







# Financial Results FY3/2026

May 2026

NexTone Inc.

TSE Growth Market: 7094

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Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

# Executive Summary

## Highlights of Financial Results FY3/2026

Transaction volume exceeded ¥40 billion, and net sales exceeded ¥20 billion.

Operating profit grew 29% year on year, both reaching record highs.

The number of songs under copyright management and the number of master recordings handled, which are the basis of our businesses, has also steadily increased.

### Transaction volume

**403.2**

(¥100 millions)

YoY **+10.5%**

### Net sales

**207.7**

(¥100 millions)

YoY **+7.0%**

### Operating profit

**13.0**

(¥100 millions)

YoY **+29.4%**

### Number of songs under copyright management

**82.3**

YoY **+13.2**

(10,000 songs)

### Number of master recordings handled

**165.7**

YoY **+18.7**

(10,000 master recordings)

## **Summary of Financial Results FY3/2026**

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# Summary of Financial Results FY3/2026

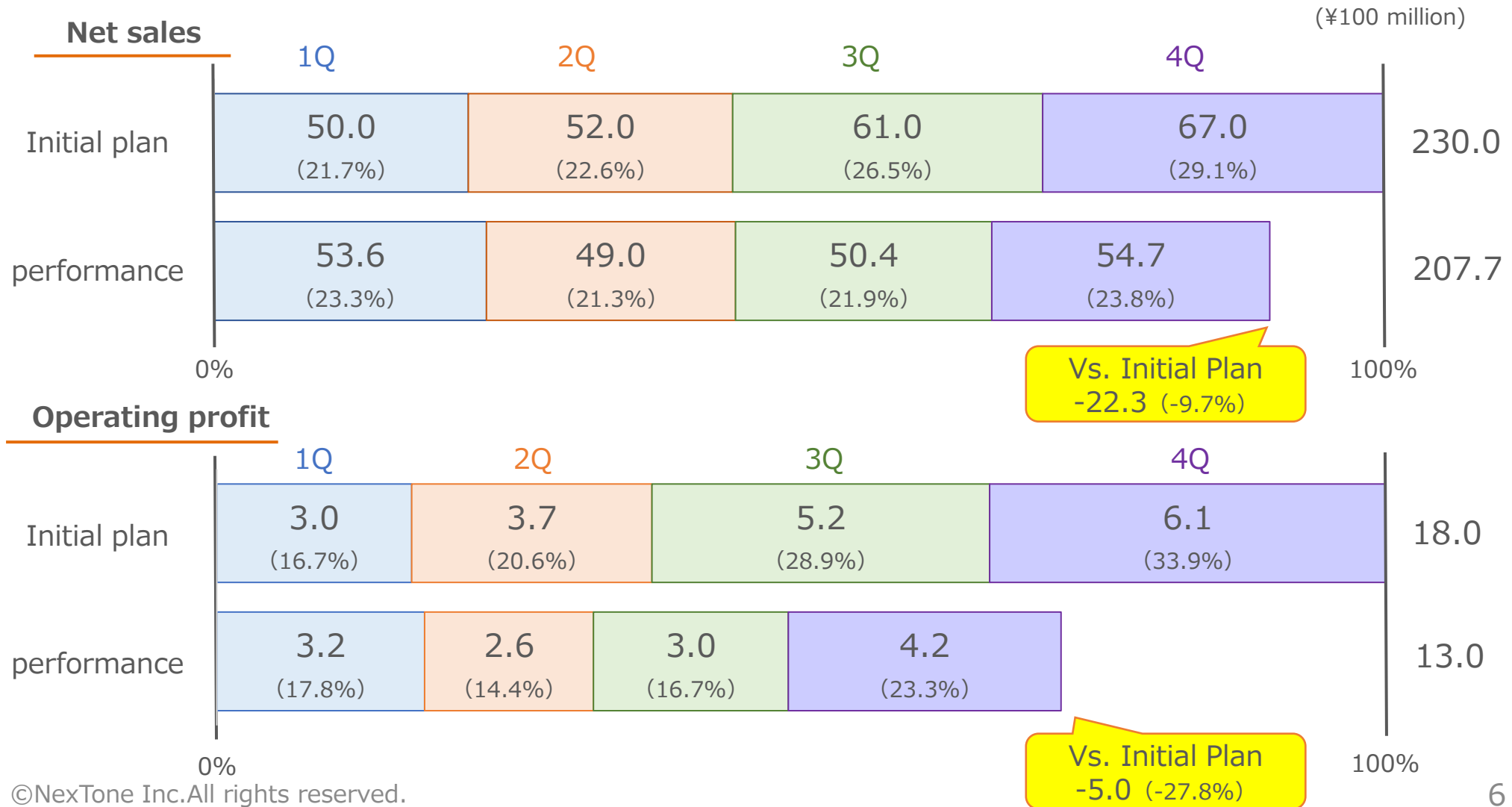
- ✓ Although the performance was below the initial plan, both net sales and operating profit increased year-on-year. Operating margin improved significantly.

(¥100 million, unless otherwise stated)

	FY3/2025	FY3/2026		YoY	
	actual	Initial plan	actual	increase or decrease	percentage change
Net sales	194.1	230.0	<b>207.7</b>	+13.6	+7.0%
SG & A	38.2	43.0	<b>40.1</b>	+1.9	+5.0%
Operating profit	10.0	18.0	<b>13.0</b>	+3.0	+29.4%
Ordinary profit	10.2	18.0	<b>13.3</b>	+3.1	+29.8%
Profit attributable to owners of parent	6.9	12.0	<b>7.9</b>	+1.0	+14.3%
Operating profit margin	5.2%	7.8%	<b>6.3%</b>	+1.1pt	—
Number of songs under copyright management (10,000 songs)	69.1	79.0	<b>82.3</b>	+13.2	+19.1%
Number of master recordings handled (10,000 master recordings)	147	175	<b>165.7</b>	+18.7	+12.7%

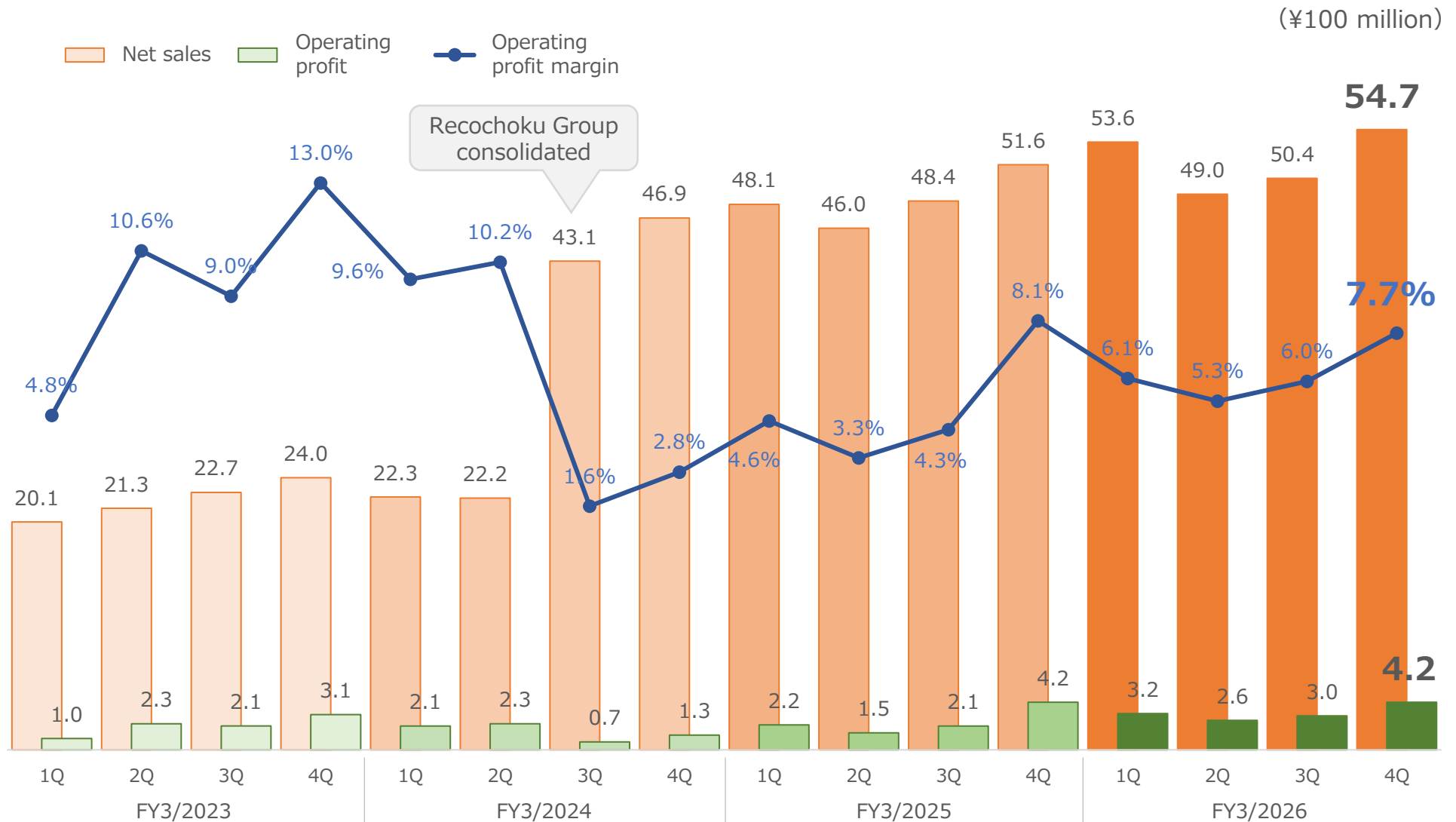
# Quarterly Financial Results 1

- Both net sales and operating profit fell short of the initial plan due to factors such as The transaction volume of distribution in the Copyright Management Business and DD Business falling short of the initial plan, and subsidiaries' delay in finding new business partners and service development for new services.



# Quarterly Financial Results 2

- ✓ Net sales continued to expand and reached a record high. Operating profit is on an upward trend, and the operating profit margin is also improving.

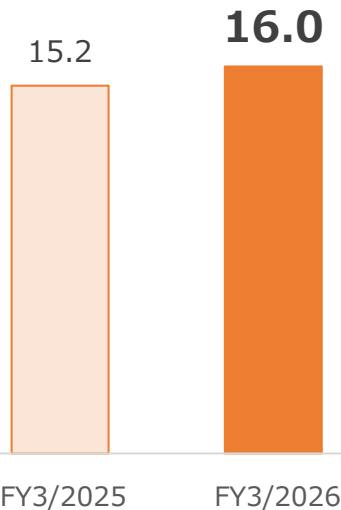


# Results by Segment (1/4) ■ Copyright Management Business

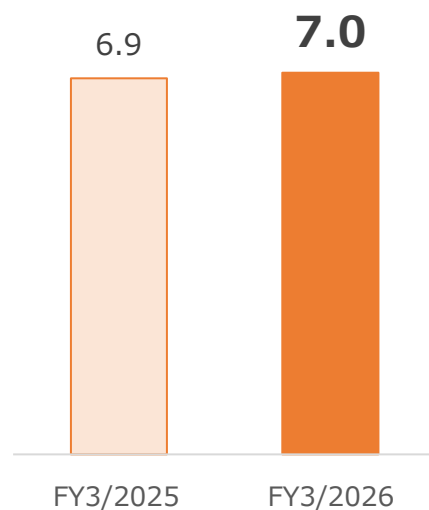
- ✓ Net sales and operating profit increased compared to the previous period, due to a steady increase in the use of idol-related songs in music software and the use of songs managed by the company in television and radio programs. (¥100 million, unless otherwise stated)

	FY3/2025	FY3/2026		YoY	
	actual	Initial plan	actual	increase or decrease	percentage change
Net sales	15.2	19.2	<b>16.0</b>	+0.8	+5.3%
Operating profit	6.9	8.9	<b>7.0</b>	+0.1	+1.4%

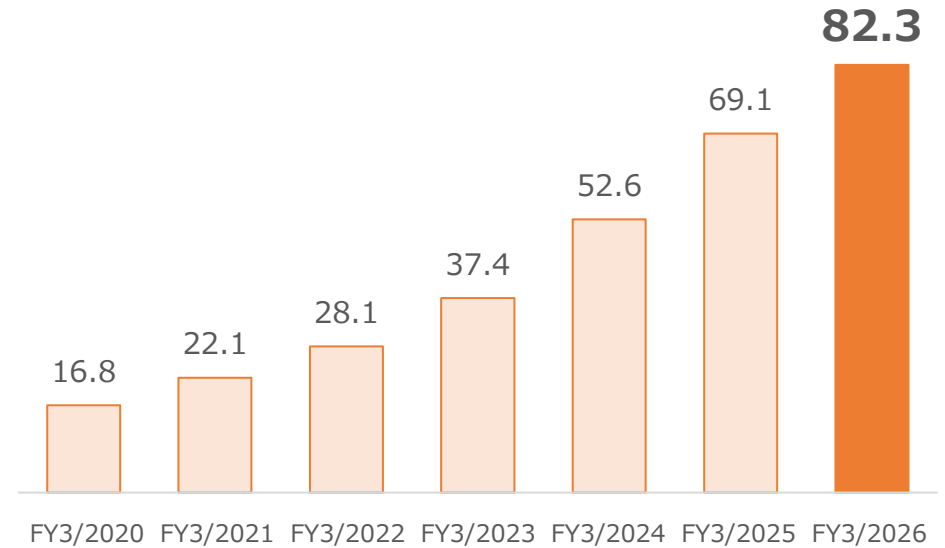
Net sales  
(¥100 million)



Operating profit  
(¥100 million)



Number of songs under copyright management  
(10,000 songs)



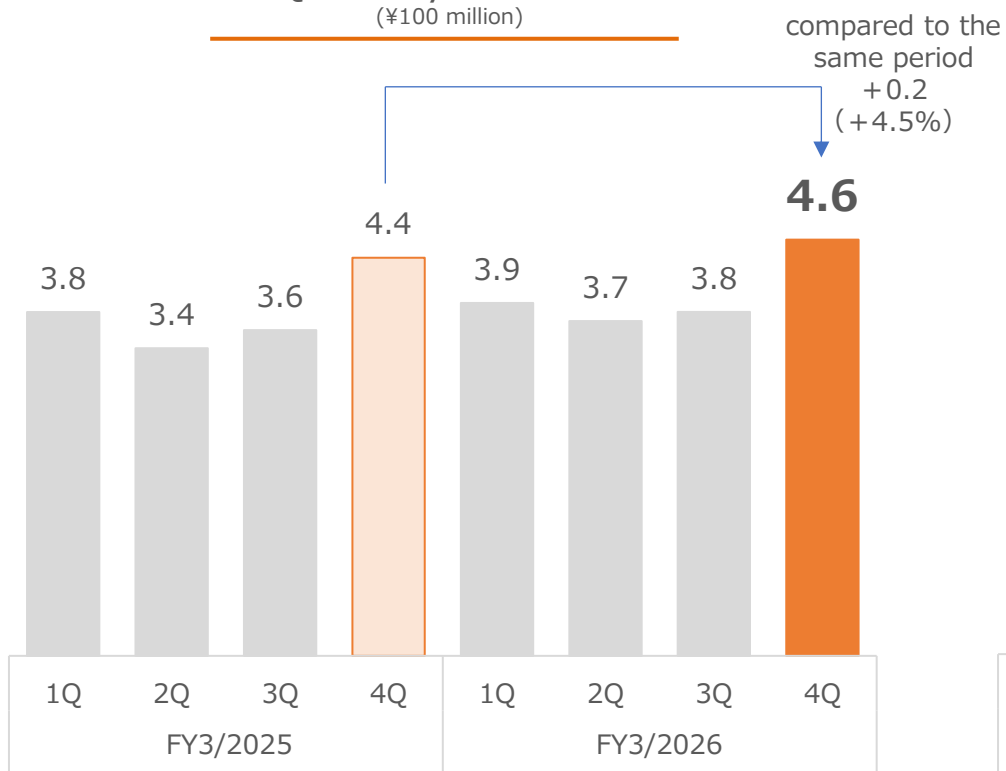
# Quarterly Financial Results ■ Copyright Management Business

(¥100 million)

	FY3/2025				FY3/2026			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	3.8	3.4	3.6	4.4	3.9	3.7	3.8	<b>4.6</b>
Operating profit	1.8	1.5	1.4	2.2	1.6	1.6	1.5	<b>2.3</b>

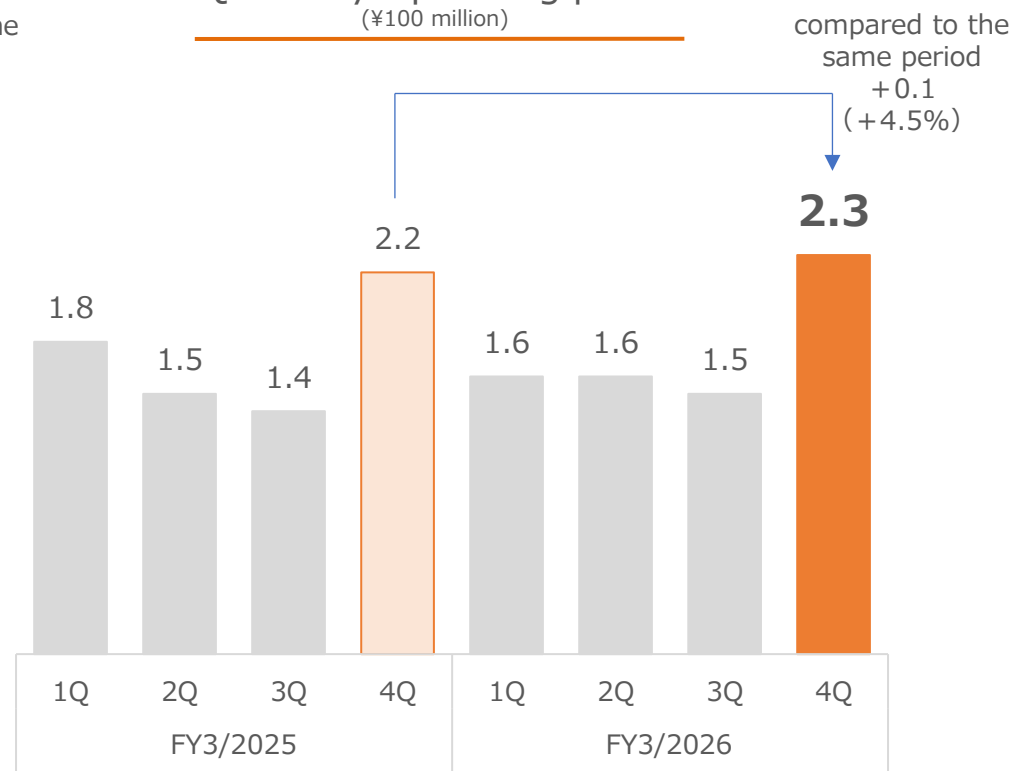
### Quarterly Net sales

(¥100 million)



