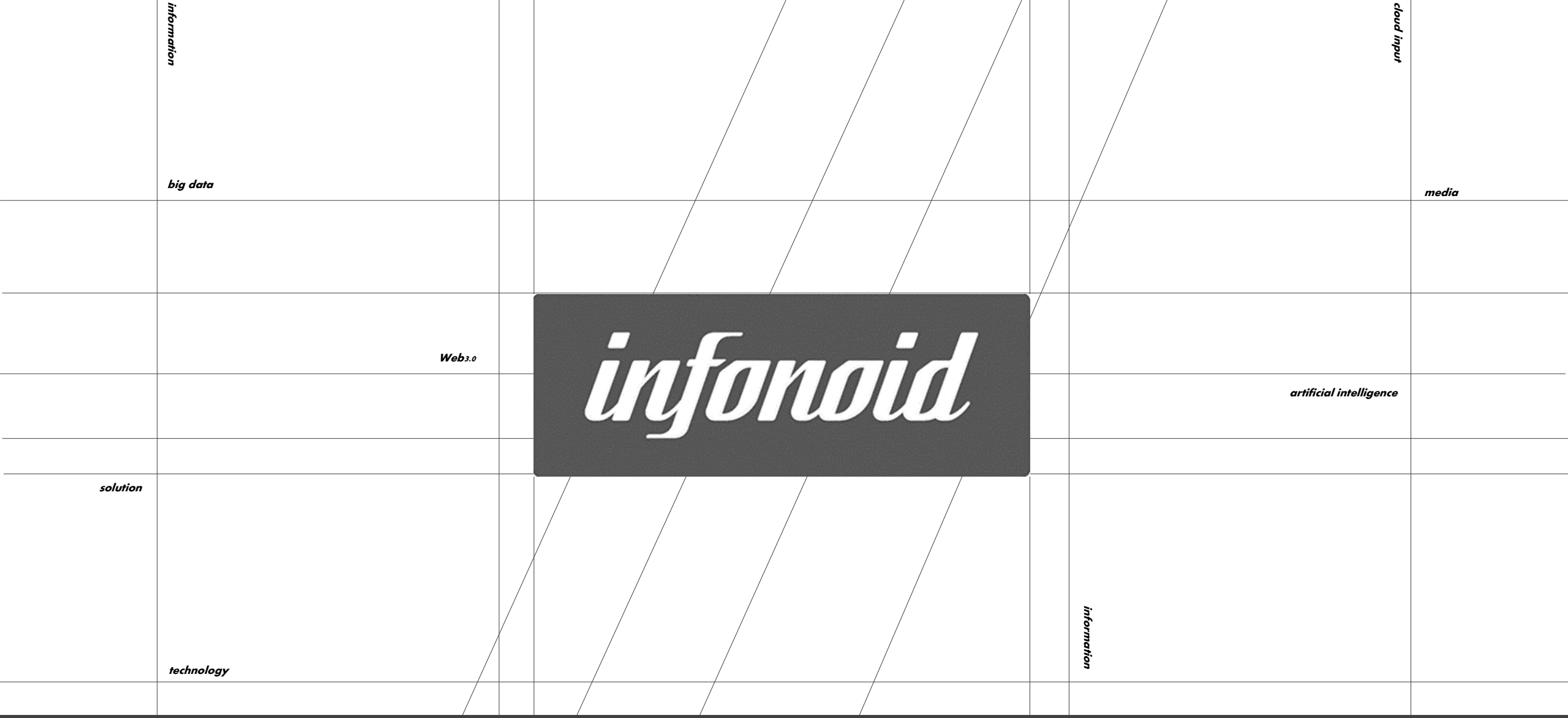


# FY2023 FINANCIAL RESULTS
# MINKABU THE INFONOID, Inc 【4436】
# May 20, 2024

# Disclaimer

- The material in this presentation has been prepared by MINKABU THE INFONOID, Inc. (“Minkabu” or the “Company”) and contains the Company’s business, the industry trend and the forward-looking information based on Minkabu’s current activities and future projections as of the date of this presentation.

- The forward-looking information contained in this presentation is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

- The Company’s actual future business and its performance would differ from the prospects described in this material.

- Furthermore, the statements regarding future prospects in this document are made by the Company based on information available as of May 20, 2024, and these descriptions about the future outlook are subject to various risks and uncertainties. Therefore, actual results may differ significantly from the assumptions

