Supplementary Material on Financial Results for Q2 FY12/26

CELSYS, Inc.

Securities Code: 3663

July 31, 2026

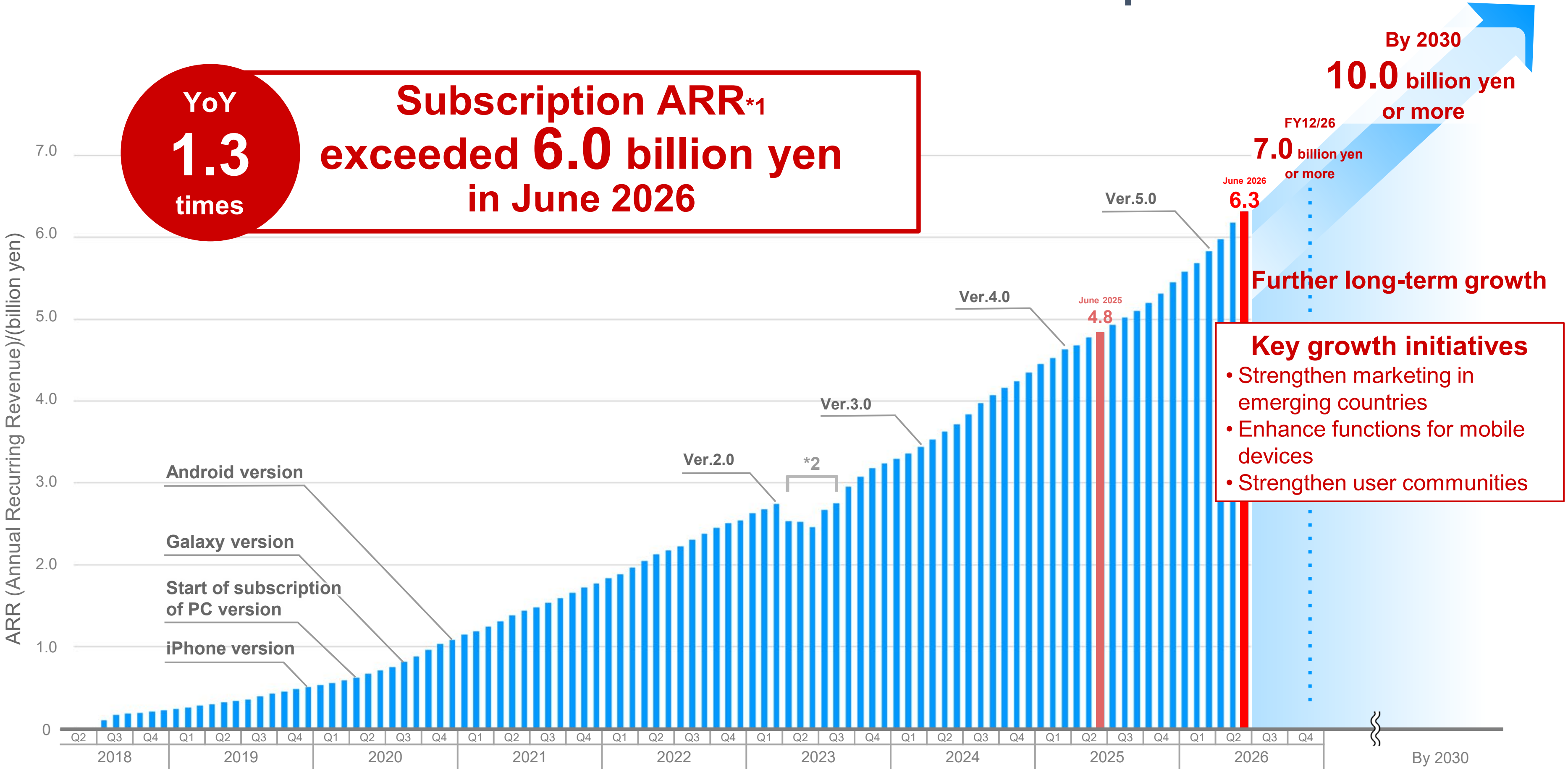
Highlights of Q2 FY12/26

- **Major version upgrade** of CLIP STUDIO PAINT **is well received** and driving financial results
- Subscription ARR: **6.3 billion yen**, increasing by **1.4 billion yen or 31%** YoY
  → **The increase in the amount was the largest ever**
- Sales and profit growth:

Net sales	**5.5 billion yen**	vs. plan **+11%**	YoY **+17%**
Operating profit	**2.2 billion yen**	vs. plan **+39%**	YoY **+45%**

- Operating margin: **40%**
- **Upward revision of Q2 and full-year plans** → Full-year net sales are expected to reach **10.0 billion yen** for the first time since the founding
- Achievement rates: **51%** for net sales, **56%** for operating profit
- Dividend increase: Annual dividend of 38 yen → **Annual dividend of 50 yen (increasing for 11 consecutive years)**
- Percentage of overseas users: **80%** or more (Cumulative shipments of 67 million units)
- **Continue to provide service value, "creative experience," that cannot be replaced by generative AI**

Trends in ARR of CLIP STUDIO PAINT subscription model



*1 Annual Recurring Revenue (ARR): expected net sales for one year assuming that all contracts are renewed at the time of renewal

*2 Transition period for the payment system that was changed for strengthening security

Size of market of digital creators who utilize CLIP STUDIO PAINT

There is a market with 130 million or more users worldwide

Long-term potential: Expansion of hobby users enjoying a greater **creative experience**

Significant global growth potential

SOM
130
million people

Digital creator market with 130 million users

(Professionals and non-professionals creating original content for their jobs or passions
(estimated by the Company based on the study by Adobe))

SOM
Approx. 70
million people

If the subscription users increase to account for about 50% of the digital creator market

Number of subscription users of the Company: 1 million or more*

* As of the end of June, 2026

According to the "Future of Creativity" study conducted by Adobe, there are 303 million creators active globally, and it is estimated that there are 260.58 million active creators, excluding influencers.
The study defines creators as professionals and non-professionals creating original content for their jobs or passions.
└ Based on the study, the Company estimates that there is a digital creator market with approximately 130 million users, assuming that creators in the design, illustration, and video fields account for about 50% of creators excluding influencers.
"Future of Creativity"
(https://www.adobe.com/content/dam/cc/hk_en/newsroom/pdf/2022/Adobe_Future_of_Creativity_165M_Creators_Joined_the_Creator_Economy_Since_2020_HK_EN_20220829.pdf)

CELSYS 35th

35th ANNIVERSARY

Continuing your
creative journey with you

CELSYS celebrated its 35th anniversary on May 1, 2026.

We will continue to provide value that supports creative activities and achieve sustainable growth in the global creator economy market through continuous improvement of our functions and evolution of our services. We will also work to enhance shareholder returns.

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About CELSYS

CELSYS

Providing Japanese-made creative applications for creators and expanding market share and revenue globally

Building a global creator platform with CLIP STUDIO PAINT at its core

CELSYS business highlights

CLIP STUDIO PAINT shipments and users

Cumulative shipments

over **67.00 million units**

Percentage of overseas users

more than **80%**

Usage ratio among manga artists

95%

CELSYS financial highlights

Sustainable high-profit model and strong shareholder returns

ROE target

30% or higher

Operating margin target

30% or higher

Subscription ARR*

over **6.3 billion yen,** growing at **31%** annually

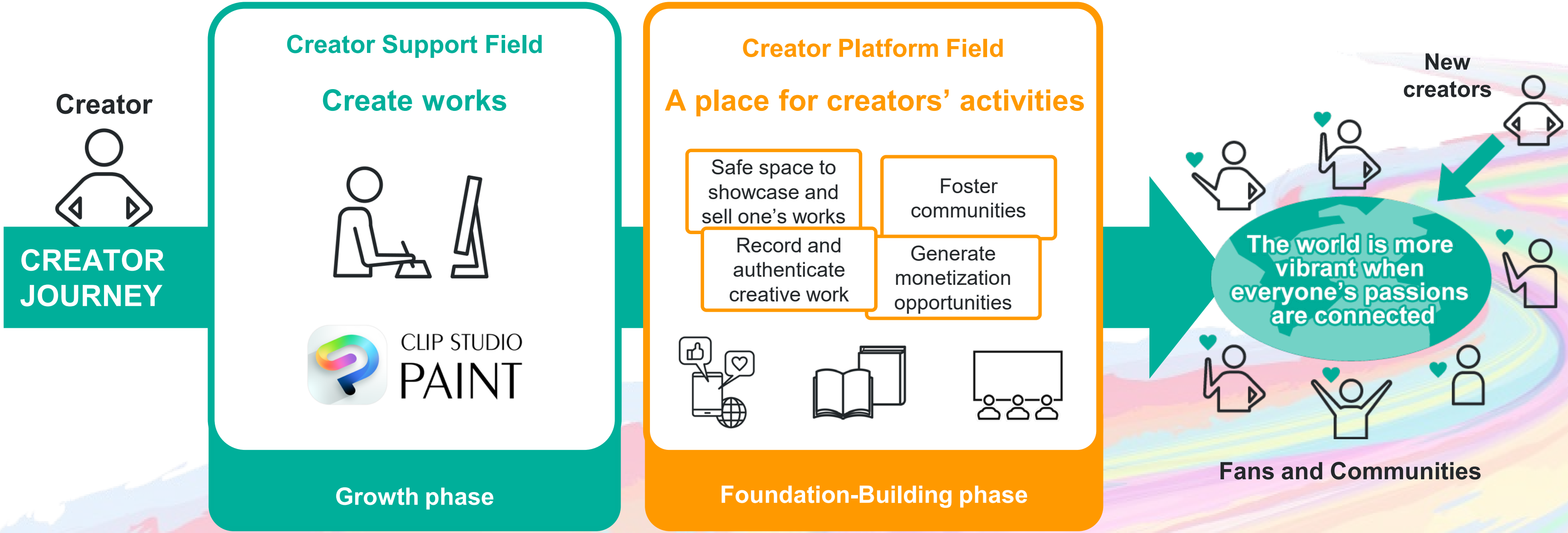
Dividend per share

50 yen/share for FY12/26 (plan), increasing for **11** consecutive terms

* Annual Recurring Revenue (ARR): expected net sales for one year assuming that all contracts are renewed at the time of renewal

CELSYS's Mission

CELSYS provides creative experience through a creation infrastructure that supports the whole path of creators' activities, "CREATOR JOURNEY"



