

FY2022 1Q

MEDIA DO Co., Ltd.

As of May 31, 2022

Financial Results Briefing

More Content for More People!



Media Do

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- (2) Strategic investment businesses

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1. Consolidated earnings highlights

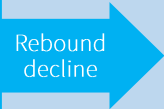
In 1Q FY2022, both revenue and profit decreased due to rebound decline caused by special factors

Impact of one-off factors

Net sales: Large promotional campaigns by certain book retailers (more than ¥6.0bn)

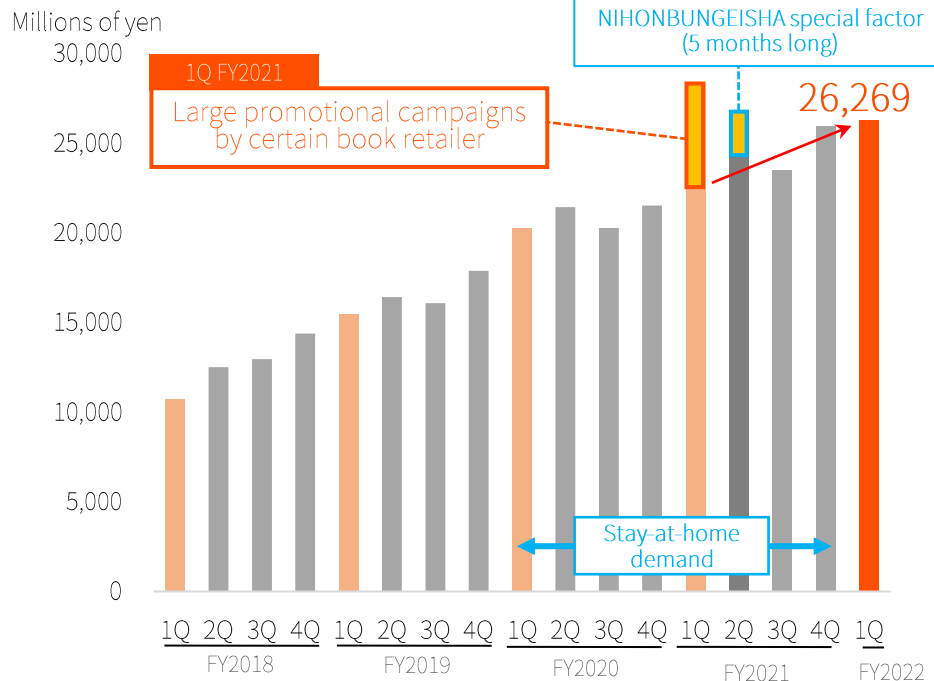
Profit attributable to owners of parent: Large promotional campaigns by certain book retailers, relocation costs for some offices, and other factors

*Temporary increase in sales caused by large promotional campaigns (more than ¥6.0bn)

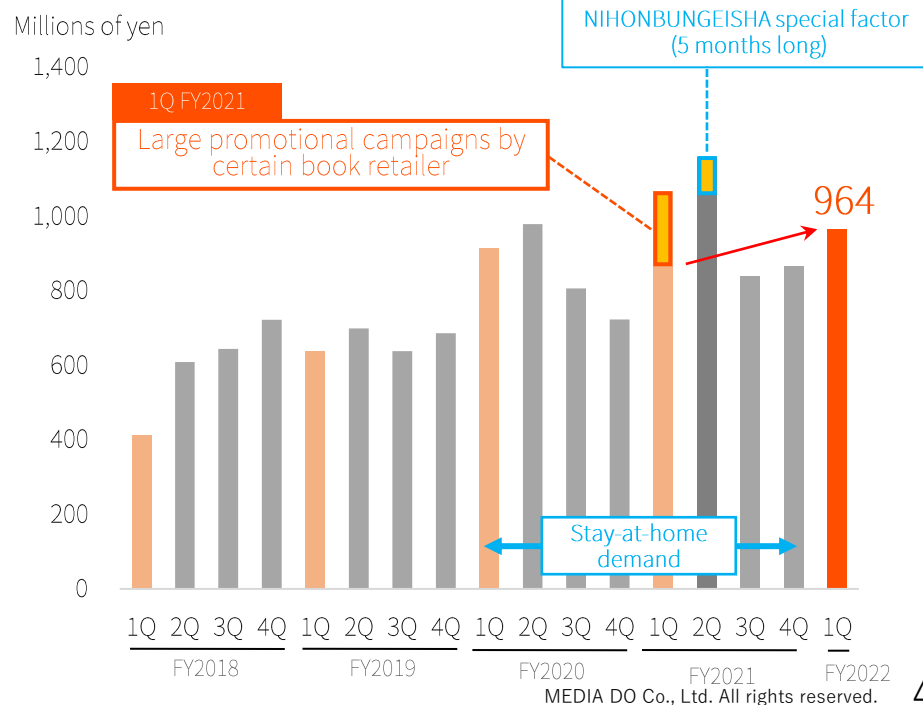
	1Q FY2021	1Q FY2022	YoY
Net sales	Results: ¥28.4bn Actual value: ¥22.4bn	 ¥26.2bn	Results: - 7.5% (-¥2.2bn) Actual value: + 16.9% (+¥3.8bn)
Operating profit	¥830mn	¥610mn	- 26.0% (-¥210mn)
EBITDA	¥1,060mn	¥960mn	- 9.5% (-¥100mn)
Profit attributable to owners of parent	¥610mn	¥310mn	- 49.3% (-¥300mn)

Excluding special factors from the previous fiscal year, 1Q consolidated net sales and EBITDA continued the growth trend

Quarterly consolidated net sales

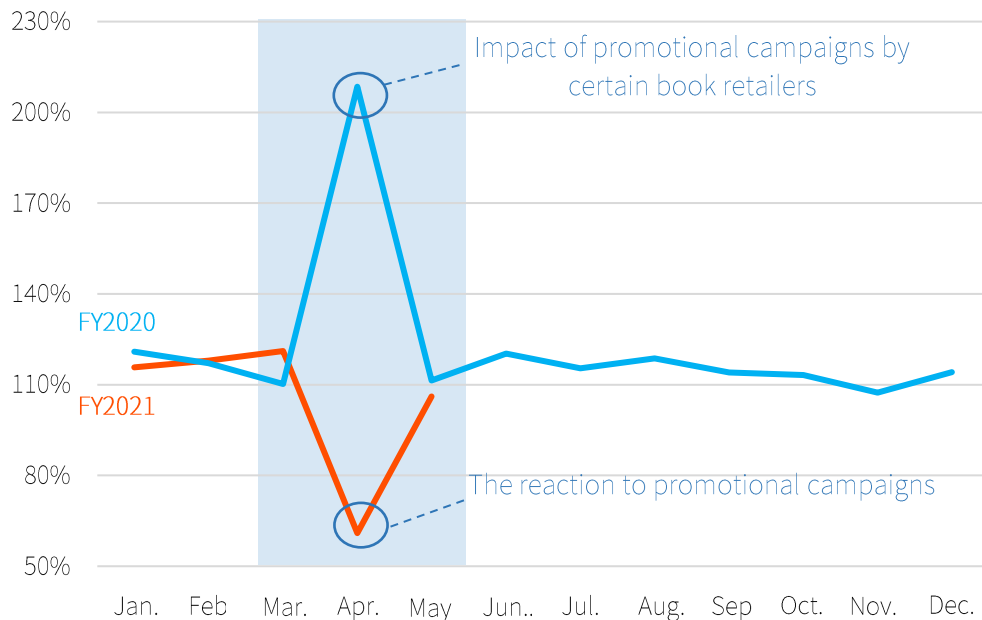


Quarterly consolidated EBITDA



1Q was affected in year-on-year terms by (1) the reaction to promotional campaigns, and (2) a significant increase in demand for going out during the extended national holiday

eBook distribution business's YoY net sales growth rate



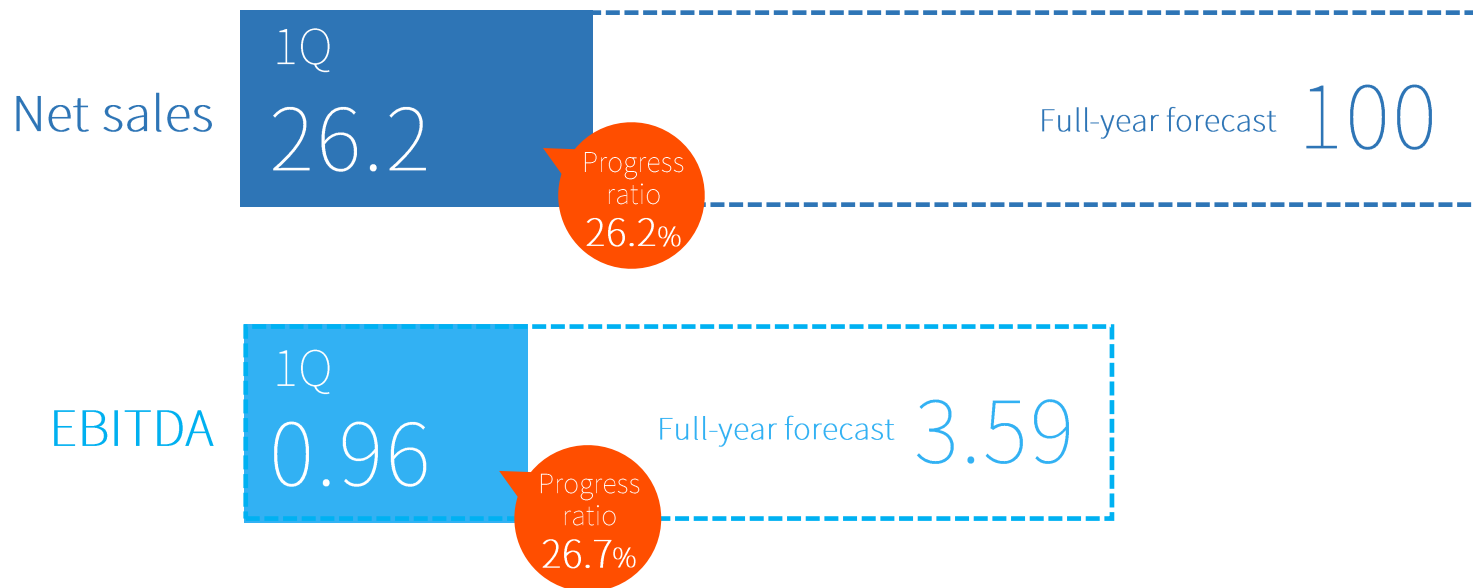
1Q features

Temporary increase in demand for going out

- ✓ In March 2022, net sales showed a steady performance, growing approximately 120% year on year
- ✓ Also, May 2022 saw the first long holidays without restrictions for three years (10 days from April 29 to May 8), which led to an increase in leisure time options, and a temporary decline in net sales

Progress against full-year forecasts was over 25% for both net sales and EBITDA

Comparison of consolidated 1Q results to full-year forecast (billions of yen)





2. Future growth plans

Business Strategy

Future growth plans

eBook distribution business

Core businesses of the Group, which generate the “trust” that enables us to distribute licensed content and the “position” that is our greatest strength