big data

media

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artificial intelligence

solution

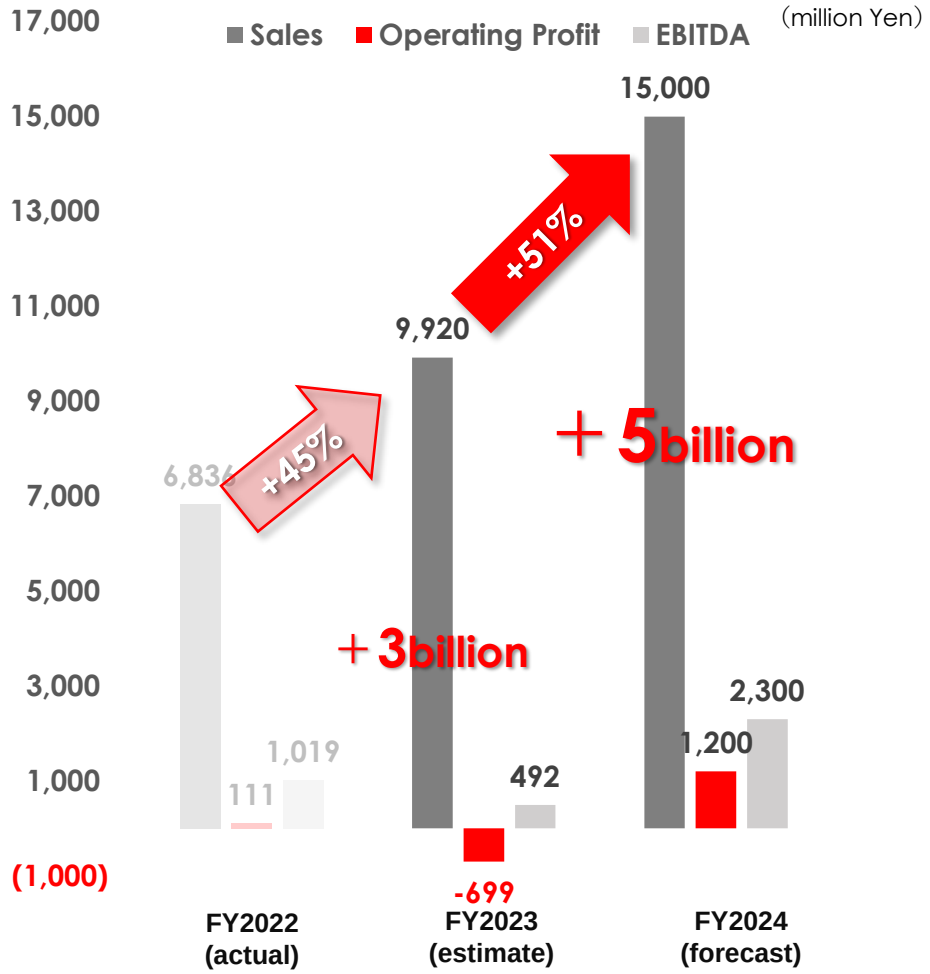
technology

information

general

# In the FY23, sales reached approximately 10 billion yen due to a 45% increase in revenue. For the FY24, we anticipate sales of 15 billion yen, the largest increase since going public, with a 5 billion yen increase (+51%)

**The transition of revenue, operating profit, and EBITDA**




- In the FY23, there was a 45% increase in sales. For the FY24, we anticipate a sales growth of 50 billion yen due to the effects of previous investments and other factors.
- The operating profit for the fiscal year ending March 2024 turned into a loss due to delays in the recovery of the network advertising market conditions, some timing mismatches in acquiring information solutions, and upfront investments aimed at realizing revenue diversification strategies.
- In the FY24, we also expect an improvement of 1.9 billion yen in operating profit compared to the previous period, driven by sustained growth in existing operations, cost reduction effects, and the commencement of returns from previous investment projects.
- On the other hand, given the situation where improvements in advertising market conditions are not factored in and we must also consider the impact of Cookie-less environments, along with the fact that in the previous period we made upfront investments in new businesses where fixed costs precede, it results in profit being weighted towards the latter half of the period.



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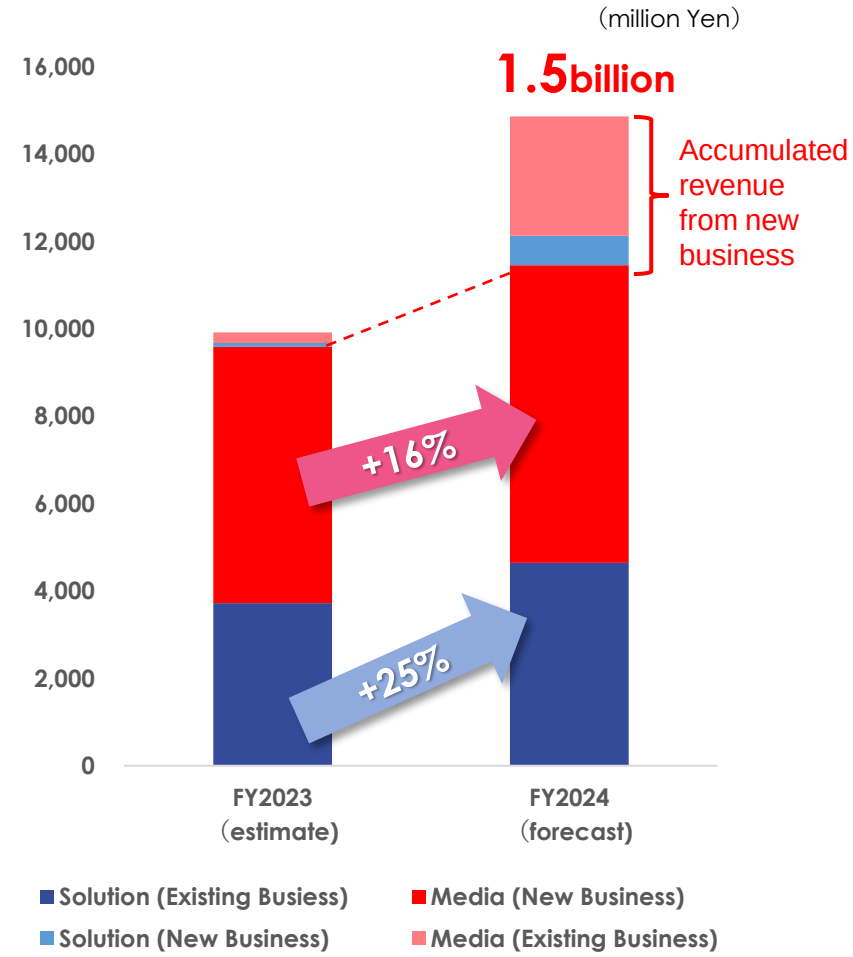
# Due to the growth of existing operations and the early realization of newly developed ventures, we are in a situation where we can achieve the largest increase in revenue since going public