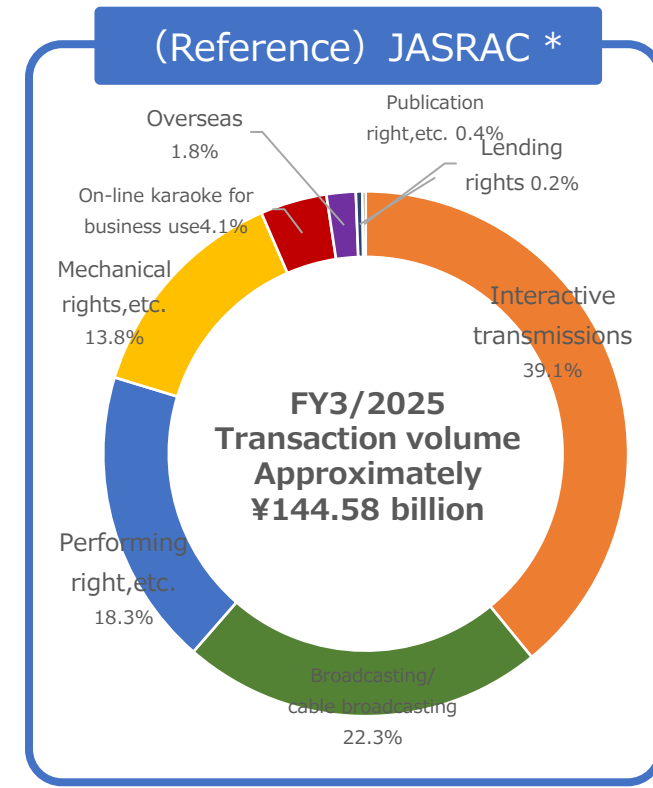
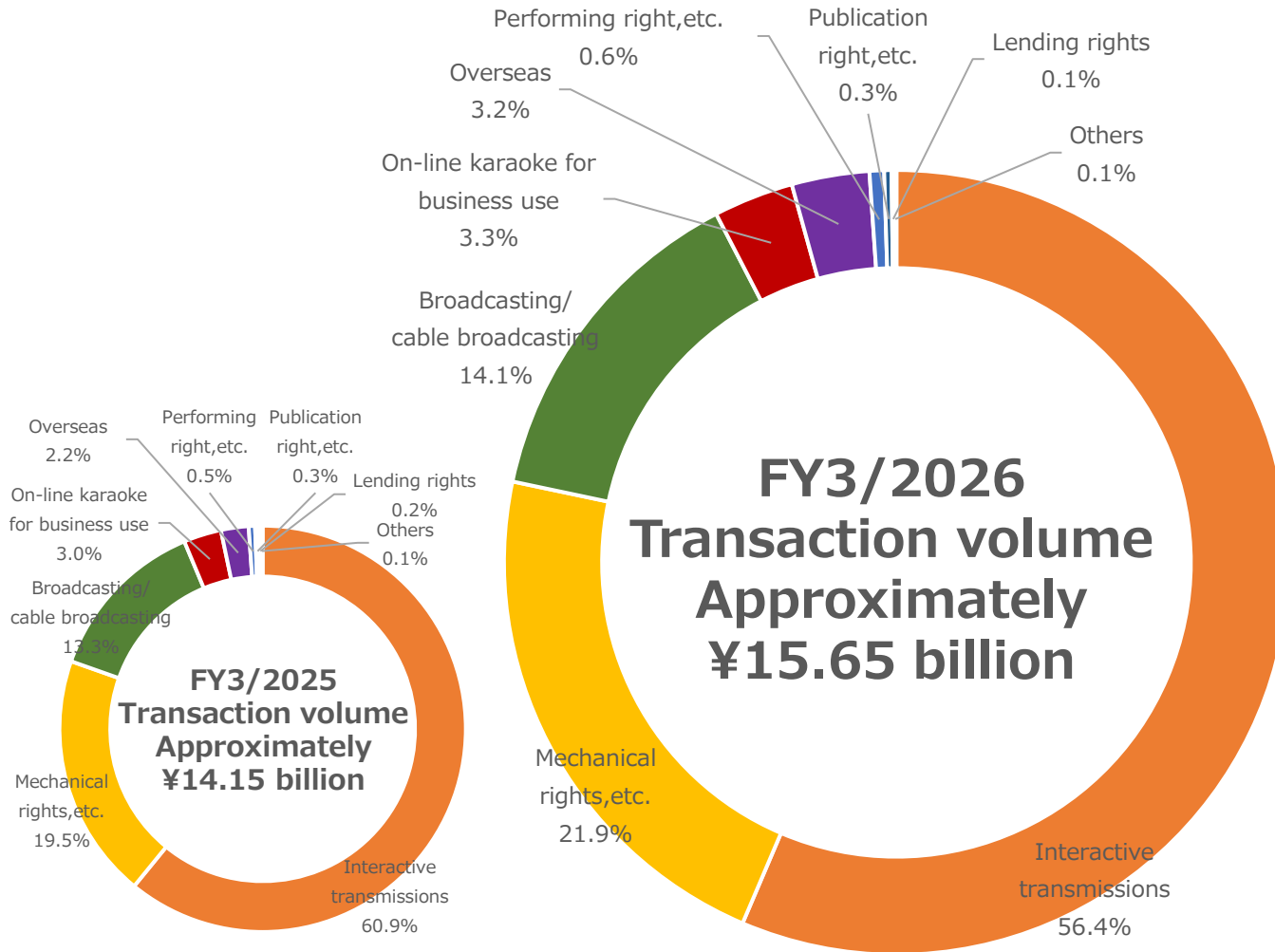
### Quarterly Operating profit

(¥100 million)



# Breakdown of Transaction volume

- Transaction volume revenue from copyrights management services exceeded ¥15 billion. The percentages of "Mechanical rights, etc.", "Broadcasting", "On-line karaoke", and "Overseas" increased year-on-year.



Reference: The Japanese Society for Rights of Authors, Composers and Publishers FY3/2026 Financial Results

# NexTone Award 2026-winning works

## ■ Copyright Management Business

The top three the Company management works with the highest royalty distribution from January to December of the previous year

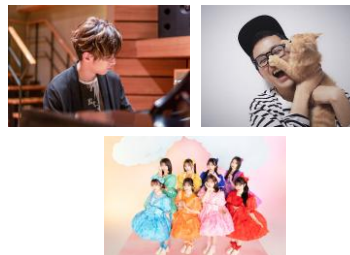
### Gold Medal

<Title>  
Hai Yorokonde  
<Author>  
Lyrics by Kocchi no Kento  
Composed by Kocchi no Kento & GRP  
<Music publishers>  
blowout Inc.  
<Artist>  
Kocchi no Kento



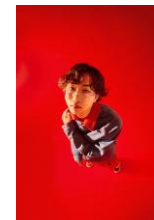
### Silver Medal

<Title>  
CAN'T WE JUST BE CUTE? -  
KAWAII DAKEJYA DAMEDESUKA?  
<Author>  
Lyrics by Hirotaka Hayakawa  
Composed by Hirotaka Hayakawa &  
Toshihiko Watanabe  
<Music publishers>  
TV ASAHI MUSIC CO., LTD.  
<Artist>  
CUTIE STREET



### Bronze Medal

<Title>  
Bunny Girl  
<Author>  
Lyrics & Composed by AKASAKI  
<Music publishers>  
ae music japan Inc.  
<Artist>  
AKASAKI



### Special Award

Projects and artists that have generated high performance and generated significant buzz in the Company

Colorful Peach



### International Award

The works and artists that have received the most recognition overseas in the Company

<Title>  
hot milk  
<Author>  
Composed by Snail's House  
<Music publishers>  
studiosnail Inc.  
<Artist>  
Snail's House



### YouTube Award

The works and artists that received the highest annual viewership on YouTube in the Company

<Title>  
Tetoris  
<Author>  
Lyrics by Hiiragi Magnetite  
Composed by TRADITIONAL  
Arranged by Hiiragi Magnetite  
<Music publishers>  
DWANGO Co., Ltd.  
<Artist>  
Hiiragi Magnetite



### 10th Anniversary Special Award

Author and Music publishers of the work with The largest royalty share in the past 10 years

<Title>  
Chiisana Koi no Uta  
<Author>  
Lyrics by  
Kiyosaku Uezu  
Composed by  
MONGOL800  
<Music publishers>  
High Wave Co.,Ltd  
<Artist>  
MONGOL800



### niconico Creative Culture Achievement Award

Creators who have created and posted the most videos on niconico in the past 10 years

Giga



[Special website]



[Sponsors]

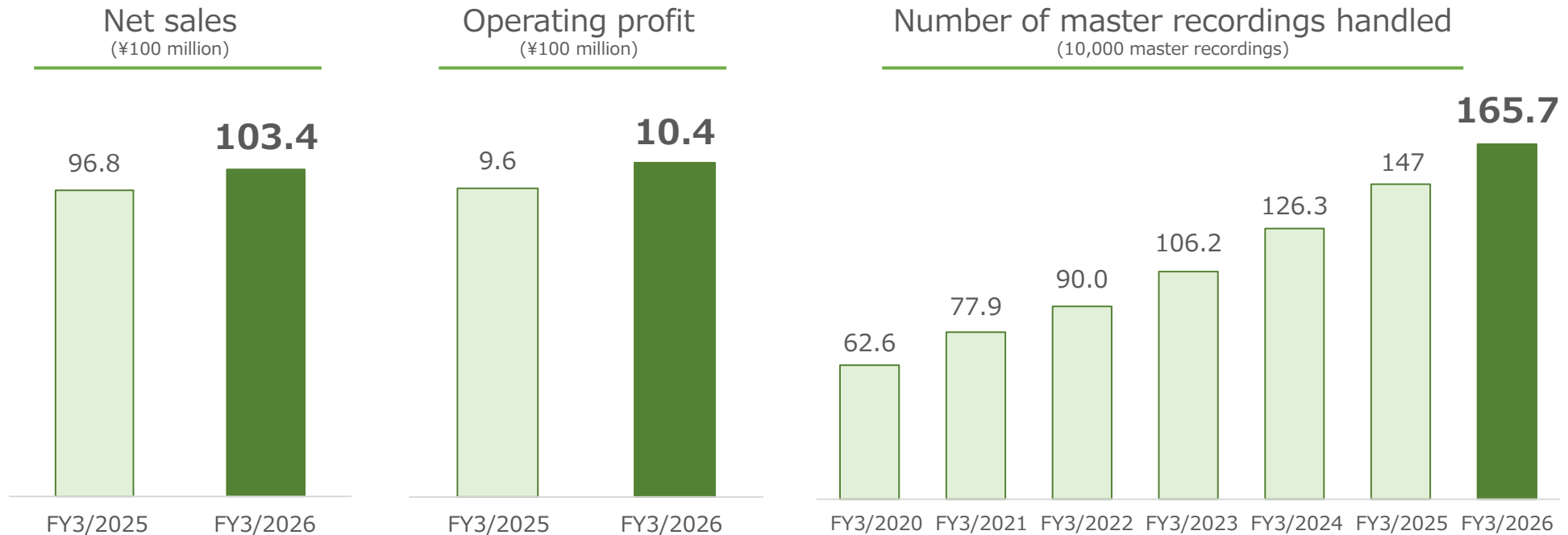


# Results by Segment (2/4)

## ■ DD (Digital Content Distribution) Business

- Net sales and operating profit increased compared to the previous period due to increased playback of original recordings related to anime, games, and online creators such as VTubers, which are our company's strengths, as well as the digital release of back catalogs by major rights holders.
- (¥100 million, unless otherwise stated)

	FY3/2025	FY3/2026		YoY	
	actual	Initial plan	actual	increase or decrease	percentage change
Net sales	96.8	125.3	<b>103.4</b>	+6.6	+6.8%
Operating profit	9.6	12.5	<b>10.4</b>	+0.8	+8.3%



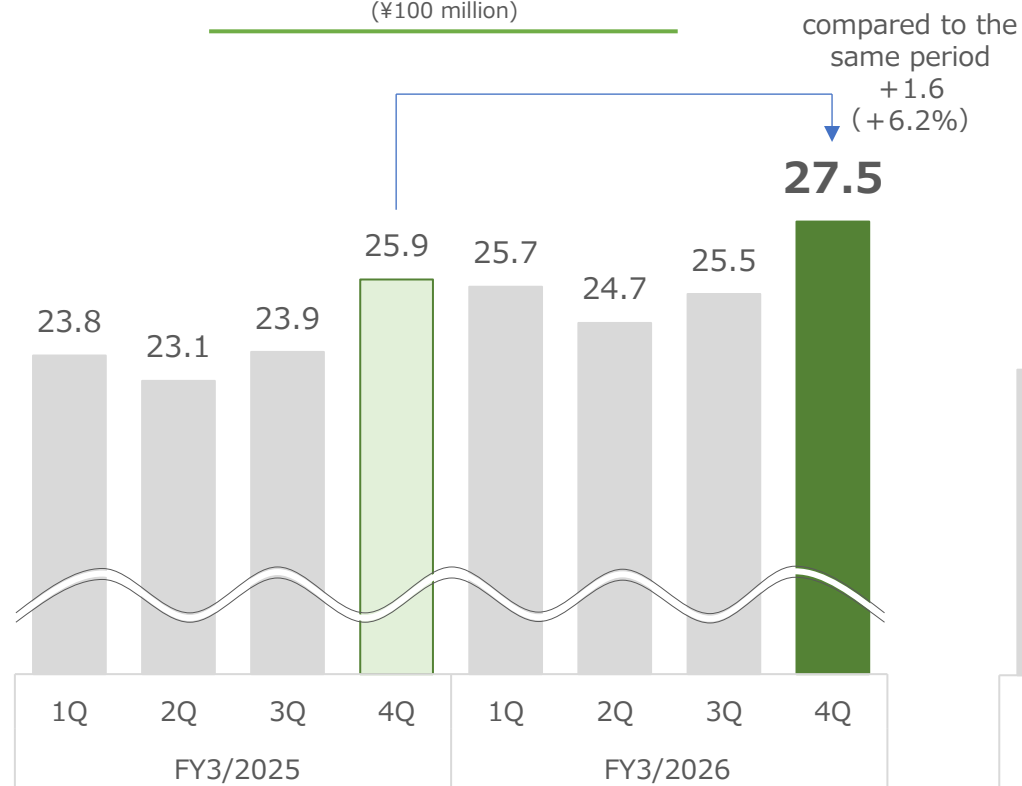
# Quarterly Financial Results

## ■ DD (Digital Content Distribution) Business

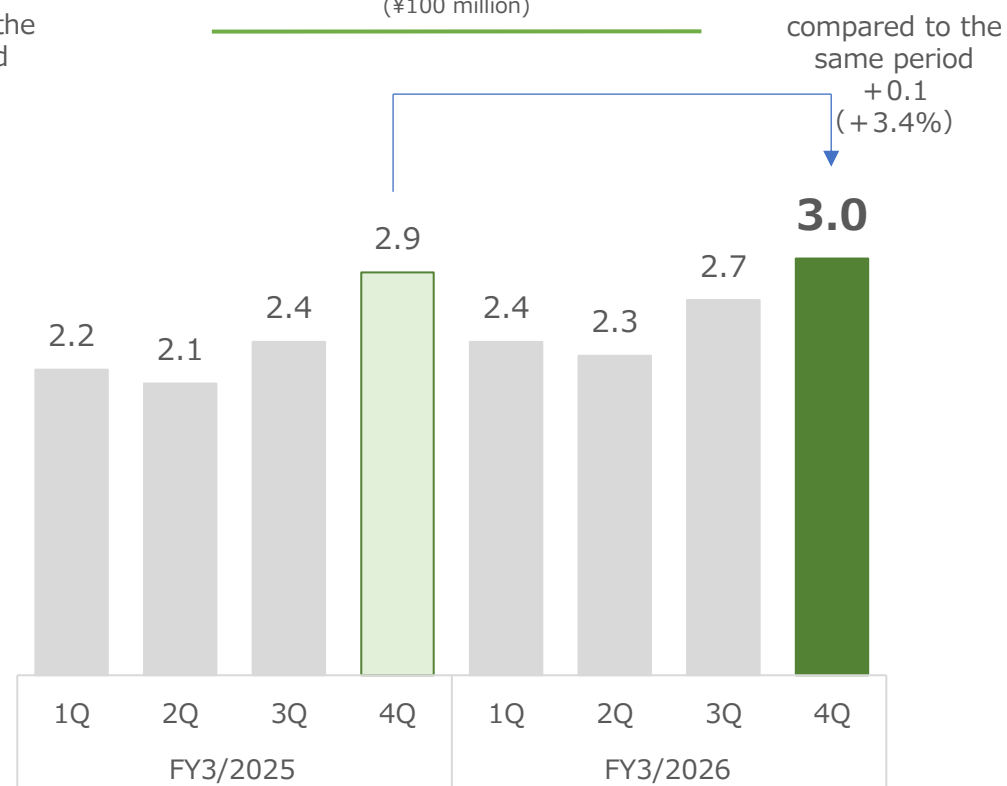
(¥100 million)

	FY3/2025				FY3/2026			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	23.8	23.1	23.9	25.9	25.7	24.7	25.5	<b>27.5</b>
Operating profit	2.2	2.1	2.4	2.9	2.4	2.3	2.7	<b>3.0</b>

Quarterly Net sales  
(¥100 million)



Quarterly Operating profit  
(¥100 million)



# Topics ■ DD (Digital Content Distribution) Business



May 2025

**Began redistribution of secondary broadcast usage fees for the master recordings handled**

<https://contents.xj-storage.jp/xcontents/AS06583/2b9e2771/4dd0/4455/abf2/f6a5c0cd793d/140120250513547677.pdf>



▶ NexTone  
Game Music Academy

September 2025

**Launched "NexTone Game Music Academy", specializing in game music**

<https://contents.xj-storage.jp/xcontents/AS06583/fc2b551c/acef/458f/9846/5aa152e144fc/140120250924561285.pdf>



November 2025

**Held live & DJ event "GAME MUSIC CROSSING TOKYO"**

<https://contents.xj-storage.jp/xcontents/AS06583/5cfab6e3/27d3/486b/b44b/823c698be938/140120251107592773.pdf>



December 2025

**ATLUS Sound Team 「It's Going Down Now」**

**Selected as the most played Japanese music on Spotify in the U.S.**

<https://www.atlus.co.jp/gamemusic/news/1355/>

February 2026

**HELLO! PROJECT Lifting of the subscription**

<https://up-front-works-sp.com/subscription/>



# Results by Segment (3/4) ■ Digital Music Provider Business

- ✓ Both net sales and operating profit increased year-on-year mainly due to the revision of service fees for "d hits" (service for individuals) and the steady expansion of "Recochoku play," a master recordings licensing scheme for corporations.

