Revenue Opportunities Through Data Provision to AI Companies

We revised the Terms of Service in August 2025 to enable the initiative of providing note content to AI businesses and compensating creators with the proceeds. We are currently conducting discussions with multiple domestic and international AI businesses to provide content and receive compensation. This aims to create new revenue opportunities for both creators and the company, establishing a new ecosystem in the age of AI.

Data Provision and Compensation Return Process

- Provide content from note (excluding works by creators who do not wish to provide data) as training data to AI companies
- Determine compensation based on certain criteria and return it to creators



Benefits of Introducing This Initiative

<Creators>

- Gain new revenue opportunities beyond selling articles and memberships to readers
- Can opt out if they do not want their content used for AI training

<AI Companies>

- Can utilize note's content (including paid content and memberships) comprehensively to improve AI quality

<note>

- Can provide creators with new revenue opportunities
- Can generate new revenue through data provision to AI companies

Disclaimer

Treatment of this Material

This material is provided solely for the purpose of informing investors about the capital and business alliance with NAVER Corporation and the issuance of new shares through a third-party allotment. It is not prepared for the purpose of soliciting investment in shares or other securities issued by our company, either in Japan or overseas.

This material contains statements regarding future expectations. These statements are based solely on information available at the time of their creation. Furthermore, such statements are not guarantees of future results and contain risks and uncertainties. Please be aware that actual results may differ significantly from future expectations due to changes in the operating environment. Factors that could influence actual results include, but are not limited to, domestic and international economic conditions and trends in our related industries.

In addition, information concerning parties other than our company contained in this material is cited from publicly available sources, and we have not conducted any verification regarding the accuracy or appropriateness of such information, nor do we guarantee it.

note