Strategic investment businesses

Imprint business

Publishing solutions
business

Global business

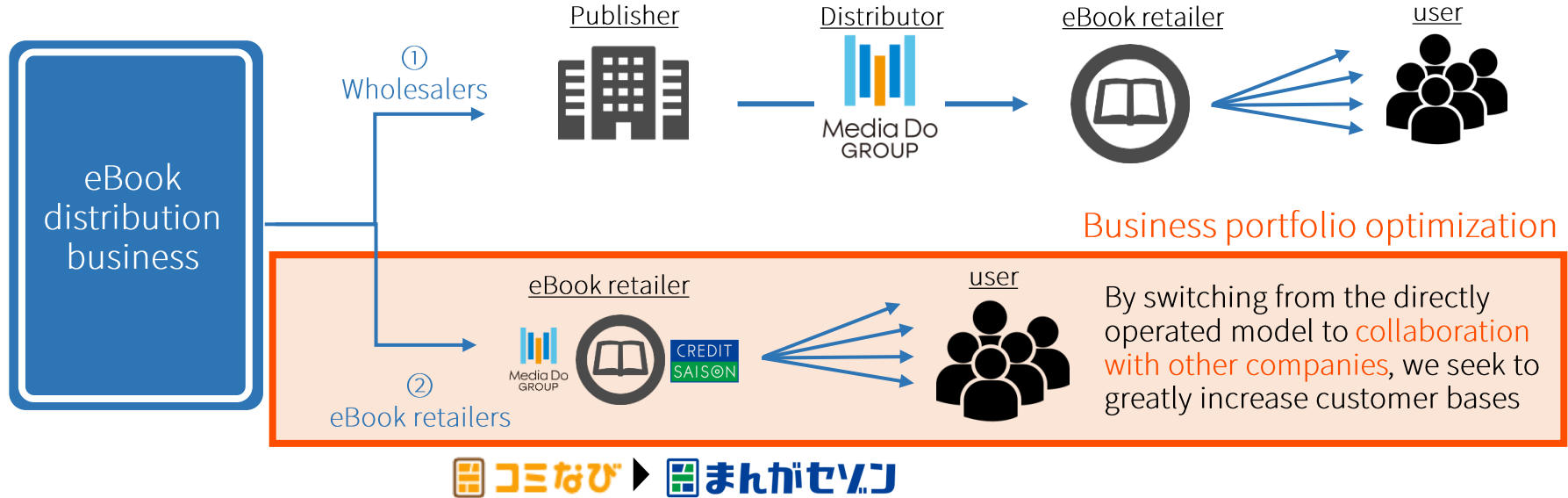
Fan marketing business

2. Future growth plans

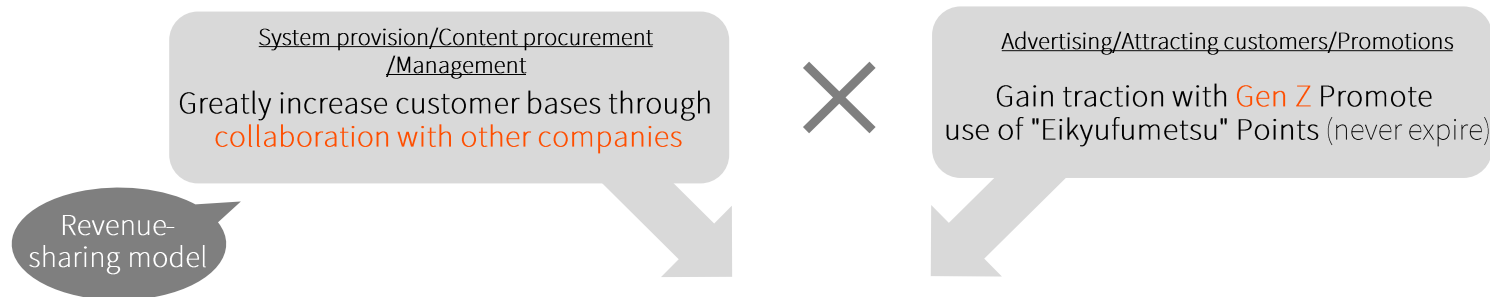
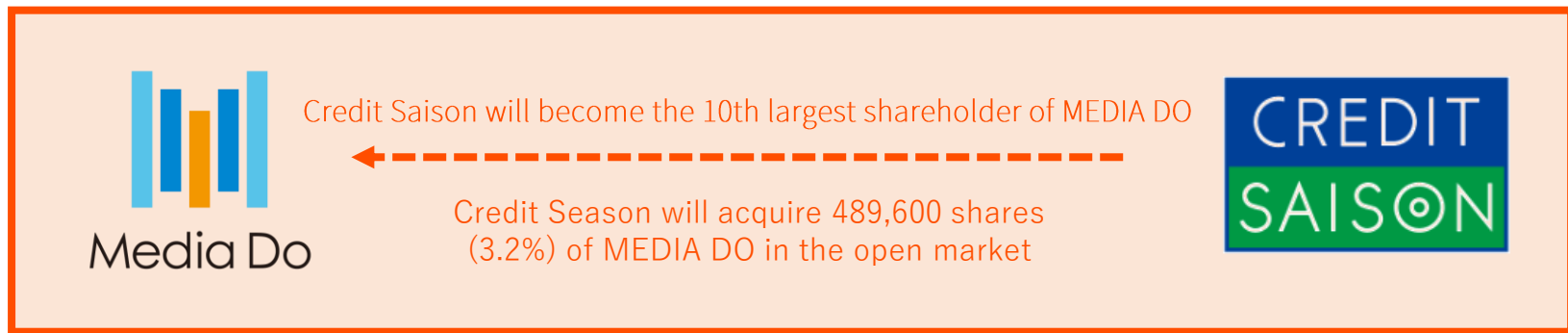
eBook distribution business

Renewal of eBook distributor management, which is one of the strategies for the eBook distribution business, as Manga Saison

- ✓ Revamp of our directly owned and operated eBook distributor Comi Navi, which is part of the eBook distribution that was the core business of the Company
- ✓ Shifting from directly operated to collaboration with other companies, with the goal of optimizing the business portfolio within the eBook distribution business



Capital and operational alliance with Credit Saison Manga Saison launched on July 11, 2022



Combine the strategies and resources of both companies to establish dominance in eBook services with the aim of achieving further growth in the eBook market

We will provide a Saison Course plan to eligible cardmembers, and make plans to acquire new customers

- ✓ By using the Saison Course plan in which payments are made using an eligible Saison Card, for points that can be used to purchase comics (1 point = 1 yen), points equivalent to **50% of the purchase price** are returned
- ✓ In addition to leveraging Credit Saison's customer base, with its 36 million cardmembers, we will seek to **open up a new customer base** by issuing digital cards in a process concluded in the smartphone app

 Comi Navi



 Manga Saison

Manga Saison

eComics
Approx. 350,000 works

- ✓ Saison Course plan (¥550 monthly fee)
- ✓ Going forward, possible to use "Eikyufumetsu Points"

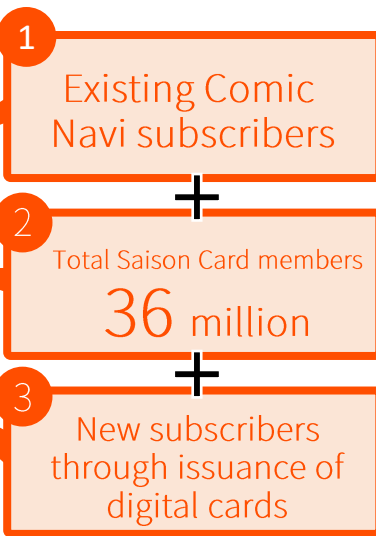


- ✓ Points equivalent to 50% of the purchase price returned

From July 11 to September 30, 2022, to commemorate the launch of the service, a 60% return campaign will be run



Use



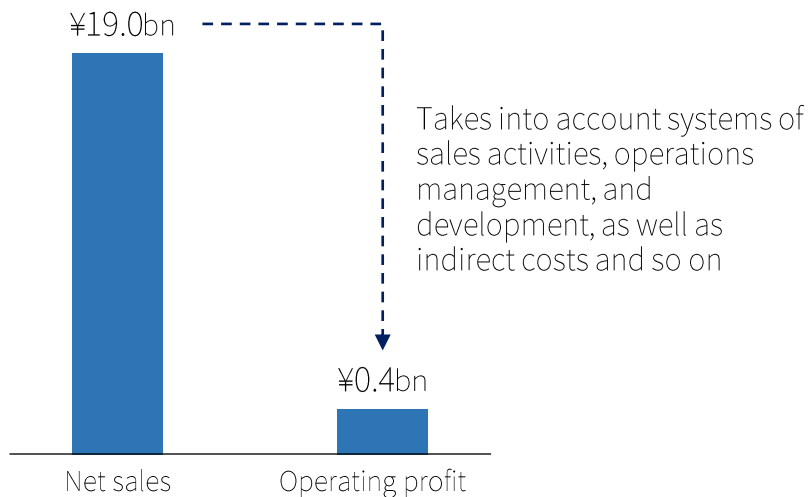
The cards can be issued in as little as 5 min after completion of the required info.

No change to our initial assumptions regarding the transfer of the LINE Manga back-end operations

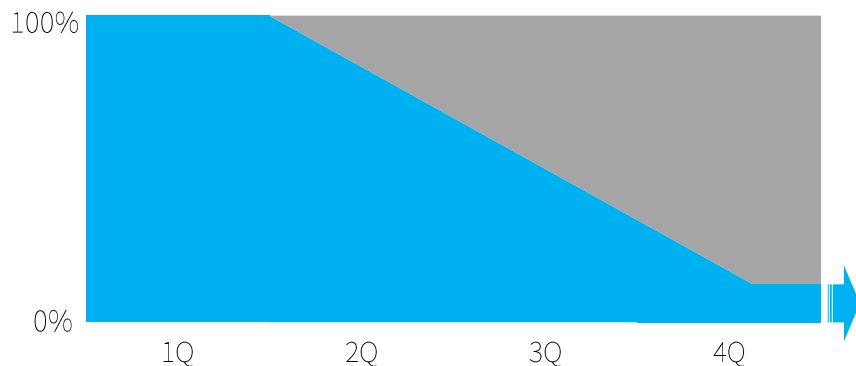
Transfer of back-end operations of major publishers did not take place in 1Q FY2022

The possibility of the transfer occurring in 2Q or beyond has already been incorporated into earnings forecasts

[Repost] FY2021 LINE Manga*¹ impact on performance [Repost] Impact on FY2022 earnings (net sales to LINE Manga*¹)



Provisional calculation assumes maximum impact on earnings, and a steady switch away in 2Q FY2022 and beyond (decline to about 50% of previous-year sales)*²



If the change of schedule and other events that would have an impact on consolidated earnings and should be disclosed occur, we will provide prompt notice of the same

*¹ Figures given are for net sales to LINE Digital Frontier Corporation, which operates LINE Manga.

The graph is an illustration only, and does not specifically indicate historical figures or numerical targets for the forecast period.

*² For details, please refer to "Notice regarding status of transactions with main business partner, and earnings forecasts for current fiscal year" released on April 14, 2022

2. Future growth plans

Strategic investment businesses

Strategic investment businesses

1

Strengthening cooperation with
TOHAN

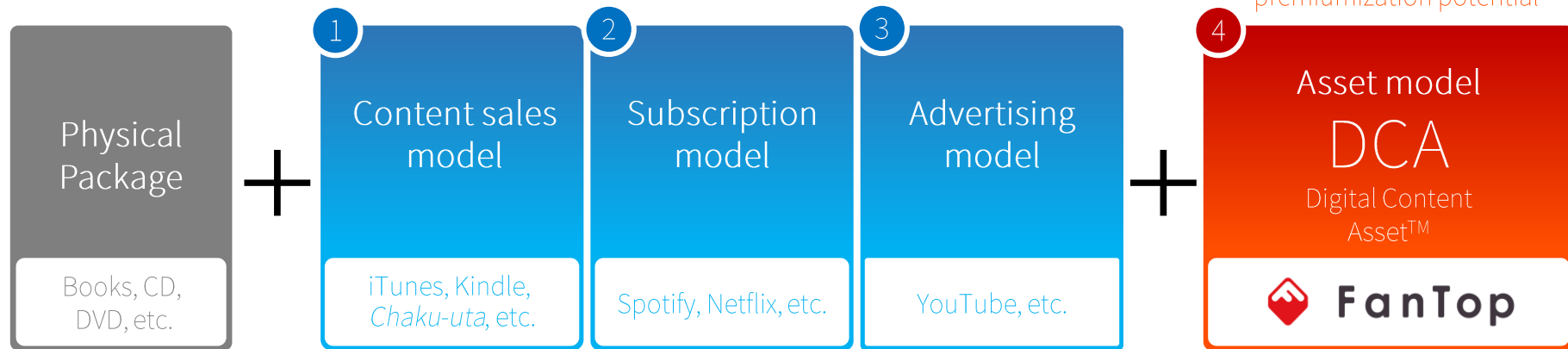
2

Vertically scrolling comic initiatives

MEDIA DO provides new business model options to IP holders

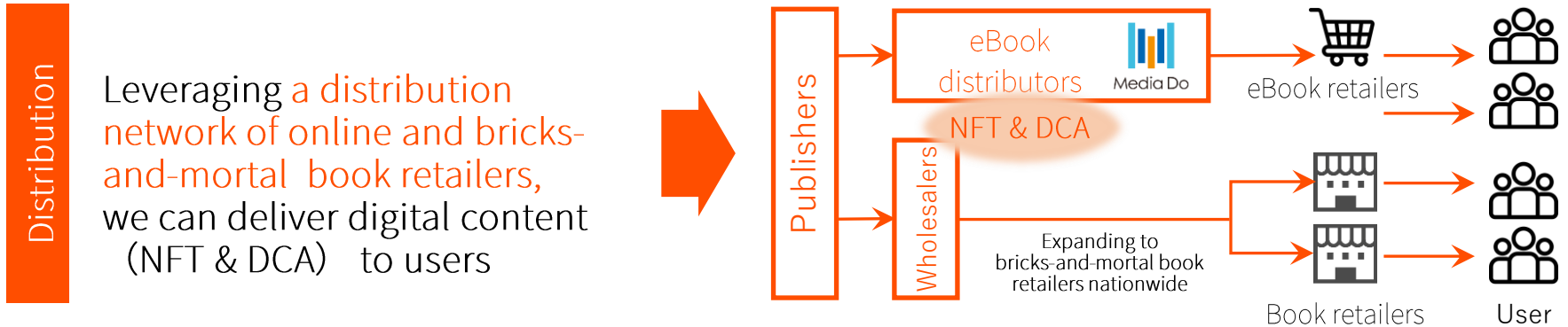
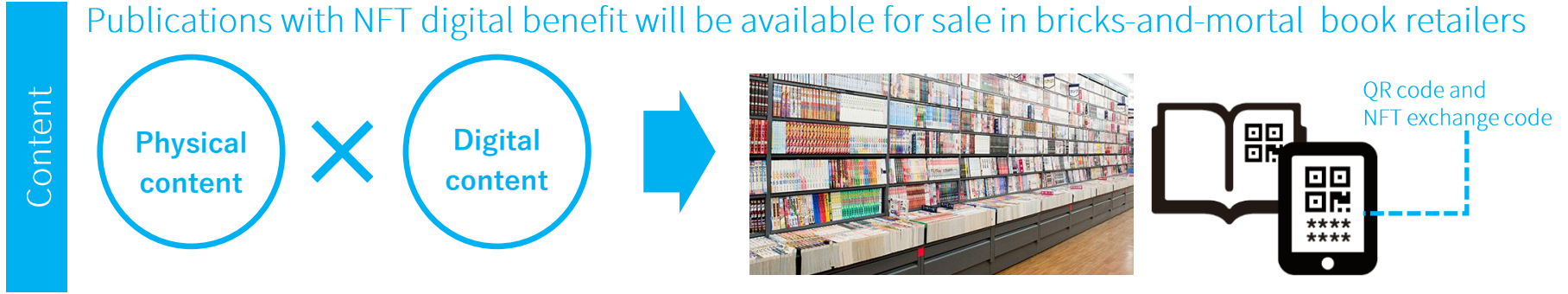
Books, Music, Videos, and other written works