(¥100 million, unless otherwise stated)

	FY3/2025	FY3/2026		YoY	
	actual	Initial plan	actual	increase or decrease	percentage change
Net sales	75.8	75.1	<b>77.2</b>	+ 1.4	+ 1.8%
Operating profit	13.3	14.8	<b>15.6</b>	+ 2.3	+ 17.3%

## "Recochoku play" to karaoke companies



- Service name: Recochoku play
- Service: master recordings licensing scheme for corporate users of karaoke singing

<June 30, 2025>  
 KoshidakaDigital 「E-bo」  
 Operation of Koshidaka  
 「Manekineko」  
 Started introduction at  
 Approximately 200 stores  
 in Tokyo and three prefectures.



<March 2026>  
 Expanded to  
**700 stores**  
 of approximately  
 770 stores nationwide

# Quarterly Financial Results ■ Digital Music Provider Business

(¥100 million)

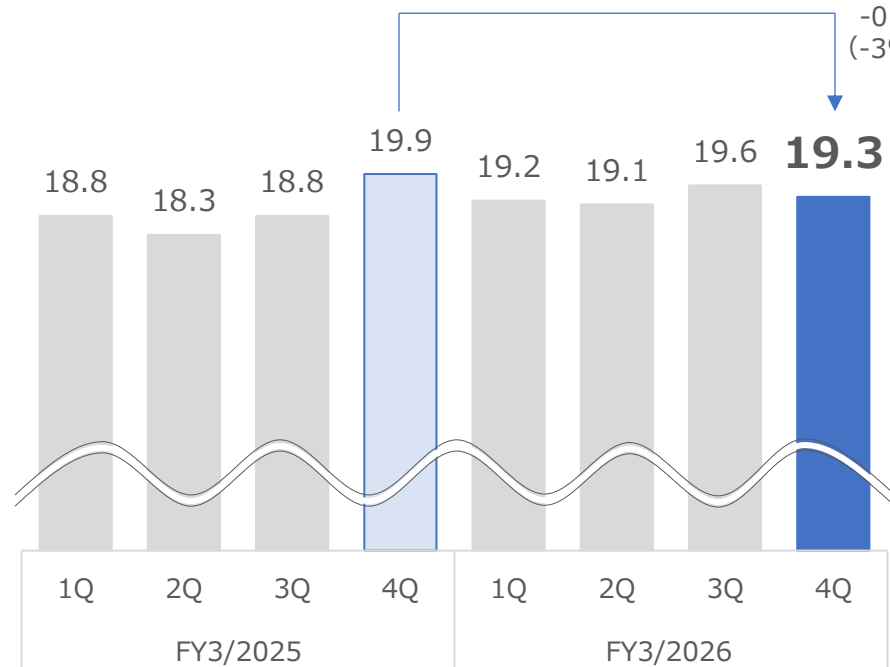
	FY3/2025				FY3/2026			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	18.8	18.3	18.8	19.9	19.2	19.1	19.6	<b>19.3</b>
Operating profit	3.2	3.1	3.3	3.6	3.9	4.0	4.0	<b>3.7</b>

### Quarterly Net sales

(¥100 million)

compared to the same period

-0.6  
(-3%)

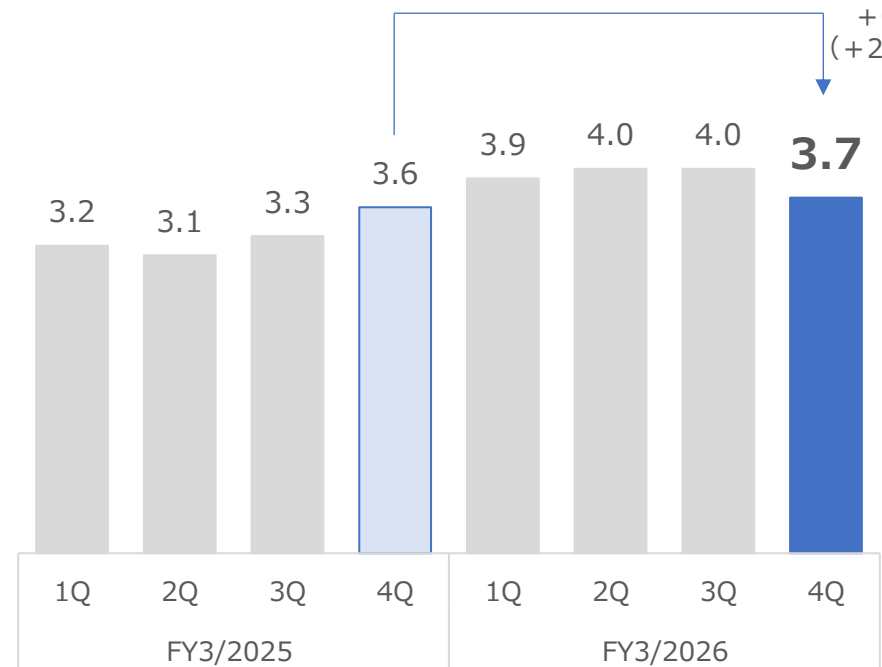


### Quarterly Operating profit

(¥100 million)

compared to the same period

+0.1  
(+2.8%)



# Results by Segment (4/4) ■ Business Support

- While Net sales increased year-on-year due to the implementation of several large-scale live viewing projects in Casting & Promotion Service Business of the Company, segment loss of 320 million yen was recorded due to the impact of delays in the expansion of new services at subsidiaries.

(¥100 million, unless otherwise stated)

	FY3/2025	FY3/2026		YoY	
	actual	Initial plan	actual	increase or decrease	percentage change
Net sales	14.9	26.3	<b>19.7</b>	+ 4.8	+ 32.2%
Operating profit	-4.2	-1.8	<b>-3.2</b>	+ 1.0	—

## Example of casting business results

### Live viewing support

#### The stage "Mystery of Gegege, the Birth of Kitaro"



Support for live viewing of the stage "Mystery of Gegege, the Birth of Kitaro" performed at Tosu Civic Culture Hall on February 8 (Sun)

#### RIP SLYME



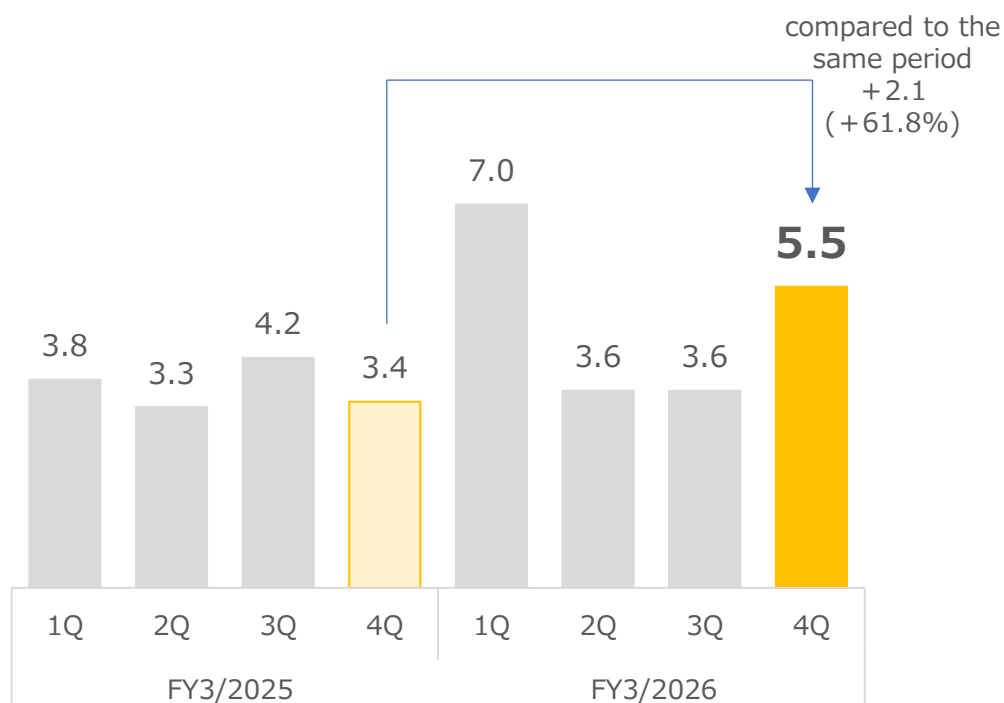
Support for live viewing of "RIP SLYME 25th Anniversary GREATEST LIVE" Final performance live on March 22 (Sun)

# Quarterly Financial Results ■ Business Support

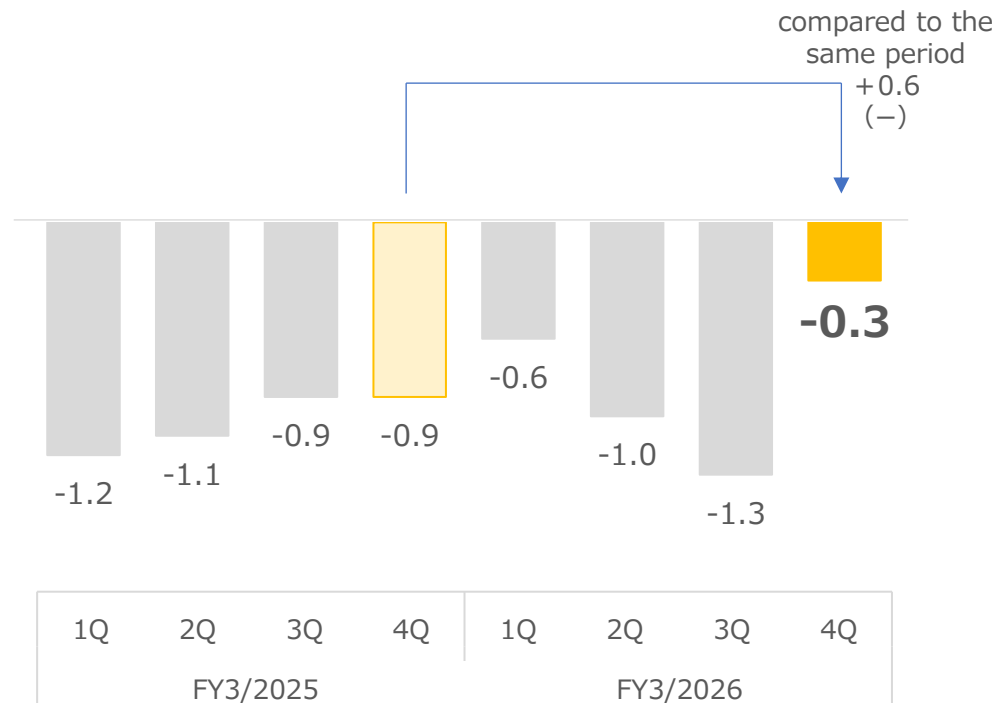
(¥100 million)

	FY3/2025				FY3/2026			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	3.8	3.3	4.2	3.4	7.0	3.6	3.6	<b>5.5</b>
Operating profit	-1.2	-1.1	-0.9	-0.9	-0.6	-1.0	-1.3	<b>-0.3</b>

Quarterly Net sales  
(¥100 million)



Quarterly Operating profit  
(¥100 million)



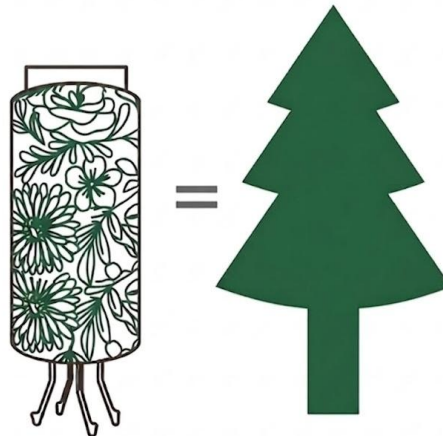
Concluded partnership agreements with specific venues and started to recommend venues



The Garden Hall  
The Garden Room

We have started offering BLONIA as a recommended flower at “Shibuya LOVEZ” and “The Garden Hall/Room”.

Confirmed that CO2 emissions can be reduced by approximately 29% to 45% compared to fresh flowers



**BLONIA**  
one-time use

This is equivalent to the amount of CO2 absorbed by approximately 1-2 cedar trees in one year.

A service to indicate estimated CO2 reduction calculated by using BLONIA on invoices is scheduled to start in June 2026.

※ Calculation cooperation :  
Zevero Pte. Ltd.

Added the Phalaenopsis orchid model to the product lineup



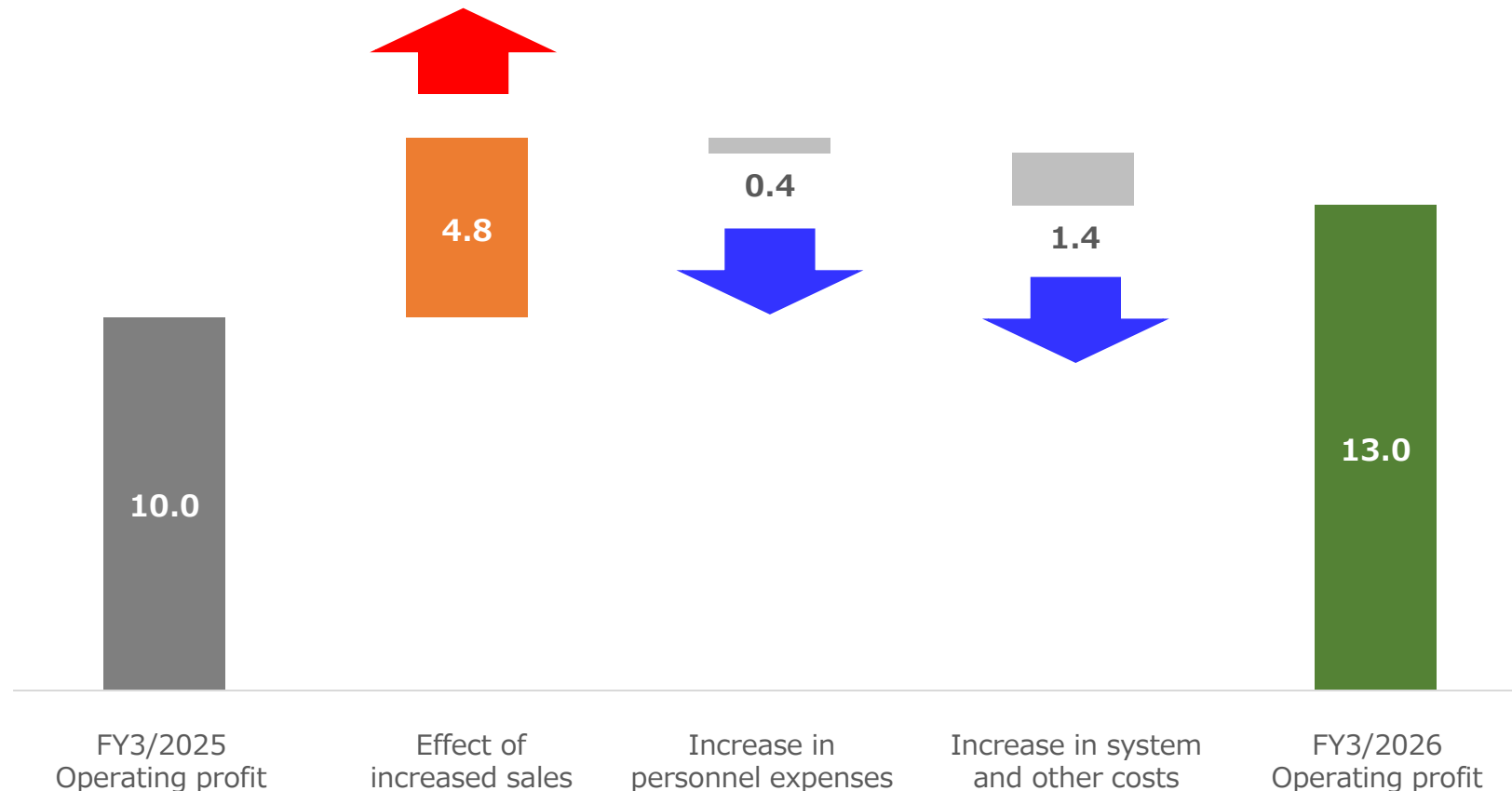
Plans to add the Phalaenopsis orchid model to the product lineup from June 2026.

