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May 15, 2025

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2025 [Under Japanese GAAP]

Company name:	Beagle Inc.	Listed on:	Tokyo Stock Exchange
Securities code:	3981	URL:	https://www.beagle.com
Representative:	Jimpei Yoshida	President and Representative Director	
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Date for commencement of dividend payments:	-		
Supplementary notes to financial statements:	Yes		
Briefing on financial statements:	None		

(Rounded down to nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2025 (January 1 to March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of the fiscal year ending December 31, 2025	4,146	(11.8)	469	(28.5)	228	(43.9)	212	(45.9)	92	(54.7)
First quarter of the fiscal year ended December 31, 2024	4,701	0.6	656	4.8	407	10.1	393	10.6	203	20.7

For reference: Comprehensive income

First quarter of the fiscal year ending December 31, 2025: 92 million yen (-54.7%)

First quarter of the fiscal year ended December 31, 2024: 203 million yen (20.7%)

	Net income per share	Net income per share fully diluted
	Yen	Yen
First quarter of the fiscal year ending December 31, 2025	16.53	16.47
First quarter of the fiscal year ended December 31, 2024	33.77	33.65

Note: Adjusted EBITDA = Operating profit + Depreciation (including amortization of publishing rights) + Amortization of goodwill + Amortization of leasehold deposits + Share compensation expenses ± Other adjustment items

(2) Consolidated Financial Position

	Total assets	Net assets	Capital-to-asset ratio
	Millions of yen	Millions of yen	%
March 31, 2025	16,240	7,461	45.9
December 31, 2024	17,294	7,486	43.3

For reference: Shareholders' equity

As of March 31, 2025: 7,454 million yen

As of December 31, 2024: 7,481 million yen

2. Dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	0.00	—	23.00	23.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	48.00	48.00

Note: Revisions from the most recently announced dividend forecast: None

Note: The Company's date of record for dividends is the final day of the second quarter and the final day of the fiscal year per the provisions of the Articles of Incorporation. At present, however, the Company's basic policy is to provide a dividend of surplus one time per year as a year-end dividend.

3. Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025 (January 1 to December 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,593	6.2	2,775	(0.3)	1,764	(1.3)	1,709	(1.0)	885	(32.1)	159.02

Note: Revisions from the most recently announced earnings forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the first quarter under review: None

New: None

Exclusion: None

(2) Application of special accounting treatment for the preparation of the quarterly consolidated financial statements: Yes

Note: For details, refer to page 9 of the supplemental materials entitled “(3) Notes to Quarterly Consolidated Financial Statements, (Application of Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements).”

(3) Changes in accounting policy and changes and restatements of accounting estimates

(a) Changes in accounting policy accompanying the revision of accounting standards: None

(b) Changes in accounting policy other than those listed in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of shares issued (common stock)

(a) Number of shares issued at end of period (including treasury shares)

March 31, 2025	6,301,986 shares	December 31, 2024	6,283,986 shares
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(b) Number of treasury shares at end of period

March 31, 2025	716,353 shares	December 31, 2024	716,353 shares
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(c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

March 31, 2025	5,583,033 shares	March 31, 2024	6,029,280 shares
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* Review of quarterly consolidated financial statements by a certified public accountant or audit corporation: None

* Appropriate use of earnings forecasts and other pertinent information

(Cautionary Statement with Respect to Forward-Looking Statements)

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors. For the notes on the underlying assumptions about the earnings forecasts and the use of the earnings forecasts, refer to page 4 of the supplemental materials entitled “1. Qualitative Information on the Quarterly Financial Results, (3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts.”

○ Supplemental Materials

1. Qualitative Information on the Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Condition	3
(3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	9
(Application of Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements)	9
(Notes on Segment Information, etc.)	10
(Notes on Significant Changes in the Amount of Shareholders' Equity)	11
(Notes on the Going-Concern Assumption)	11
(Notes to the Consolidated Statement of Cash Flows)	11

1. Qualitative Information on the Quarterly Financial Results

The forward-looking statements appearing below are based on information available as of the end of the period under review.

(1) Explanation of Operating Results

During the consolidated cumulative first quarter under review, against the backdrop of increased inbound demand and a recovery in domestic demand, the Japanese economy continued to show signs of gradual recovery, as socio-economic activities normalized, and corporate activities and personal consumption showed signs of improvement. On the other hand, the business environment remained uncertain due to factors such as the future trends in U.S. policy, the unstable yen exchange rate, and concerns about economic stagnation caused by inflation.