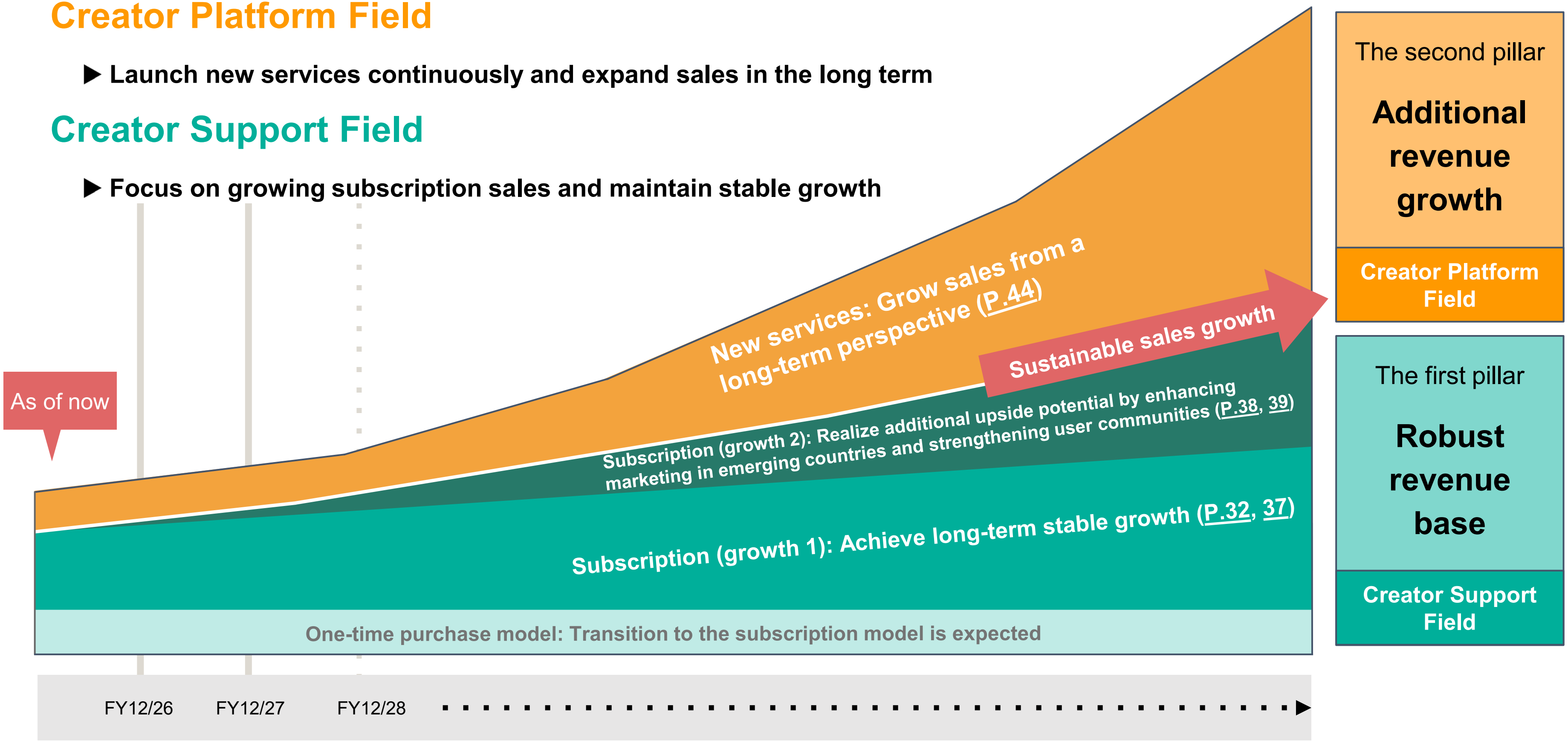
Medium- to Long-Term Outlook

Creator Platform Field

▶ Launch new services continuously and expand sales in the long term

Creator Support Field

▶ Focus on growing subscription sales and maintain stable growth



1. Q2 Financial Results

1-1. Q2 FY12/26 Financial Results

Both sales and profit increased YoY as well as compared to the initial plan

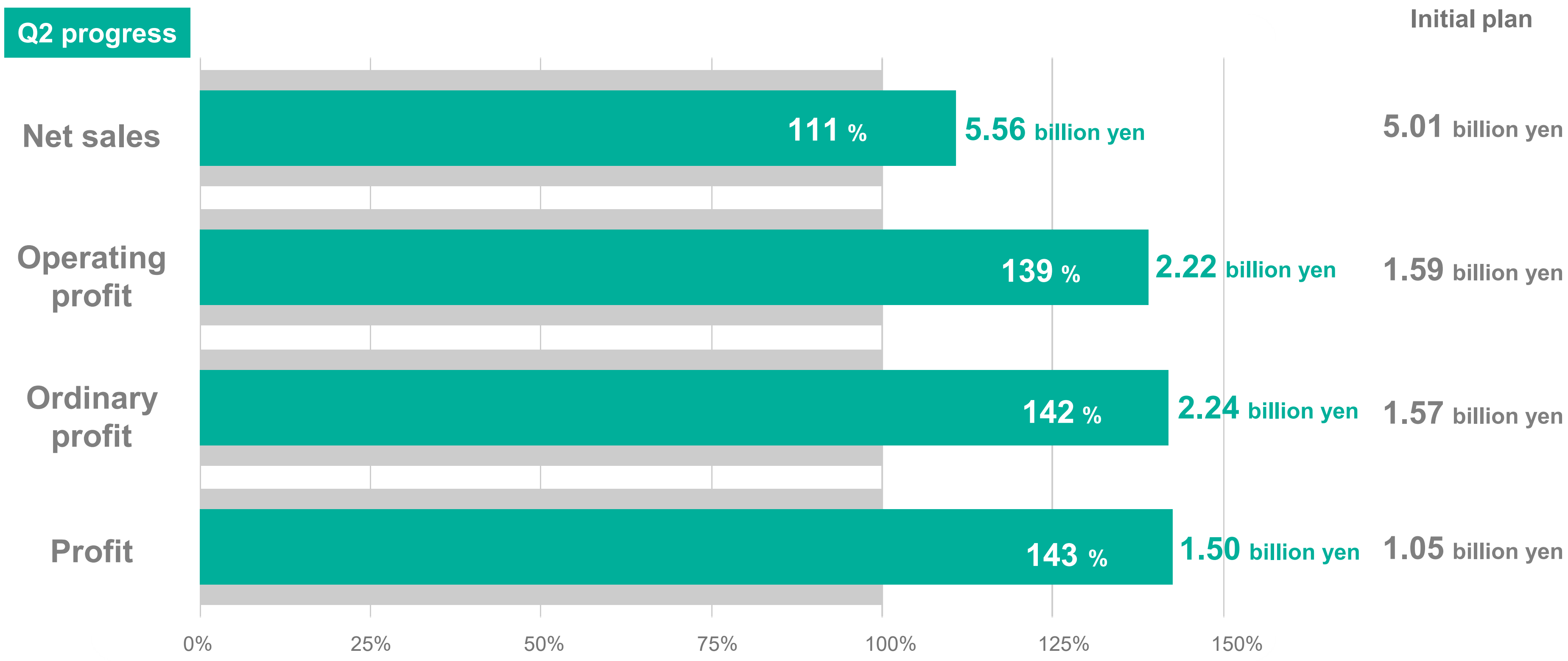
Factors behind the sales and profit growth

- Net sales (subscription) : Subscription contracts increased (due to strong performance in emerging countries and mobile users). In addition, subscription ARR exceeded 6.0 billion yen, recording a new high.
- Net sales (one-time purchase model) : Sales remained strong as demand was higher than initially expected due to the major version upgrade, as well as to the contribution of the sales promotion campaigns.
- Operating profit : Selling, general and administrative expenses, particularly outsourcing expenses and advertising expenses remained in line with the plan, contributing to the increase in operating margin.

Unit: million yen

	Q2 FY12/25	Q2 FY12/26		Changes	
		Initial plan	Results	YoY	vs. initial plan
Net sales	4,738	5,016	**5,563**	**+17.4%**	**+10.9%**
Subscription	2,366	2,868	**3,037**	**+28.3%**	**+5.9%**
Operating profit	1,533	1,598	**2,221**	**+44.8%**	**+39.0%**
Operating margin	32.4%	31.9%	39.9%	+7.5pt	+8.0pt
Ordinary profit	1,531	1,579	**2,241**	**+46.4%**	**+42.0%**
Ordinary profit margin	32.3%	31.5%	40.3%	+8.0pt	+8.8pt
Profit	870	1,054	**1,503**	**+72.6%**	**+42.6%**
Profit margin	18.4%	21.0%	27.0%	+8.6pt	+6.0pt

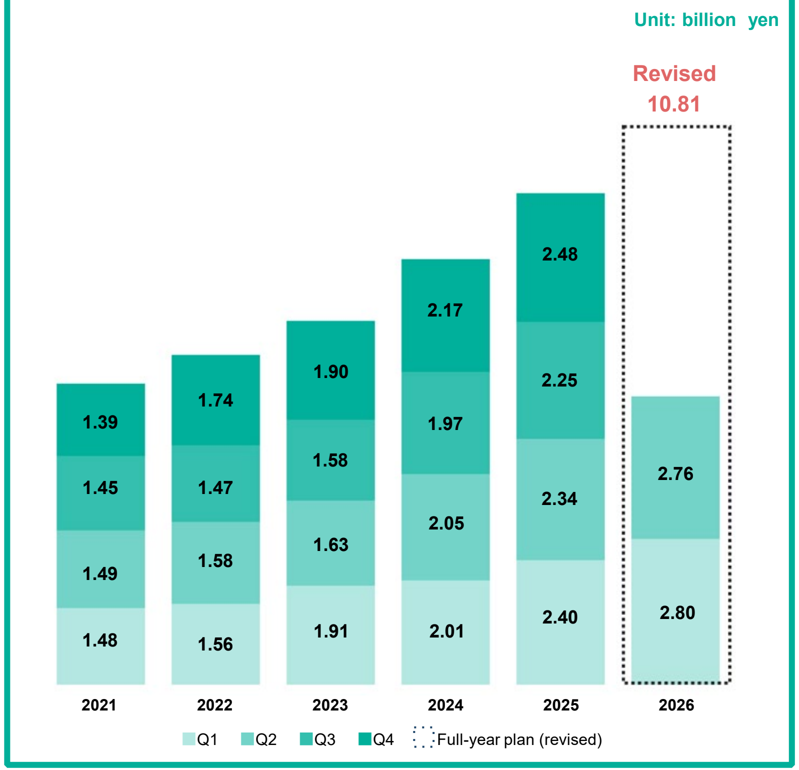
1-2. Achievement rate of Q2 FY12/26 financial results



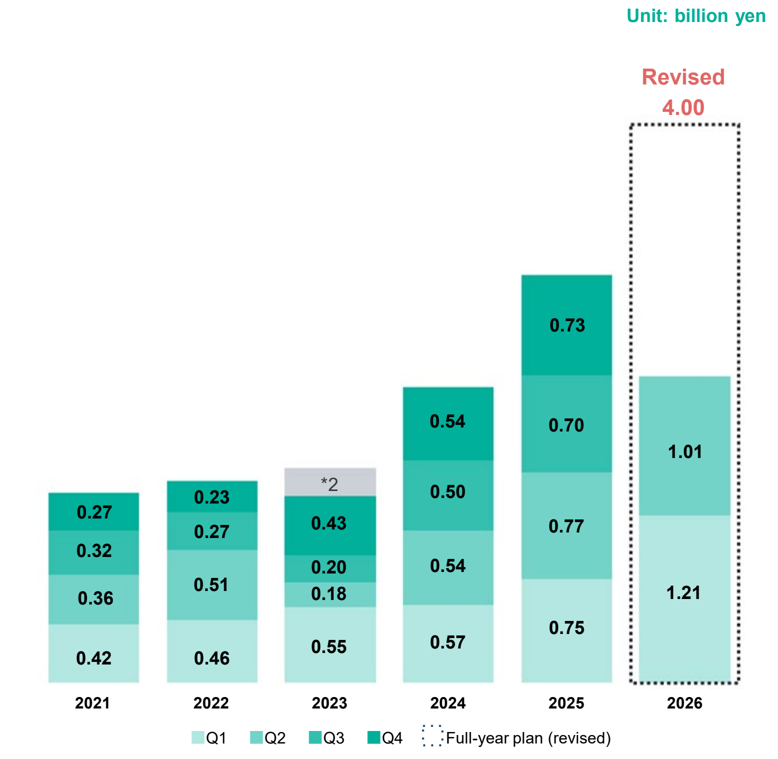
1-3. Trends in net sales and operating profit

As in previous years, both net sales and operating profit are expected to be skewed toward the first half

Net sales*1



Operating profit



*1 Excluding sales from the UI/UX business sold in 2023

*2 Approx. 0.2 billion yen of one-time losses due to enhanced security measures

1-4. Q2 FY12/26 Key Management Indicators

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Led by subscription ARR, key indicators progressed steadily

	Q2 FY12/25	Q2 FY12/26	YoY	Progress & trends
Subscription ARR[*1]	4.83 billion yen	**6.31 billion yen**	**+30.7 %**	
Subscription churn rate[*2]	5.0 %	**4.9 %**	**Improved 0.1 pt**	
Number of platform users	10.49 million	**13.08 million**	**+24.7 %**	
CLIP STUDIO PAINT Cumulative shipments	52.59 million units	**67.04 million units**	**+27.5 %**	
CLIP STUDIO PAINT Overseas ratio	81.3 %	**83.0 %**	**+1.7 pt**	

*1 Annual Recurring Revenue (ARR): expected net sales for one year assuming that all contracts are renewed at the time of renewal
*2 Churn rate: the percentage of customers who cancelled contracts (customer attrition rate)

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2. Outlook

2-1. Revision to full-year financial results forecasts

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Considering the achievement by the end of Q2, full-year forecasts have been revised upward
Net sales are expected to reach 10.0 billion yen for the first time since the founding

- Net sales: Net sales are expected to exceed previously announced forecasts, as subscription contracts and one-time purchase sales exceeded the initial plan due to the effect of the major version upgrade, as well as to the results of the marketing in emerging countries and measures aimed at mobile users. The revision also reflects the continued strength in recent sales trends.
- Operating profit: Operating profit is expected to exceed previously announced forecasts, driven by the increase in net sales and the fact that cost of sales (particularly outsourcing expenses) and selling, general and administrative expenses (particularly advertising expenses) trended as planned.

Unit: million yen

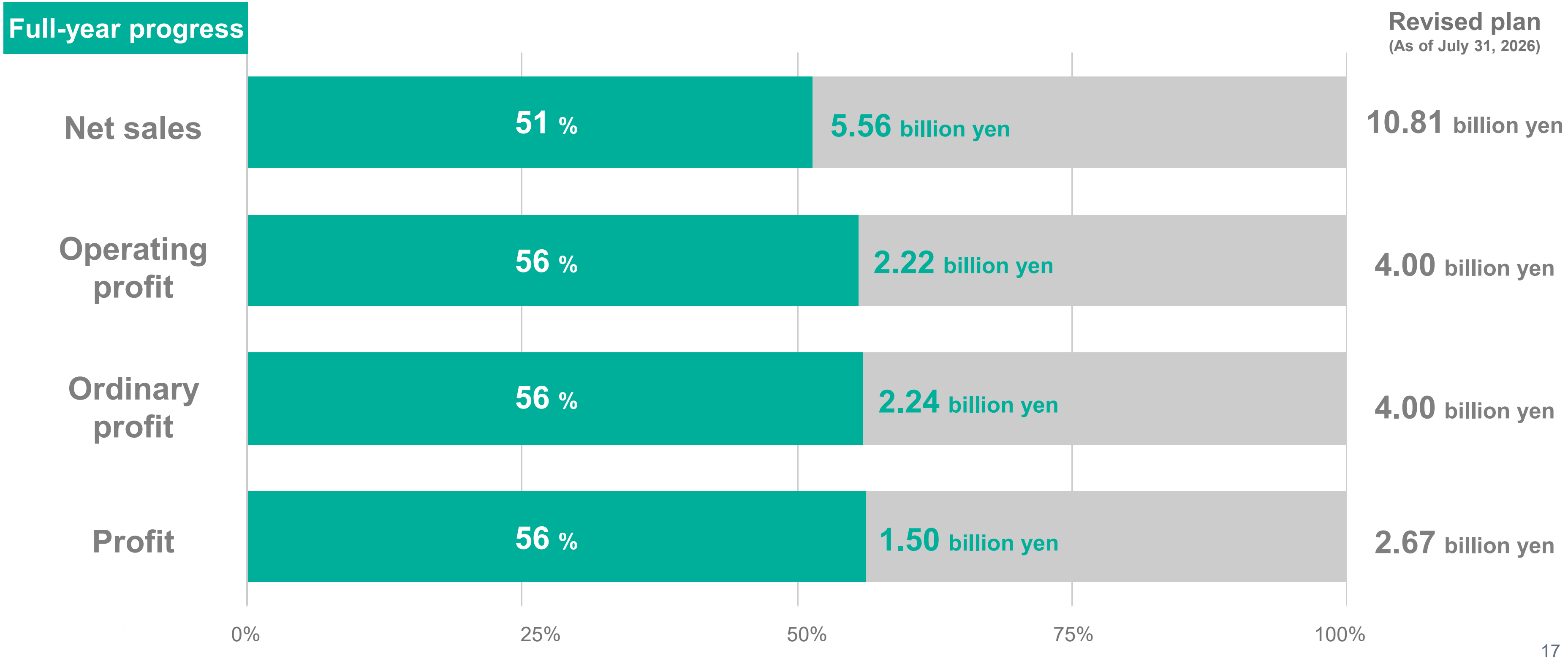
	FY12/25	FY12/26		YoY change	Change vs. initial plan
		Initial plan (February 13, 2026)	Revised plan (July 31, 2026)		
Net sales	9,471	9,963	**10,810**	**+14.1%**	**+8.5%**
Subscription	5,005	6,113	**6,450**	**+28.9%**	**+5.5%**
Operating profit	2,967	3,317	**4,000**	**+34.8%**	**+20.6%**
Operating margin	31.3%	33.3%	37.0%	+5.7pt	+3.7pt
Ordinary profit	2,934	3,282	**4,000**	**+36.3%**	**+21.9%**
Ordinary profit margin	31.0%	32.9%	37.0%	+6.0pt	+4.1pt
Profit	1,681	2,192	**2,670**	**+58.8%**	**+21.8%**
Profit margin	17.7%	22.0%	24.7%	+7.0pt	+2.7pt
ROE (target: 30% or higher)	35.5%	40% or higher	**50% or higher**	+14.5pt or higher	+10.0pt or higher