We meet a wide range of needs, including relocation and store opening celebrations.

# Factors for Changes in Operating profit

- ✓ Operating profit increased as the effect of increased sales absorbed the increase in personnel expenses, system expenses, and other costs.

Factors for Changes in Operating profit (¥100 million)



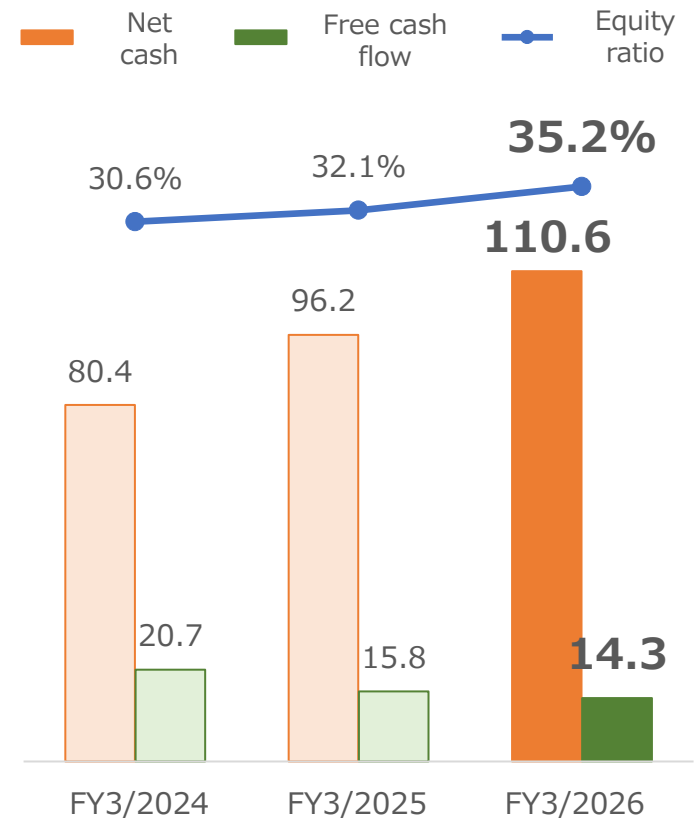
# Status of balance sheet

- ✓ Continue debt-free management. We will continue to consider investment in personnel and systems for growth, investment that will lead to future business expansion and revitalization of the music industry, including M&A, and shareholder returns.
- ✓ Free cash flow, calculated by subtracting investment cash flow from operating cash flow, was approximately 1.43 billion yen.

(¥100 million)

	FY3/2024	FY3/2025	FY3/2026	YoY
Current assets	103.4	122.7	<b>135.0</b>	+12.3
cash	80.4	96.2	<b>110.6</b>	+14.4
Accounts receivable	16.0	17.4	<b>17.2</b>	-0.2
Non-current assets	28.9	25.5	<b>23.1</b>	-2.4
Intangible assets	20.7	17.8	<b>16.4</b>	-1.4
total assets	132.3	148.3	<b>158.2</b>	+9.9
Liabilities	80.8	91.1	<b>93.5</b>	+2.4
Trade payables	29.7	34.3	<b>32.5</b>	-1.8
Accounts payable	37.8	43.3	<b>50.9</b>	+7.6
Net assets	51.5	57.1	<b>64.6</b>	+7.5
Total liabilities and shareholders' equity	132.3	148.3	<b>158.2</b>	+9.9

Changes in Financial Position (¥100 million)



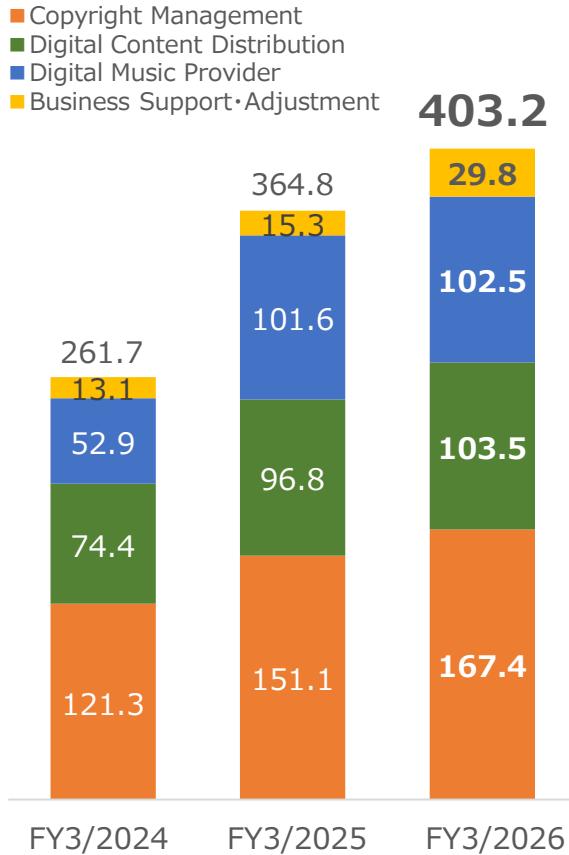
\* In the Q2 FY3/2025, the Company finalized the provisional accounting treatment for the business combination. The figures for the FY3/2024 are calculated using the same method as the previous fiscal year. Accordingly, the Company has reflected the details of the finalization of provisional accounting treatment.

# Medium-term Business Results

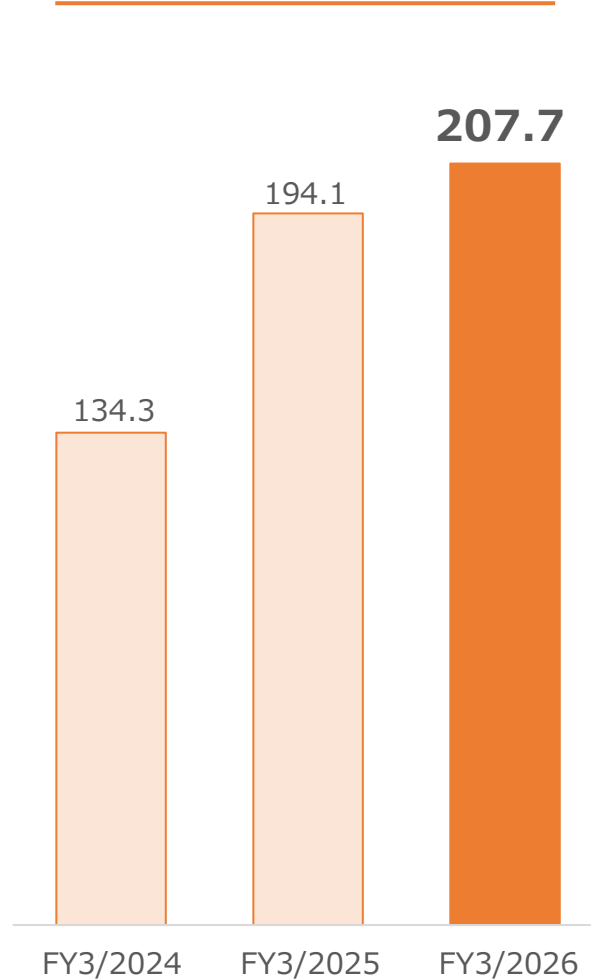
- Transaction volume, net sales and ordinary profit increased due to the expansion of the music distribution market and the increase in the number of songs under copyright management and master recordings handled.

Transaction volume (¥100 million)

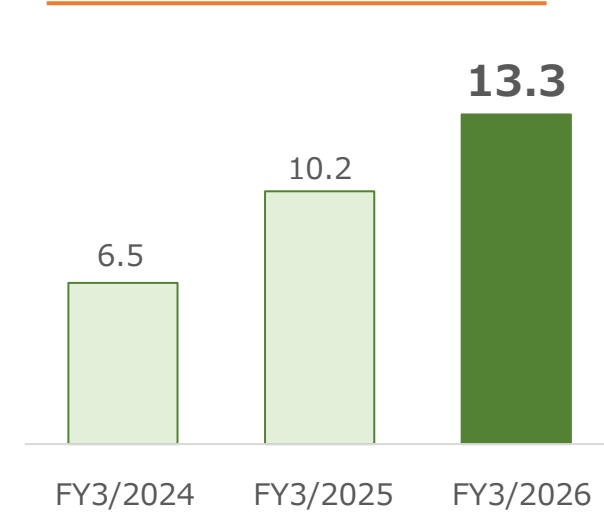
Copyright management: Transaction volume = Amount collected  
(Only the Company's commission is included in sales.)



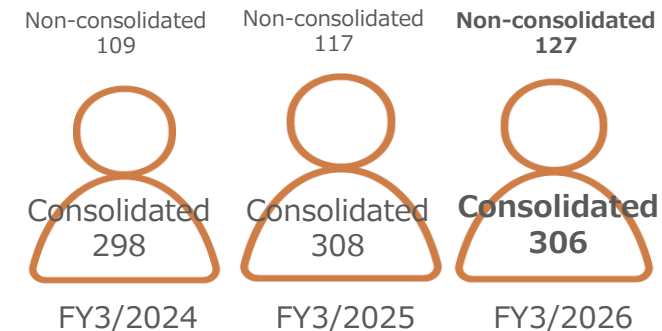
Net sales (¥100 million)



Ordinary profit (¥100 million)



Number of employees (persons)



**Business Plan and Dividend Forecast for FY3/2027**  
**Medium-term Business Plan(FY3/2027 - FY3/2029)**

# Business plan for FY3/2027

Business plan for FY3/2027 (¥100 million)	YoY
<b>Net sales</b>	
<b>220.0</b>	<b>+ 5.9%</b>
<b>Operating profit</b>	
<b>16.0</b>	<b>+ 23.0%</b>
<b>Ordinary profit</b>	
<b>16.0</b>	<b>+ 19.9%</b>
<b>Profit attributable to owners of parent</b>	
<b>10.0</b>	<b>+ 26.3%</b>

We plan to increase both sales and profit by steadily increasing the number of songs under copyright management and the number of master recordings handled, expanding existing services, and developing new services.

## 【Copyright Management Business】

We anticipate continued growth in the music and video streaming market. We will promote new music contracts and hit content contracts with influential individual and corporate rights holders.

## 【DD Business】

Along with expanding sales for corporate rights holders, we will continue to contract with influential individual creators and explore overseas markets. We also anticipate steady growth in our YouTube-related business.

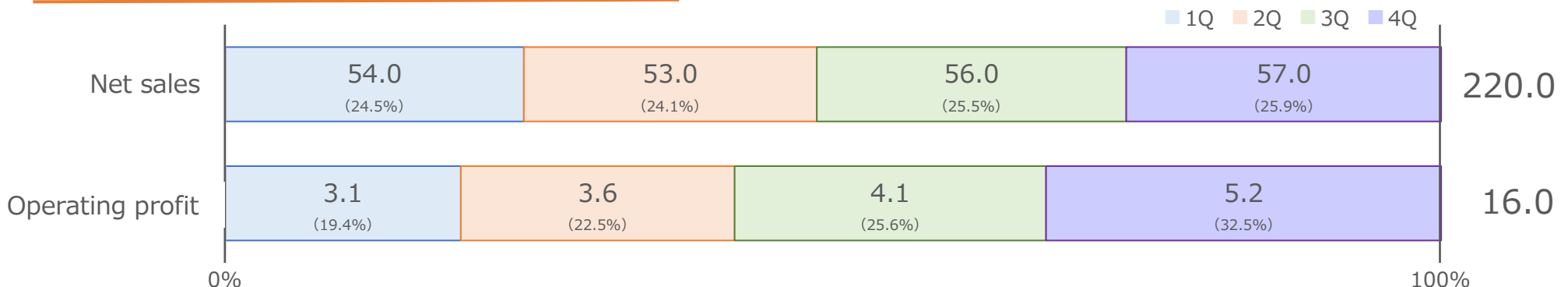
## 【Digital Music Provider Business】

While securing stable revenue in Digital Music Provider for individuals, we will expand sales by developing new transactions and developing new services in Digital Music Provider for companies.

## 【Business Support】

We expect to see growth in services such as Casting Business service diversification, the reusable festive flowers "BLONIA", and NexTone Systems' copyrights management cloud service "Virco."

## Quarterly Business Forecast (¥100 million)



# Dividend Forecast for FY3/2027

## Dividend policy

We recognize that returning profits to shareholders is an important management issue, and our basic policy is to pay dividends commensurate with our business growth on a stable and continuous basis, while securing internal reserves to strengthen our corporate structure and develop our business in the future.

In order to provide stable and continuous dividends, the Company's basic policy is to maintain or increase dividends based on the expansion of business performance, in principle, without reducing dividends.

## Dividend per share

Base date	Dividend per share		
	Interim period	end of year	Total
FY3/2027 (Forecast)	<b>¥11.00</b>	<b>¥11.00</b>	<b>¥22.00</b>
FY3/2026 (Plan)	¥0.00	¥20.00	¥20.00

(Note) The above dividend forecast is based on information available to the Company as of the announcement date and certain assumptions that the Company deems reasonable. Actual dividends may differ from the forecast due to various factors in the future.

# Medium-term Business Plan (Consolidated) (FY3/2027 - FY3/2029)

- ✓ We revised our medium-term plan because we judged that future growth in Eggs's indie artist support businesses, which we had expected to expand, would be difficult (the businesses were transferred to third parties at the end of March 2026, and Eggs was absorbed into Recochoke on April 1, 2026). Focus on further expansion of existing businesses, aiming to list in TSE Prime Market in the FY3/2028.

**PRIME**<sup>TOKYO</sup>

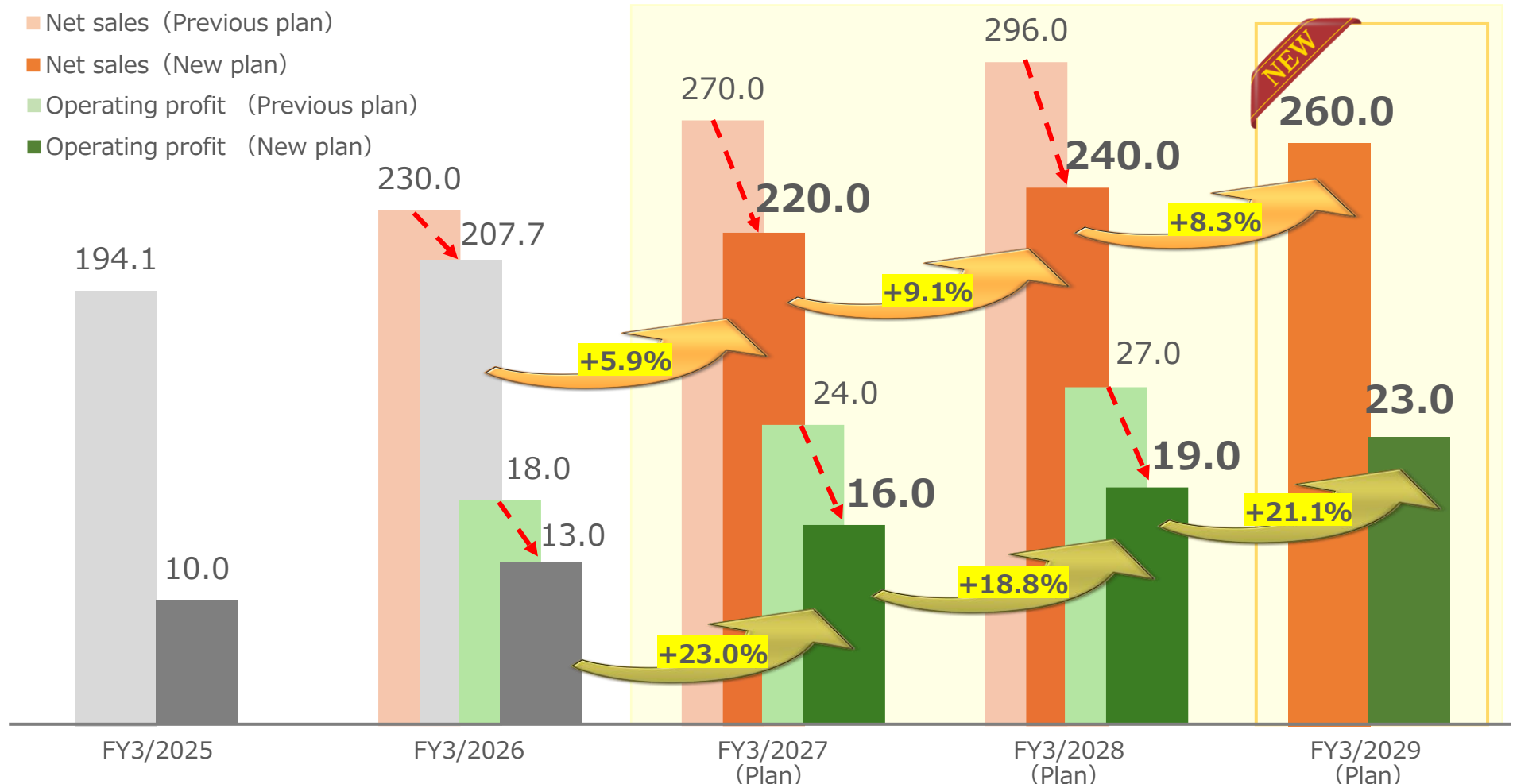
(¥100 million)

■ Net sales (Previous plan)

■ Net sales (New plan)

■ Operating profit (Previous plan)

■ Operating profit (New plan)