**The transition of revenue by existing and new business segments**




| | Solution Business | Media Business |
|---|---|---|
| Exsisting Business | **+9billion Yen（+25% YoY）**<br>● The repeat demand from existing customers of the SI package and the expanding need for U.S. stock support in the information solution business are notable.<br>● Kabutan is experiencing growth due to an increase in paying subscribers and price revisions. | **+9billion Yen（+16% YoY）**<br>● Do not incorporate a full recovery of the advertising market into our projections and take into account the impact of cookie-less browsing.<br>● Active utilization of generated AI, the revitalization of the creator economy, and the proliferation of integrated applications |
| New Business | **+6billion Yen**<br>● Commenced offering a new benefit distribution platform utilizing Web3 technology.<br>● Begun contributing revenue through the provision of asset formation support services for professionals with 'Minkabu Academy' and the MAP (Minkabu Asset Planning) business. | **+25billion Yen**<br>● Content business is expected to ramp up, anticipating growth in operating revenue from established external large-scale events and related “Oshi-pass” service.<br>● Mobile, EC, and banking, in the phase of proactive investment in the previous period, are now in the phase of widespread adoption." |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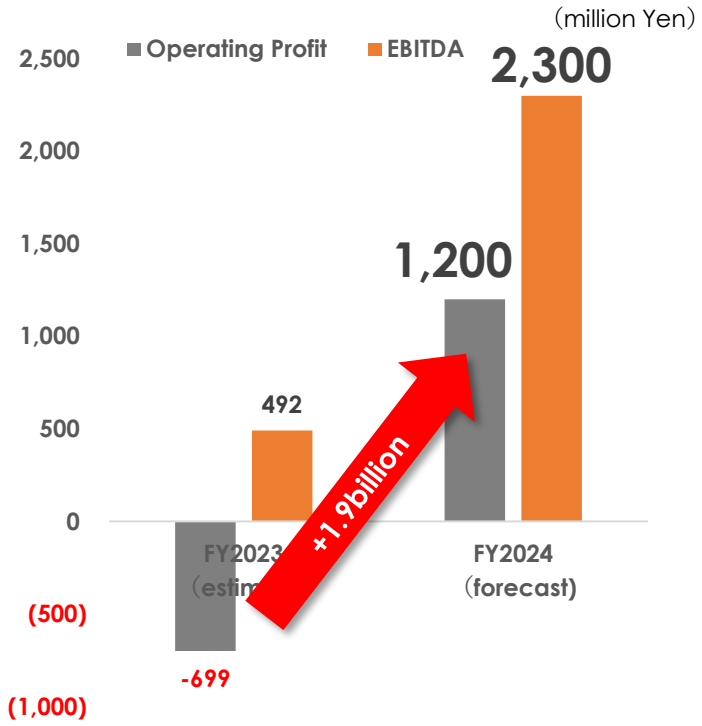
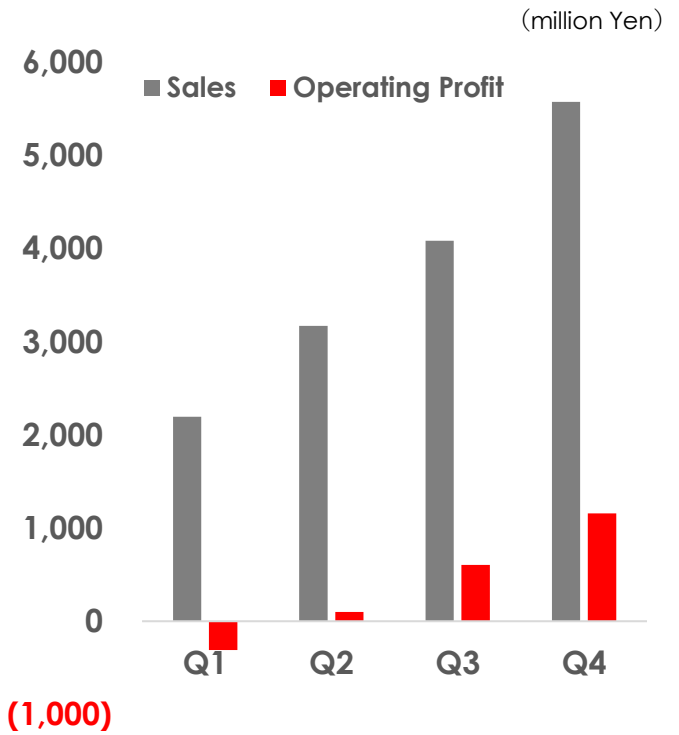
# While considering the impact of cookie-less browsing and other factors affecting advertising market conditions, as well as investments for medium-term growth, we anticipate a significant profit recovery due to cost control measures and the effects of revenue growth

## The trend of operating profit and EBITDA




- OP for the fiscal year ending March FY23 turned into a loss as announced in the revised statement, due to delays in the recovery of the network advertising market conditions, some timing mismatches in acquiring information solutions, and upfront investments. However, for FY24, we anticipate an improvement in operating profit by 1.9 billion yen

## A quarterly progression image for the fiscal year ending March 25




- **Large revenue-generating opportunities from proactive investments for revenue diversification are concentrated in the latter half of the fiscal year, while fixed costs precede in the first half. Consequently, we anticipate a continued deficit until Q1, with profits weighted towards the latter half**