For details, please see the “Notice Regarding Revision to Full-Year Financial Results Forecasts for the Fiscal Year Ending December 31, 2026” announced today.

2-2. Achievement rate of full-year financial results

Progress in Q2 remained steady against the revised plan

Any necessary revisions to financial results forecasts will be promptly disclosed in accordance with future business progress



2-3. Trends in sales scale of subscription and one-time purchase models

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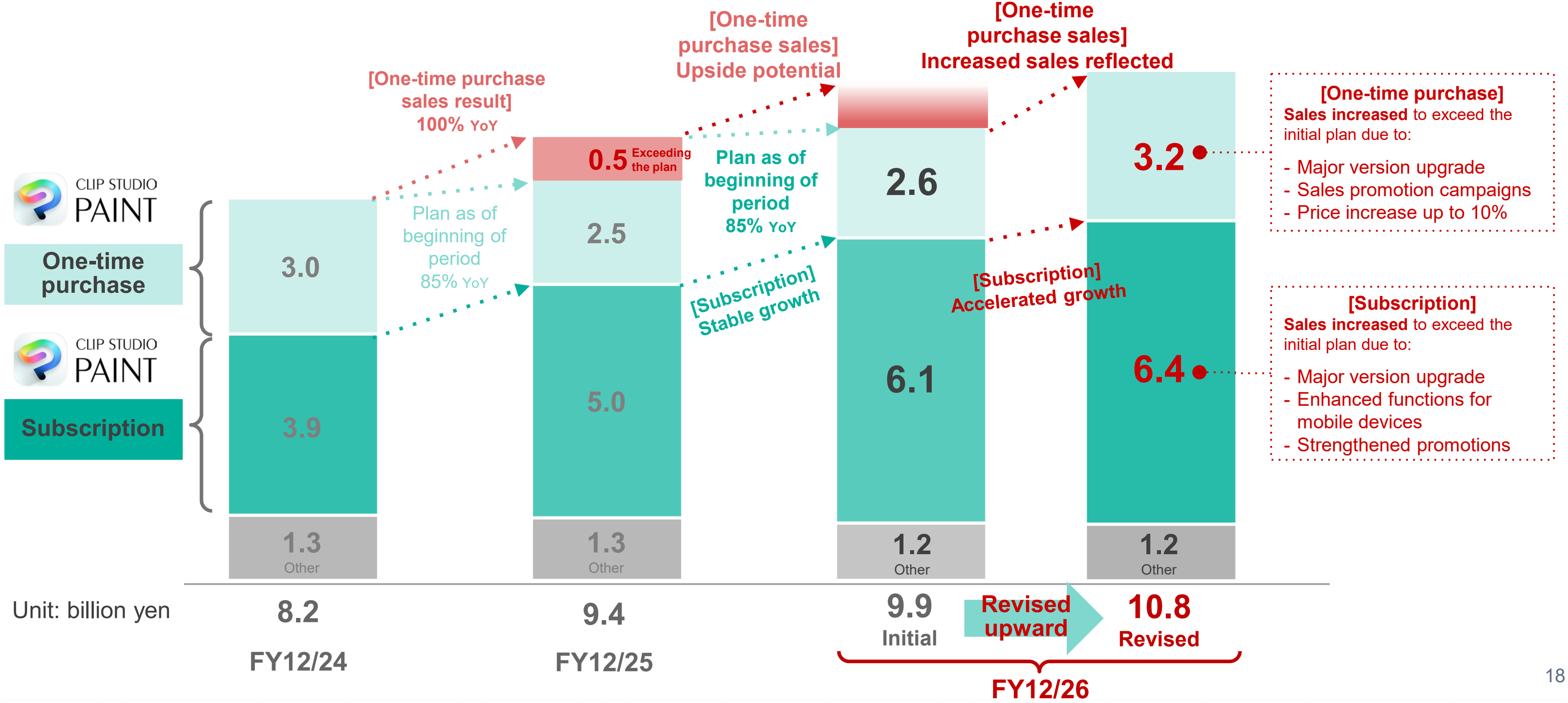
Initial plan : The plan assumed that subscriptions would grow stably, while users of one-time purchase model would transition to the subscription model (Planned sales were 85% of the previous year).

Revised plan : Sales are expected to exceed the initial plan for both subscription and one-time purchase models due to effects of the major version upgrade, campaigns, and other efforts.



2-4. Progress on the "Medium-Term Management Plan 2025–2027" and Future Prospect

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Sales and profit targets are expected to be achieved one year earlier than scheduled under the Medium-Term Management Plan

Revisions are planned for the financial results for FY12/27, the final year under the Medium-Term Management Plan

	FY12/25		FY12/26 Plan	
	Plan	Results	Initial	Revised
Net sales	9.0 billion yen	9.4 billion yen	9.9 billion yen	10.8 billion yen
Operating profit (Profit ratio)	2.5 billion yen	2.9 billion yen (31.3%)	3.3 billion yen (33.3%)	4.0 billion yen (37.0%)
ROE	30.0%	35.5%	40% or higher	50% or higher

FY12/27 Plan
Net sales 10.7 billion yen
Operating profit 3.3 billion yen (Profit ratio: 30% or higher)
ROE 30% or higher

Financial results significantly exceeded the target
→ Revisions are planned

Operating profit in FY12/27 is expected to significantly exceed the target due to the following factors (other than sales)

- Business investment implemented steadily at a constant scale
  - Maintain operating margin in the 30% range during the Medium-Term Management Plan period
- Applying the advertising expenses-to-net sales ratio benchmark of 14% to 16%
  - Q2 FY12/26 result: 14.7%

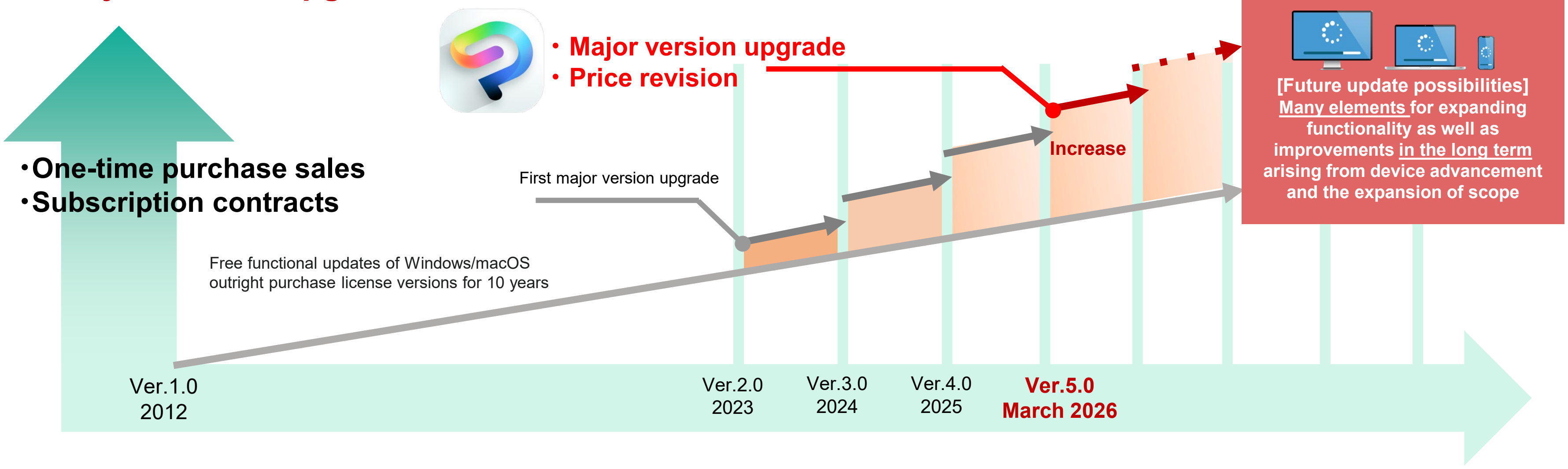
2-5. Major Version Upgrade of CLIP STUDIO PAINT Implemented in Q1

CELSYS

Added and improved functions to raise sales and the number of subscription contracts

- Ver. 5.0 was released worldwide in March. The one-time purchase version price was also increased by 10% on average (P.55)
- Ver. 5.0 was well received worldwide and contributed to strong sales of the one-time purchase model and an increase in subscription contracts.

→ The price will be revised to match the increased value of services with the regular release of major version upgrades in the future.



2-6. Targets for Financing Activities

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Achieve ROE of 30% or higher constantly

Maintain our management with awareness of stock price and capital cost

Continue to enhance shareholder returns

Dividends: Consider increasing dividends continuously

→An increase of 2 yen for the interim dividend and 10 yen for the commemorative dividend

Acquisition of treasury shares: Total amount acquired to date is 6.5 billion yen

Cancellation of treasury shares: 1,500,000 shares were cancelled in March 2026

(Holding ratio: Before cancellation: 18.3% → After cancellation: 14.8%)

→ We will continue to consider cancellations with a treasury share holding ratio of around 10% as a guide.

Focus on maintaining inclusion in TOPIX

Aim to maintain inclusion in TOPIX even after the revision of the TOPIX selection criteria*

Enhance our IR activities and implement our capital policy to ensure appropriate evaluation for our shares, while ensuring sufficient liquidity

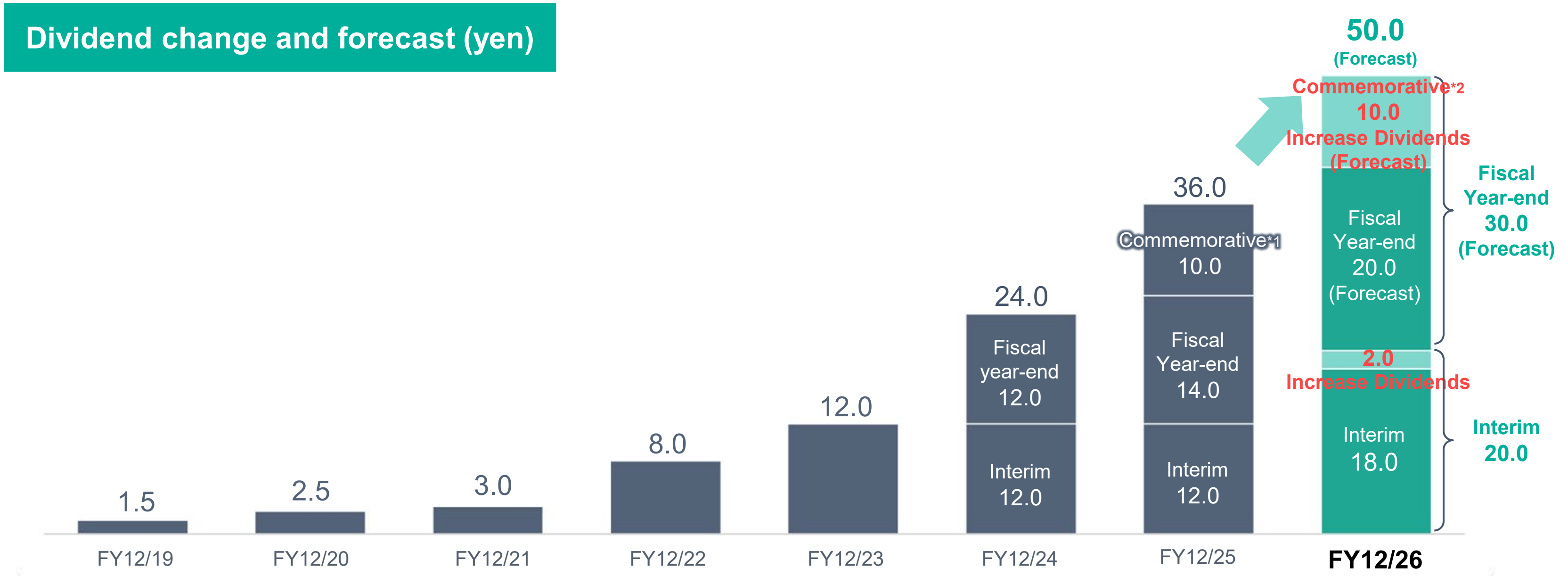
* The Company's shares have been a constituent in TOPIX, selected by the Tokyo Stock Exchange, since October 2024.