“Digital content with a concept of “units” and premiumization potential

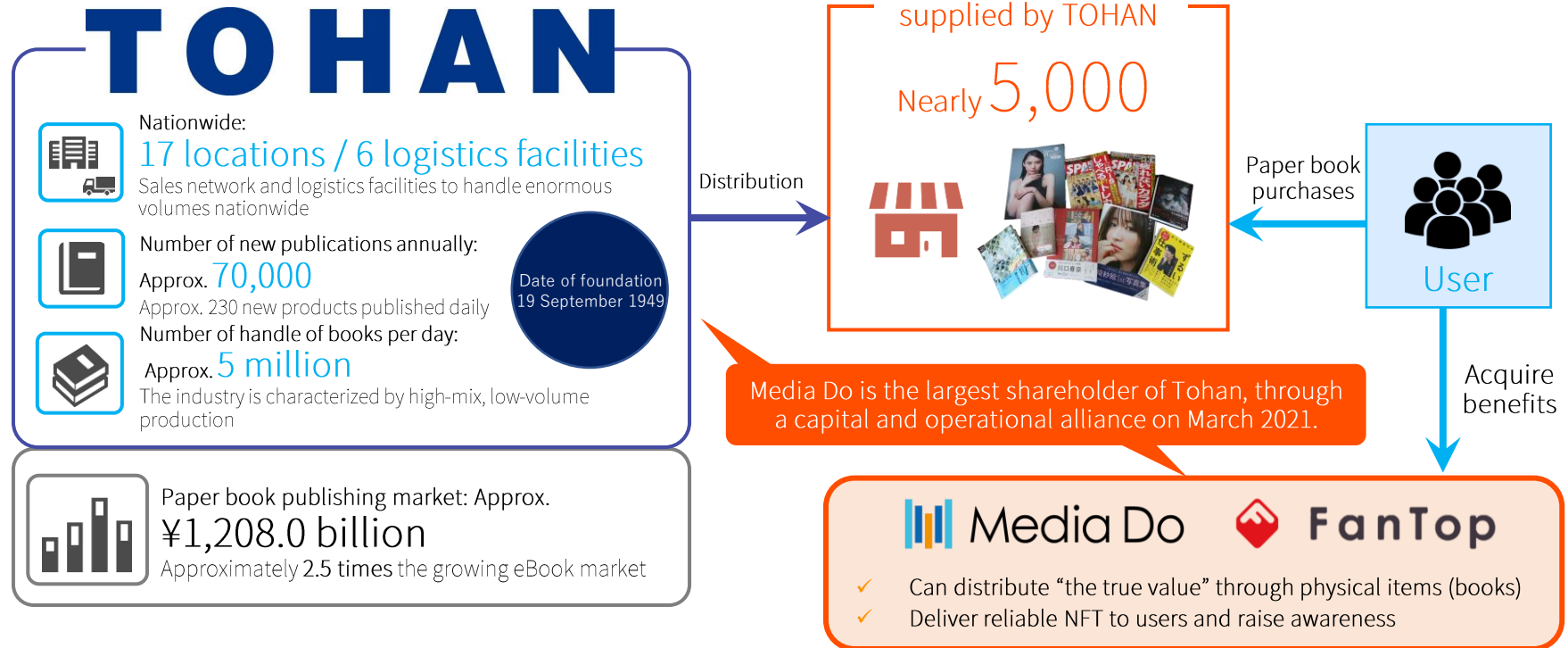


➡ Leveraging technology to maximize content value

Differentiating through “content” and “distribution” = opening up the world of DCA through Physical +DCA



Accelerate initiatives for DX and for revitalizing the publishing industry, focused on printed publications with NFT Digital Bonus



First appearance of printed **publication with NFT Digital Benefitss** in which a benefits was attached to all copies of the main publication/all distributed copies

“Shukan SPA! July 19 and 26 2022 Special Combined Edition,” published July 12, was handled the same way by all wholesalers, **with the bonus attached to every copy** (Sold in book retailers and convenience stores nationwide)



Circulation of 77,600*

First appearance of publication industry

Digital benefits attached to all copies of the main publication/all distributed copies

“Shukan SPA! July 19 and 26 2022 Special Combined Edition

Normal edition ¥470 **40%UP** July 12 edition ¥660

<Reference>Previous implementation scheme

Hirosue's Thought Map—The Shape of Happiness (21days results)



Normal edition

Special edition

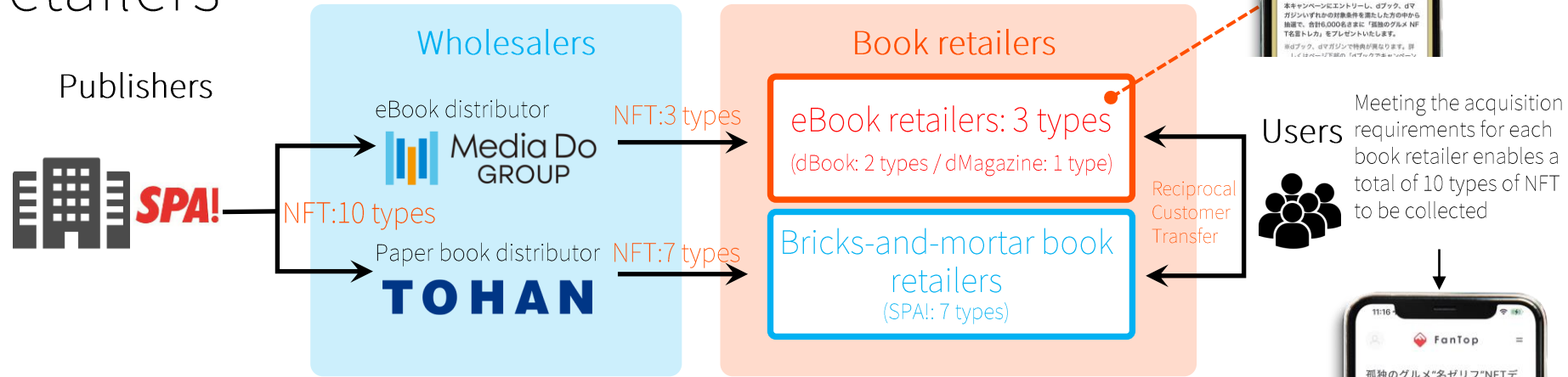
¥1,650

¥2,640

60%UP

* Japan Magazine Publishers Association: Verified print numbers (October–December 2021)

Implemented first product for eBooks with NFT Digital Benefitss attached that cuts across bricks-and-mortar and eBook retailers



- ✓ Advantage for users ----- Enables NFTs to be collected and enjoyed in the FanTop app
- ✓ Advantage for publishers ----- By attaching an NFT to an eBook, purchase of multiple copies is expected
- ✓ Advantage for book retailers ----- Mutual referrals of customers are achieved

In the FanTop app, NFT covers are displayed grayed out or in full detail so as to give intuitive confirmation of progress toward completion

Printed publications with NFT Digital Benefits used to implement the first initiative for manga serialized in comic magazines

The Kindaichi Case Files—30th Anniversary vol.1
Kodansya Co., Ltd, / Published on May 23, 2022

Normal edition

¥715
(Incl. taxes)



Limited edition

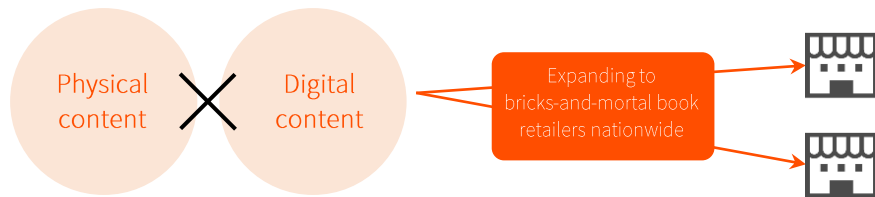
¥1,650
(Incl. tax)
Booklet with
commissioned artwork



MEDIA DO creates unique product by combining use of paper book distribution with FanTop functions

(1) NFT Digital Bonus

Enables distribution of printed publications with NFT Digital Bonus to be expanded through bricks-and-mortar book retailers nationwide



Bookmark



Digital acrylic stand

In events to commemorate the 35th anniversary of Kaiketsu Zorori, **200,000 bookmarks incorporating a QR code** were distributed at **1,001 book retailers nationwide**. A digital acrylic stand was provided as the digital bonus.



(2) FanTop app AR functions

Because FanTop has both a platform and an app, it can offer functionality to the entire value chain

- ✓ AR display and AR room functions
- ✓ Functions to represent 3D models
- ✓ Provision of content that can only be accessed by NFT holders



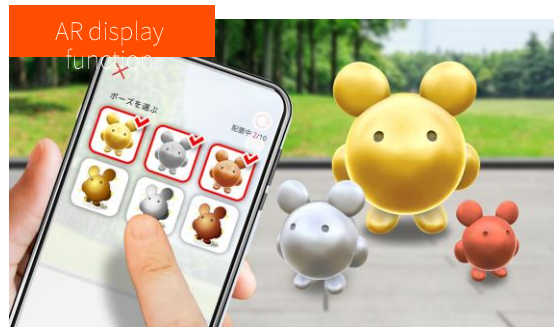
FanTop



Using the AR functions in the FanTop app, we offer an AR experience that allows the user to take photos with a digital acrylic stand featuring characters from Kaiketsu Zorori

Using the FanTop app technology to protect authentic content

Even more enjoyable functions provide new



Provides functions for the entire value chain, from purchase, to protection, and enjoyment

Functions for the IP holder

- ✓ By using the app, which can restrict downloads, content that is accessible only by the NFT holder can be provided
- ✓ Utilization of "Flow" blockchain technology enables the smooth trading of items

Functions for fans

- ✓ Functions to represent 3D models
- ✓ AR display and AR room functions
- ✓ New function that uses VR technology to bring enjoyment of virtual spaces

Realize Digital Content Asset® (DCA) by combining the two functions

Shifts toward full-fledged introduction of eLibraries nationwide, backed by TOHAN and the Japanese government



As a result of synergies from leveraging the respective strengths of MEDIA DO, TOHAN, and OverDrive, there is a shift toward full-fledged introduction of eLibraries nationwide

Biggest eBook distributor in Japan



×

System provision

- ✓ Building an accessible library system
- ✓ Functions for converting to Japanese specifications

Biggest paper book distributor in Japan



×

Nationwide sales network

- ✓ Sales network with 16 locations nationwide
- ✓ Contacts with approximately 3,200 publishers and a nationwide network of around 5,000 book retailers

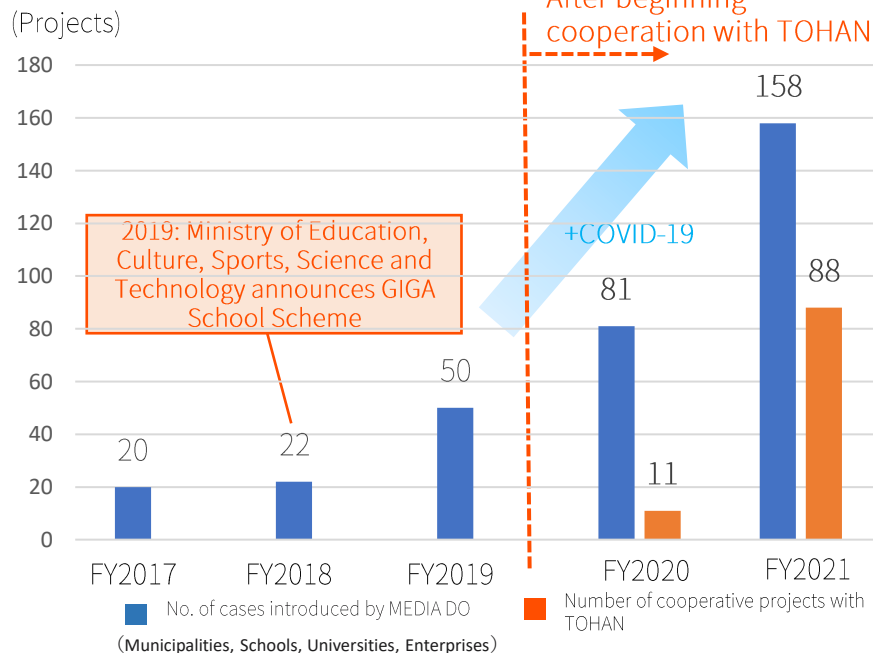
World's No.1 eLibrary service operator



Abundant content

- ✓ Has the most content globally
- ✓ Adopted by 95% of public libraries in the US