As for the business environment surrounding the Company, the printed publication market shrank, but the e-book publication market continued to grow. According to “eBook marketing report 2024,” Impress Corporation estimates that the growth rate of the e-book market will be around 5% in fiscal 2025, and going forward, the e-book and e-comic markets are expected to continue to see moderate growth in size.

Given this market environment, in the Platform Segment, the Group pursued efficient investments while focusing on building the brand of e-comic distribution service Manga Kingdom, and in the Contents Segment, the Group generated stable profits driven by the ongoing growth in the digital domain.

As a result, net sales for the consolidated cumulative first quarter under review totaled 4,146,836 thousand yen (down 11.8% year on year), operating profit was 228,560 thousand yen (down 43.9% year on year), ordinary profit was 212,772 thousand yen (down 45.9% year on year) and profit attributable to owners of the parent totaled 92,306 thousand yen (down 54.7% year on year).

The management results for each segment are presented below.

(Platform Segment)

In terms of the comic distribution service Manga Kingdom, a mainstay service in the Platform Segment, the Company strived to increase the number of subscribers and customer spending by promoting the flow of visit, retention, and purchase among users. To nurture loyal customers, the Company continued to encourage high spending through the “No. 1 sense of value” strategy and actively implemented sales promotions to acquire a wide range of users, including the launch of the Machi-Comi service, which allows users to read one issue of Manga Kingdom for free after a certain amount of time has passed.

On the other hand, the number of active users was on a downward trend, and it continued to take a certain amount of time to retain and develop light users. As a result, Manga Kingdom net sales decreased 11.8% year on year.

In addition, in March 2025, “The night spider drinks honey ~The marriage fraudster and the fallen woman~,” a short drama based on the Company’s original work, was distributed on the short drama app BUMP.

In terms of profits, there was a year-on-year decrease in operating expenses, mainly advertising and promotion expenses, but gross profit decreased year on year due to a decrease in net sales.

As a result, segment net sales totaled 2,660,595 thousand yen (down 13.4% year on year) and operating profit came in at 6,849 thousand yen (down 94.7% year on year).

(Contents Segment)

In the Contents Segment, the Company increased the number of publications, mainly as digital contents, and actively conducted sales promotion activities tailored to the characteristics and readers’ needs of each e-bookstore.

In printed publishing, in consideration of the shrinking market for such publishing, the Company implemented cost controls such as management of distribution numbers and pricing.

In digital publishing, although the Company promoted the creation of content tailored to readers' tastes and expanded genres, net sales decreased 1.7% year on year due to factors including the reaction to the increase in net sales in the same period of the previous fiscal year resulting from the success of sales promotion activities.

In printed publishing, as a result of controlling the number of distributions and implementing bimonthly publications and suspended publications of magazines, net sales decreased 25.6% year on year.

In addition, in April 2025, two of Bunkasha's works were made into TV dramas, with "Blind Love of a Dark Lawyer: The Most Obsessed and Pure Love Story in the World" being broadcast on TOKYO MX and "Womb Love" being broadcast on Yomiuri TV.

On the profit front, while earnings in printed publishing improved year on year, earnings in digital publishing decreased year on year.

As a result, segment net sales totaled 1,542,638 thousand yen (down 8.2% year on year) and operating profit came in at 221,663 thousand yen (down 20.5% year on year).

(2) Explanation of Financial Condition

(Assets)

Total assets at the end of the current consolidated first quarter amounted to 16,240,141 thousand yen, down 1,054,439 thousand yen compared to the end of the previous fiscal year.

Current assets totaled 7,709,111 thousand yen, down 870,793 thousand yen from the previous fiscal year end. This is mainly attributable to a decrease in cash and deposits of 764,431 thousand yen and a decrease in accounts receivable - trade of 98,454 thousand yen.

Non-current assets totaled 8,531,029 thousand yen, down 183,645 thousand yen compared to the previous fiscal year end. This was mainly attributable to a decrease in intangible assets of 198,039 thousand yen.

(Liabilities)

Total liabilities at the end of the current consolidated first quarter amounted to 8,778,309 thousand yen, down 1,029,734 thousand yen compared to the end of the previous fiscal year.

Current liabilities totaled 7,248,309 thousand yen, down 774,734 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease in notes and accounts payable - trade of 615,805 thousand yen, a decrease in income taxes payable of 133,583 thousand yen, a decrease in accrued consumption taxes of 69,135 thousand yen, and a decrease in refund liabilities of 83,087 thousand yen, despite an increase in accounts payable - other of 125,663 thousand yen.