# Medium-term Business Plan (By Segment)

(億円)	FY3/2026	FY3/2027		FY3/2028		FY3/2029	
		Plan	YoY	Plan	YoY	Plan	YoY
Net sales	207.7	220.0	+5.9%	240.0	+9.1%	260.0	+8.3%
Copyright Management Business	16.0	17.0	+6.3%	19.0	+11.8%	21.0	+10.5%
DD business	103.4	114.0	+10.3%	130.0	+14.0%	143.0	+10.0%
Digital Music Provider Business	77.2	73.0	-5.4%	69.0	-5.5%	64.0	-7.2%
Business Support	19.7	24.0	+21.8%	30.0	+25.0%	40.0	+33.3%
Reconciling items	-8.6	-8.0	—	-8.0	±0	-8.0	±0
SG & A	40.1	42.0	+4.7%	45.0	+7.1%	47.0	+4.4%
Personnel expenses	24.0	26.0	+8.3%	27.0	+3.8%	28.0	+3.7%
Others system	16.1	16.0	-0.6%	18.0	+12.5%	19.0	+5.6%
Operating profit	13.0	16.0	+23.0%	19.0	+18.8%	23.0	+21.1%
Copyright Management Business	7.0	7.0	±0	8.0	+14.3%	9.0	+12.5%
DD business	10.4	11.0	+5.8%	13.0	+18.2%	15.0	+15.4%
Digital Music Provider Business	15.6	13.0	-16.7%	12.0	-7.7%	11.0	-8.3%
Business Support	-3.2	1.0	—	3.0	+200.0%	5.0	+66.7%
Reconciling items	-16.9	-16.0	—	-17.0	+6.3%	-17.0	±0
operating margin	6.3%	7.3%	+1.0pt	7.9%	+0.6pt	8.8%	+0.9pt
Number of songs under copyright management (10,000 songs)	82.3	97.0	+17.9%	113.0	+16.5%	129.0	+14.2%
Number of master recordings handled (10,000 master recordings)	165.7	176.0	+6.2%	191.0	+8.5%	206.0	+7.9%

# Management indicators that are important to management

## Business KPIs

- ◆ Transaction volume of Copyright Management Business (%)

**Target: Growth rate of 10% or more**  
FY3/2026: 10.8% increase

- ◆ Share of royalty revenue (%)

**Target: 10% in the medium term, 50% in the long term**  
FY3/2025: 8.9%

- ◆ Number of songs under copyright management (10,000 songs)

**Target: Increase by 10 songs or more every fiscal year**  
FY3/2026: 13.2 songs added, 82.3 songs

- ◆ Number of master recordings handled (NexTone + RecoChoku) (10,000 master recordings)

**Target: Increase by 16 master recordings or more each fiscal year**  
FY3/2026: Increase of 18.7 master recordings, 165.7 master recordings

## Financial KPIs

- ◆ Net sales (Amount)

**Target (FY3/2029): ¥26 billion or more**  
FY3/2026: ¥20.77 billion

- ◆ Net sales to the previous fiscal year (%)

**Target (FY3/2029): Growth rate of 10%**  
FY3/2026: 7.0%

- ◆ operating margin (%)

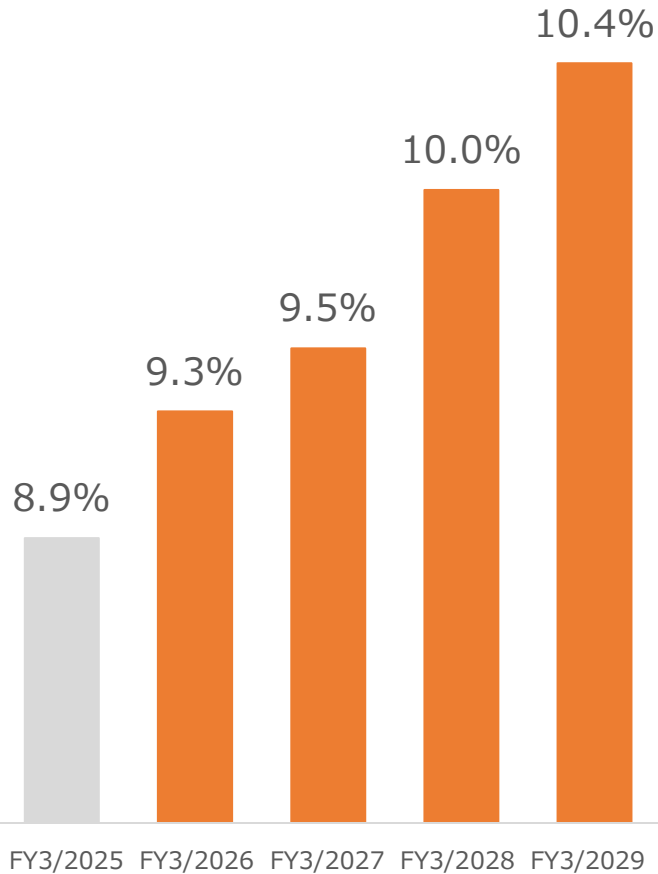
**Target (FY3/2029): 9% or higher**  
FY3/2026: 6.3%

- ◆ Increase in ordinary profit (Amount)

**Target (by the FY3/2027): Satisfy the TSE Prime Market standard (Total of ¥2.5 billion over two years)**  
FY3/2026: ¥1.33 billion

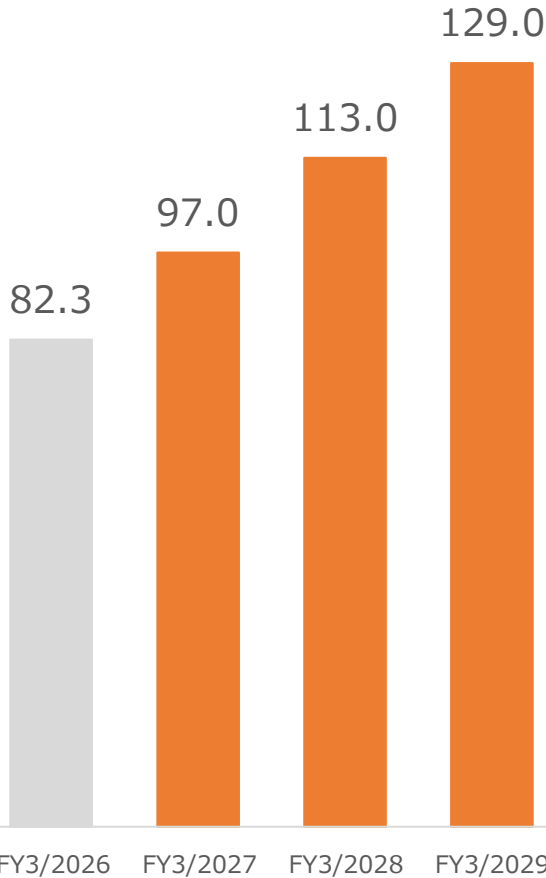
# Expansion plan for business KPIs

◆ Share of royalty revenue (%)  
**Target: 10% in the medium term, 50% in the long term**



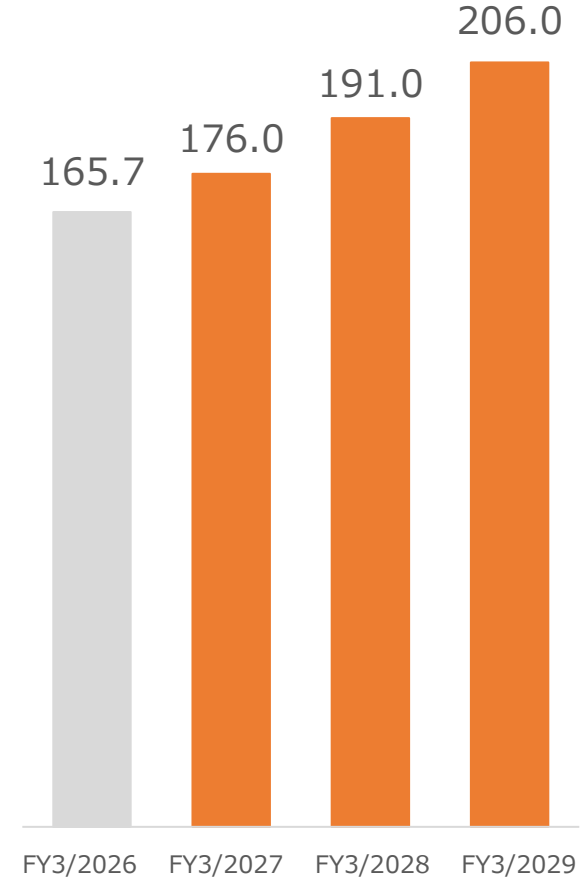
◆ Number of songs under copyright management  
**Target: Increase by 100,000 songs or more every fiscal year**

(10,000 songs)



◆ Number of master recordings handled  
**Target: Increase by 160,000 master recordings or more each fiscal year**

(10,000 master recordings)



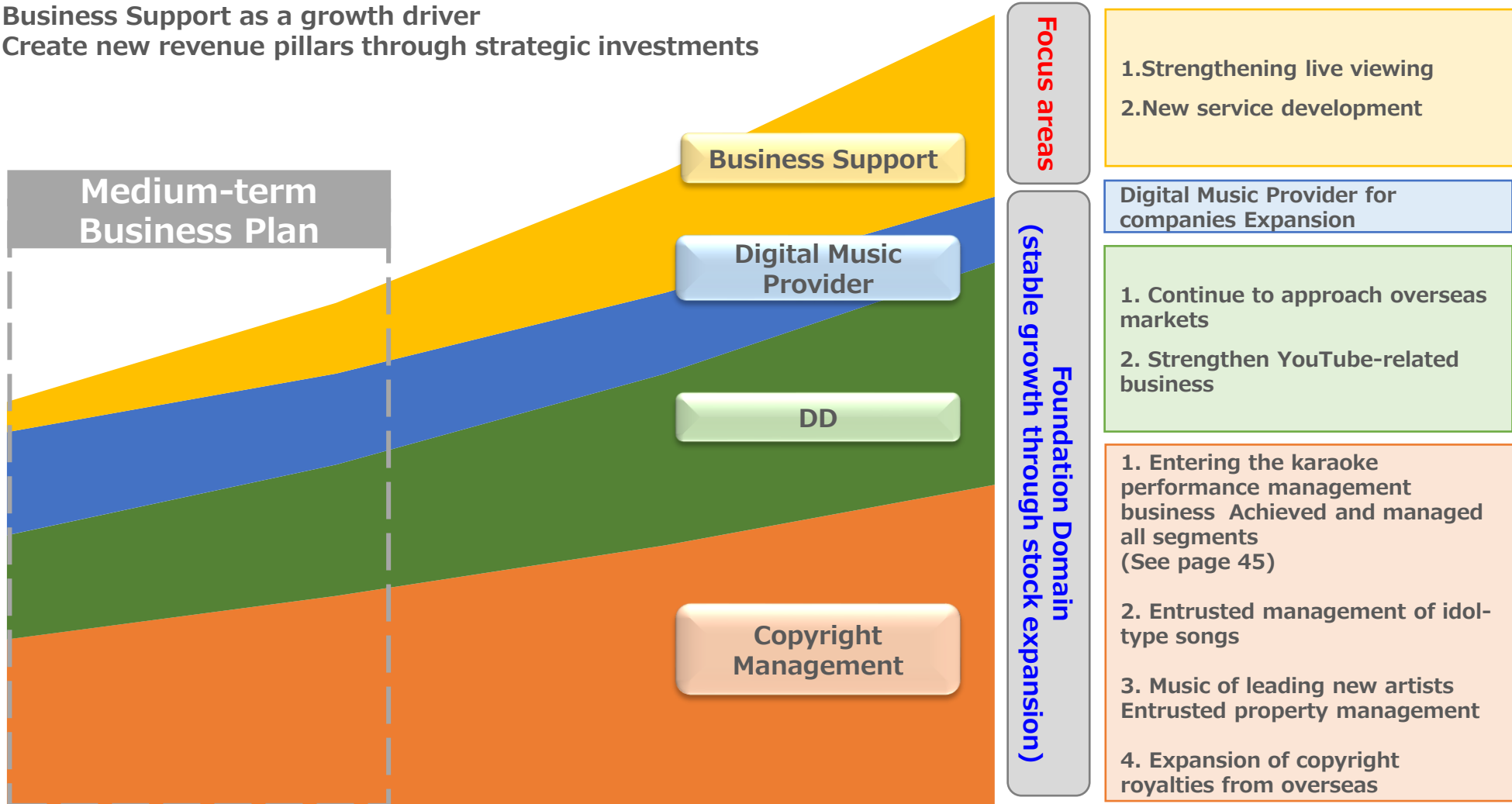
\* Market share from FY3/2026 onward is the share of JASRAC royalties.  
 Calculated on the assumption that the amount collected will increase by 6% year-on-year

# Future Growth Strategies

Image of business growth (Transaction volume basis)

Continue to grow further in our core Copyright Management Business and DD businesses

Business Support as a growth driver  
Create new revenue pillars through strategic investments



# Sustainability Initiatives / Human Capital Policy

## Sustainability Policy

As the one and only agent playing the sound of the next generation, the NexTone Group continually expands the business of managing and promoting the use of music copyrights and the business of supporting rights holders and creators to ensure the appropriate collection and distribution of music copyright licensing fees and support, thereby contributing to the creation of a rich society, further development of the music culture and industry, and realization of a sustainable and better society.

### Environment environment

### Social Society

### Governance Governance

Materiality		
Promotion of DX	Sustainable development of music culture and the music industry	Highly reliable system
	Development and utilization of human resources	Strengthening governance

### Indicators related to human capital (as of March 31, 2026)

Indicators	single	Consolidated	Targets
Ratio of women in managerial positions	26.2%	24.4%	FY2026:30% or more
Gender pay gap (Note)1	73.3%	74.3%	FY2026:75% or more
Male employees taking childcare leave	100%	71.4% (Note)2	75% or more
Paid leave utilization rate (Note)3	50.2%	41.8%	FY2026:60% or more

- (Notes)
1. In calculating the gender wage gap, employees on leave of absence and temporary employees (employees working less than 20 hours per week) are excluded from the calculation of average salary, etc.
  2. Some group companies have adopted flexible working systems, such as flextime systems and telecommuting, to enable each company to balance childcare and work. We encourage employees to work in a comfortable and comfortable environment.
  3. The number of paid leave days taken includes the number of paid leave days carried over from the previous fiscal year. The ratio of paid leave use excluding carried-over is 78.8% on a non-consolidated basis and 70.4% on a consolidated basis (as of March 31, 2026).

## **APPENDIX NexTone Company Overview**

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# Company overview

<b>Company name</b>	NexTone Inc.	
<b>representative</b>	President & CEO Masahiro Anan	
<b>Date of incorporation</b>	September 2000 (Changed corporate name to NexTone in February 2016 after merger of eLicense and Japan Rights Clearance)	
<b>head office location</b>	Yebisu Garden Place Tower 10F, 4-20-3 Ebisu, Shibuya-ku, Tokyo, JAPAN	
<b>Capital stock</b>	¥1,218 million (the end of March 2026)	
<b>Composition of Directors</b>	President & CEO Masahiro Anan President & COO Yuji Arakawa Managing Director Fumihiro Watanabe Director Daisuke Adachi Outside Director Yuko Abe * Outside Director Junki Kosaka * Outside Director Atsuko Ogi * Outside Director Yu Tamura *	Full-time Auditor Kazutoshi Watanabe Outside Auditor Nobuyuki Kobayashi * Outside Auditor Toshifumi Oshima *  * The Company has designated Ms. Yuko Abe, Mr. Junki Kosaka, Ms. Atsuko Ogi, Mr. Yu Tamura, Mr. Nobuyuki Kobayashi, and Mr. Toshifumi Oshima as Independent Officers as set forth by Tokyo Stock Exchange, Inc.
<b>Description of business</b>	Copyright Management Business / DD Business / Digital Music Provider Business / Business Support	
<b>S a l e s</b>	Consolidated: 20,774 million yen (FY3/2026)	
<b>Number of employees</b>	Consolidated: 306, Non-consolidated: 127 (the end of March 2026) * Excluding part-time workers	
<b>total assets</b>	¥15,827 million (the end of March 2026)	
<b>G r o u p companies</b>	NexTone Systems Inc. MCJP Inc. RecoChoku Co.,Ltd.	

- ✓ Through the capital and business alliance with RecoChoku, we revised our corporate philosophy on April 1, 2024, with the aim of clearly stating the ideal image we should aim for as a comprehensive music agent that goes beyond music copyright management in the future, and reviewing our raison d'être.