Number of eLibrary installations in Japan (cumulative total)



Strategic investment businesses

1

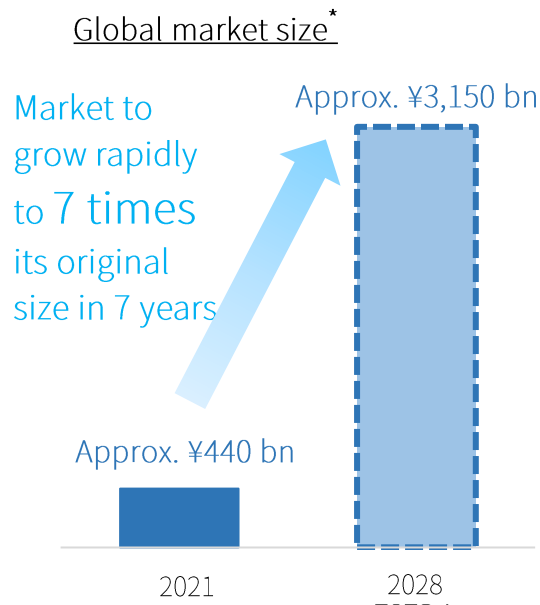
Strengthening cooperation with
TOHAN

2

Vertically scrolling comic initiatives

Vertical scrolling comics, which form a different ecosystem to that of manga, are **the hook to grow the market**

	Markets	IP holders	Production system	Format
Manga	Mostly in Japan	Publishers	Authors and editors	Based on Paper and eBook ✓ Read horizontally ✓ Monochrome ✓ Unit: Volume
Vertical scrolling comics	Global	Publishers Game companies Anime companies, others	Studio approach (division of labor)	Smartphone ✓ Read vertically ✓ Color ✓ Unit: Episode



* Source: QYResearch "Global Webtoons Market Size, Status and Forecast 2022-2028." Tentative calculation based on \$1 = ¥120

Leveraging MEDIA DO's Position, we will create the third pillar of the vertical scrolling comics market

Market environment

(1) Localization of overseas content for Japanese market is primary

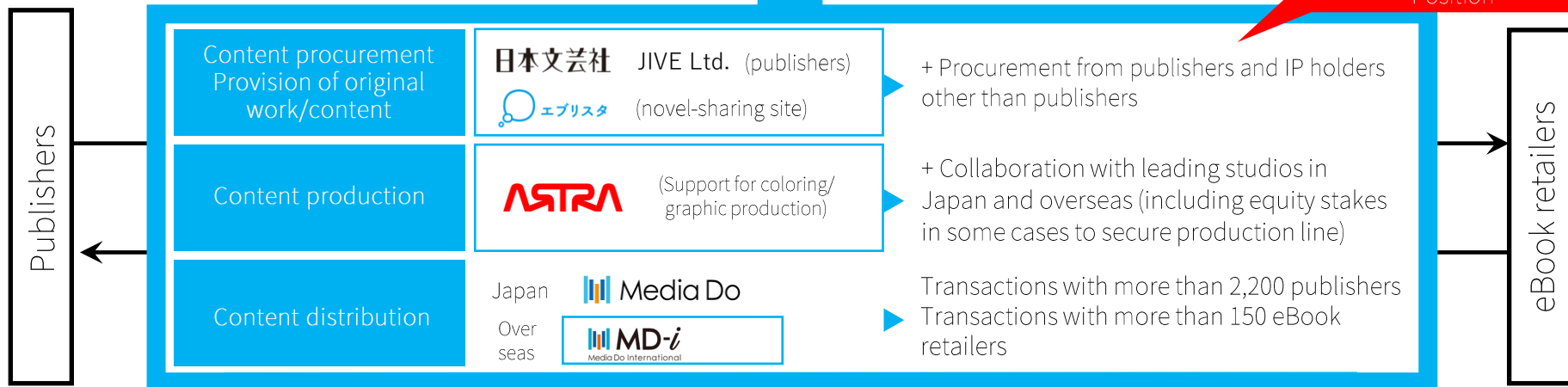
(2) eBook retailers constitute oligopoly

(3) Capture of leading original works/production studios by major players is progressing

→ Many publishers and eBook retailers in Japan are not benefiting from the growth of the market

MEDIA DO will take responsibility for the dual functions of production and distribution to increase participation by publishers and eBook retailers

Our greatest strength — "Position"



□ : Subsidiaries

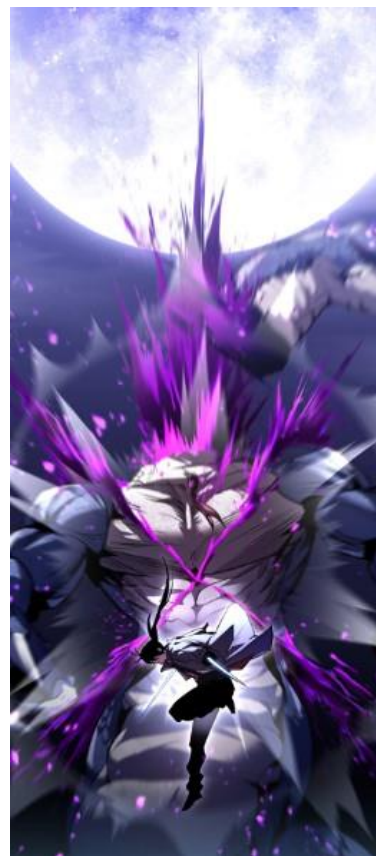
Convert mostly domestic IP to content and distribute both in Japan and overseas

First vertical scrolling manga launch to be Tezuka Osamu's masterpiece, *Dororo*

- ✓ Simultaneous distribution in Japan and South Korea to begin in December 2022. with global distribution to other countries scheduled for a later date
- ✓ Joint project between Tezuka Productions and South Korea's Copin Communications production studio

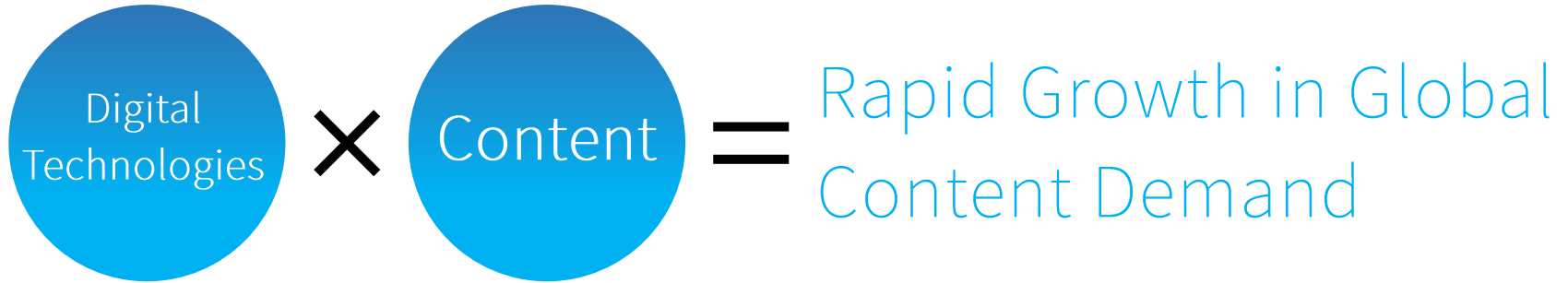


IP holders + production studios + MEDIA DO will
continue to promote the creation of attractive
content



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Drastic industry structure changes

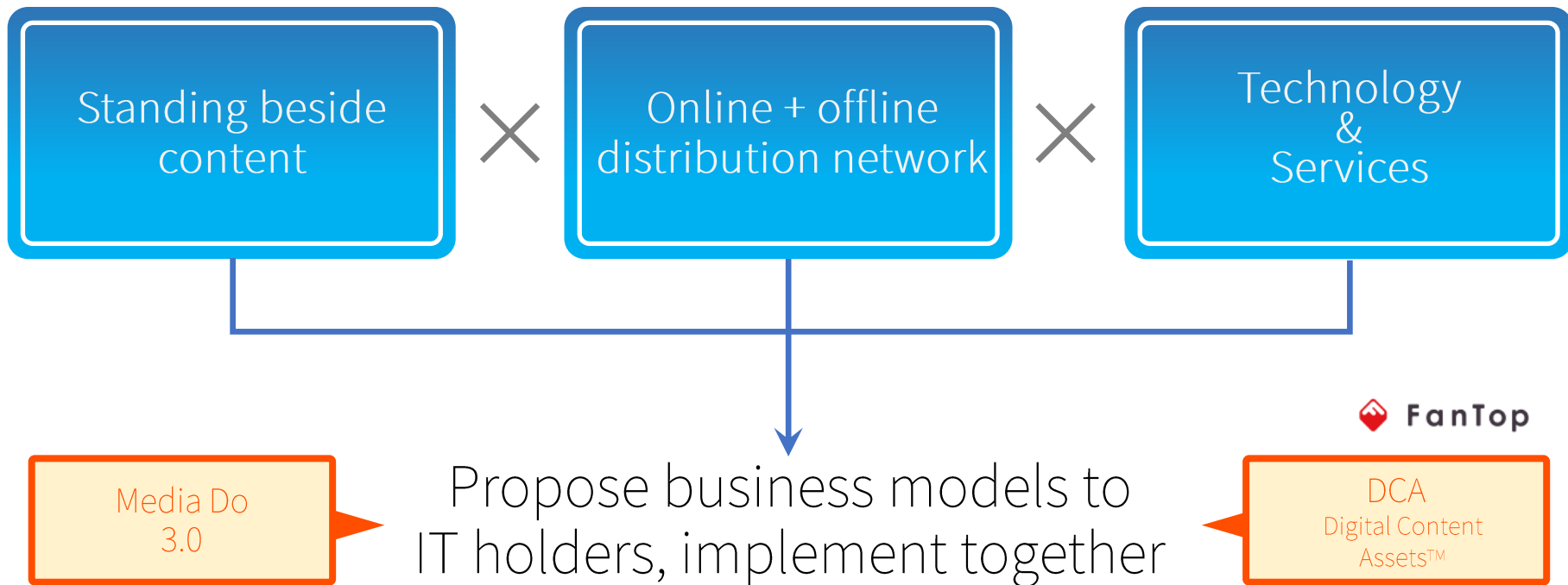


- ✓ Increased competition in acquiring content due to influence of high-capital entities
 - ✓ Shift in focus of content production, distribution, and consumption to digital venues (emerging issues related to counterfeit and pirated content)
- ➡ A growing opportunity for the content business to become a key industry



Position = Leveraging to the maximum MEDIA DO's strengths as a player that handles content with care and respect from the same standpoint as the IP holder

To support DX in the content industry as a partner
for IP multi-content development





3.Reference date

A P P E N D I X

Results for FY2022 1Q (P/L)

(Millions of yen)	FY2021								FY2022	
	1Q		2Q		3Q		4Q		1Q	
Net sales	28,408		26,825		23,533		25,954		26,269	
eBook distribution business	27,934	98.3%	24,677	92.0%	21,929	93.1%	24,186	93.1%	24,727	94.1%
Strategic investment businesses	474	1.6%	*2 2,146	8.0%	1,602	6.8%	1,766	6.8%	1,540	5.9%
Cost of sales, SG&A expenses	27,571		25,973		22,971		25,394		25,650	
Royalties/other cost of sales	*1 25,669	90.4%	*3 23,426	87.3%	*3 20,579	87.4%	*3 22,775	87.7%	23,020	87.6%
Commissions	42	0.1%	37	0.1%	34	0.1%	36	0.1%	33	0.1%
Advertising expenses	121	0.4%	160	0.6%	113	0.5%	82	0.3%	53	0.2%
Personnel expenses	899	3.2%	*2 1,456	5.4%	1,374	5.8%	1,527	5.9%	1,480	5.6%
Depreciation/amortization	229	0.8%	305	1.1%	276	1.2%	304	1.2%	345	1.3%
Other	610	2.1%	587	2.2%	592	2.5%	668	2.6%	716	2.7%
Operating profit	836		851		562		560		619	
Ordinary income	846		836		547		552		612	
Profit attributable to owners of parent	*4 617	2.2%	*4 *5 218	0.8%	260	1.1%	480	1.9%	*6 312	1.2%
EBITDA	1,065		1,157		839		864		964	

*1 Temporary increase in cost-of-sales ratio due to cooperation with promotional campaigns by certain book retailers

*2 Increase in sales and expenses following acquisition of NIHONBUNGEISHA (5 months' worth) and Firebrand Group

*3 Of which ¥22,599 million in 2Q, ¥20,053 million in 3Q, ¥22,248 million in 4Q, ¥22,734 million in FY2022 1Q are related to the eBook distribution business

*4 Following the transition from consolidated subsidiary to equity-method affiliate, an adjustment was made to the fair value of the equity in MyAnimeList by an amount equivalent to the net book value, resulting in an extraordinary gain (gain on change in ownership interest) of ¥117 million in 1Q and of ¥91 million in 2Q.