2-7. Capital Policy: Dividends

CELSYS

Forecast for increase dividends for FY12/26: Annual dividend of 50 yen per share

We will consider increasing dividends for the current period while monitoring future business progress.



*1 Commemorative dividend for listing on the Prime Market

*2 35th Anniversary Commemorative Dividend

We will continue to strive to continuously increase dividends, taking into consideration the target of achieving ROE of 30% or higher.

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3. Market & Environment

3-1. Our Work on AI Technology (1)

CELSYS

Initiatives for products and services provided by the Company

For over a decade, CELSYS has continued research and development efforts focused on the potential of AI technology in the fields where we can support creators' creative activities

Policies

Support creators through technology

Maintain the utmost respect for ethics and rights at all times

- Continue development investment in AI
- Promote utilization of AI technology
- Postpone implementation of functions using image generation AI

3-2. Our Work on AI Technology (2)

CELSYS

Initiatives in the Company's management

CELSYS promotes an AI-native approach to management and has built a structure to use AI technology across the Company

Policies

Actively use AI technology to improve service quality and increase internal operational efficiency

- Use in management control operations to improve operational efficiency and resolve the issue of dependence on specific individuals
- Promote use in development and testing
- Improve the quality of customer support

3-3. Impact of AI Technology on Our Business

CELSYS

The Company has established a business structure centered on providing value that cannot be replaced by AI

Rapid expansion of generative AI since 2023

As of 2026, CLIP STUDIO PAINT users and sales continue to grow

Demand for CLIP STUDIO PAINT is not affected by generative AI

Why?

Ninety percent of CLIP STUDIO PAINT users are hobby creators or high-level amateur creators, who sign up and purchase the application because they appreciate the value of the creative experience itself, in addition to higher productivity enabled by enhanced functions

Creative experience provided by CLIP STUDIO PAINT	- "Joyful experience" of drawing on your own - You can feel your drawing skills improve as you continue to use it - A sense of fellowship you can get through the creative community

We will continue to provide service value that cannot be replaced by generative AI

3-4. Environment Surrounding the Company

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External environment and expected growth of CELSYS’s business

Various Japanese entertainment content is spreading worldwide

(It has been hugely popular through Netflix, Amazon Prime, Crunchyroll, Webtoon, etc.)

More user access to content

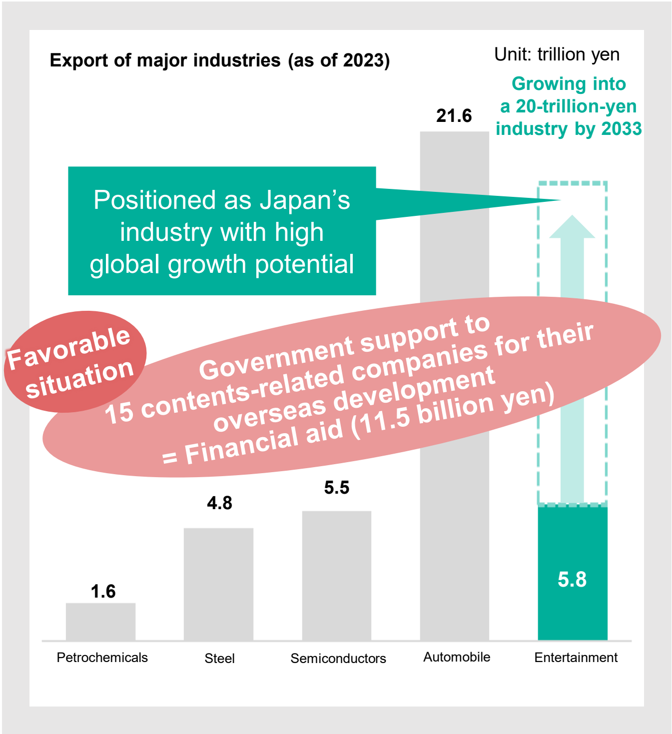
Motivate potential creators

More people become creators

Favorable situation

More users of CLIP STUDIO PAINT

Entertainment and creative industry strategy in Japan



Source: “Entertainment and Creative Industry Strategy—Five-Year Action Plan Toward Developing Content Industry Generating Overseas Sales Revenue of 20 Trillion Yen,” the Ministry of Economy, Trade and Industry (2025)

To the Shareholders

Information For Shareholders

To the Shareholders

CELSYS

■ Monthly progress report

Main indicators are reported monthly on the Creator Support field and Creator Platform field.

Report: https://www.celsys.com/en/irinfo_news/contents_type=47

■ Shareholder Benefit Program

A shareholder benefit system has been established so many people will hold the Company's shares in the medium to long term and to deepen understanding of the Company's business. Shareholders holding 200 shares or more can continuously use CLIP STUDIO PAINT EX.

Shareholder benefit (Japanese only): https://www.celsys.com/irinfo_returns/

■ IR questionnaire

A questionnaire on IR is posted on the Company's website. Your opinions will be used as a reference for future IR activities, such as improving the Monthly progress report.

Questionnaire (Japanese only): https://www.celsys.com/irinfo_questionnaire/

■ IR online magazine

The latest IR information will be sent to registered shareholders via e-mail.

Online magazine (Japanese only): https://www.celsys.com/irinfo_magazine/

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Appendix

Reference Material (1)

- ❑ Progress of the Medium-Term Management Plan
- ❑ Creator Support Field (Growth phase)
- ❑ Creator Platform Field (Foundation-Building phase)

Reference Material (2)

- ❑ Service Overview and Activity Status
- ❑ Monthly Progress

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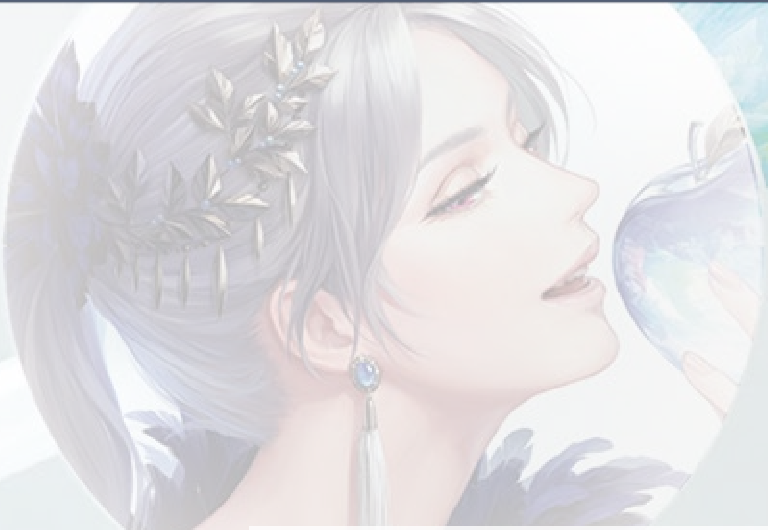

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Reference Material: Key Points of the Medium-Term Management Plan

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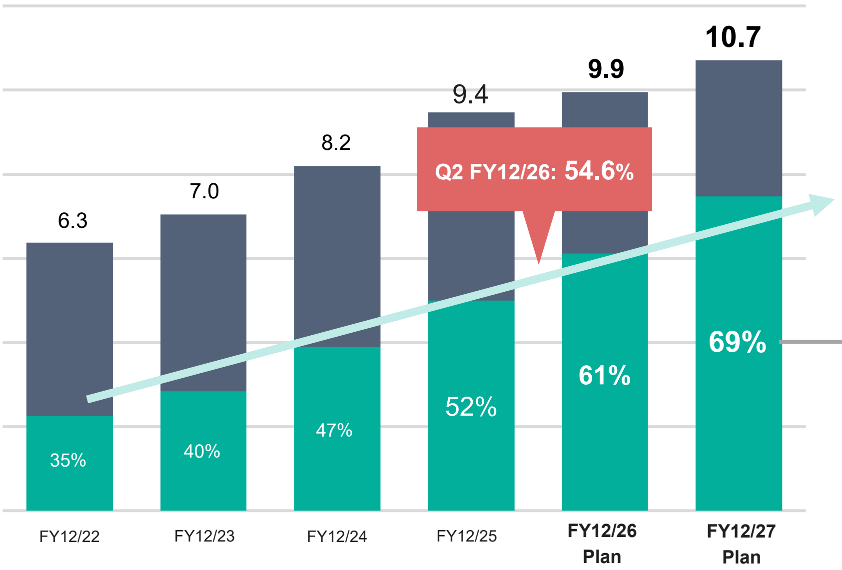
Promotion of subscription contracts

Growth of subscription sales is expected to drive an increase in overall net sales.
We aim to achieve a stable and highly profitable revenue structure with subscription sales accounting for about 2/3 of total sales.

Sales segments and trends

(Unit: billion yen)

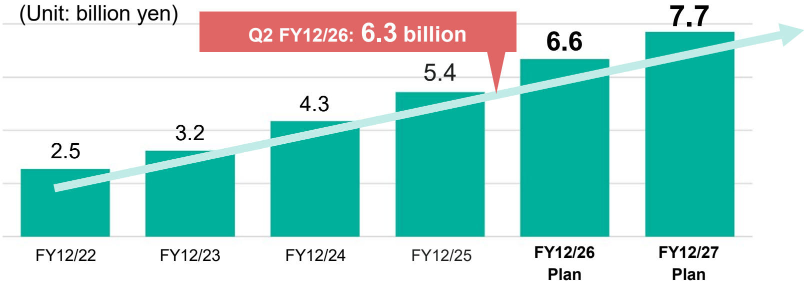


■ Subscription
■ Platform services, tool sales, and distribution solutions

Trend of ARR of subscription sales

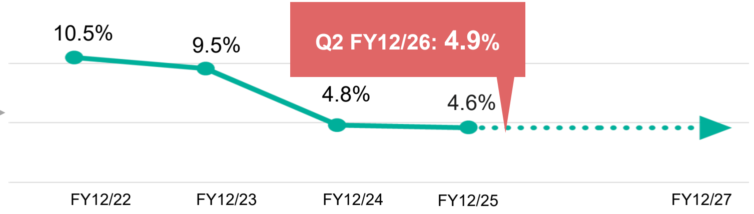
- Implement initiatives to increase the number of contracts, ensuring continuous growth

(Unit: billion yen)



Churn rate trend

- Maintain 5% or lower



Reference Material: Medium-Term Management Plan - Non-Financial Policy Initiatives Toward Business Innovation

CELSYS

Establish management structure that takes perspectives of shareholders and investors into consideration

Commitment to achieving the Medium-Term Management Plan, further expanding business, and improving earnings

As part of strengthening our corporate governance system, we are promoting business innovation to achieve sustainable growth and increase corporate value

System: Review officer remuneration system

- **A remuneration system that takes investors' perspectives into consideration**

▶ Abolish the Officer Retirement Benefit System*
▶ Change the remuneration system for senior management
Increase the ratio of stock-based compensation and establish performance-linked remuneration

Structure: Rejuvenate management structure

- **Systemic successor development**
- **Strategic shift to next-generation talent**

▶ Advance senior management team rejuvenation
▶ Strengthen hiring of manager candidates
▶ Strengthen hiring and development of young new graduates

Activities: Enhance IR structure

- **Strategy development and decision-making that take consideration of views of institutional investors and analysts**

▶ Senior management attends all IR meetings with institutional investors and shares the information through important internal meetings and other channels

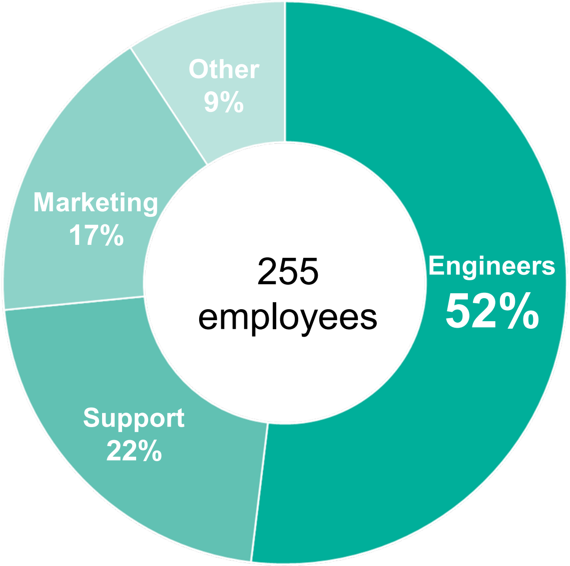
* Abolished as of the end of December 2025

Reference Material: Medium-Term Management Plan - Non-Financial Policy: Initiatives to Maximize Human Capital

Employee composition

Talented engineers compose the majority of our employees

A structure capable of planning and developing proprietary services with CLIP STUDIO PAINT at the core, representing our strengths



Global talent ratio

Global talent supporting global expansion

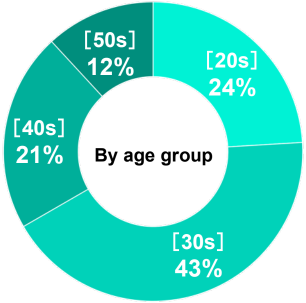
Enhance response speed and quality by conducting marketing campaigns and meeting user needs globally on our own

Global talent 17%

(40 employees or more)

Organization to achieve sustainable growth

Young talent is driving our business: Majority of our employees are in their 20s and 30s



Ratio of women in managerial positions

36%

* As of the end of June 2026

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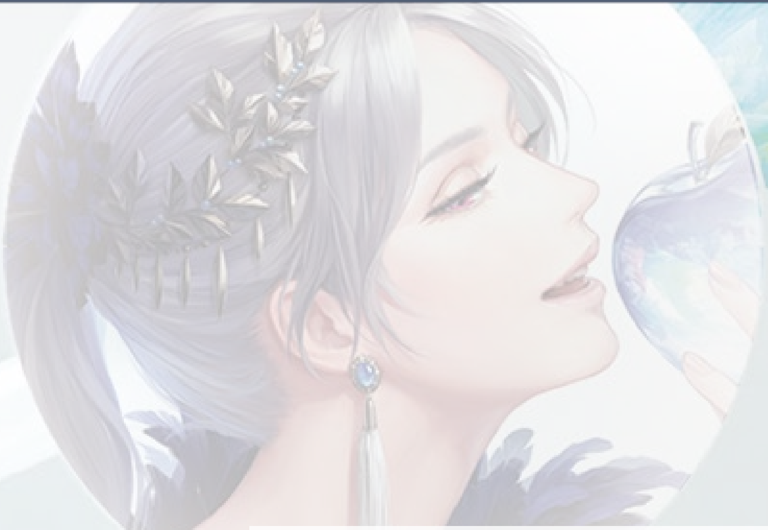

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Increase number of CLIP STUDIO PAINT subscription contracts, continue growth of ARR

▼Priority measures

(1) Increase new user acquisition by **strengthening global expansion**

(2) Expand the user base by **engaging with young and light users**

(3) Increase the retention rate by **strengthening user communities**

Reference Material: Business Model: Stable Earnings from Subscription Sales

CELSYS

CLIP STUDIO PAINT focuses on providing licenses through a subscription model, with the aim of improving stable earnings over the medium to long term. The Company is working to increase the number of subscription contracts by strengthening this approach.