## The trend of segment-wise operating profit compared to the mid-term plan

(hundred million Yen)

| | FY2023 (estimatel) | FY2024 (forecast) | Increase or decrease |
|---|---|---|---|
| Media | -2 | 13 | 16 |
| Solution | 4 | 11 | 7 |
| Consolidation Adjustments | -9 | -12 | -3 |
| Operationg Profit | -7 | 12 | 19 |
| Of which, growth investments | -6 | -4 | 2 |

※ The figures for each business do not include management fees

- **While considering advertising market risks such as those related to cookie-less environments and investment in growth for medium-term expansion, substantial profit increases are anticipated in both segments due to sustained growth in existing operations, cost reduction effects, and the commencement of revenue generation from advanced investment projects**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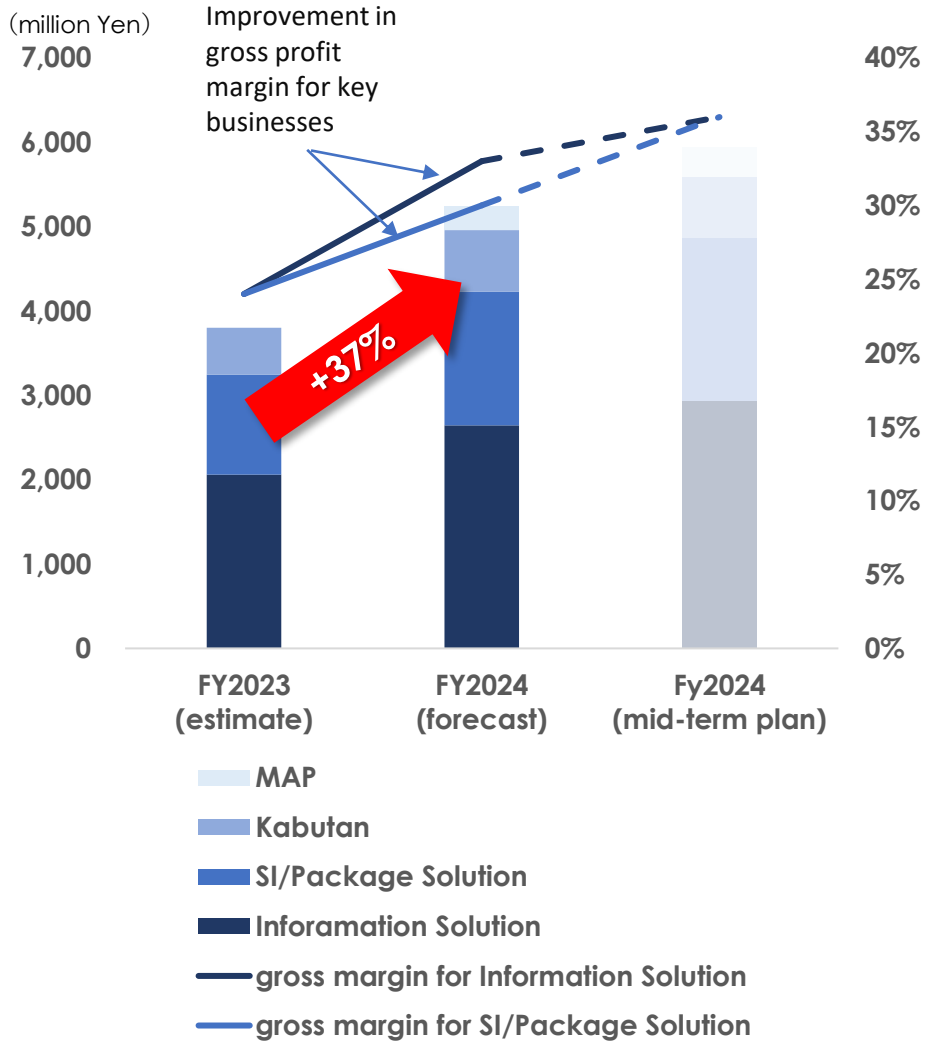
# We anticipate sales growth and improved profitability through the growth of existing businesses and the effectiveness of reassessing our outsourcing management system

(million Yen)

| | FY2023 (estimate) | FY2024 (forecast) | Increase or decrease | 中期計画 25/3期 |
|---|---|---|---|---|
| Sales | 3,783 | 5,200 | 37.4% | 5,677 |
| Operating Profit | 428 | 1,100 | 157.0% | 1,229 |

※ The figures for each business do not include management fees




**【Summary】**
**With the growth of existing businesses and resolution of previous challenges, we anticipate catching up to the overall mid-term plan level. Depending on market conditions, achieving the mid-term plan is also within reach.**

**【Information Solutions】**
**10% improvement in profit margin due to the recovery of past delayed projects, continuous adaptation to needs, and the beginning of the return on investment for U.S. stock support.**

**【Packaged Solutions】**
**5% improvement in profit margin from the acquisition of ongoing projects from the customer base in the banking sector obtained over the past 2 periods and the reassessment of the outsourcing management system. Also expected to begin with the launch of the professional services "Minkabu Academy" and the commencement of services for the coupon distribution platform utilizing Web3 technology.**