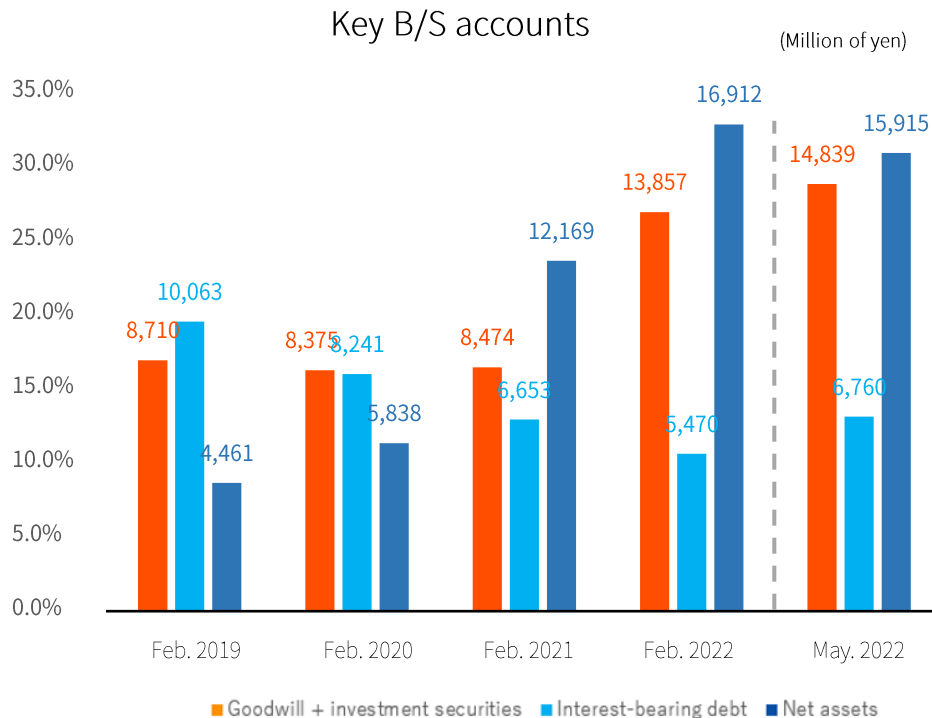
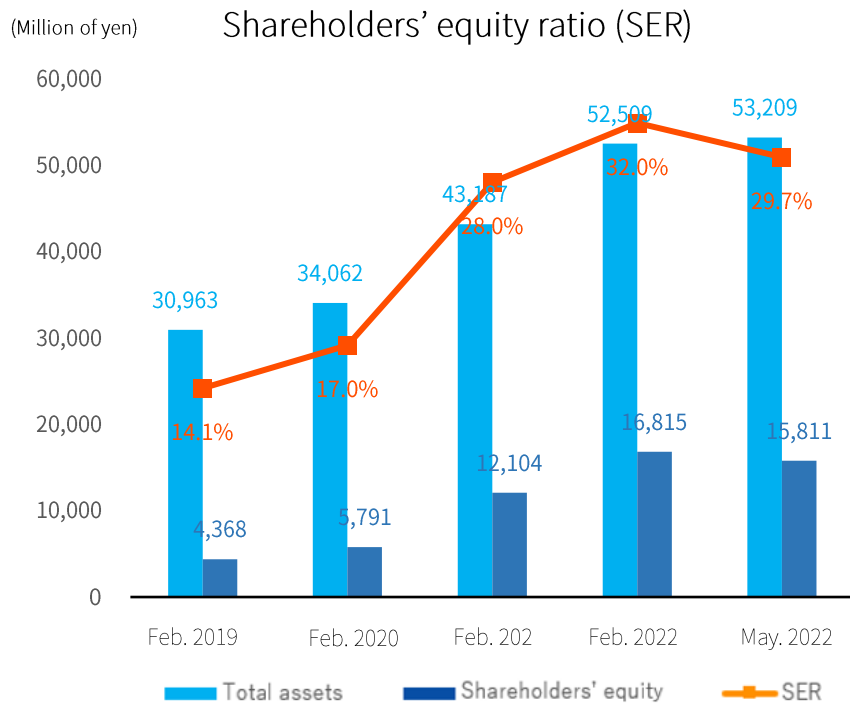
*5 An impairment loss related to goodwill (Nagisa) of ¥394 million was recorded

*6 With regard to the equity stake taken in Creatubbles in June 2016, an impairment loss of ¥504 million has been recorded to cover the entire value of the shares, while ¥844 million in corporate bonds out of a total of ¥1,202 million has already been recorded as allowance for doubtful accounts. In 1Q FY2022, there was a further increase in the asset deficiency of the company. In addition, the weaker yen led to a significant large amount of the deficiency when it was converted into yen, resulting in an extraordinary loss of ¥111 million.

Results for FY2022 1Q (B/S)

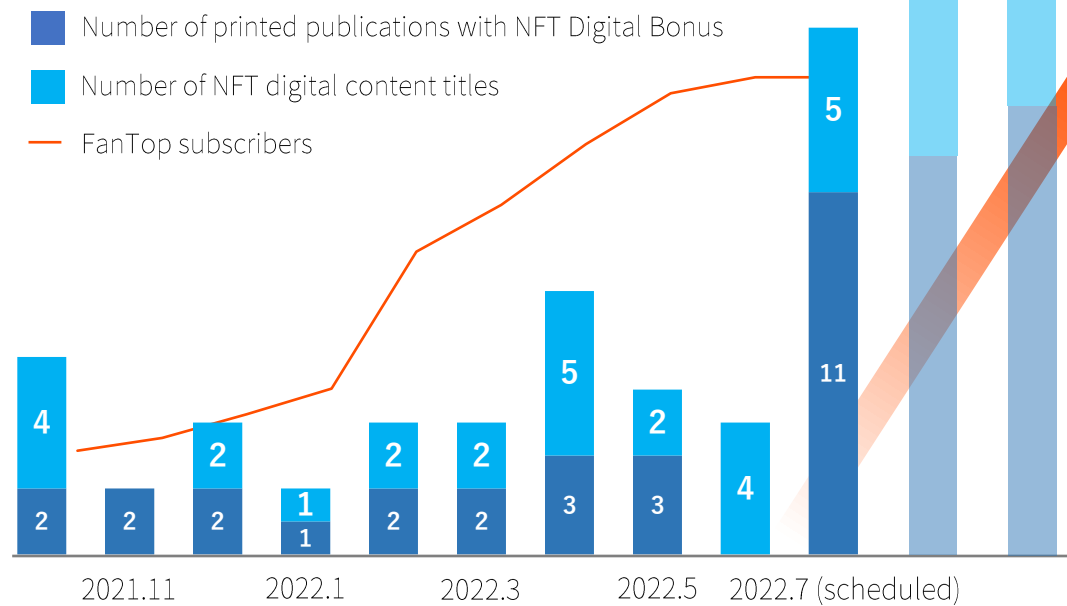
(Millions of yen)	FY2021 4Q	FY2022 1Q	QoQ change	Main factor behind change
Current assets	36,361	35,925	-435	
Cash and deposits	11,399	10,062	-1,337	Decrease due to taxes and dividend payments
Notes and accounts receivable – trade	23,290	23,843	553	Linked to declining sales.
Non-current assets	16,147	17,283	1,135	
Property, plant and equipment	344	449	104	
Software	973	1,091	117	
Goodwill	7,176	7,953	777	Increased due to M&A
Investment securities	6,681	6,886	204	
Total assets	52,509	53,209	700	
Current liabilities	30,439	31,083	643	
Notes and accounts payable - trade	26,539	27,271	731	Linked to declining sales.
Current portion of long-term borrowings	1,027	1,296	269	Increase due to additional borrowings (Share purchase cost to be used for M&A and repurchase of shares)
Total non-current liabilities	5,156	6,210	1,053	
Long-term borrowings	4,443	5,464	1,020	Increase due to additional borrowings (Share purchase cost to be used for M&A and repurchase of shares)
Total liabilities	35,596	37,293	1,697	
Total shareholders' equity	16,447	15,152	-1,295	
Capital	5,909	5,909	0	
Capital surplus	7,285	6,053	-1,231	Decrease due to disposal of treasury stock and others
Retained earnings	3,254	3,189	-65	
Total accumulated other comprehensive income	367	658	290	
Share option	0	0	—	
Non-controlling interest	97	104	7	
Total net assets	16,912	15,915	-997	
Total liabilities and net assets	52,509	53,209	700	

Financial stability has improved following April 2021 capital raise



The number of NFT titles released trended upward steadily following the marketing period

Number of NFT titles released on FanTop by month



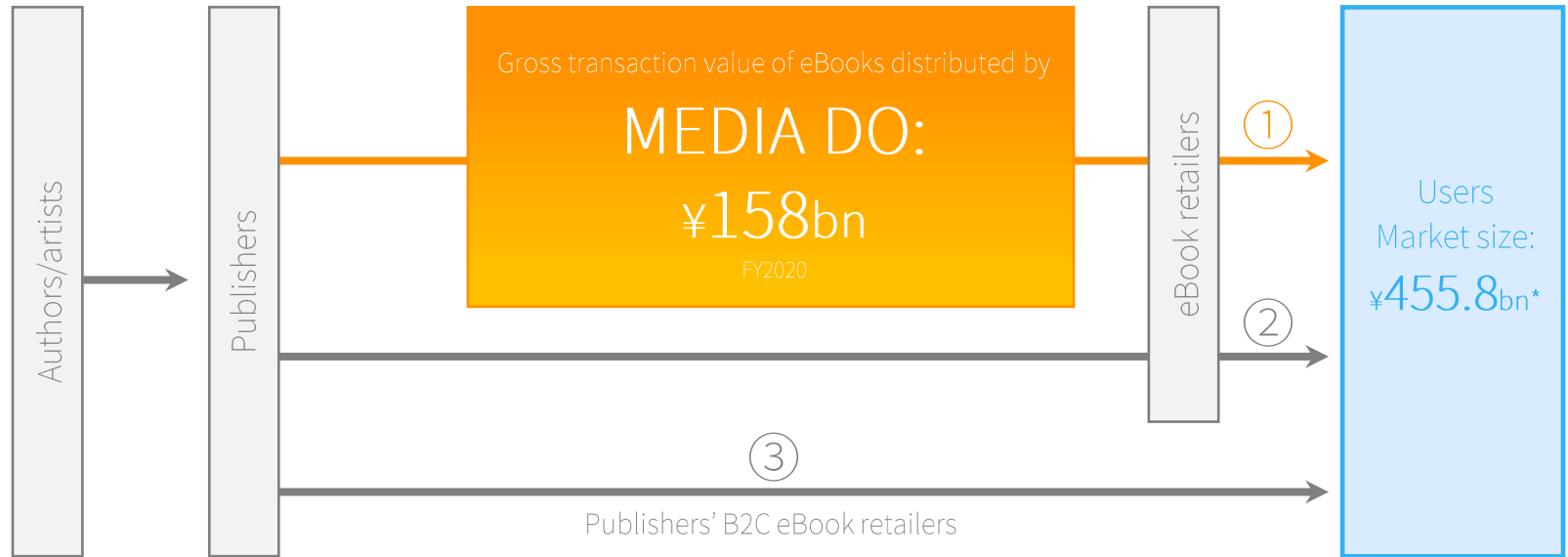
Aiming for a significant increase from 2Q onward

Special sales corners set up in book retailers nationwide



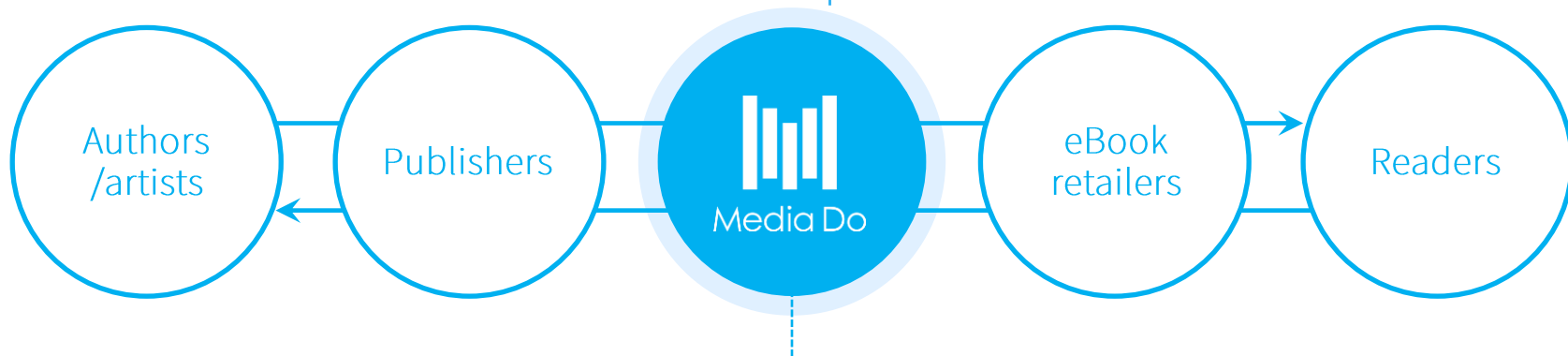
Expanding volume handled by attaching the digital bonus to all distributed copies

35% of eBooks are distributed via MEDIA DO in Japan



* Source: Actual data from FY2020 taken from Impress Research Institute's eBook Marketing Report 2021 on Japanese market

MEDIA DO is the biggest eBook distributor in Japan



1. Brokering of contracts/transactions with publishers
2. Pro rata distribution of revenues to publishers and authors
3. Operation of eBook distribution system
4. Execution of promotional campaigns

Expansion of eBook retailers' content lineups
Aggregation of eBook retailers' monthly sales data

Distribution of content to eBook retailers on behalf of publishers
Offering of discounts, freebies and other promotions in coordination with publishers and eBook retailers

MEDIA DO's greatest strengths (1)

Position

Core distribution functions

Uniquely positioned as distributor of 2,200 eBook publishers' titles to 150 book retailers that account for nearly all of Japan's eBook retailers, including the major ones

Dominant market share

Globally ranked second only to Amazon by eBook distribution volume with gross transaction value > ¥158bn (actual figures for FY2020)

Global presence

Only Asian company with an executive serving as co-chair of W3C's* Publishing Business Group
First Japanese W3C evangelist

Industry support

Over 14% owned by publishers, mainly Japan's four biggest ones*² and TOHAN

*1 World Wide Web Consortium: an organization that promotes global standardization of Internet technology, including eBooks. Media Do International CEO Daihei Shiohama was named co-chair of its Publishing Business Group in February 2019, together with executives from two of the biggest US/European publishers, including Penguin Random House. Shiohama became the W3C's first Japanese evangelist in January 2021

*2 Kadokawa, Kodansha, Shogakukan and Shueisha (listed in alphabetic order), based on issued share count as of February 28, 2021.