	One-time purchase model	Subscription model
Initial investment required by users (ease of getting started)	High (difficult to start)	**Low (easy to start)**
Timing of recognition of sales effectiveness for the Company	Short term	**Medium to long term**

Current focus

Examples of licensing models: Japan and overseas

Good value of subscription plans

CLIP STUDIO PAINT PRO

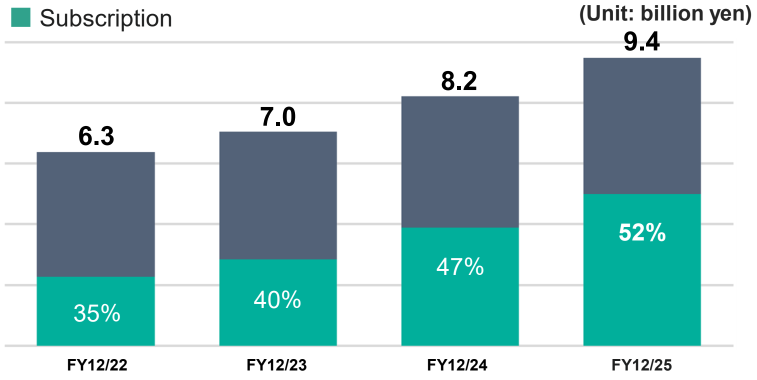
Price revision in March 2026

Subscription model: Monthly plan	Subscription model: Yearly Plan	One-time purchase model: One-time payment
480 yen	3,000 yen	6,900 yen
$4.49	$26.99	$63.00

* Fees for the device plan

* The price for the one-time purchase model is the price after the revision (increase) implemented in March 2026

Trend in the ratio of subscription sales to total company sales



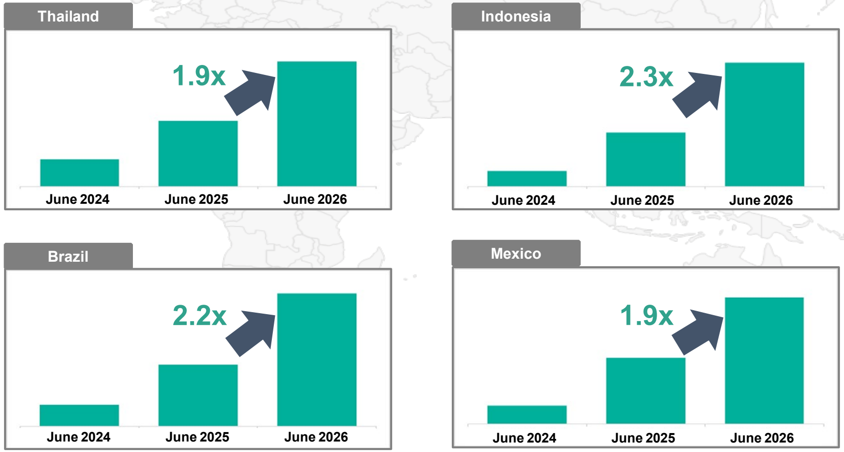
In parallel with the subscription model, we continue to offer a one-time purchase version. This version contributes to earnings through new user acquisition campaigns and addresses the needs of users who are reluctant to enter into subscription contracts. By complementing the subscription model, it helps maximize overall earnings. The one-time purchase version allows access to new features by purchasing an additional subscription or paying a version update fee.

Reference Material: Initiatives in Global Expansion to Acquire New Users

Focus also placed on marketing in emerging countries, with new users increasing

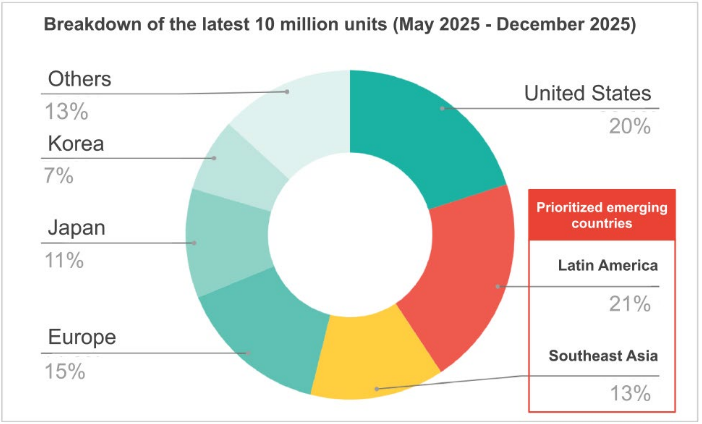
- Continue to strengthen expansion efforts in the markets that we have served for years, such as Europe, the US, Japan, and South Korea.
- Also strengthen expansion efforts in populous emerging countries to acquire additional new users.
- Strive to maximize the number of prospective customers by continuing to adapt to mainstream payment options in each country.
  From Q1 FY12/26, we newly support UnionPay Card (China), as well as Naver Pay, Shinhan Card, and other cards (South Korea).

Trend in subscription contracts *1



*1 Comparison of cumulative subscription contracts in March 2024, March 2025, and March 2026

Recent increase in shipments to emerging countries *2



*2 Comparison of most recent shipments by area

Reference Material: Acquiring New Young and Light Users; Measures for Mobile Devices

CELSYS

New measures for smartphones

Pre-installed on a smartphone for the first time

Supported on a foldable smartphone from Motorola

Measures such as bundling with tablets from various companies

Supported devices increasing

At Google's annual developer conference, Google I/O

CLIP STUDIO PAINT was introduced as an example of an app optimized for large screen Android devices

UI/UX improvements and expanded functionality

Easy operation even with finger drawing

Maximize stable revenue opportunities by increasing CLIP STUDIO PAINT users on Android (subscription contracts)

CELSYS

Reference Material: Summary of Activities in the Creator Platform Field

CELSYS

Continue to develop and start providing new platform services

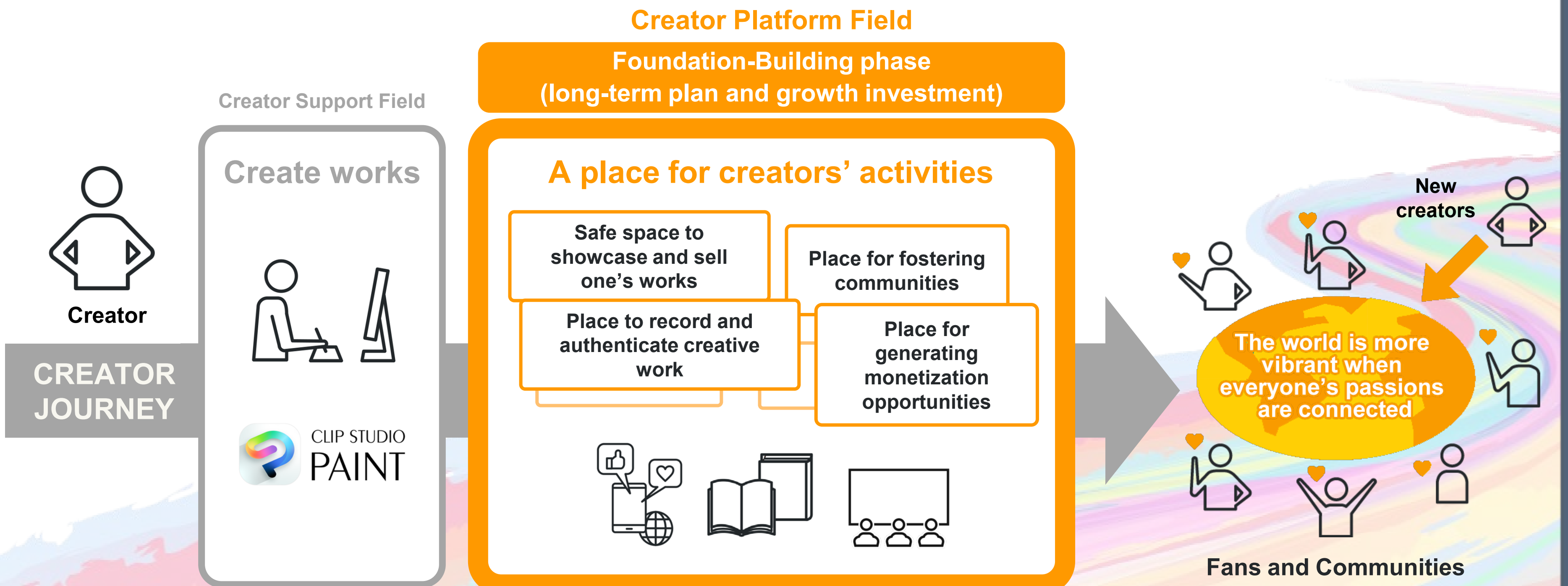
▼Priority measures

(1) Develop and provide new services

(2) Improve our existing services and provide distribution solutions

Reference Material: Vision for Creator Platform Field

In the “CREATOR JOURNEY,” which refers to the path connecting creators who produce works and the audiences who enjoy them, we aim to provide value for the activities that follow the step of creating works by expanding platform services and establishing a new core pillar of our business.



Reference Material: Activities in the Creator Platform Field: Topic (1)

CELSYS

Aim at revenue growth by strengthening existing services, as well as by developing and providing new services

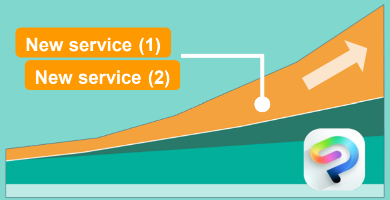
Expected benefits

CLIP STUDIO PAINT

Increased subscription contracts

Maintaining a low churn rate

Future revenue growth through development of new services

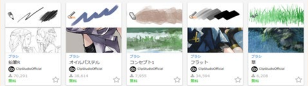


Services provided

Strengthening services to share techniques for making full use of CLIP STUDIO PAINT

■ Q&A community

■ Courses on how to draw



■ Material marketplace

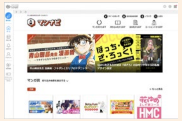
■ Work viewer

Many creators using this service have made their debut

Creators have published serial works with major publishers such as KADOKAWA and KODANSHA

Strengthening services to promote the use of creators' works

■ Matching editors and creators



■ Supporting creators' entry into manga contests

Platform users

More than **13 million** creators have registered as users globally

New service under development (1)

Platform to support creators' monetization

New service under development (2)

Services to strengthen user communities

Reference Material: Activities in the Creator Platform Field: Topic (2)

CELSYS

New platform and services under development

(1) Platform to support creators' monetization

A new platform to support creators throughout the process of showcasing their works to many people, attracting new fans, getting sponsored projects, and monetization. For creators, generating revenue through creation is one of the most challenging issues*. We will help to solve this and contribute to the expansion of the global creator economy.

Enhance creators' visibility
Support from fans

Strengthen creators' monetization points
Provide various revenue opportunities

Help IP businesses find creators to work with
Connect creators and IP businesses

(2) Services to strengthen user communities

New community services to promote creators' networking.
We will energize user communities globally, stimulate the joy of drawing, and boost creators' creative urge to increase the retention rate of CLIP STUDIO PAINT.