Non-current liabilities totaled 1,530,000 thousand yen, down 255,000 thousand yen over the previous fiscal year end. This was mainly attributable to a decrease in long-term loans payable of 255,000 thousand yen.

(Net assets)

Total net assets at the end of the current consolidated first quarter amounted to 7,461,831 thousand yen, down 24,704 thousand yen compared to the end of the previous fiscal year. This was mainly attributable to a decrease in retained earnings of 35,749 thousand yen.

As a result, the shareholders' capital ratio came to 45.9%.

(3) Explanation of Forward-Looking Information including Consolidated Earnings Forecasts

There have been no changes to the consolidated earnings forecast announced in “Consolidated Financial Results for the Fiscal Year Ended December 31, 2024” released on February 14, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2024)	Consolidated First Quarter (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	5,118,725	4,354,294
Notes receivable	26,372	23,711
Accounts receivable - trade	3,266,083	3,167,629
Merchandise and finished goods	63,594	61,177
Supplies	459	411
Advance payments - trade	30,451	31,537
Prepaid expenses	74,842	76,004
Accounts receivable - other	6,370	1,247
Other	912	749
Allowance for doubtful accounts	(7,907)	(7,651)
Total current assets	8,579,904	7,709,111
Non-current assets		
Property, plant and equipment		
Buildings	14,662	14,662
Facilities attached to buildings	75,258	76,491
Tools, furniture and fixtures	156,125	161,044
Accumulated depreciation	(181,863)	(186,573)
Accumulated impairment loss	(1,602)	(1,602)
Total property, plant and equipment	62,580	64,022
Intangible assets		
Goodwill	7,737,721	7,590,059
Software	91,852	84,014
Content assets	218,740	215,497
Software in progress	7,500	7,353
Content assets in progress	6,013	6,197
Publishing rights	275,333	236,000
Other	1,032	1,032
Total intangible assets	8,338,195	8,140,155
Investments and other assets		
Leasehold and guarantee deposits	174,439	174,439
Deferred tax assets	120,780	134,389
Others	18,680	18,023
Total investments and other assets	313,899	326,851
Total non-current assets	8,714,675	8,531,029
Total assets	17,294,580	16,240,141

(Unit: thousands of yen)

	End of Previous Consolidated Fiscal Year (As of December 31, 2024)	Consolidated First Quarter (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,228,859	2,613,054
Short-term loans payable	2,000,000	2,000,000
Current portion of long-term loans payable	1,020,000	1,020,000
Accounts payable - other	228,061	353,725
Accrued expenses	42,944	30,956
Income taxes payable	285,461	151,877
Accrued consumption taxes	139,947	70,811
Contract liabilities	568,950	546,958
Refund liabilities	299,948	216,861
Deposits received	55,357	111,577
Other	153,513	132,486
Total current liabilities	8,023,044	7,248,309
Non-current liabilities		
Long-term loans payable	1,785,000	1,530,000
Total non-current liabilities	1,785,000	1,530,000
Total liabilities	9,808,044	8,778,309
Net asset		
Shareholders' equity		
Capital stock	1,906,359	1,910,859
Capital surplus	1,905,859	1,910,359
Retained earnings	4,712,788	4,677,039
Treasury shares	(1,043,514)	(1,043,514)
Total shareholders' equity	7,481,492	7,454,743
Share acquisition rights	5,043	7,088
Total net assets	7,486,535	7,461,831
Total liabilities and net assets	17,294,580	16,240,141

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

Quarterly Consolidated Statement of Income

Consolidated Cumulative First Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2024)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2025)
Net sales	4,701,950	4,146,836
Cost of sales	3,066,222	2,747,556
Gross profit	1,635,728	1,399,279
Selling, general and administrative expenses	1,228,532	1,170,718
Operating profit	407,195	228,560
Non-operating income		
Interest income	15	1,336
Reimbursement receivables	638	-
Other	120	345
Total non-operating income	773	1,681
Non-operating expenses		
Interest expenses	11,459	14,277
Borrowing expenses	1,302	1,291
Other	1,555	1,901
Total non-operating expenses	14,317	17,470
Ordinary profit	393,652	212,772
Profit before income taxes	393,652	212,772
Income taxes – current	190,016	120,465
Total income taxes	190,016	120,465
Profit	203,635	92,306
Profit attributable to owners of the parent	203,635	92,306

Quarterly Consolidated Statement of Comprehensive Income

Consolidated Cumulative First Quarter

(Unit: thousands of yen)

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2024)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2025)
Profit	203,635	92,306
Comprehensive income	203,635	92,306
(Breakdown)		
Comprehensive income related to owners of the parent	203,635	92,306

(3) Notes to Quarterly Consolidated Financial Statements

(Application of Special Accounting Treatment for Preparation of Quarterly Consolidated Financial Statements)

Calculation of Tax Costs

Tax costs are calculated by reasonably estimating the effective tax rate for each business year's profit before income taxes, including in the current consolidated first quarter, after the application of tax effect accounting and then multiplying this estimated effective tax rate by profit before income taxes.