MEDIA DO's greatest strengths (2)

Technology

Entirely in-house development

100-strong engineering staff develops core systems entirely in-house, from a high-traffic eBook distribution platform to systems that leverage blockchain and other leading-edge technologies.

Wholesaler turned SaaS provider

Media Do has pursued a user-friendly, cost-efficient SaaS model since entering the eBook distribution business. It is helping to further advance the publishing industry by streamlining distribution through system integration and migration to new eBook distributing system.

MEDIA DO's track record in Japan

Trusted by publishers

- ✓ Over 2,200 publisher accounts, including 1,680 non manga publishers, all major publishers^{*1} and over 99% of eBook publishers^{*2}

Trusted by book retailers

- ✓ Supplier to over 150 book retailers including all of top 20 by usage rate^{*3}

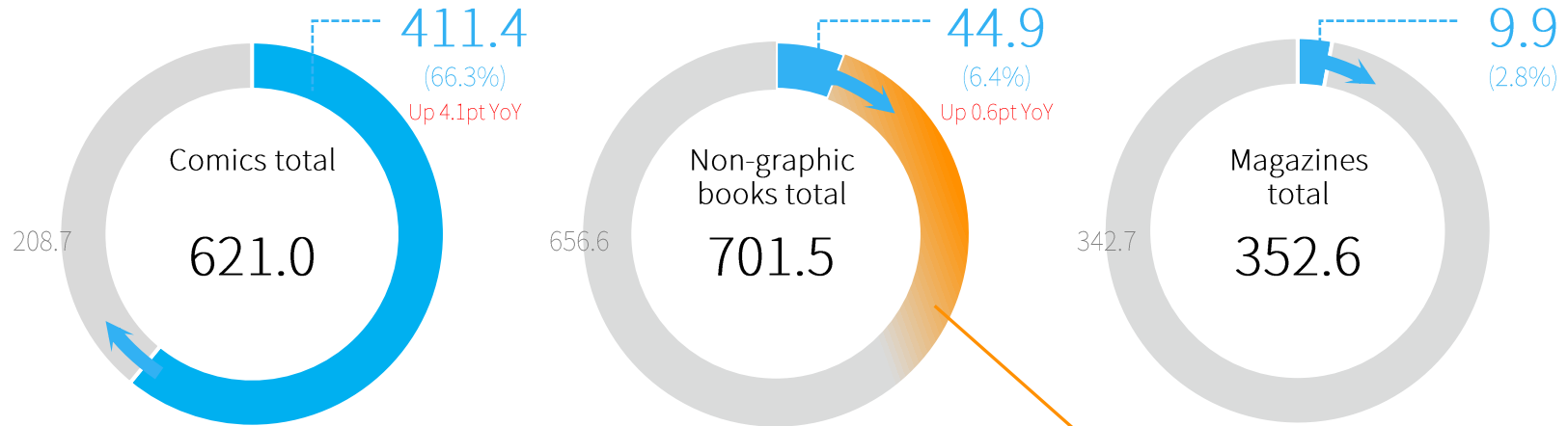
*1. Defined as publishers that belong to the Japan Book Publishers Association (394 members as of July 31, 2021), excluding non print (e.g., audiobook) publishers.

*2. Per a MEDIA DO survey. Excludes sub scale publishers, publishers without regular publications, etc.

*3. Top 20 eBook retailers (excluding book retailers run directly by publishers) ranked by popularity based on number of survey respondents who reported purchasing an eBook from the retailers within the previous six months per Impress Research Institute's eBook Marketing Report 2021.

Comics market grew 23% YoY Digitalization of **non-graphic books** still has a lot of room to run

Japan's publishing market by segment (2020) (Billions of yen)

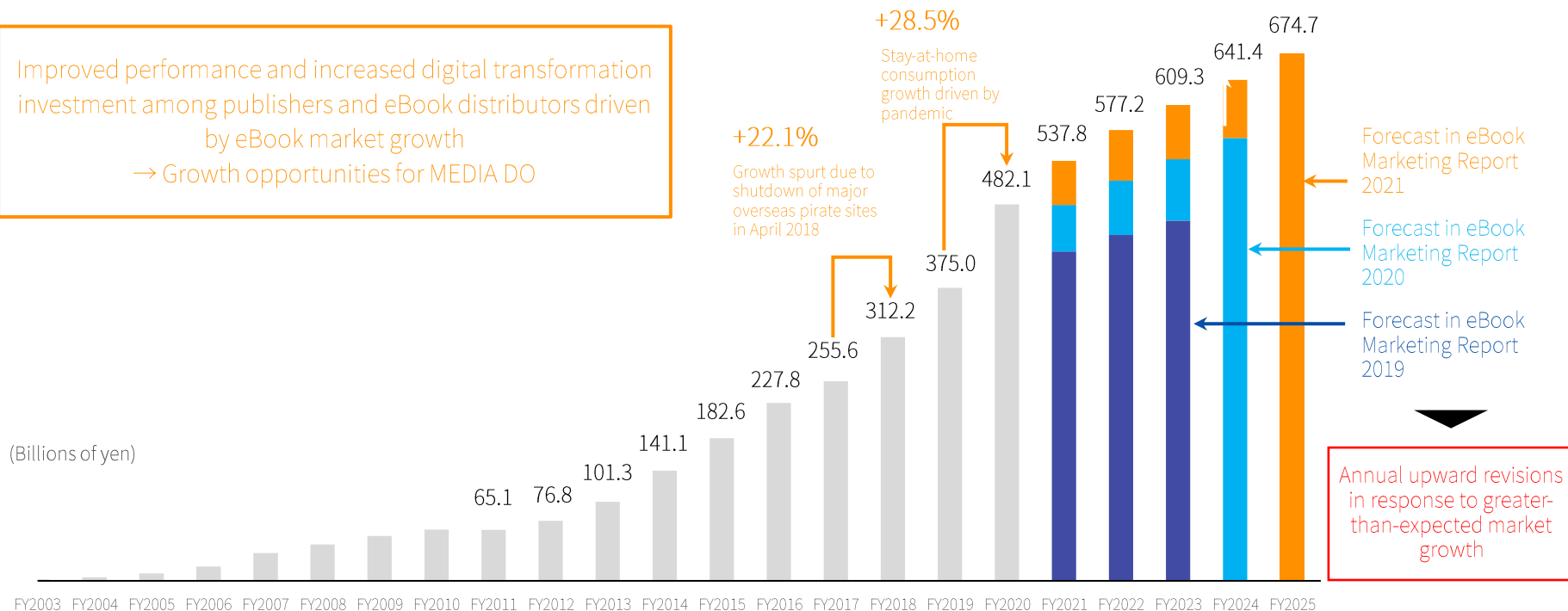


Note: AJPEA Statistics classify 90% of comic books in the "magazine" category. In the graph above, comic books classified as magazines in this way are counted as "comics." Additionally, comic sales include only comic books (both hard-copy and digital) while comic magazines (both hard-copy and digital) are included in the "magazines" category.
(Source: All-Japan Magazine and Book Publishers and Editors Association (AJPEA))

Non-graphic eBooks account for 30-40% of US and Chinese publishing markets

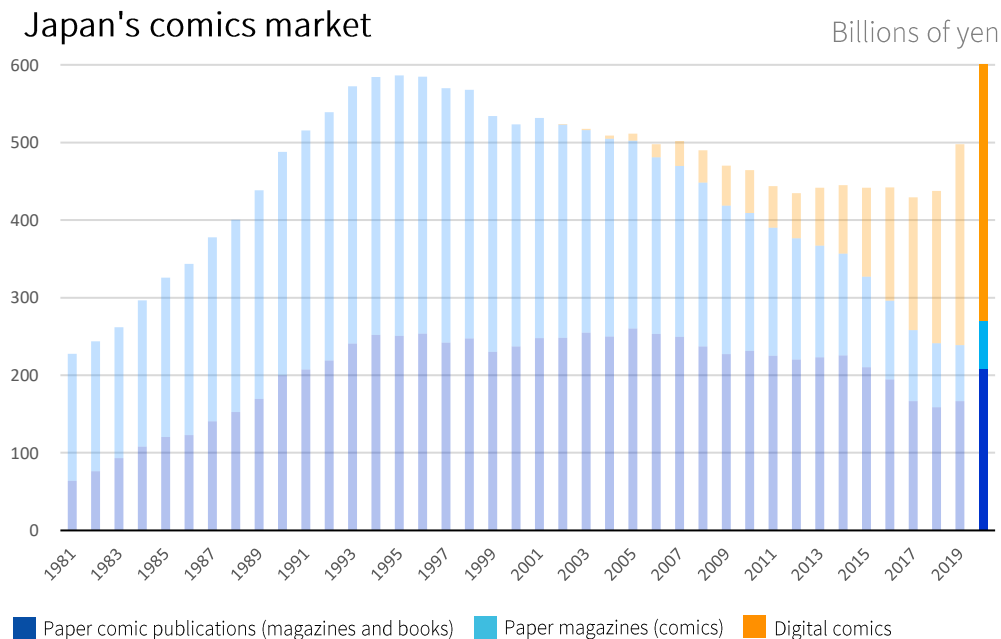
Ongoing growth forecast in the eBook market

Improved performance and increased digital transformation investment among publishers and eBook distributors driven by eBook market growth
→ Growth opportunities for MEDIA DO



Segment Breakdown

Aiming to grow the publishing market through digitization



Source: All-Japan Magazine and Book Publishers and Editors Association (AJPEA)

- ✓ Digitization has led to comics market hitting an all-time record
- ✓ MEDIA DO's role in contributing to the expansion of the publishing market is defined as follows



Transformation of operations/efficiency improvements

Business model transformation

Segment Breakdown

IP Acquisition/Cultivation	Planning/Publishing (Support)	Wholesaling/Distribution	Global	Sales/Marketing
Imprint Business	Publishing Solution Business	Book Distribution Business	Global business	Fan Marketing Business
Applicable Subsidiaries/Services				
<p>日本文芸社 NIPPONBUNGEISHA</p> <p>Publication and sale of how-to books, comics, novels, and magazines in both physical and digital formats</p> <p>JIVE Ltd. Development of imprint next-generation publishing business and operation of girl's comics label</p> <p>エブリスタ Novel submission website operation and image production business</p> <p>ASTRA Comic coloring and picture production support</p>	<p>PUBFUN (Joint venture with Impress Holdings) Expansion of the print on demand market through integration of corporate and private print on demand services</p> <p>PUBNAVI (Service) eBook sales management and integrated royalty management system for paper books and eBooks</p> <p>flier Inc. Operation of the flier book summary service</p>	<p>Media Do Development of Japan's largest eBook distribution business boasting relationships with more than 2,200 domestic publishers and over 150 eBook distributors</p> <p>Media Do TECH TOKUSHIMA Provision of wholesale business process outsourcing services</p>	<p>MD-i Media Do International The MEDIA DO Group's global business base in San Diego</p> <p>firebrand TECHNOLOGIES Deployment of bibliographical information management, information distribution, and eBook distribution services in the United States</p> <p>NetGalley Provision of NetGalley online book marketing tool</p> <p>supadü MAKES WEBSITES SIMPLE Supply of publisher sales websites on an SaaS basis to customers including major U.S. publishers</p>	<p>FanTop (Service) NFT marketplace developed by MEDIA DO</p> <p>MyAnimeList Operation of the globally top-tier MyAnimeList community website focused on Japanese anime and manga</p> <p>Nagisa Operation of comics app and provision of fan marketing services</p> <p>J-Comic Terrace Corporation コミックテラス Operation of free digital comics distribution service</p>

Management Plan

FY2022-2026 Performance figures

Consolidated performance	FY2021	FY2022	FY2024 (3rd year of plan)	FY2026 (5th year of plan)
Net sales	¥104.7 billion	¥100.0 billion	¥120.0 billion	¥150.0 billion
Operating profit	¥2.8 billion	¥2.0 billion	¥4.0 billion	¥8.5 billion
EBITDA	¥3.9 billion	¥3.5 billion	¥5.5 billion	¥10.0 billion
Profit attributable to owners of parent	¥1.5 billion	¥0.8 billion	¥2.8 billion	¥6.0 billion
ROE	10.9%	5.2%	15.0%	23.0%