Strengthen user communities globally

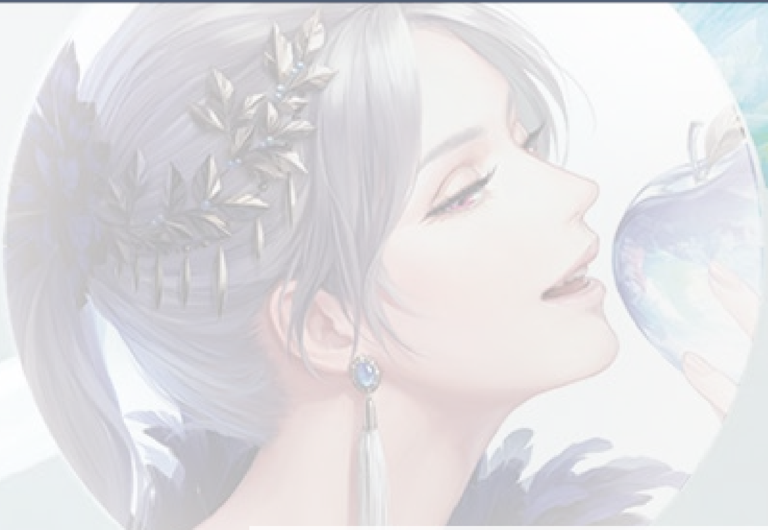
Boost creators' creative urges

Contribute to lowering the churn rate of CLIP STUDIO PAINT

➡ **Continue our planning and development efforts to launch our new platform and services in 2026 and beyond**

* Referenced source: Survey Results on Domestic Creator Economy (2022)

CELSYS



Reference Material (1)

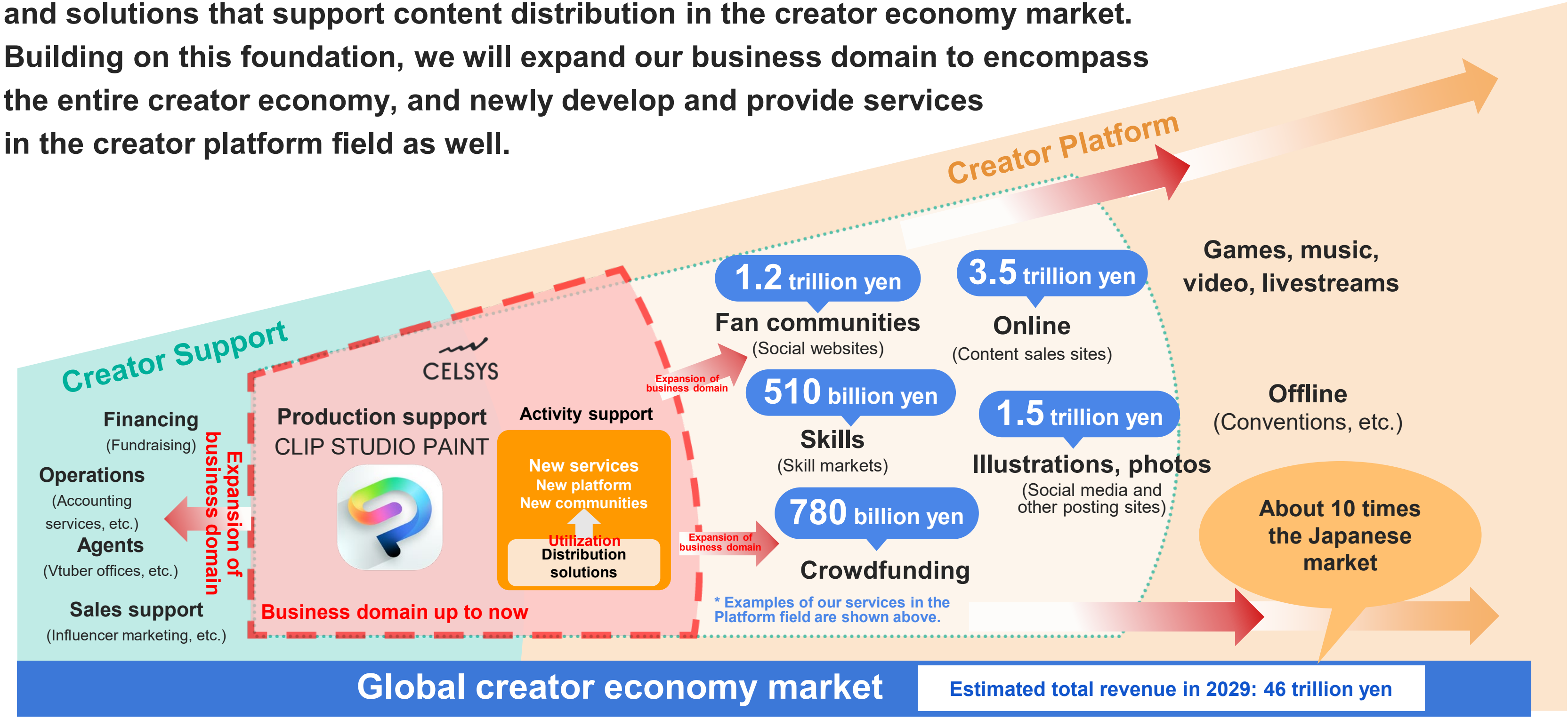
- ❑ Progress of the Medium-Term Management Plan
- ❑ Creator Support Field (Growth phase)
- ❑ Creator Platform Field (Foundation-Building phase)

Reference Material (2)

- ❑ **Service Overview and Activity Status**
- ❑ Monthly Progress

Reference Material: CELSYS's Business Domain -TAM, the potential size of our obtainable market

CELSYS will leverage its strengths cultivated through providing support for content production and solutions that support content distribution in the creator economy market.
Building on this foundation, we will expand our business domain to encompass the entire creator economy, and newly develop and provide services in the creator platform field as well.



Referenced source: CELSYS's estimate based on the sales scale of each service referencing Creator Economy Market (2024) and Survey Results on Domestic Creator Economy (2024). The overseas market is estimated to be 10 times the domestic market (based on the survey results of the domestic creator economy market).

Reference Material: CLIP STUDIO PAINT Creative Application for Creators (1)

CELSYS

■ Key features

Application for creative activities in a wide range of fields, such as illustration, comic, webtoon, and animation

CLIP STUDIO PAINT

- **Globally available, highly competitive creative application based on a subscription model**
- **An all-in-one creative application that meets the needs of a wide range of creators, allowing them to create high-quality works with professional-grade features**
- **Available on any device, including tablets, smartphones, and PCs**

■ Market share

Paint application for production support
#1 sales/market share[*1]

Usage ratio on pixiv, one of the world's largest social media for illustration[*2]
63%

Usage ratio among manga artists in Japan[*3]
95%

Usage ratio in animation productions in Japan[*4]
82%
(2023 survey: 72%)

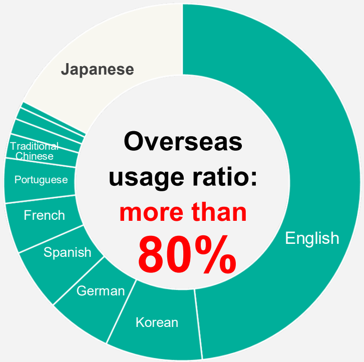
*1 Ranked #1 in the BCN Award for graphics software for FY2015/2016/2017/2019
*2 The most used app for submitting works on pixiv (Dec. 2015 - Dec. 2024 as determined by CELSYS based on figures provided by pixiv)
*3 Fact-finding survey on manga artists (2021) conducted by ManNavi, Manga Award / Mochikomi portal site
*4 Survey on the usage of commercial animation production software (2025) conducted by the Secretariat of the Animation Creative Technology Forum (ACTF)

Reference Material: CLIP STUDIO PAINT Creative Application for Creators (2)

CELSYS

■ Cumulative shipments and supported languages

Used by 67 million*1 creators worldwide



Increasing steadily

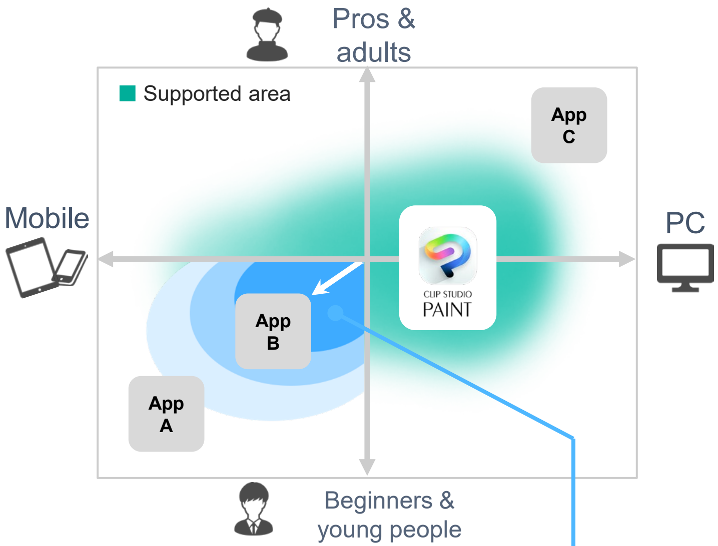
Supporting 11 languages

Japanese, English, Korean, Chinese (Traditional/Simplified), French, Spanish, German, Portuguese, Thai, Indonesian

■ State of use

The user's purpose*2	Category of the user's creative work*3	Type of device used*4
Hobby : Work	Illustration : Animation & manga	PC : Mobile device
9 : 1	9 : 1	6 : 4

■ Position



Strengthening measures and developments aimed at beginners and young people for use on mobile devices

*1 CLIP STUDIO PAINT cumulative shipments *2, 3 and 4: Studies by CELSYS

Reference Material: Bundling of CLIP STUDIO PAINT

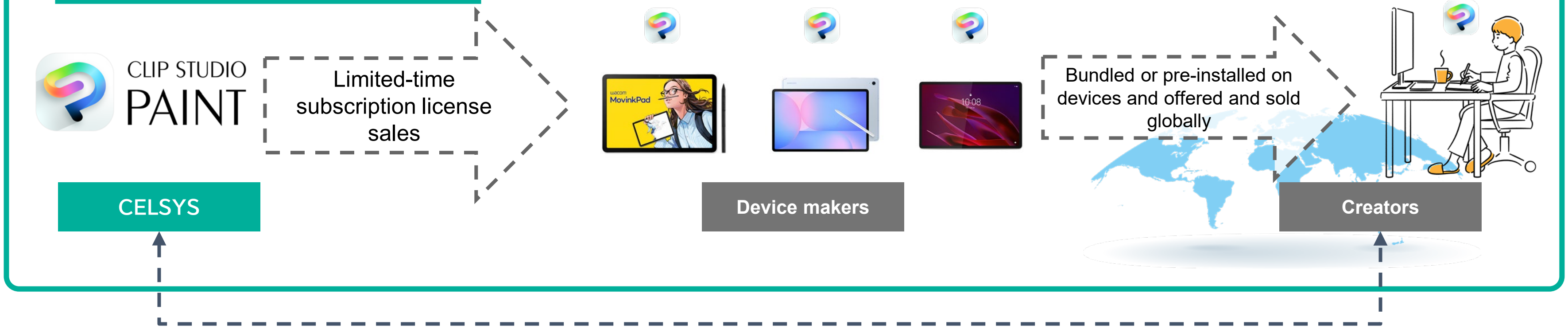
Promotion through product bundling with device makers

We actively bundle or pre-install CLIP STUDIO PAINT on globally available devices, including Wacom and Samsung devices.

Expected benefits of bundling

- **Expand brand recognition globally**
- **Increase users and subscribers**
- **Enhance reach to young people**

Bundling scheme



After expiry of the bundled or pre-installed license, continued use shifts to subscription contracts → Monetization

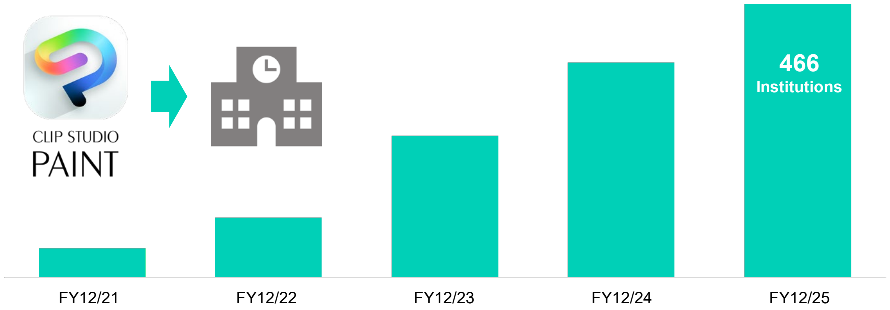
Reference Material: Activities to Contribute to the Industry and Society (1)

CELSYS

Social contribution activities to vitalize the global content industry

Creating and developing next-generation creators by providing CLIP STUDIO PAINT to educational institutions

Increasing use at creative schools worldwide



Examples of recipients

The Nippon Foundation and DWANGO (N Junior School, N High School, ZEN Univ)	Kyoto Seika University (Department of Manga, Faculty of Manga)	Vantan Game Academy Tokyo School (vocational school)
Dauphin County Technical School (North American public vocational high school)	De Montfort University (UK public Univ)	SBS GAME ACADEMY (South Korean game education institution)

Initiatives with other education-related organizations

Building a global provision system for educational institutions in cooperation with organizations

2026 NAEA NATIONAL CONVENTION | MARCH 5-7 CHICAGO

International creative event hosted by the National Art Education Association

DuocUC

Animation event held at a technical college in Chile

J-MANGA CREATE

Digital creator development project

JPIC

Project implemented by the Japan Publishing Industry Foundation for Culture and promoted by Japan's Agency for Cultural Affairs

Reference Material: Activities to Contribute to the Industry and Society (2)

CELSYS

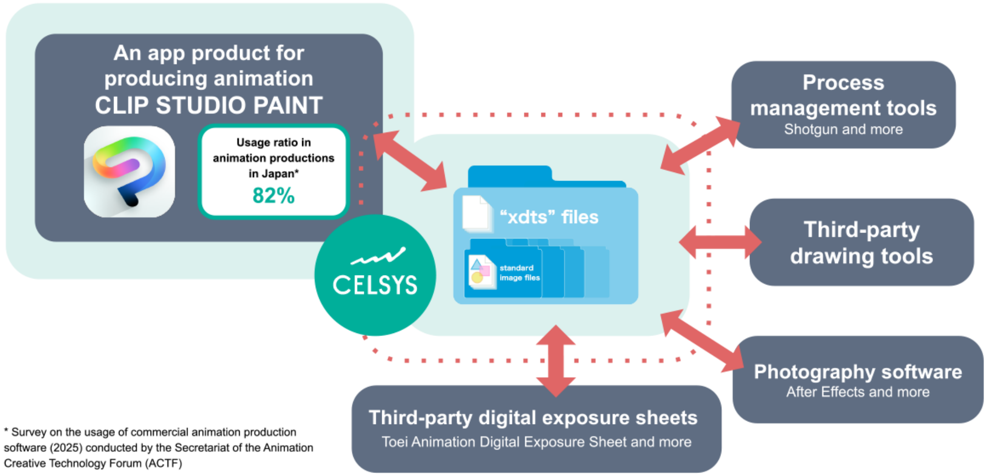
Support the animation industry by providing a generic standard format for animation production

<Background of proposing the generic standard format>

- Work is divided in animation production sites.
- Different tools are used among companies and processes, prohibiting smooth data integration.