## Corporate Philosophy

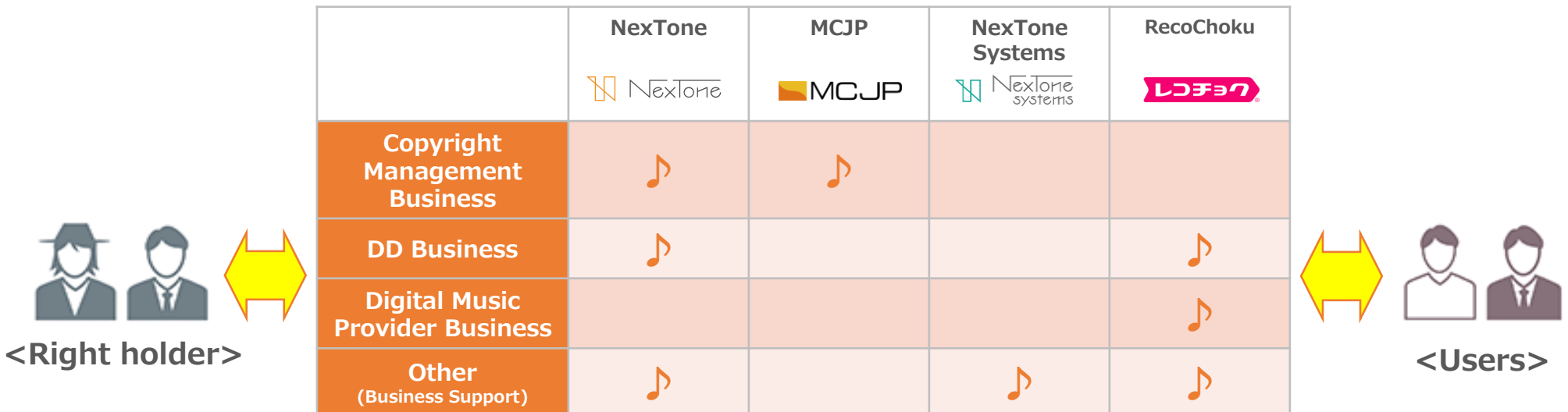
For the Future of Music

– We will continue our challenge for the development of the music culture and industry –

## vision

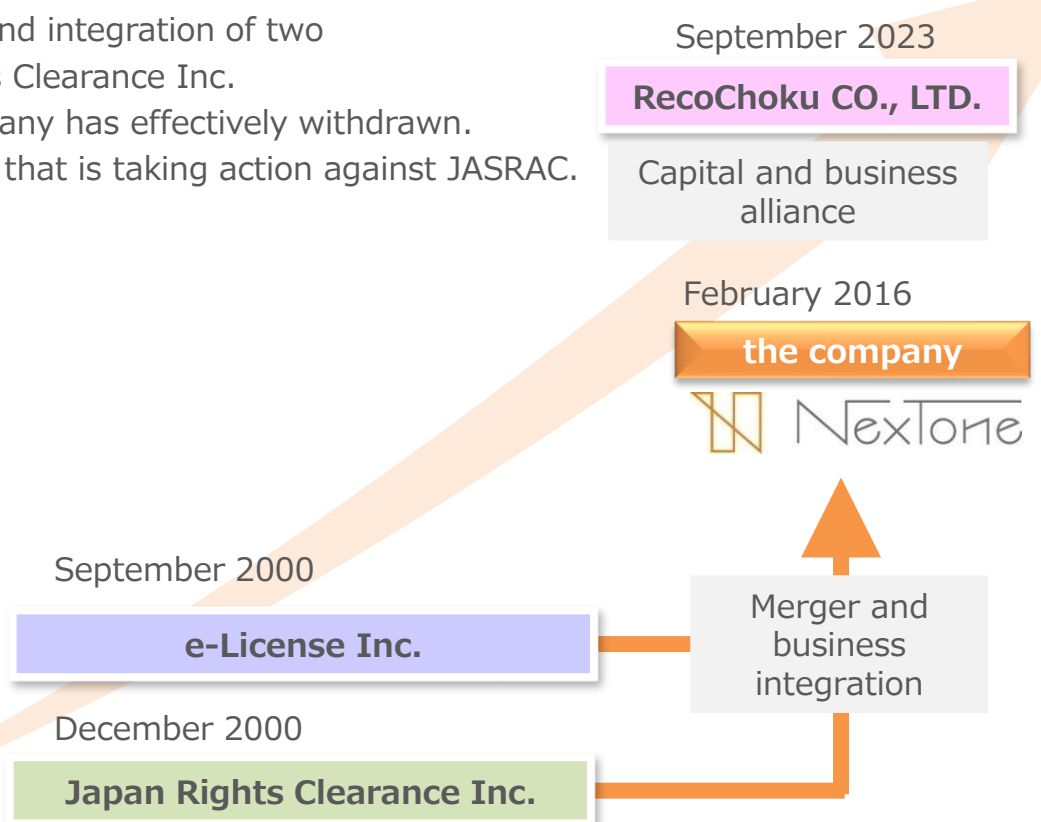
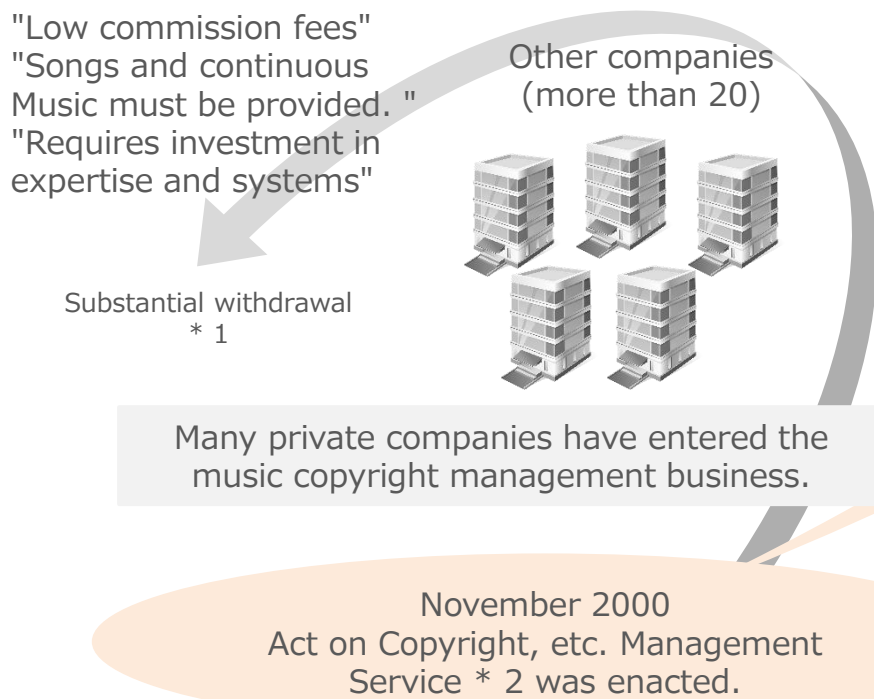
The one and only agent playing the sound of the next generation

### Matrix diagram of the Group's business



# Background of Establishment (Company history)

- ✓ With the enforcement of the "Act on Copyright, etc. Management Service" many private companies have entered the business, assuming the progress of digitization.
- ✓ The Company was established through the merger and integration of two of these companies, e-License Inc. and Japan Rights Clearance Inc.
- ✓ Barriers to entry are extremely high, and each company has effectively withdrawn. Currently, the Company is the only private company that is taking action against JASRAC.

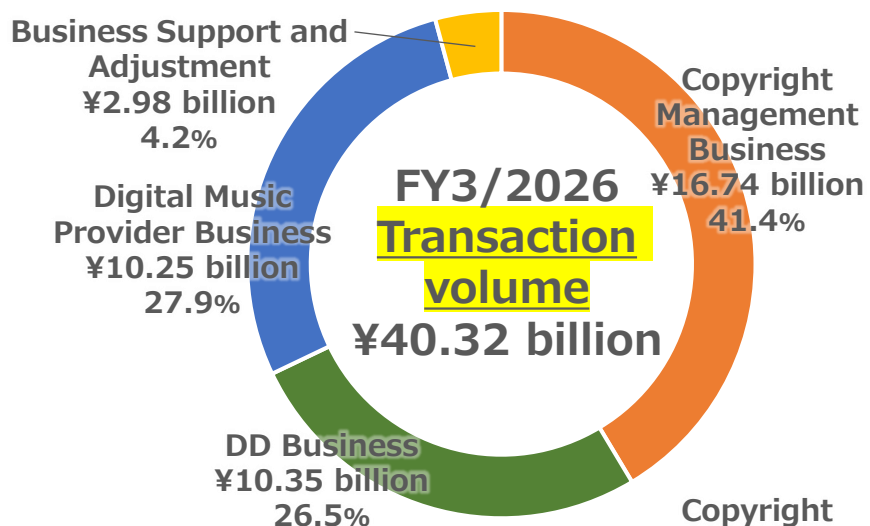


## Japanese Society for Rights of Authors, Composers and Publishers(JASRAC)

\* 1 Although the company registration remains, music management has already been transferred to the JASRAC.  
\* 2 Before the Act on Copyright, etc. Management Service. was enacted, the Japanese Society for Copyrights in Music (JASRAC) was the only management company authorized under the Act on Intermediary Services for Copyrights.

# Description of business (Consolidated)

- ✓ In addition to the core Copyright Management Business, the Group operates the DD Business, Digital Music Provider Business, and Business Support to provide broad support to both rights holders and users in the music industry.



## ■ Copyright Management Business

License of the music works entrusted by the copyright holder; Collection and distribution of royalties, and agency services for music publishers

## ■ DD Business

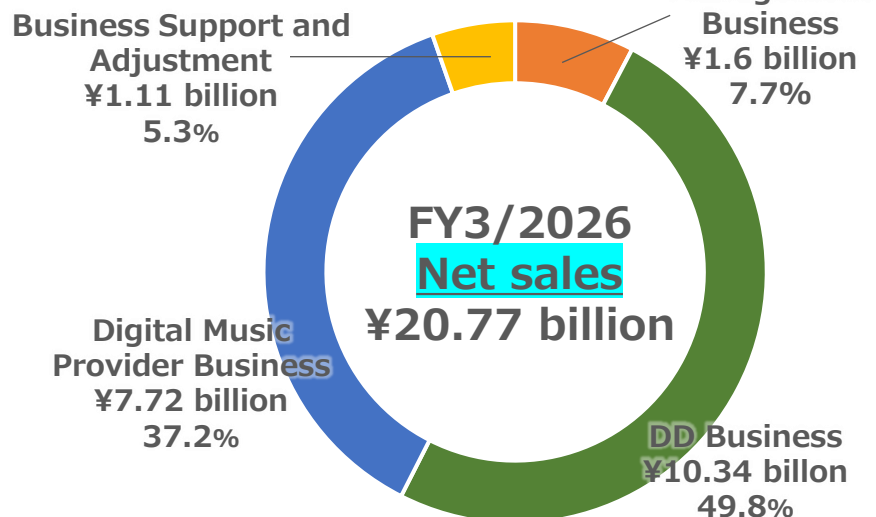
To provide music and video content to music distributors in Japan and overseas, the Company will provide a comprehensive service.  
Content management service for YouTube

## ■ Digital Music Provider Business

Digital Music Provider(for individuals),  
Digital Music Provider(for companies)

## ■ Business Support

Casting Business, Reuse Product Business, System Development, Maintenance and Operation Business, Solution Business, Agent Business, etc.



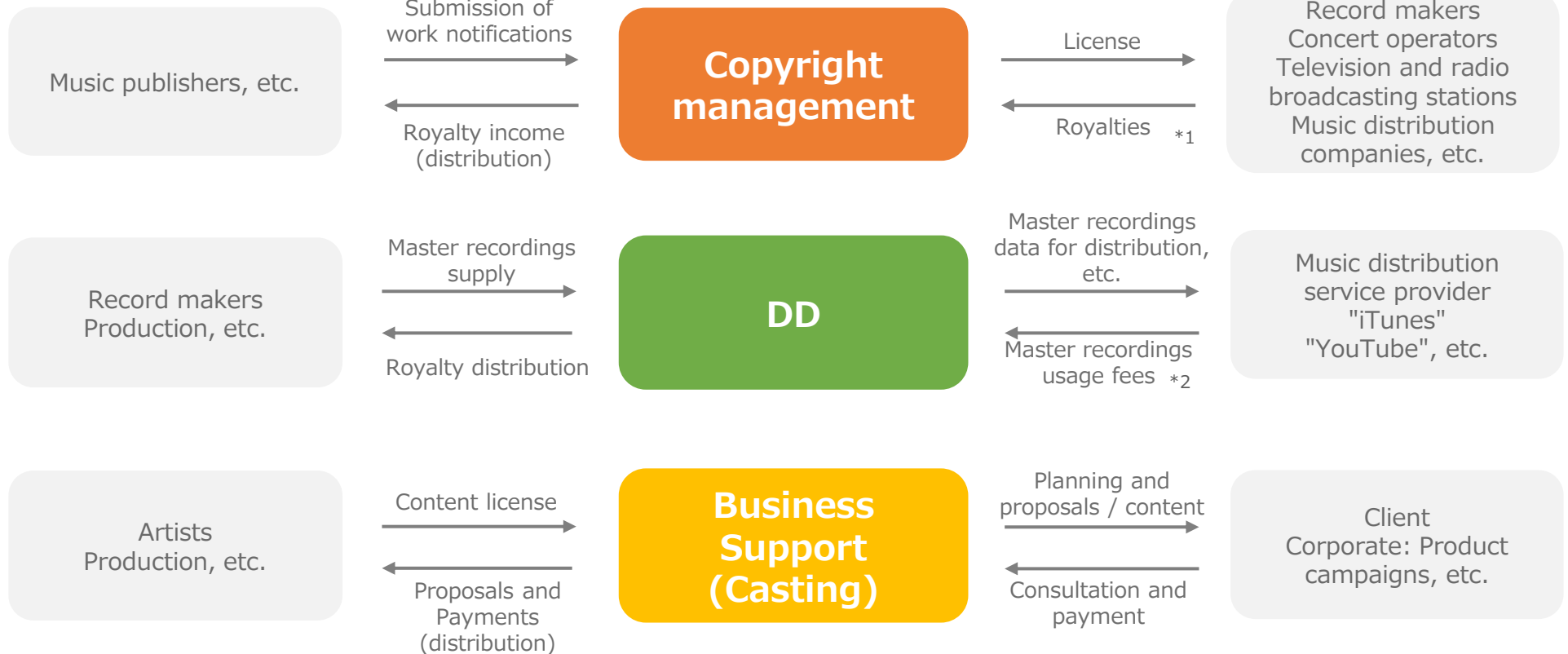
# Business Flow

- ✓ The Company functions as an intermediary agent between right holders and users.
- ✓ We are developing a stock-type business that basically collects usage fees from users and distributes them to content holders and others.

## Rights holders



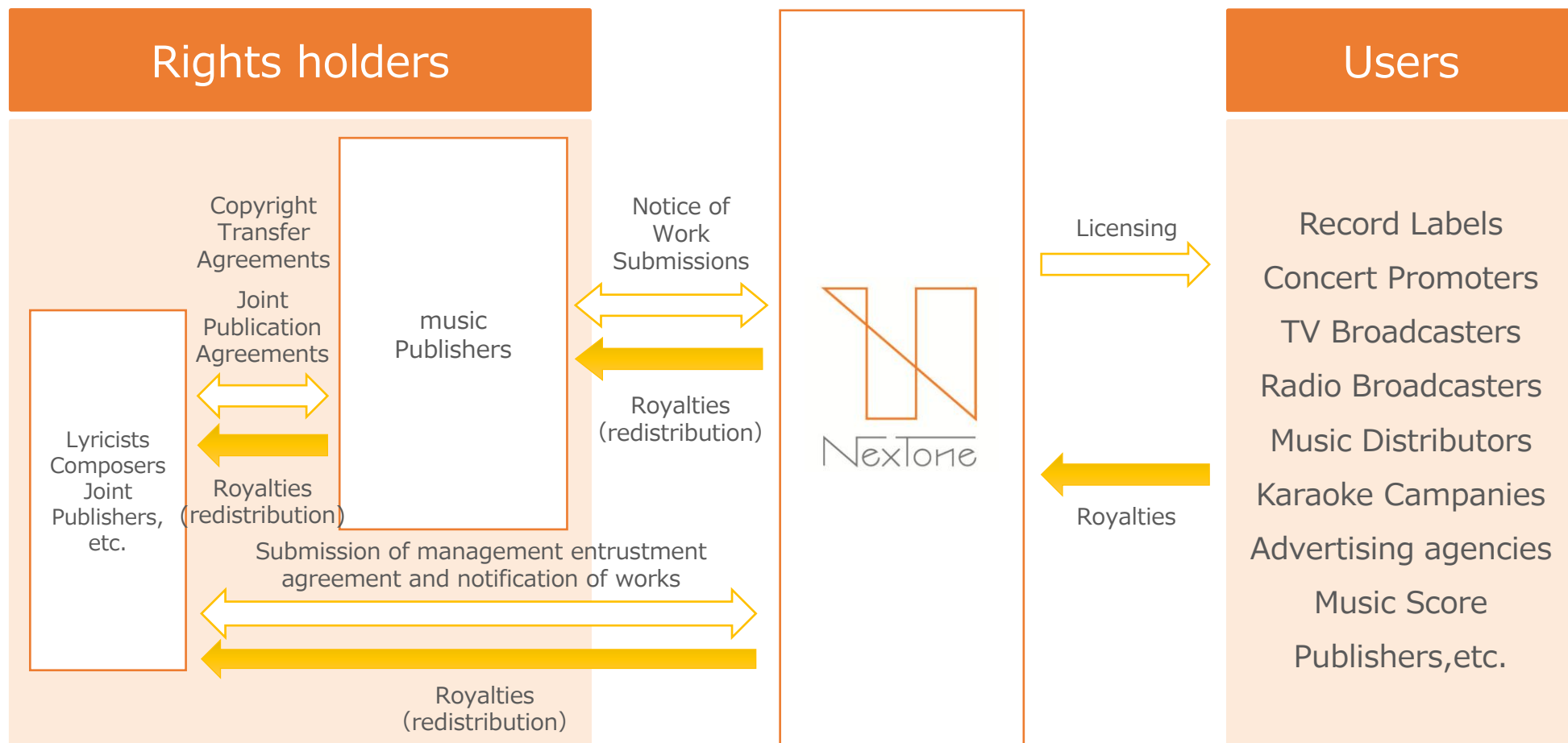
## Users



\* 1 Only the Company's commission portion of the amount collected is recorded as sales.

\* 2 The amount collected is recorded as sales.