**【Kabutan】**
**Increased revenue from an increase in “Premium Service” subscribers and price revisions.**

**【MAP】**
**Starting an online investment advisory service in collaboration with financial institutions from this fiscal year.**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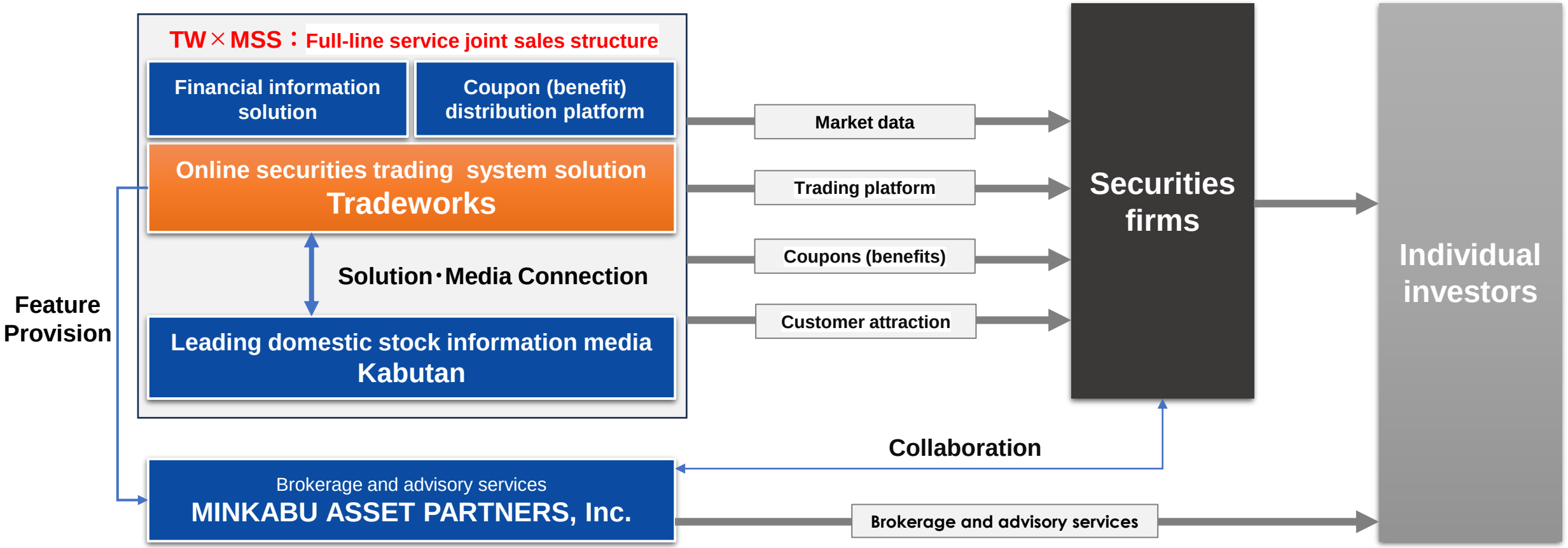
# Business partnership with TRADE WORKS CO.,LTD. aimed at establishing a joint sales structure




- Through the integration of MSS's information solutions and the standard installation of the coupon (benefit) distribution platform on the trading platform owned by TradeWorks (TW), and by connecting with Kabutan, we aim to provide securities firms and individual investors with the best investment environment by establishing a competitive sales structure.
- By acquiring additional shares of TW, we will become the second largest shareholder. Additionally, our vice president is expected to step down at the regular general meeting and assume the position of president at the counterpart company, strengthening the relationship between the two firms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# Demand for U.S. stocks in Japan and for Japanese stocks abroad to drive the growth of information solutions

## Domestic Demand for US stock

**【As of May 2024, U.S. stock transactions via online channels (excluding CFDs)】** **According to our research*

**Out of 39 online trading securities companies, 18 handle U.S. stocks**

**18 companies dealing with U.S. stocks**

Since 2020, a total of 9 comprehensive securities and online securities firms entered the market, of which we acquired 3. Subsequently, with an additional 9 firms entering, we acquired 6, totaling 9 out of 18 firms utilizing our services. Due to the expansion of our services, the acquisition rate has been on an upward trend

Full package implementation: 3 companies
Partial solution implementation: 6 companies
Not implemented: 8 companies

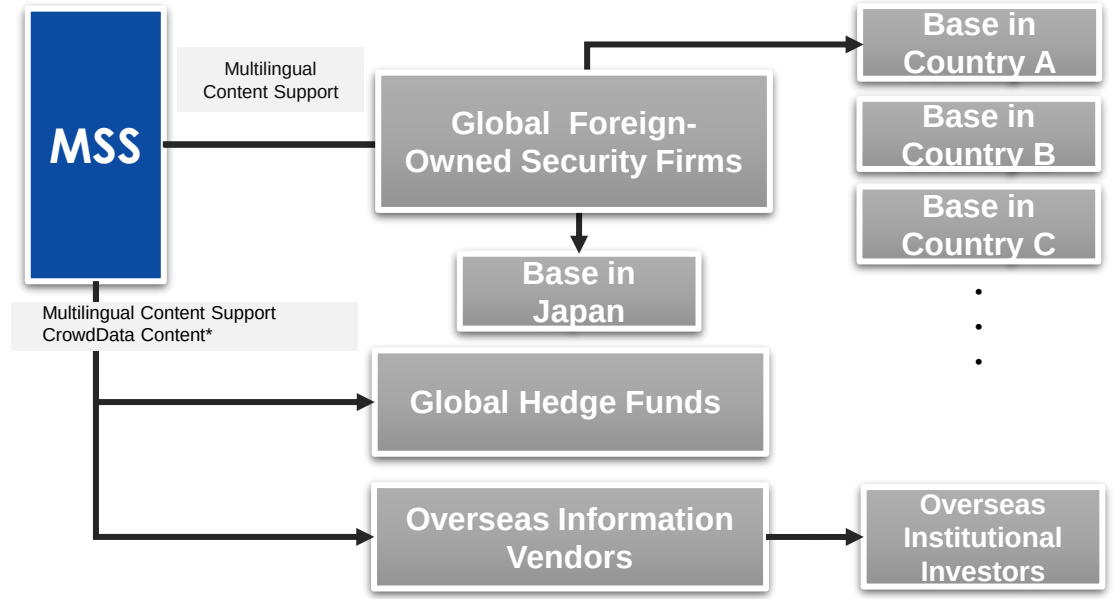
**21 companies do not handle U.S. stocks**