Support efficient production processes across the animation industry with the standard format made available by CELSYS

Data integration achieved by "xdts," the generic standard format for animation production



* Survey on the usage of commercial animation production software (2025) conducted by the Secretariat of the Animation Creative Technology Forum (ACTF)

*"xdts": A file format that supports exchange of information on exposure sheets, documents used to manage how and when to move drawings, as digital data

Reference Material: Three Strengths (Advantages) of CLIP STUDIO PAINT

CELSYS

Pursuit of proprietary graphic technologies and accumulated know-how of planning, development, and operation of applications

Have supported creators for 30 years or more

1. Expertise

Strengths

Unrivaled, affordable price for professional-grade application, with a focus on users

2. Customer perspective

Established strong user communities where users can share their tips and questions

Target users of 130 million worldwide (P.4)

3. Advantages of scale

Reference Material: Reasons Why People Choose CLIP STUDIO PAINT

Over 30 years of experience in developing graphic tools
New features designed to meet user feedback and evolving industry needs are
provided through regular updates

Extensive user communities
Users can share drawing tips and ask questions, with opportunities to communicate globally

Affordable pricing for students
Professional-grade application accessible to everyone

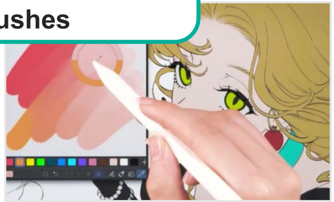
Beginner-friendly
Equipped with a simple user interface

CLIP STUDIO
PAINT

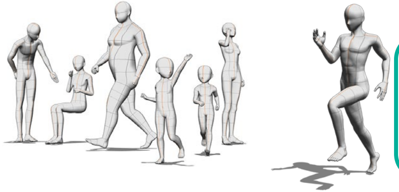
Create all kinds of artwork
All-in-one app for illustration, manga, Webtoon, and animation

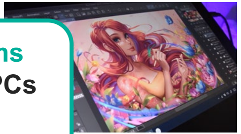
3D drawing support features
Use poseable models and 3D materials to efficiently create high-quality artwork

Enjoy a beautiful, smooth drawing experience
Unlimited access to over 40,000 brushes



Compatible with a wide range of devices and platforms
Full features available on tablets, smartphones, and PCs
iPad / iPhone / Android / Windows / macOS





Reference Material: Hear from Clip Studio Paint Users by Industry

CELSYS

Comic Artist

NEW

I've been creating my work with Clip Studio Paint for about 2 years, and even before that I relied on ComicStudio since I starting working professionally. The app has evolved since ComicStudio, and what has helped me the most is definitely the abundance of materials and how easy it is to download them. I believe that trying out a new style without hesitation is what makes digital creation great. As someone who is relatively clumsy, working with traditional materials was a struggle for me, so I don't think I could have gone pro without this tool.

(From a comment about using Clip Studio Paint (February 2021))

Mengo Yokoyari
(Author of OSHI NO KO)

Educational Institutions

NEW

Out of the many graphic tools available, Clip Studio Paint is the most optimized for creating Webtoons and illustrations. As well as affordable implementation costs, it offers a range of innovative features that enhance efficiency, such as 3D models, vector layers, and effective fill tools. Another deciding factor was the app's constant improvement, with regular updates that reflect user feedback.Many students who have experienced the efficiency firsthand expressed an interest in using the app for their personal art too, and we've had inquiries about the purchase options and versions.

(From an Educational Institutions case study)

YLAB ACADEMY

YLAB ACADEMY
(Korea's largest Webtoon and digital content education academy)

Illustrator / Comic Artist

NEW

I use Clip Studio Paint for both my comics and color illustrations. Although I'm usually someone that struggles with a lot of different settings, thanks to Clip Studio Paint, I can create the art that matches what I had in mind. It has everything I need to create my comics, like text, speech bubbles, and screentones, making it easy for me to create my artwork. It's always such a huge help!

(From a comment about using Clip Studio Paint)

Utakata
(Author of *Shokuba to Jitaku de Gap no aru Papa*)

Comic Artist (Overseas)

NEW

I'm still able to create hyper-dynamic and natural-feeling illustrations. I especially love the Oil paint brush, which is one of the default brushes, and probably the one I use the most. The way it spreads the paint and blends colors makes it feel incredibly intuitive! And then, when I feel like playing with layer blending modes or exploring other tools, the full potential of Clip Studio Paint truly reveals itself.

(From a CLIP STUDIO TIPS feature article)

Tony Valente
(France)

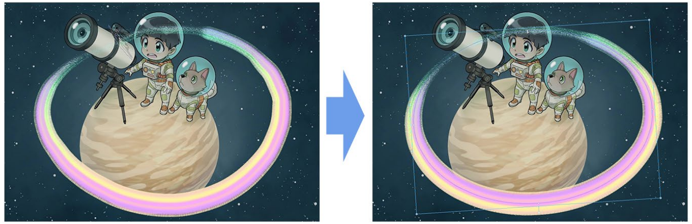
*Excerpts from Clip Studio Paint case studies, interviews, comments on social media, etc.

Reference Material: Key details of Major version upgrade (Ver. 5.0)

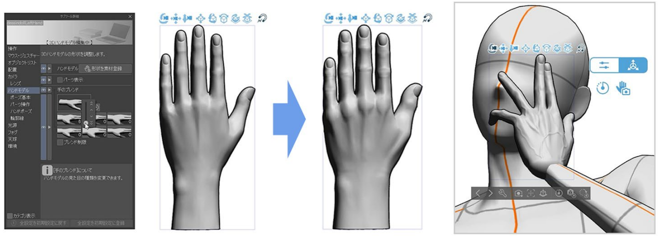
CELSYS

Further enhanced drawing and 3D-related functions

Smart Shape: Help draw smooth curves and well-balanced figures intuitively and efficiently



3D Hand Model: Increase drawing quality and speed by using a high-quality three-dimensional model of a hand

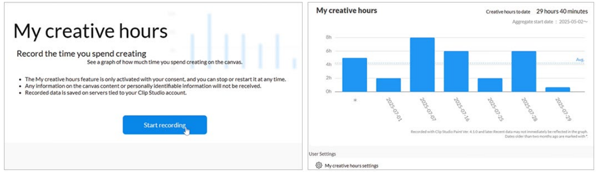


Added functions to the simple mode for young and entry-level users

Animation production function with a simple user interface, which even enables first-time users to produce animations intuitively

Visualize production time

Visualize production time with graphics, which enhances creators' motivation in their daily creative work



We have implemented approximately 400 updates to add and improve functions in the update from Ver. 4.0 to Ver. 5.0

- For details about CLIP STUDIO PAINT Ver. 5.0:https://www.clipstudio.net/en/news/202603/11_01/

Reference Material: Marketing Activities—Major Activities

CELSYS

Marketing activities for all parts of the world are conducted by our own staff members. Our staff who have deep knowledge about local markets carry out marketing in ways that match market characteristics.

Global talent
17%
of all employees

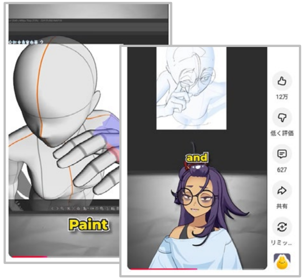
Web marketing

Place web advertisements optimized for the market of each country

Influencer marketing

Social media promotion in collaboration with famous influencers

- **Approx. 890 or more** collaborative campaigns annually
- Working with **approx. 200 or more** influencers globally



Vtuber/ illustrator pikat (Hong Kong)
(YouTube short video)

Illustrator Sara Fabrizi (Italy)
(Instagram post)

Supporting events and contests

Strengthen customer touchpoints through real events and contests in the entertainment field

Supporting approx. 60 events and contests annually in more than 20 countries and regions

* The above figures only represent activities outside Japan for FY12/25.

Reference Material: Marketing Activities - Exhibit at and Sponsor Real Events

= Marketing activities in Q2 FY12/26
= Countries with marketing activities
= Collaborative initiative with an educational institution
NEW = New expansion countries

* As of July 2026

Reference Material: Other Activity Topics

CELSYS

= Expected impact of the activities

June 2026

Through CLIP STUDIO PAINT, CELSYS provided technical support to the project of JAXA and Kodansha to draw a comic in space.

CLIP STUDIO PAINT

April to June 2026

CLIP STUDIO PAINT regularly holds illustration and comic contests for creators worldwide as well as coloring contests jointly with other companies.

The 48th

The 8th

The 36th

©ATLUS. ©SEGA. ©Perfect World

Increased overseas users

Increased subscription contracts

May 2026

CLIP STUDIO PAINT was adopted as the official creation app by YLAB ACADEMY, one of South Korea's largest educational institutions specializing in Webtoon and digital content creation.

YLAB ACADEMY

CLIP STUDIO PAINT

Increased overseas users

Increased subscription contracts

May 2026

CLIP STUDIO PAINT was pre-installed on a smartphone for the first time with a Motorola's device for worldwide distribution.

CLIP STUDIO PAINT

Supported on a smartphone for the first time

Increased overseas users

Increased subscription contracts

Strengthened promotion for smartphones and tablets

See here for all activities: https://www.celsys.com/en/irinfo_celsysnews/&contents_type=7

Reference Material: CLIP STUDIO PAINT User Support

CELSYS

CLIP STUDIO PAINT

Provide extensive user support

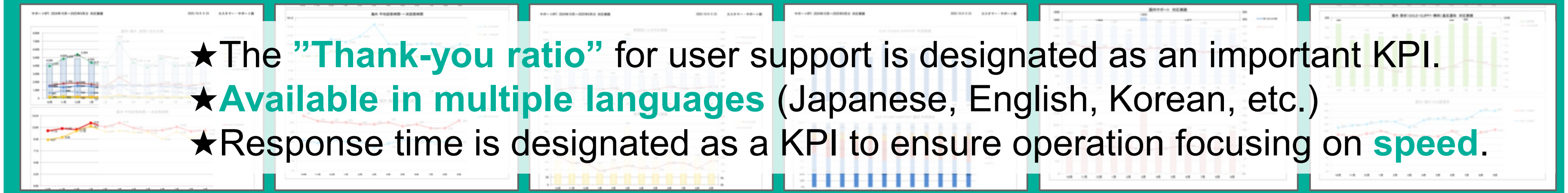
▶Available **24/7**.
▶Available for users **worldwide**.
Adding support languages will be considered in response to needs.

Promptly capture customers' needs

▶Support provided by our **own staff members**.
System that enables us to promptly capture needs.
System that enables us to promptly share information with the development team.

We appropriately capture customers' needs, enabling us to provide an application that is always highly evaluated

Develop and operate a tool that visualizes user needs and internally shares them at any time



★The **"Thank-you ratio"** for user support is designated as an important KPI.
★**Available in multiple languages** (Japanese, English, Korean, etc.)
★Response time is designated as a KPI to ensure operation focusing on **speed**.

Reference Material: Accelerating and Enhancing Management Decision-Making

CELSYS

The Company has developed and operates an in-house data visualization tool for business and management data. This enables real-time analysis of the current situation, supporting faster and more accurate management decision-making, as well as agile formulation of growth strategies.

<Specific example>
Swift information disclosure

Calculate results,
full-year forecast figures, etc., within 5 business days from the end of quarter

Disclose monthly progress reports generally within 5 business days after month-end

Enabling data-driven management decision-making

<Specific example>
Appropriate cost allocation

Curb excessive development investments while maximizing revenue of the Creator Support field

Mainly for advertising expenses

Budget vs. actual management
Improve goal achievement rate through early issue detection and resolution

Customer analysis
Optimize promotions and reflect needs in product development

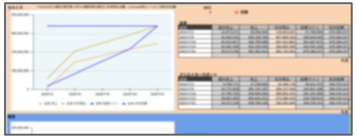
Investment strategy
Identify growth drivers and allocate management resources effectively

Cost management
Improve operational efficiency and maximize profitability

Responding to changing environments Continuous tool enhancement

Data visualization tool Real-time analysis and simulation

Weekly sales performance and forecasts



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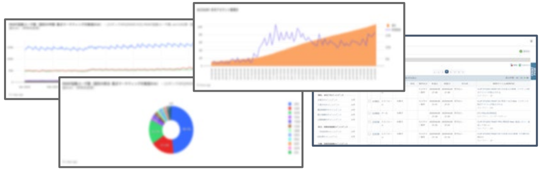
Understanding user behavior, needs, and contract status



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Internal operations data

Reference Material: Business Impact from External Factors Such As Tariff Measures and Foreign Exchange Fluctuation

CELSYS

■ Impact on business performance from U.S. tariff measures

The majority of the Company's business consists of digital services that do not involve the import or export of physical products and are therefore not subject to tariffs. We have not been directly affected, and there is no expected impact on the financial results forecast.