# Basic Flow of the Company's Copyright Management Business



# Scope of Copyright Management Business and DD Business

## Copyright Management Business

[Managed assets]

**Songs**

By author  
Produced  
Music works

"Lyrics" and "Melody"



management



Users  
"Record maker"  
"Concert operator"  
"Television and Radio Stations"  
"Music distribution business"  
To "karaoke operators"  
For the use of music works  
License, and collect and distribute usage fees

## DD Business

[Managed assets]

**Master recordings**

Depending on the artist  
Recorded demonstration  
Original content

**Sound and Video Data**



management



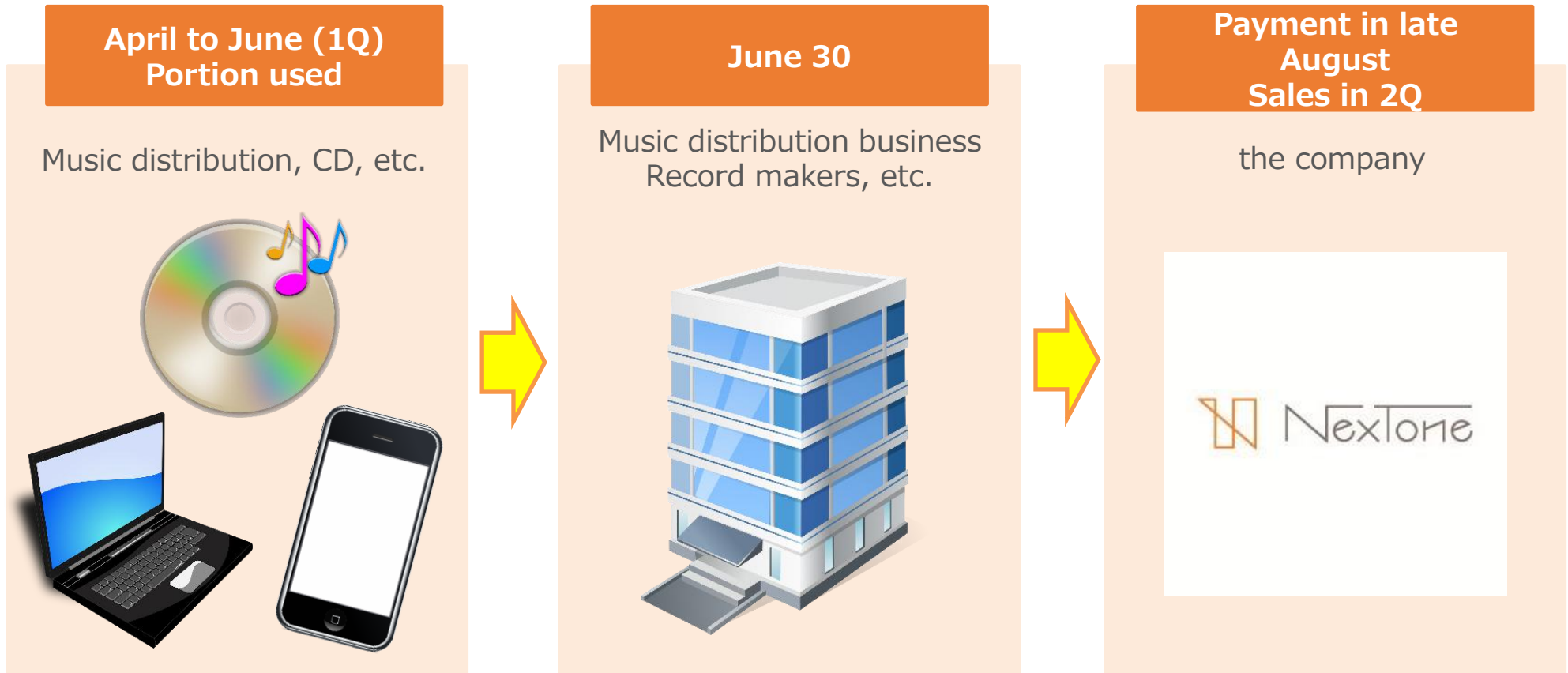
Original content  
Domestic and overseas  
Music distribution service  
"iTunes"  
"YouTube"  
"amazon music" and  
"Spotify"  
Royalty  
Collection and distribution

iTunes is a trademark of Apple Inc. / YouTube is a trademark of Google LLC

Amazon music is a trademark of Amazon.com, Inc. or its affiliates. / Spotify is a registered trademark of Spotify Group.

# Copyright management Business: Time lag between use and sales

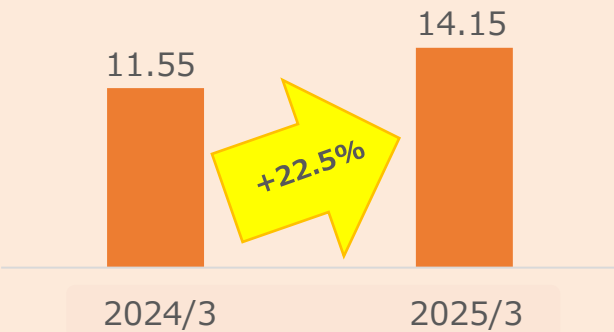
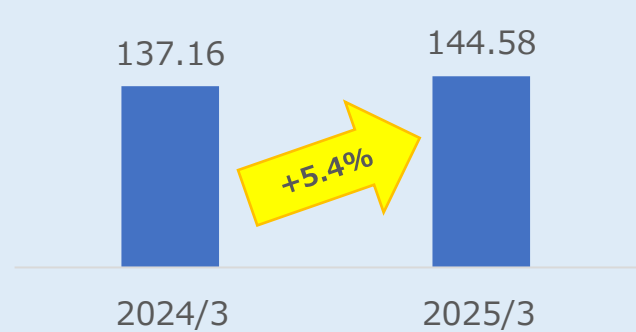
- ✓ As shown in the diagram below, there is a time lag of 1Q between the timing of Interactive transmission, Mechanical rights, Publication rights, Lending rights, etc. and the timing of sales recognition.
- ✓ There is a 2Q time lag between Broadcasting and On-line karaoke for business use.



# Comparison with JASRAC

## [Characteristics of the Company's Copyright Management]

- ✓ Flexible management that takes into account the wishes of right holders to the greatest extent possible.
- ✓ In addition to providing highly transparent distribution details that show the detailed usage status of managed songs, we provide a distribution analytics tool.

	The Company	JASRAC
Royalty collection (Actual for FY3/2025)	¥14.15 billion	¥144.58 billion
Royalty collection Changes	 <p>11.55 → 14.15 +22.5%</p> <p>2024/3      2025/3</p>	 <p>137.16 → 144.58 +5.4%</p> <p>2024/3      2025/3</p>
Management method	Mainly digital management	Mixed analog / digital management
Scope of Management of Copyrights, etc.	Other than "Places of entertainment, karaoke performances, etc."	All domains
settlor Type of contract with	consignment contract <Delegation / Brokerage>	Trust agreement <Copyrights transferred to JASRAC>
Reflecting the Will of Rights holders	At the discretion of the rights holders Flexible rate changes	It is difficult to reflect the intent of rights holders

(Source) JASRAC collection is JASRAC, Press conference materials for each fiscal year

# Features and Strengths 1

## The one and only Challenger

- ✓ In 2000, the law was revised and some 20 companies announced they would enter the market.
- ✓ However, all new entrants other than the Company have effectively scaled back their businesses. Currently, the Company has a two company structure consisting of the JASRAC and the Company.
- ✓ System management of data and information related to the daily use of a large amount of copyrights, collection of specific fees, and distribution payment operations are quite burdensome. Barriers to entry are high.

### Barriers to entry into the copyright management business

- ① Copyright management is a low-profit business with commission fees of 5.0% to 9.8%
- ② Requires system management capabilities for the enormous and complex data and information related to daily copyright use
- ③ Stable and continuous music from leading copyright holders Management outsourcing is required.



With the revision of the law in 2000 More than 20 companies have registered.  
**Currently in a virtual withdrawal state**



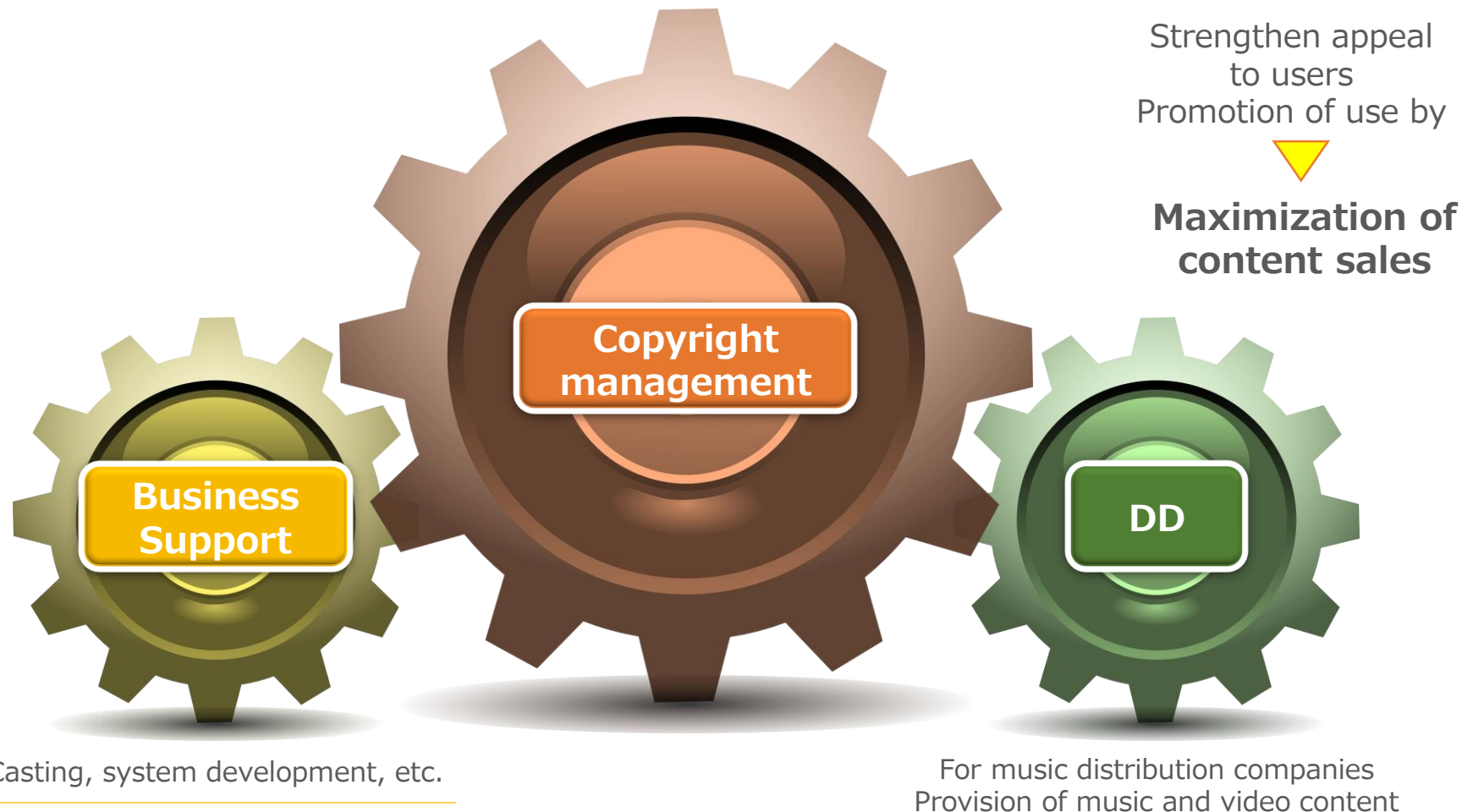
**We are the only private company in the music copyright management business.**  
**Transition to a two company structure consisting of the JASRAC and the Company**

# Characteristics and Strengths 2

## Promoters of usage promotion

- ✓ Music usage data will also be used as an important asset to promote usage.
- ✓ Accelerate the speed of music penetration through content provision (DD) and business support for music distributors using data.

The one and only agent that not only manages music copyrights but also promotes their use



# Characteristics and Strengths 2

## Promoters for promoting use (case study)

### Examples of initiatives with the VTuber Group "hololive"



Copyright  
management

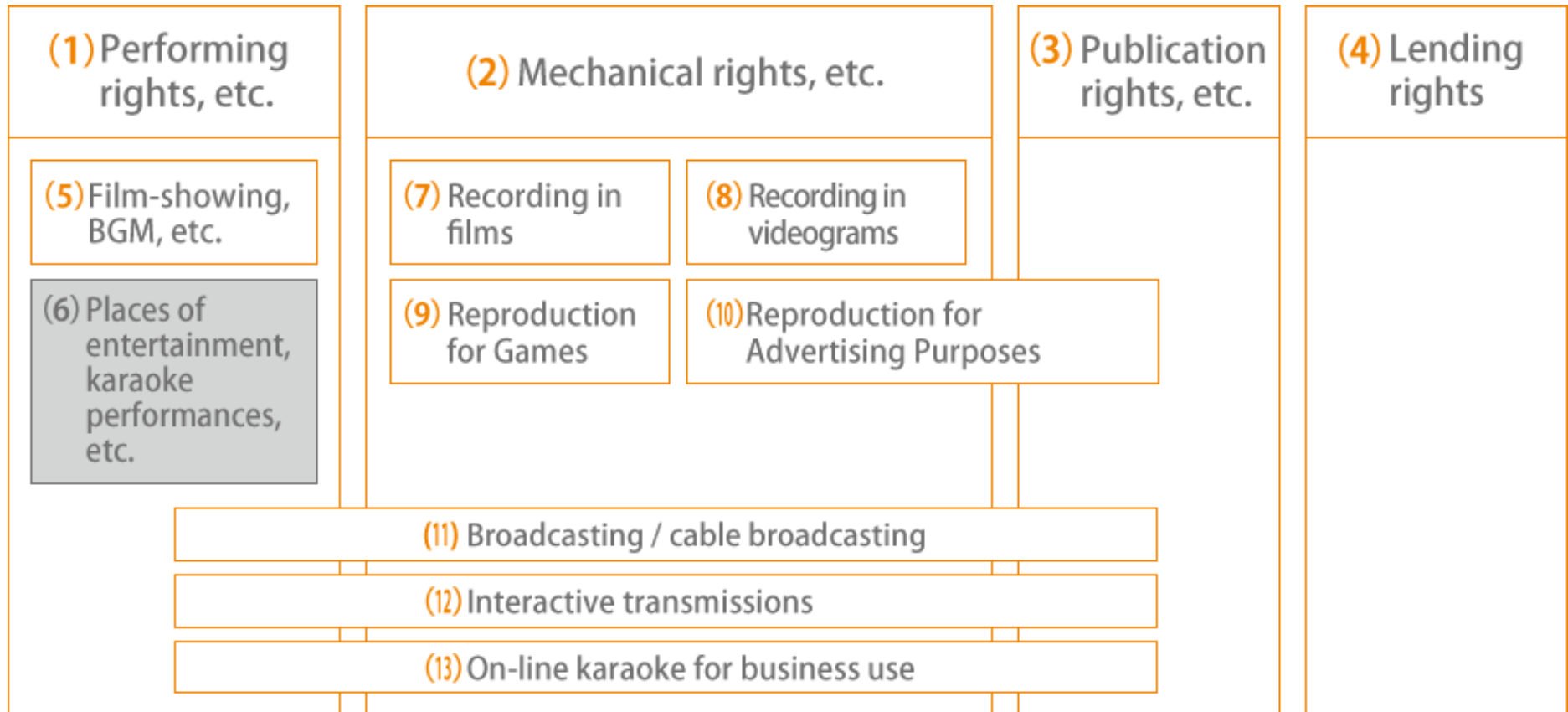
Music Publishing  
Company  
Business execution

DD

CRIP  
Music on YouTube  
Measures to improve  
earnings from cover videos

# Classification of Company management

- ✓ Music copyrights are formed by the four decentralization <(1) ~ (4)> and the nine usage <(5) ~ (13)>. \*
- ✓ As of April 2022, the Company manages all domains except "(6) Places of entertainment, karaoke performances, etc."



\* In April 2022, "(5) Film-showing, BGM, etc." and "(6) Places of entertainment, Karaoke performances, etc." were added to the "(1) Performing rights, etc." category.

## **APPENDIX RecoChoku Company Overview**

# RecoChoku Company Overview



<b>Company name</b>	RecoChoku Co.,Ltd.
<b>Mission</b>	Maximize the revitalization of the music market
<b>vision</b>	Design a new relationship between people and music.
<b>Incorporation date</b>	July 2001
<b>Capital stock</b>	¥100 million
<b>Major Shareholder</b>	<ul style="list-style-type: none"><li>•NexTone Inc.</li><li>•AVEX ENTERTAINMENT CO., LTD.</li><li>•Sony Music Entertainment (Japan) Inc.</li><li>•Victor Entertainment Co.</li></ul>
<b>representative</b>	President & Representative Director Toru Itabashi
<b>Transaction volume / Net sales</b>	Transaction volume: ¥14,045 million / Net sales: ¥8,891 million (FY3/2026) * Consolidated with Eggs Co.,Ltd.
<b>Number of employees</b>	179 people (the end of March 2026)
<b>Description of business</b>	<ul style="list-style-type: none"><li>•Digital Music Provider Business (for individuals, for companies)</li><li>•Content distribution Business</li><li>•BPO Business</li></ul>