Full-year forecasts by new segments

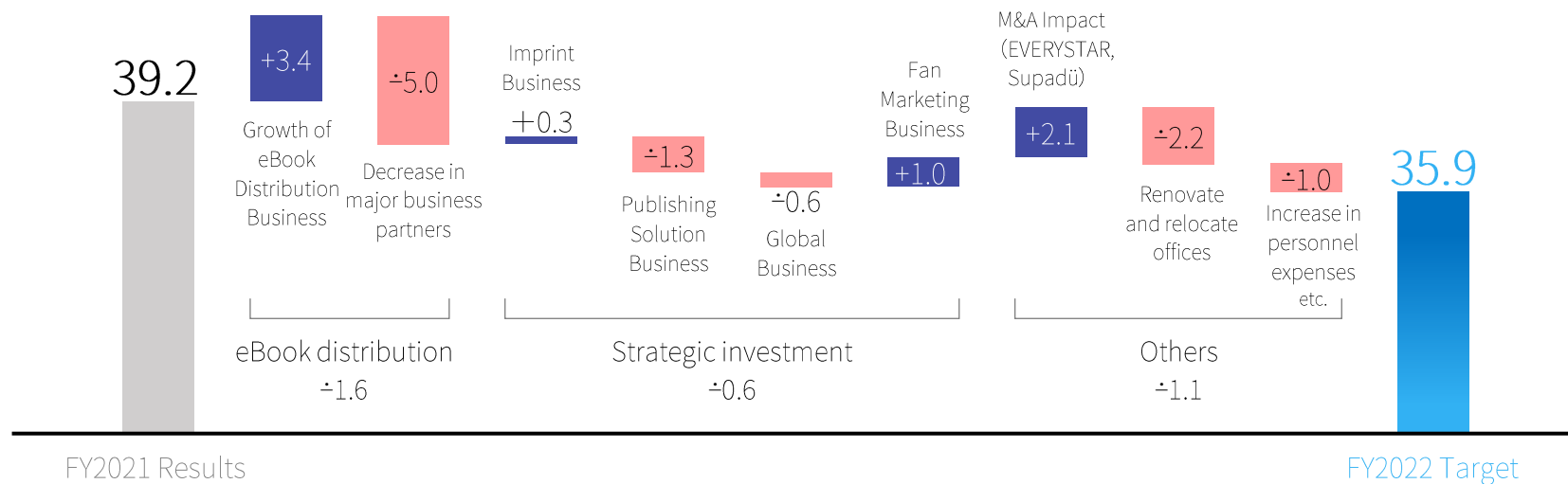
(billion of yen)

	eBook distribution business		Strategic investment businesses		Adjustment amount		Total	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
Net sales	98.7	92.4	5.9	7.6	0	0	104.7	100.0
Operating profit	4.7	4.6	▲0.8	▲1.3	▲1.1	▲1.3	2.8	2.0
EBITDA	5.4	5.2	▲0.3	▲0.4	▲1.1	▲1.2	3.9	3.5

Profit decrease in FY2022 due to lower earnings in the eBook distribution business and upfront investment in strategic investment businesses

Consolidated EBITDA

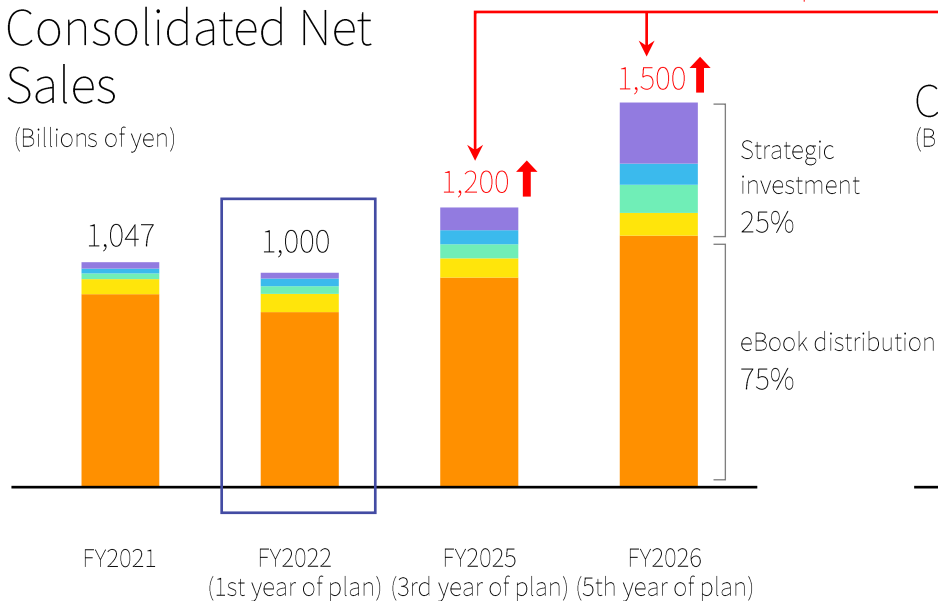
(Billions of yen)



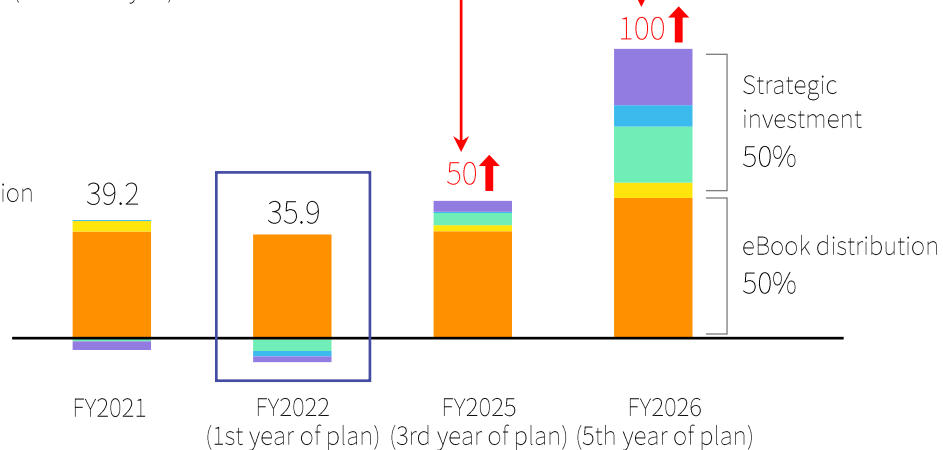
EBITDA target of ¥10.0 billion to be accomplished by creating a second business axis

Consolidated Net Sales (Billions of yen)

Examination of potential future M&A activities for expanding business



Consolidated EBITDA (Billions of yen)



■ eBook distribution ■ Imprint ■ Publishing solution ■ Global ■ Fan marketing

Conduct stock buybacks totaling ¥1.0 billion in FY2022; raise total return ratio in phased manner going forward

Shareholder Returns Policy

Shareholder Returns-Related Indicators

(Millions of yen)

Total return ratio*¹

Previously: 20% or more

↓

FY2022 and forward: **30% or more**

*1 Total return ratio = (Total dividend payments + Total treasury stock acquisitions) ÷ Profit attributable to owners of parent

	FY2018	FY2019	FY2020	FY2021 (tentative)	FY2022 (forecast)
Profit (loss)	-1,243	884	1,519	1,576	850
Total dividend payments* ²	130	184	322	333	0 (no dividend issued)
Stock buybacks	-	-	-	-	1,000
Total return ratio	N/A* ²	20.1%	20.1%	21.1%	117.6%

*2 No figure is displayed for total return ratio in FY2018 as a loss was recorded in this year.

Company history

Company history

1994: CEO Yasushi Fujita starts first business while still in university

1996: Fuji Techno Ltd. founded in Nagoya

1999: Media Do Co., Ltd., founded in Nagoya (it later merged with Fuji Techno)

2006: eBook business launched

2013: IPOed on TSE Mothers market

2014: Head office relocated from Nagoya to Tokyo

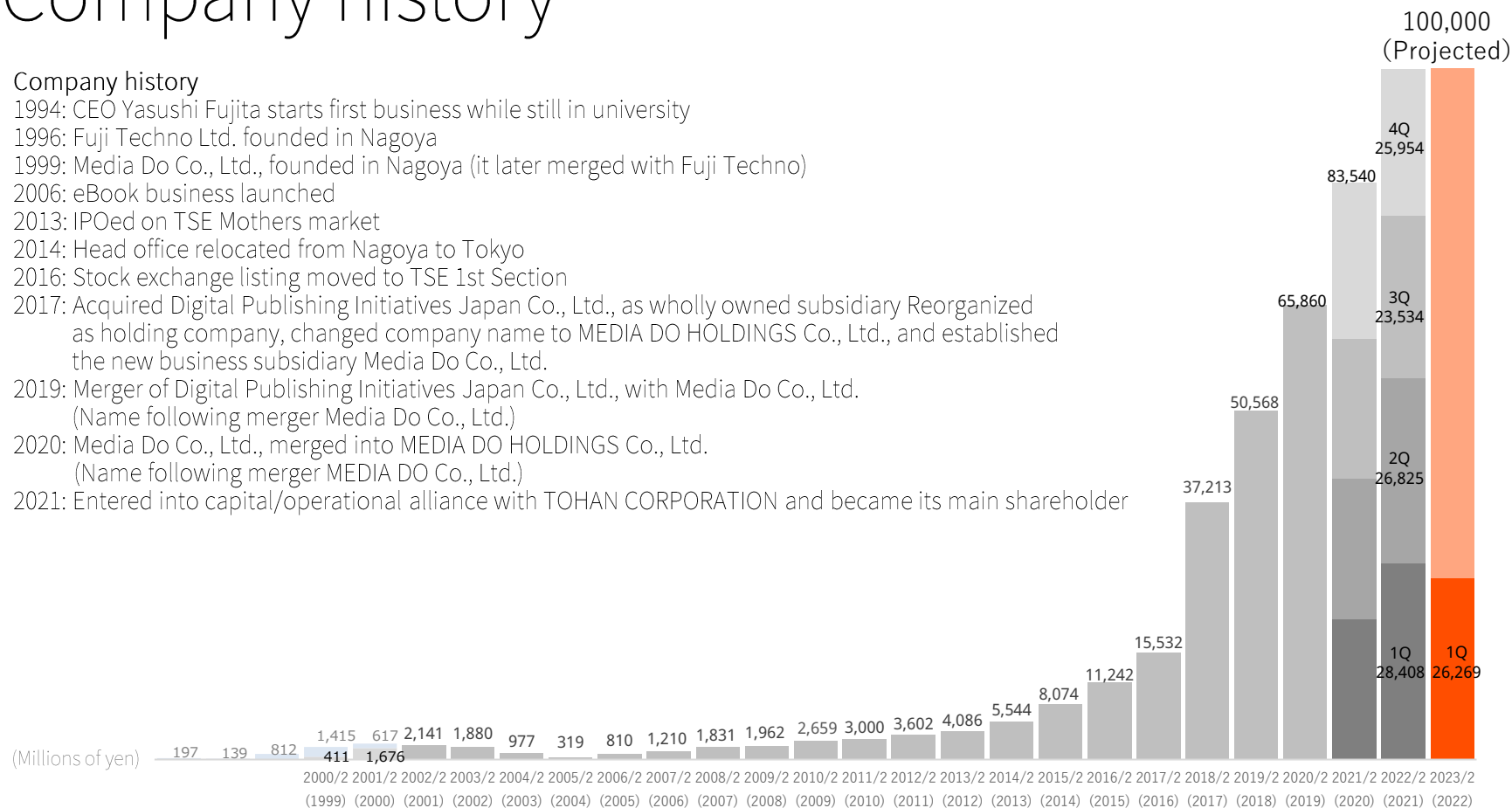
2016: Stock exchange listing moved to TSE 1st Section

2017: Acquired Digital Publishing Initiatives Japan Co., Ltd., as wholly owned subsidiary Reorganized as holding company, changed company name to MEDIA DO HOLDINGS Co., Ltd., and established the new business subsidiary Media Do Co., Ltd.