■ Impact on business performance from foreign exchange fluctuations

In the Company's overseas operations, sales of CLIP STUDIO PAINT are settled in currencies other than Japanese yen, and server usage fees and advertising expenses are also invoiced in foreign currencies. As such, fluctuations in sales and expenses tend to offset each other. As a result, the impact of foreign exchange rate fluctuations on profit is limited, and there is no significant effect on our overall business performance. Additionally, the Company's international transactions are conducted in a variety of currencies, including not only the U.S. dollar but also the euro, Korean won, and others. Therefore, fluctuations in any single currency have minimal impact on our business performance.

Overseas sales

Sales and subscription fees for CLIP STUDIO PAINT settled in currencies other than Japanese yen

- CLIP STUDIO PAINT subscription fees
- CLIP STUDIO PAINT one-time purchase version sales

Overseas expenses

Server usage fees invoiced in currencies other than Japanese yen

- AWS (Amazon Web Services), etc., server usage fees

Advertising expenses invoiced in currencies other than Japanese yen

- Google, Facebook/Instagram, etc., ad placement unit prices

Reference Material (1)

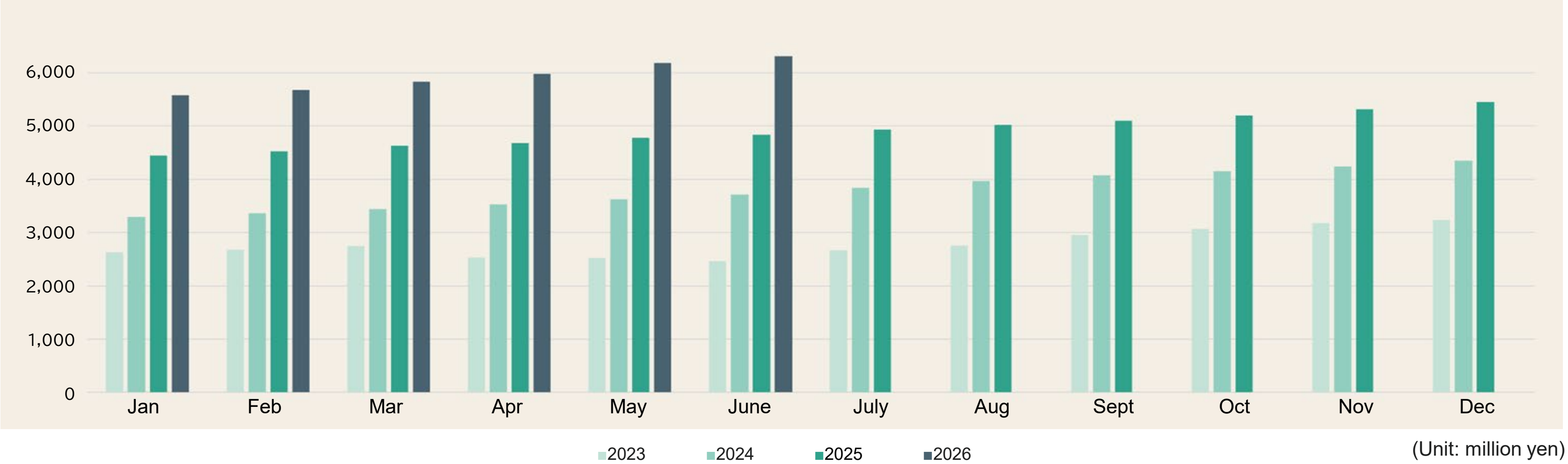
- Progress of the Medium-Term Management Plan
- Creator Support Field (Growth phase)
- Creator Platform Field (Foundation-Building phase)

Reference Material (2)

- Service Overview and Activity Status
- **Monthly Progress**

Reference material: Monthly progress of the Creator Support field

■ Rolling three-month average ARR of CLIP STUDIO PAINT subscription sales



(Unit: million yen)

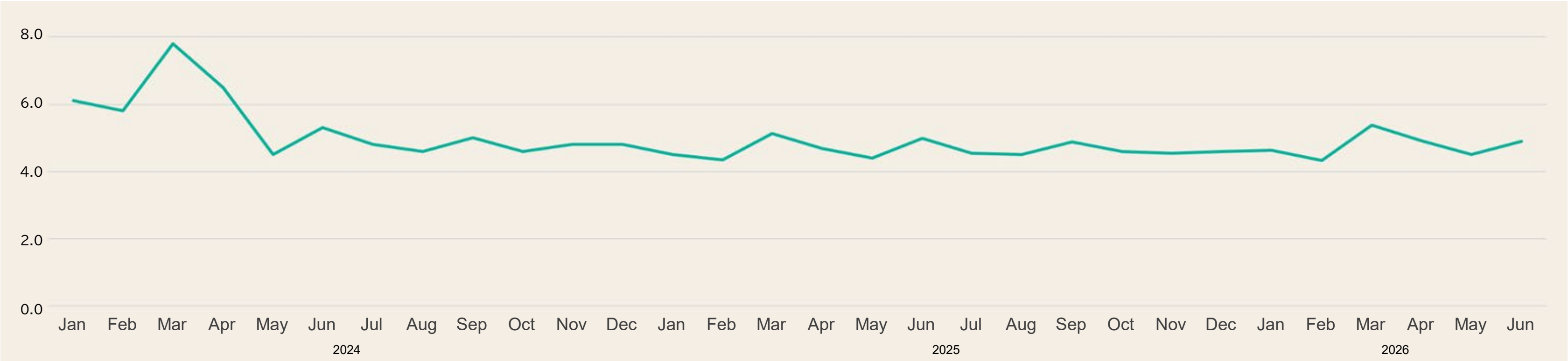
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2023	2,633	2,676	2,746	2,531	2,523	2,462	2,668	2,755	2,956	3,074	3,178	3,236
2024	3,293	3,358	3,439	3,527	3,631	3,713	3,840	3,972	4,075	4,158	4,240	4,347
2025	4,451	4,524	4,631	4,683	4,776	4,834	4,935	5,025	5,106	5,200	5,312	5,450
2026	5,583	5,682	5,831	5,981	6,182	6,316						

Note: ARR (an abbreviation for Annual Recurring Revenue, which is the revenue assumed to be earned in a year, assuming that all contracts are renewed at the time of contract renewal) is a three-month moving average due to monthly fluctuations caused by the number of days per month (28 business days for regular months and 35 business days for special months) depending on the settlement method and the fact that the settlement is adjusted for each quarter-end month.

Reference material: Monthly progress of the Creator Support field

CELSYS

■ CLIP STUDIO PAINT churn rate (paid contracts)



(Unit: %)

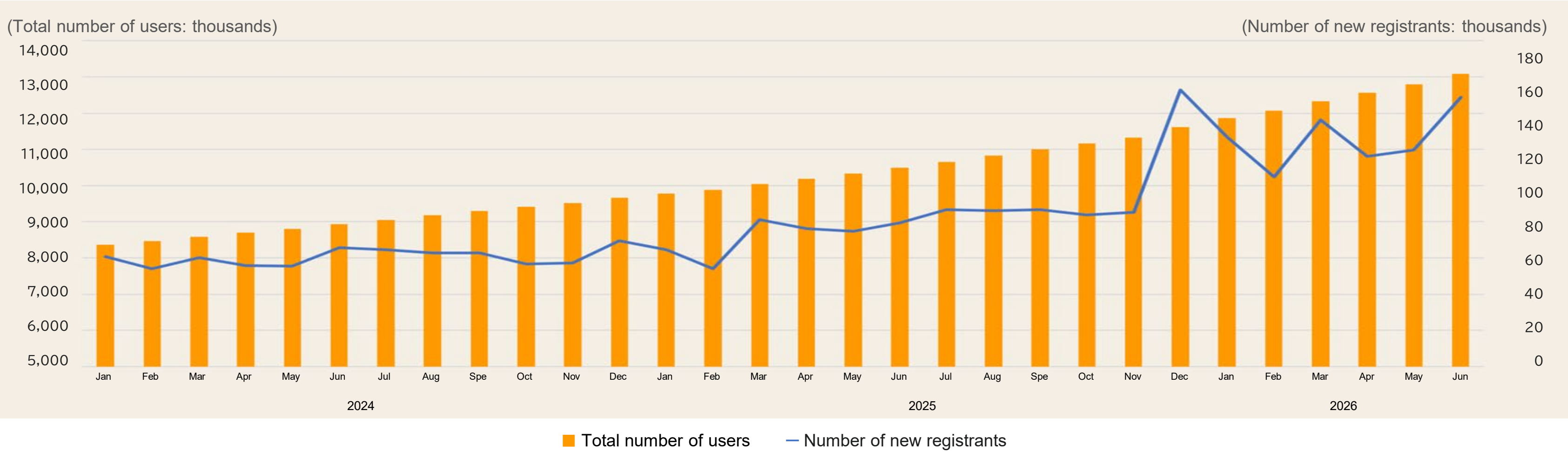
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	6.1	5.8	7.8	6.5	4.5	5.3	4.8	4.6	5.0	4.6	4.8	4.8
2025	4.5	4.4	5.1	4.7	4.4	5.0	4.5	4.5	4.9	4.6	4.5	4.6
2026	4.6	4.3	5.4	4.9	4.5	4.9						

Note: The cancellation rate (customer churn rate) based on the number of customers with paid subscription contracts for the Clip Studio Paint. It is calculated based on the number of cancellations during the month relative to the number of subscriptions as of the end of the previous month; if one customer has multiple subscriptions, each subscription is calculated as a separate subscription. In addition, due to the nature of the product, which offers monthly subscription plans that can be used only when necessary, in addition to annual subscription plans, there are cases where the same customer repeatedly subscribes and cancels subscriptions, and all these instances are included in the calculation.

Reference material: Monthly progress of the Creator Platform field

CELSYS

■ Number of platform users



(Unit: persons)

	Number of users	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	Total	8,363,385	8,468,239	8,585,307	8,693,667	8,801,454	8,929,352	9,054,656	9,176,596	9,298,658	9,408,838	9,520,267	9,655,270
	New	117,993	104,854	117,068	108,360	107,787	127,898	125,304	121,940	122,062	110,180	111,429	135,003
2025	Total	9,780,600	9,885,832	10,043,654	10,191,550	10,336,833	10,491,221	10,659,889	10,827,363	10,995,848	11,158,579	11,324,429	11,621,765
	New	125,330	105,232	157,822	147,896	145,283	154,388	168,668	167,474	168,485	162,731	165,850	297,336
2026	Total	11,868,472	12,071,888	12,336,703	12,562,613	12,794,936	13,084,092						
	New	246,707	203,416	264,815	225,910	232,323	289,156						

Note: The number includes users of services provided in the Creator Platform field as well as users of “CLIP STUDIO ASSETS” and other web services related to CLIP STUDIO.

Reference material: Monthly progress of sales by field (three-month moving average)

■ Three-month moving average sales trends

(Unit: million yen)

Note: Three-month moving averages are used because the amount fluctuates on a monthly basis due to the number of days in a month (28 business days for regular months and 35 business days for special months) depending on the means of settlement and the fact that settlement adjustments are made for each quarter-end month.
Differences from consolidated results and other indices may arise due to the fact that amounts less than one million yen are rounded down in the calculation process.
Subscriptions is the sales from Clip Studio Paint subscriptions.
Tool sales includes sales of the one-time purchase model and corporate licenses.
Platform services include sales of CLIP STUDIO WEB services. Distribution solutions include sales related to e-books.

Reference material: Monthly progress of sales by field (three-month moving average)

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■ Three-month moving average sales trends

(Unit: million yen)

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2023	Distribution solution	83	85	86	88	88	91	88	86	83	83	84	84
	Services	28	27	26	24	24	24	23	24	25	26	26	29
	Tool sales	276	280	300	310	317	226	206	192	170	162	209	249
	Subscriptions	219	223	228	210	210	205	222	229	246	256	264	269
2024	Distribution solution	85	86	87	87	86	86	86	87	89	91	92	90
	Services	28	32	26	26	22	30	30	32	27	28	27	26
	Tool sales	263	225	270	289	296	256	242	237	200	191	238	244
	Subscriptions	274	279	286	293	302	309	320	331	339	346	353	362
2025	Distribution solution	91	93	95	95	94	96	95	93	90	89	89	85
	Platform services	24	20	19	19	20	19	20	20	21	21	20	20
	Tool sales	259	208	299	303	307	259	246	244	212	207	257	267
	Subscriptions	370	377	385	390	398	402	411	418	425	433	442	454
2026	Distribution solution	83	80	79	78	77	79						
	Platform services	20	19	20	20	21	21						
	Tool sales	283	237	352	381	392	289						
	Subscriptions	465	473	485	498	515	526						

Due to the use of a three-month moving average, the impact of the increase in sales due to tool sales (one-time purchase version) for a major version upgrade conducted in March every year is reflected up to May.

Note: Three-month moving averages are used because the amount fluctuates on a monthly basis due to the number of days in a month (28 business days for regular months and 35 business days for special months) depending on the means of settlement and the fact that settlement adjustments are made for each quarter-end month.
Differences from consolidated results and other indices may arise due to the fact that amounts less than one million yen are rounded down in the calculation process.
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