## Digital Music Provider Business

A la carte



Streaming



## Content distribution Business



Distribution for businesses



Distribution for DIY



New product



## BPO Business

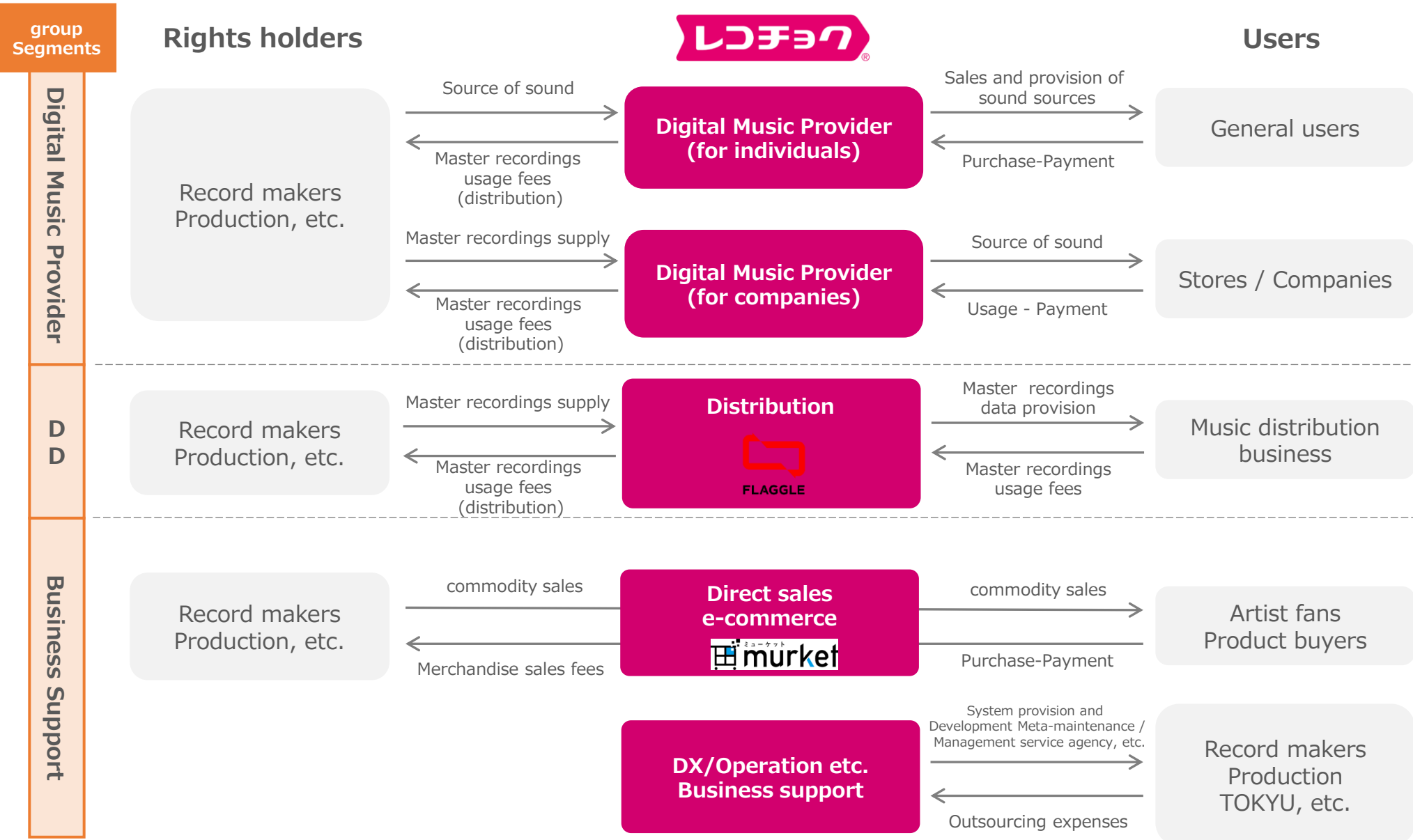
Direct sales e-commerce



DX/Operation etc.  
Business support

Eggs  
Business outsourcing

# Business Flow



## **APPENDIX Related Market Data**

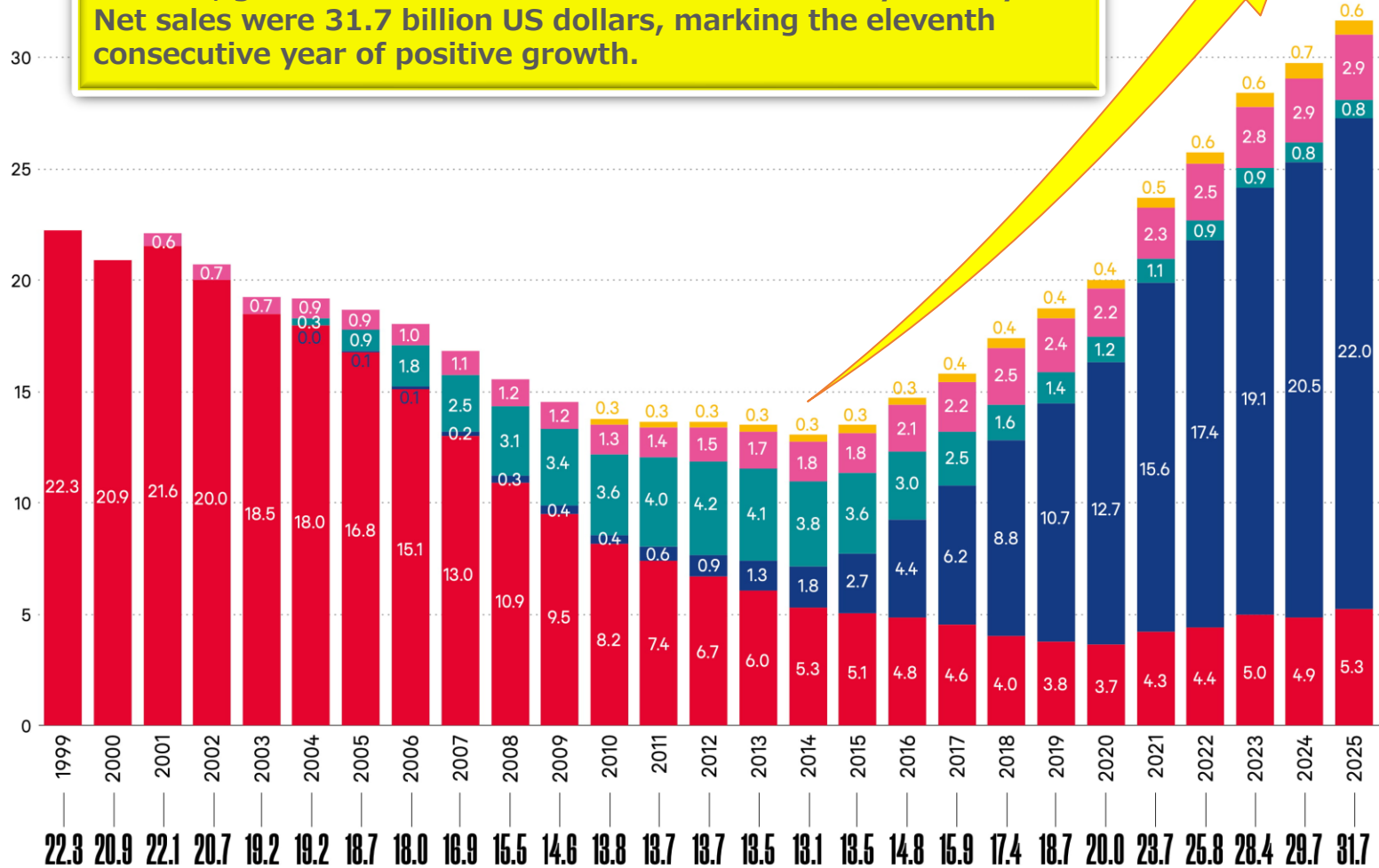
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# Global Music Market Sales

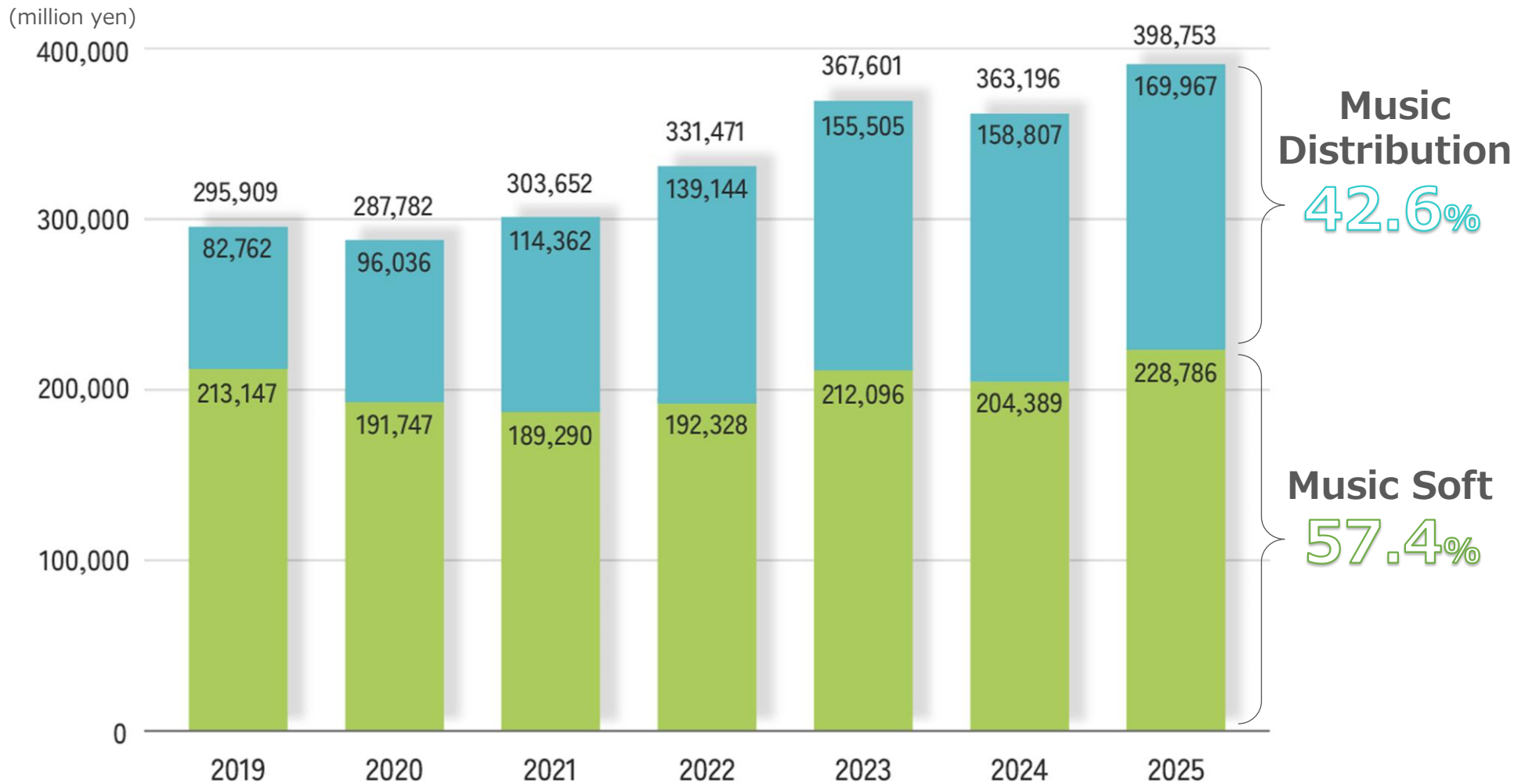
## GLOBAL RECORDED MUSIC INDUSTRY REVENUES 1999-2025 (US\$ BILLIONS)

● Physical ● Streaming ● Downloads ● Performance Rights ● Synchronisation

In 2025, global music market sales increased 6.4% year on year. Net sales were 31.7 billion US dollars, marking the eleventh consecutive year of positive growth.



# Changes in Music Soft Production and Music Distribution Sales in Japan



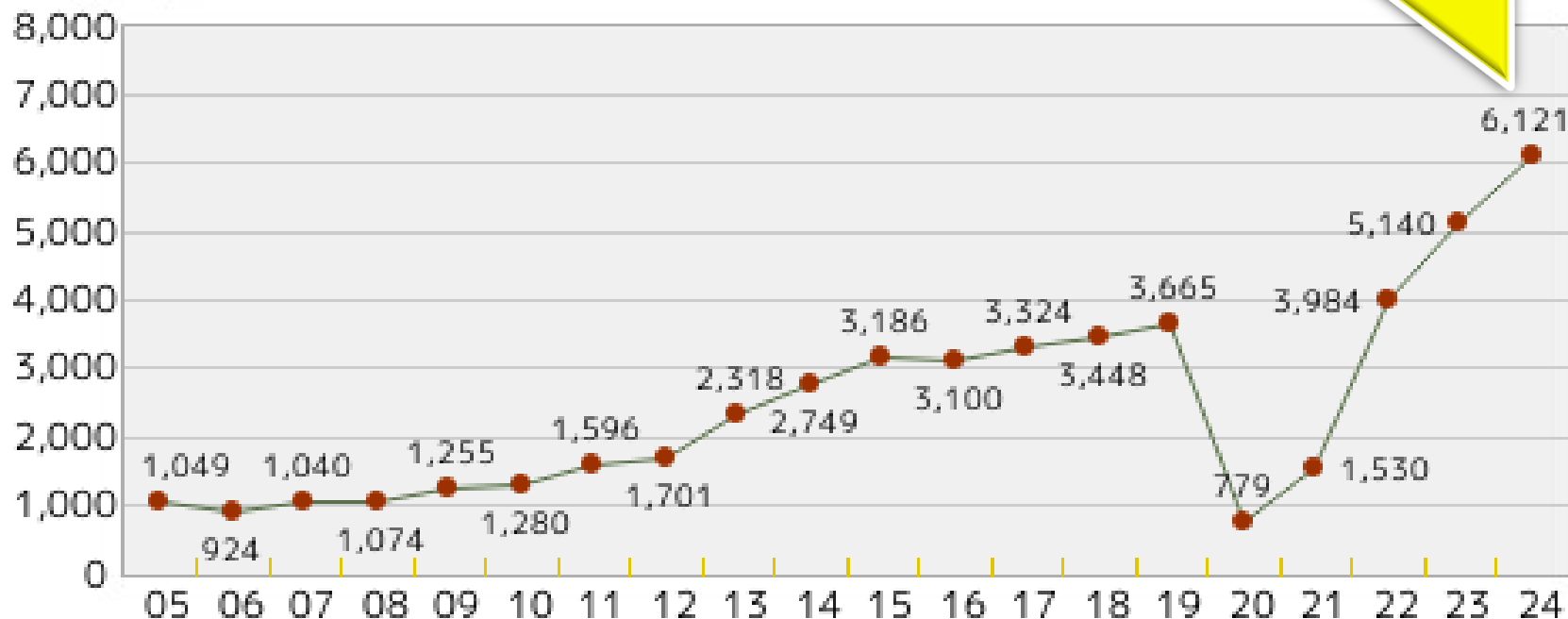
Information published by The Recording Industry Association of Japan

# Annual sales of live music concerts in Japan

The number of performances and the number of people mobilized increased due to the operation of the new arena and the holding of large-scale performances by overseas artists. Against this backdrop, the number of performances and the number of people mobilized increased significantly.

## Annual sales

Revenue  
(¥100 million)



Information published by Concert Pro Motors Association

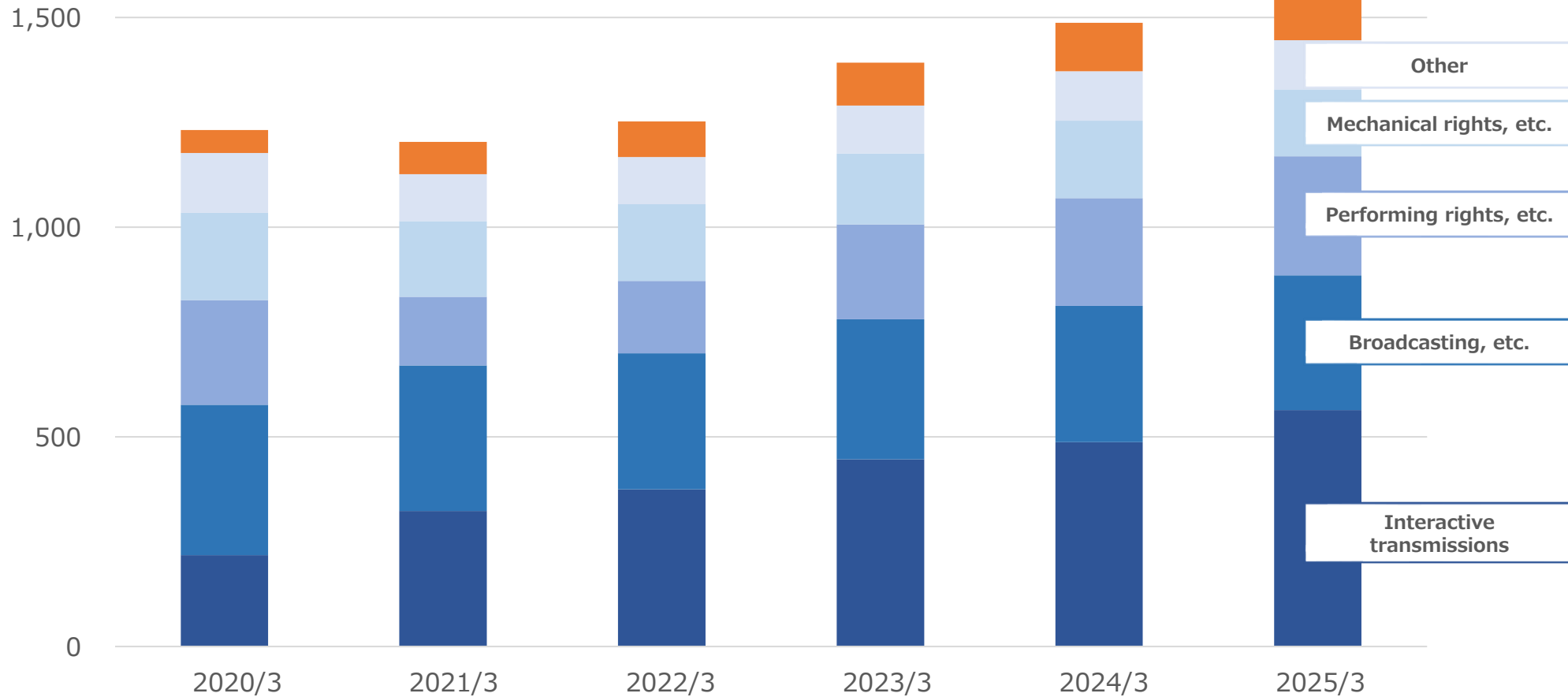
# Trends in Music Copyright Management Market

- ✓ Since the COVID-19 pandemic, sales have been on a gradual increasing trend against the backdrop of the expansion of streaming distribution services.

Amount collected by the Company: ■

Amount collected by JASRAC: ■ Interactive transmissions, ■ broadcasting, etc.,  
■ Performing rights, etc., ■ Mechanical rights, etc. ■ Other

(¥100 million)



Share of collected amount: 8.9%

# Notes to Plan

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Group and on certain assumptions deemed reasonable. They are not guarantees by the Company of future performance. Actual results may differ materially from those expressed in forward-looking statements due to a variety of factors.

< We are sharing information about music copyright and our company's business. >



**official no+e**

**For IR-related Q&A,  
please click here.**