However, in the event that the calculation of tax costs using the estimated effective tax rate yields a result that is notably lacking in rationality, then tax costs are calculated using the effective statutory tax rate.

(Notes on Segment Information, etc.)

Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2024)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	2,865,464	—	2,865,464	—	2,865,464
Others' distribution	86,363	1,176,076	1,262,439	—	1,262,439
Printed publishing	—	328,566	328,566	—	328,566
Others	118,402	127,076	245,479	—	245,479
Revenue from contracts with customers	3,070,230	1,631,719	4,701,950	—	4,701,950
Net sales to external customers	3,070,230	1,631,719	4,701,950	—	4,701,950
Intersegment sales and transfers	1,160	48,285	49,446	(49,446)	—
Total	3,071,391	1,680,005	4,751,396	(49,446)	4,701,950
Segment profit	128,339	278,805	407,145	50	407,195

Notes: 1. Adjustments of segment profit of 50 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

Current Consolidated Cumulative First Quarter (January 1 to March 31, 2025)

Information on the amount of net sales, profit/loss for each reporting segment, and breakdown of profits

(Unit: thousands of yen)

	Reporting segment			Adjusted amount (Note 1)	Total (Note 2)
	Platform Segment	Contents Segment	Total		
Net sales					
Own distribution	2,546,446	—	2,546,446	—	2,546,446
Others' distribution	51,373	1,161,533	1,212,907	—	1,212,907
Printed publishing	—	254,278	254,278	—	254,278
Others	48,675	84,528	133,203	—	133,203
Revenue from contracts with customers	2,646,495	1,500,340	4,146,836	—	4,146,836
Net sales to external customers	2,646,495	1,500,340	4,146,836	—	4,146,836
Intersegment sales and transfers	14,100	42,298	56,398	(56,398)	—
Total	2,660,595	1,542,638	4,203,234	(56,398)	4,146,836
Segment profit	6,849	221,663	228,512	47	228,560

Notes: 1. Adjustments of segment profit of 47 thousand yen represents company-wide expenses and elimination of intersegment transactions.

2. Segment profit is the same as operating profit on the quarterly consolidated statement of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2024)

1. Dividend payment

Resolution	Type of shares	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Date of record	Date of effect	Source of dividends
Annual General Meeting of Shareholders held on March 28, 2024	Common stock	90,439	15.00	December 31, 2023	March 29, 2024	Retained earnings

2. Dividends whose record date falls within the current consolidated cumulative first quarter but whose effective date is after the last day of the current consolidated first quarter

N/A

3. Significant changes in the amount of shareholders' equity

N/A

Current Consolidated Cumulative First Quarter (January 1 to March 31, 2025)

1. Dividend payment

Resolution	Type of shares	Total amount of dividend (thousands of yen)	Dividend per share (yen)	Date of record	Date of effect	Source of dividends
Annual General Meeting of Shareholders held on March 27, 2025	Common stock	128,055	23.00	December 31, 2024	March 28, 2025	Retained earnings

2. Dividends whose record date falls within the current consolidated cumulative first quarter but whose effective date is after the last day of the current consolidated first quarter

N/A

3. Significant changes in the amount of shareholders' equity

During the consolidated cumulative first quarter under review, the exercise of stock acquisition rights resulted in an increase of 4,500 thousand yen in both capital stock and capital surplus.

As a result, as of the end of the first quarter of the current fiscal year, capital stock totaled 1,910,859 thousand yen, while capital surplus totaled 1,910,359 thousand yen.

(Notes on the Going-Concern Assumption)

N/A

(Notes to the Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the consolidated cumulative first quarter under review. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows.

	Previous Consolidated Cumulative First Quarter (January 1 to March 31, 2024)	Current Consolidated Cumulative First Quarter (January 1 to March 31, 2025)
Depreciation	100,933 thousand yen	90,264 thousand yen
Amortization of goodwill	147,662 thousand yen	147,662 thousand yen