**MSS U.S. stock information solutions**
+
**TW U.S. stock trading system package**

In addition to MSS information solutions, the flexibility to implement the TW U.S. stock trading system package allows for flexible responses to customer system environments

- Demand for US stocks in the domestic market remains high. There are many factors contributing to the expansion of trading, such as NASDAQ's 24-hour trading support. There is a possibility that demand for US stocks will continue to maintain high levels.
- In addition to upselling our US stock solutions to existing clients, there is also ample upside potential through acquiring companies that have not yet adopted our solutions among the securities handling US stocks, as well as conducting sales activities targeting companies not yet handling US stocks in collaboration with TW

## Overseas Demand for Japanese Stock




*Aggregated value of user behavior data from our media

- Amidst a rapidly weakening yen and growing global interest in Japanese stocks, several foreign securities companies have launched online trading services in Japan. These companies are considering horizontally deploying their expertise in trading Japanese stocks from their operations in Japan to other locations, with our support.
- In Asia and Western countries, information vendors and overseas hedge funds also show a high level of interest in Japanese stocks, resulting in numerous proposals.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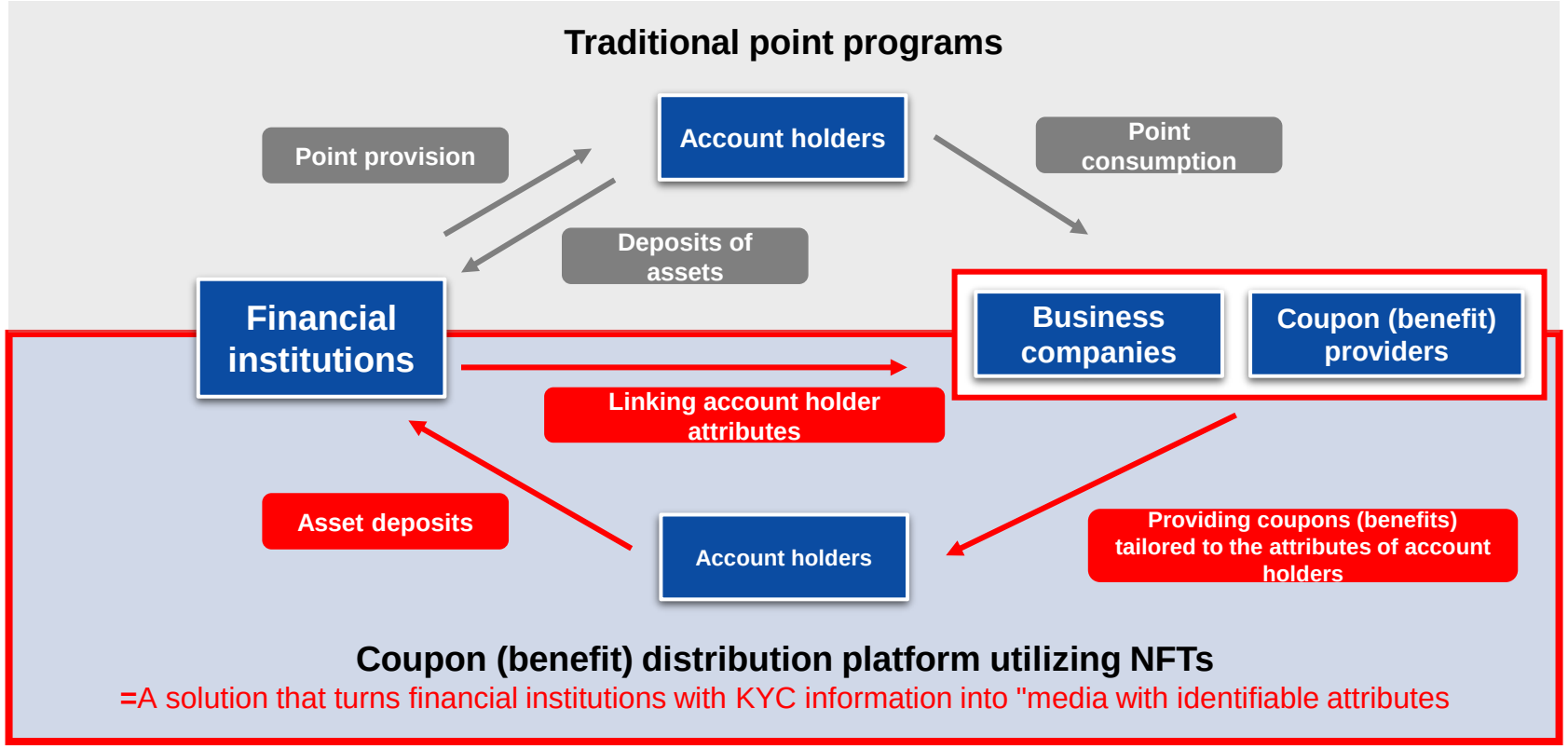
# This fall, we will launch a platform that utilizes NFTs to distribute coupons (benefits)