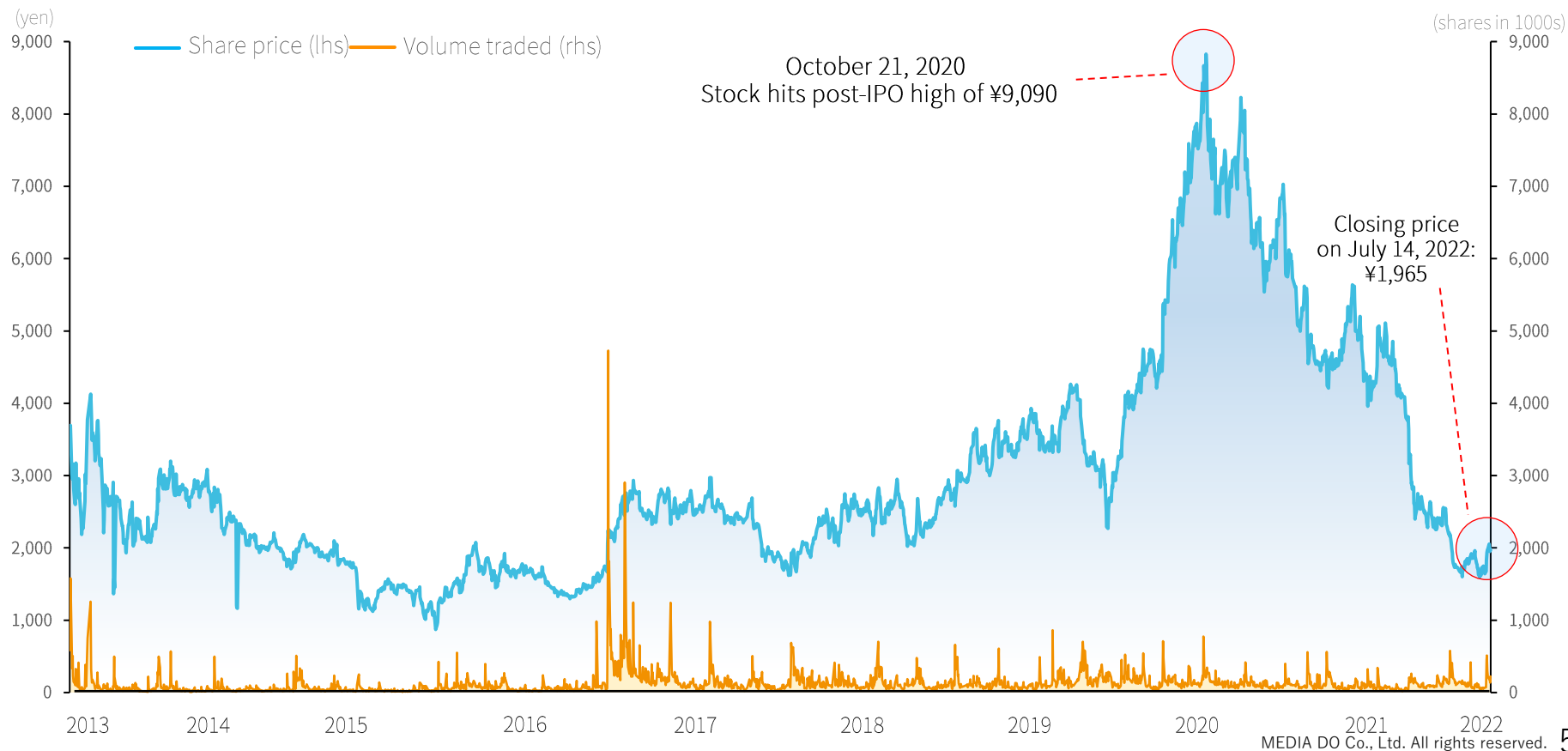
2019: Merger of Digital Publishing Initiatives Japan Co., Ltd., with Media Do Co., Ltd.
(Name following merger Media Do Co., Ltd.)

2020: Media Do Co., Ltd., merged into MEDIA DO HOLDINGS Co., Ltd.
(Name following merger MEDIA DO Co., Ltd.)

2021: Entered into capital/operational alliance with TOHAN CORPORATION and became its main shareholder

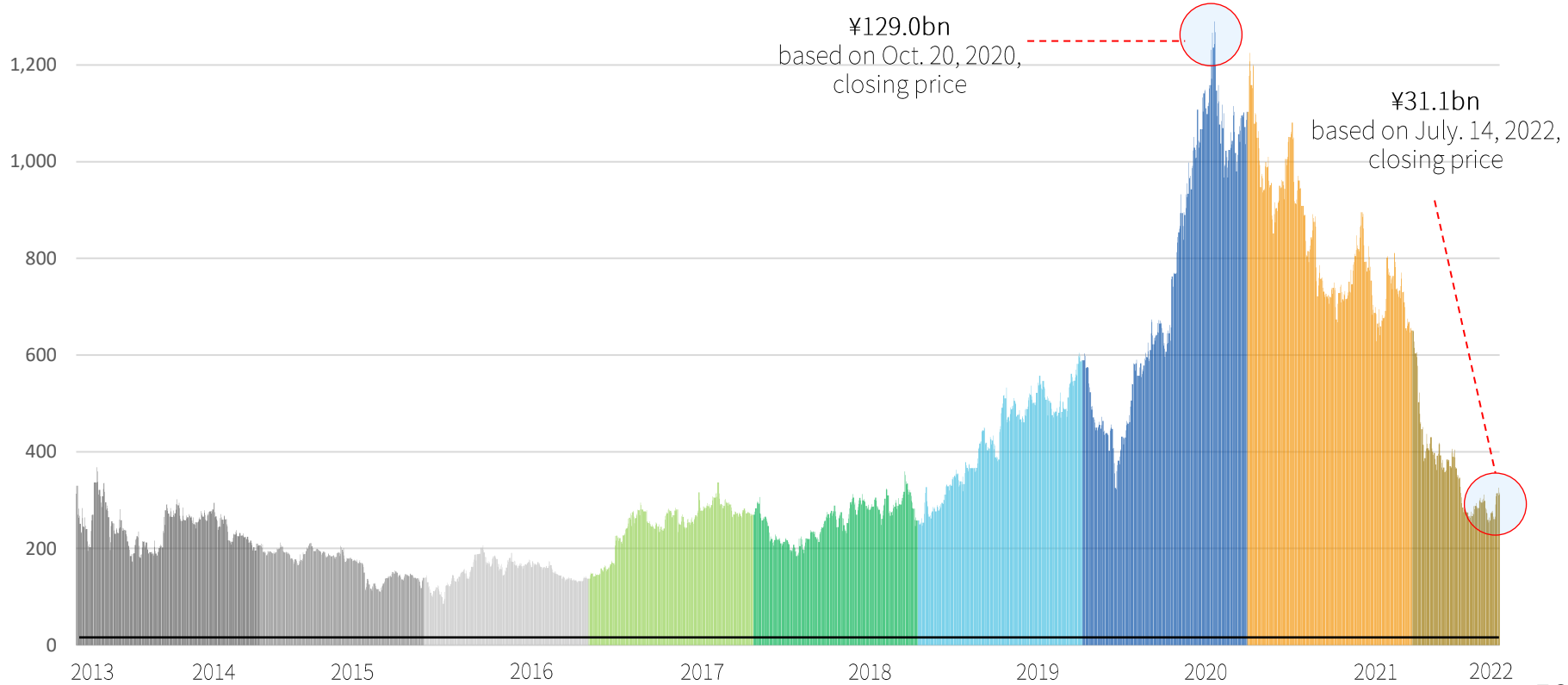


Share price performance and trading volume since IPO



MEDIA DO's market capitalization since IPO

(Billion of yen)
1,400



Company Outline

Trade name	MEDIA DO Co., Ltd.	
Established	April 1999	
Capital	¥5,909 million (as of May 30, 2022)	
Stock listing Securities code	Tokyo Stock Exchange, First Section 3678	
Board Members	<p>President and CEO: Yasushi Fujita Director: Shin Niina Director: Atsushi Mizoguchi Director: Hiroshi Kanda Outside Director: Keiichi Enoki Outside Director: Ayako Kanamaru Standing Audit & Supervisory Board Member: Kazuyoshi Ohwada Outside Audit & Supervisory Board Member: Toshiaki Morifuji Outside Audit & Supervisory Board Member: Tsuyoshi Shina</p> <p>Executive Officer: Kayoko Hanamura Executive Officer: Susumu Tsukamoto Executive Officer: Ryo Yamada Executive Officer: Yoichi Chihara Executive Officer: Hajime Suzumura Executive Officer: Shoichiro Tokoro Executive Officer: Teruyoshi Ando CTO Junichiro Izumi</p> <p>※ Directors will be appointed at Annual General Meeting planned in 26 May, 2022. ※ Executive Officer structure will start operating in 1 June, 2022</p>	
Head Office Tokushima Kito Office	<p>5F PALACESIDE Bldg. 1-1-1 Hitotsubashi Chiyoda-ku Tokyo, Japan 5-23 Iwatsushi, Kitowamuda, Naka-cho, Naka-gun, Tokushima, Japan</p>	
Subsidiaries	<p>(Domestic) Media Do Tech Tokushima Co., Ltd.; ARTRA ENTERTAINMENT Inc.; J-Comic Terrace Corporation; Digital Publishing Initiatives Japan Co., Ltd.; Flier Inc.; MangaNews Inc.; JIVE Ltd.; Nagisa, Inc.; NIHONBUNGEISHA Co., Ltd.; Everystar Co., Ltd.,</p> <p>(Overseas) Media Do International, Inc.; Quality Solutions, Inc. (Firebrand Technologies); NetGalley, LLC; Supadü Limited</p>	
Affiliates	MyAnimeList, LLC; A.I. Squared, Inc.; Tec Information Corp.	



株式会社メディアドゥペイメント
(株式会社出版デジタル機構から改称)



Management Team (1/3)



Yasushi Fujita, President and CEO

Launched first business in 1994 while in university. Founded Fuji Techno in 1996 and Media Do in 1999 (the former was merged into the latter in Nov. 2001). Involved in various businesses before launching eBook distribution business in 2006. Listed Media Do on TSE Mothers Market in 2013 and moved its listing to TSE 1st Section in 2016. As CEO, is in charge of management strategy, particularly creation of new drivers of shareholder value. Established Tokushima Innovation Base Association in 2020 in aim of supporting entrepreneurs and serves as its representative director. Actively involved in local economic revitalization since 2013 in hometown of Kito-mura (now Naka-cho), Tokushima Prefecture, while also contributing to society as an entrepreneur in roles such as president of Entrepreneurs' Organization Tokyo.



Shin Niina, Director, Vice-President and COO

Began career at Chuokoronsha (now Chuokoron-Shinsha) in 1980. Hired by KADOKAWA SHOTEN (now KADOKAWA CORPORATION) in 1996. Promoted to general manager of its book business in 2003. Appointed managing director of KADOKAWA SHOTEN in 2007, representative director of KADOKAWA EDITORIAL in 2008, director of BOOK WALKER in 2012 and executive director of Kadokawa Culture Promotion Foundation in 2013. Appointed president/representative director of DPIJ (renamed Media Do in March 2019) in 2014. Has served as vice president/COO/director of MEDIA DO since 2018. Appointed representative director of antipiracy organization Authorized Books of Japan in 2020. Heads core eBook distribution business and publishing support business as COO, capitalizing on his many years of literary editorial experience and quarter century of experience in digital publishing. Acts as MEDIA DO's point man in dealings with publishing industry.

Management Team (2/3)



Atsushi Mizoguchi, Director and CBDO

Began career at NTT DOCOMO in 2000, working in its content business. Involved in launching “Chaku-uta” (musical ringtones) for i-mode handsets. Joined Media Do in 2008. Appointed executive officer/general manager of Sales Division in 2010, director/general manager of Business Development Division in 2016, group COO in 2017, representative director of subsidiary MyAnimeList in 2019 and CBDO in charge of new businesses and alliances in June 2020.

As CBDO, leads development of new domestic and overseas markets and expansion of content offerings, capitalizing on his IT and mobile telecom expertise and broad experience in core eBook distribution business, eLibrary business and new businesses.



Hiroshi Kanda, Director, CSO and CFO

Began career in 2008 in UBS Securities Japan's Investment Banking Division, where his roles included advising clients on M&A and capital raising. Hired by Frontier Management in 2009 to formulate and help execute business plans for B2C company turnarounds/management support. In 2013, cofounded and appointed Director/CFO of Flier, which became part of the MEDIA DO Group in 2016. Joined MEDIA DO in 2018. Appointed general manager of Corporate Planning Division in 2019 and executive officer/CSO in charge of management strategy formulation and IR in June 2020.

He is scheduled to be appointed director/CSO & CFO in June 2022, when he will take charge of the corporate division. As CSO & CFO, he will leverage his extensive financial knowledge, consulting skills, and his own experience of starting companies to formulate and implement financial, corporate, and ESG strategies, while taking responsibility for coordination with internal and external stakeholders.

※ Directors will be appointed at Annual General Meeting planned in 26 May, 2022.

Management Team (3/3)



Senior Executive Officer
(eBook Distribution
Business)

Kayoko Hanamura



Senior Executive Officer
(Global Business and
Publication Solutions)

Susumu Tsukamoto



Executive Officer
(Finance)

Ryo Yamada



Executive Officer
(Human Resources/Legal/General
Affairs)

Yoichi Chihara



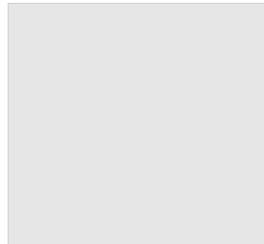
Executive Officer
(President & CEO Office)

Hajime Suzumura



Executive Officer
(Accounting and Business
Transformation Certified Public
Accountant)

Shoichiro Tokoro



Executive Officer
(Publication Solutions)

Teruyoshi Ando



CTO
Junichiro Izumi

Forward-looking statement and unaudited information disclaimers

Information presented herein includes forward-looking statements.

These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks, all of which entail uncertainties that could lead to outcomes that substantively differ from the forward-looking statements' content.

Such risks and uncertainties include general industry and market conditions and general domestic and international economic conditions, including interest rate and exchange rate movements. MEDIA DO assumes no responsibility to update or revise forward-looking statements contained herein, even if new information becomes available or unanticipated events occur.

Financial information that was not independently audited is also contained herein. MEDIA DO does not warrant the accuracy of any such unaudited information. Readers are accordingly advised against making investment or other decisions in sole reliance on information contained herein.

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