| Traditional point programs | NFT Based Coupon(Benefit)Program |
|---|---|
| Financial institutions mainly provide points<br>**Financial institutions bear the cost = revenue for the business company** | Coupon (benefit) providers offer benefits<br>**Benefit providers bear the cost as promotional expenses = revenue for financial institutions** |
| What is received is a substitute for cash<br>**Points are distributed equally according to the point distribution rules** | Offering coupons (benefits) aligned with customer attributes<br>**Benefit providers approach their target audience more efficiently than traditional advertising** |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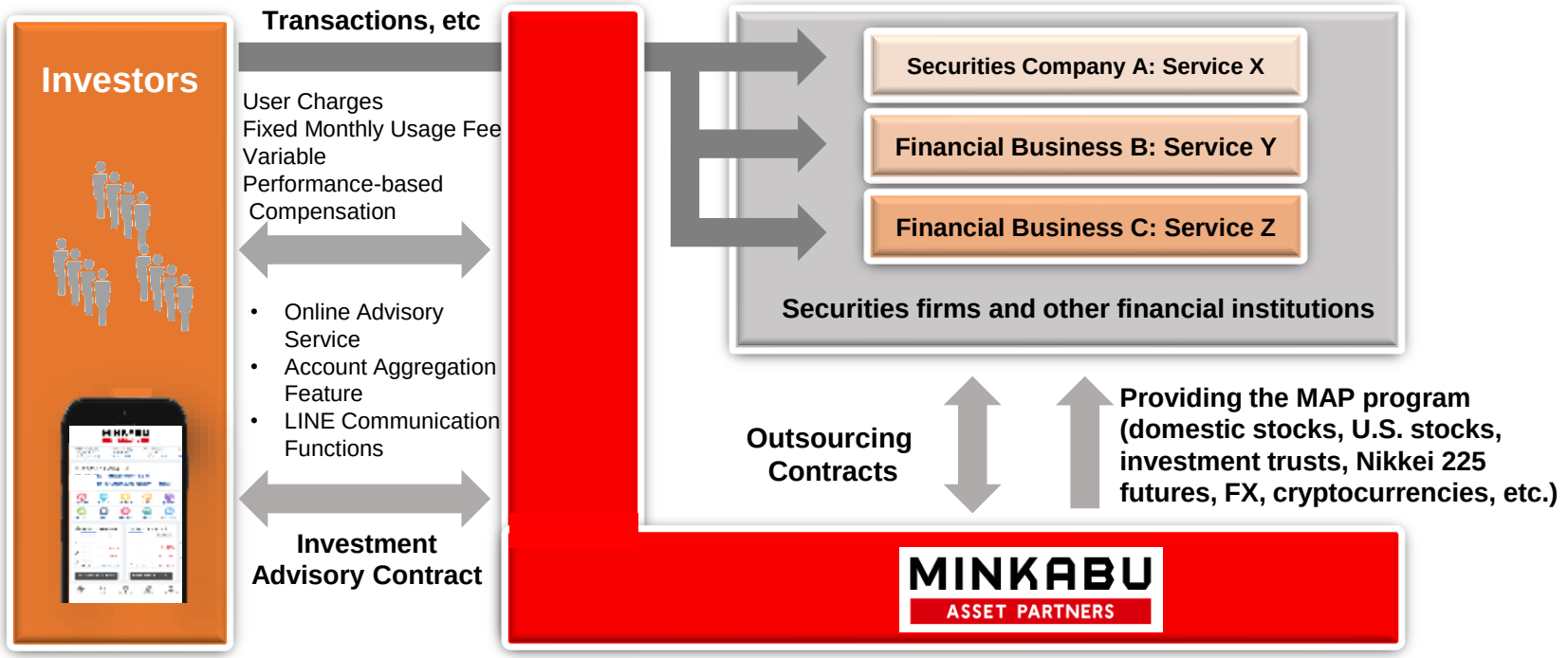
## A new business contact point with customer financial institutions that follows media advertising, information provision, and development support has started




- Starting with programs for several major cryptocurrency exchanges that have established API integration infrastructure, with plans to expand sequentially
- Also planning to start operational support for Japanese stock margin trading advice services currently offered by major online securities companies
- A WIN-WIN model that shares performance-based compensation with financial institutions based on investor profits

**MINKABU ASSET PARTNERS, Inc. also started operating "Chat BPO," a DX service for call centers of major online securities firms, in April 2024.**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# While cautiously observing the recovery of the advertising market conditions, the effects of cost reduction and proactive investments from the previous period are expected to drive revenue expansion

(million Yen)

| | FY2023 (estimate) | FY2024 (forecast) | Increase or decrease | 中期計画 25/3期 |
|---|---|---|---|---|
| Sales | 6,353 | 10,200 | 60.5% | 8,266 |
| Operating Profit | ▲236 | 1,300 | - | 1,680 |

※ The figures for each business do not include management fees

【Summary】

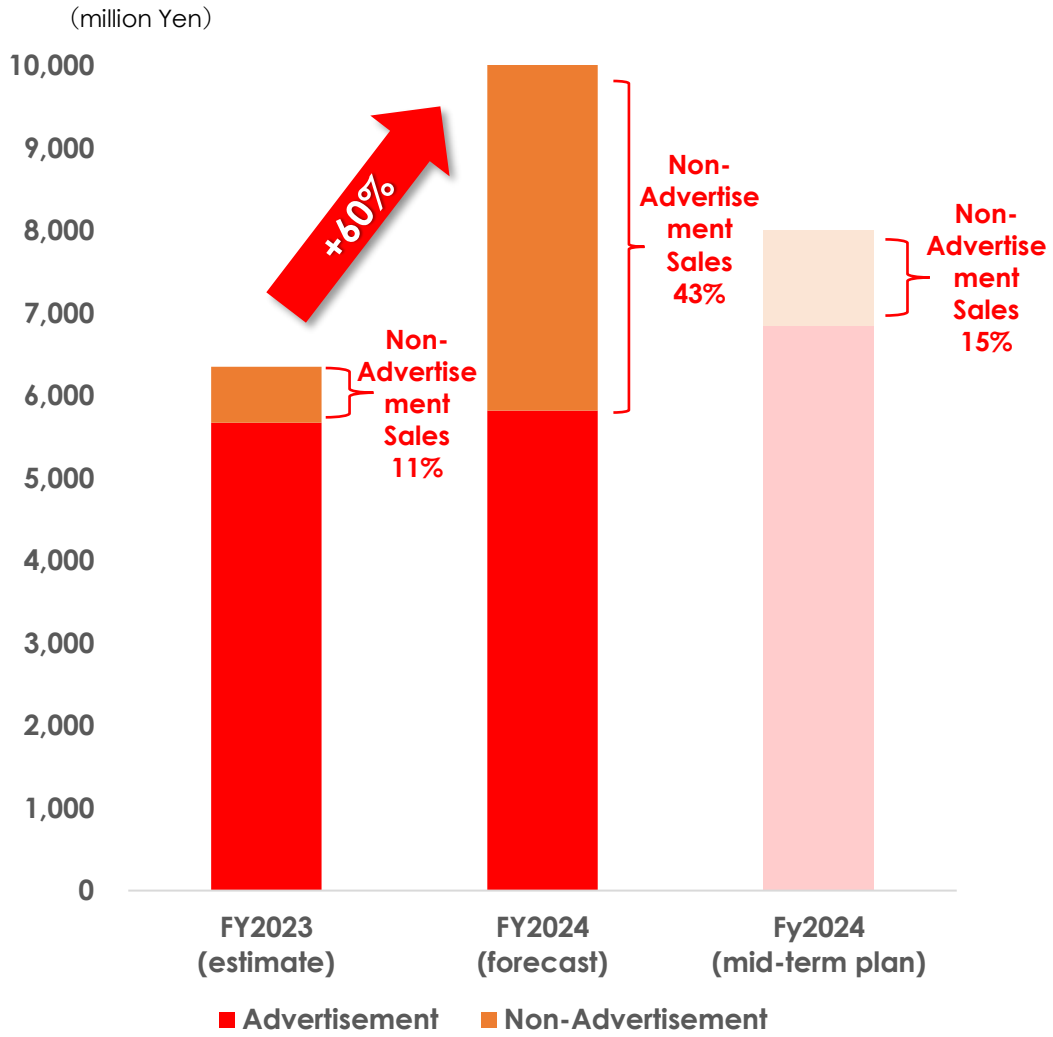
- With the effects of previous investments, revenue is expected to exceed the midterm plan. However, despite not anticipating a recovery in the advertising market conditions and with major events managed by Content Monster, Inc. concentrated in the latter part of the period, the full-scale revenue contribution from new businesses is expected to fall below the midterm plan. Nonetheless, profits in the latter part of the period are expected to catch up to the level of the midterm plan.

【Advertisement Sales】

- The recovery of the advertising market remains uncertain, and while considering the impact of cookie-less browsing, we anticipate increased revenue through the effects of SEO measures, rising advertising prices due to the widespread use of new integrated apps, and increased page views through the utilization of AI-enhanced content.

【Non-Advertisement Sales】

- Due to the investments made in the previous period, the proportion of non-advertising revenue is expected to significantly exceed the 15% mark set in the midterm plan, reaching 43%. This indicates a faster-than-expected decline in dependence on advertising.



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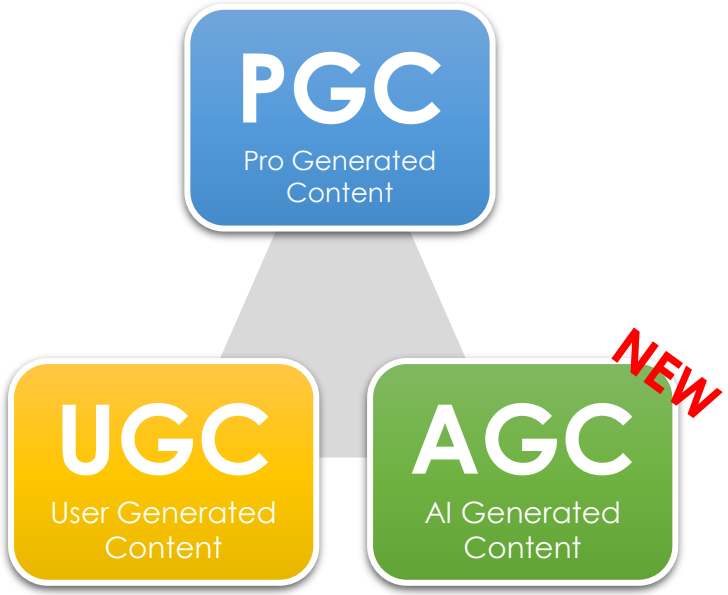
# Full-scale implementation of AGC using generative AI, achieving both content expansion and operational efficiency




*Excerpt from Q3 Document

| Function | Summary |
|---|---|
| Audio Transcription → ECHOES | Automatically transcribing video content from platforms like YouTube into text and converting it into articles to increase content |
| Generation of Article Translation | Automatically translating articles from partnered foreign media, enhancing content while improving production efficiency and reducing costs |
| Post Monitoring System | Reducing operational costs primarily through automated image identification and language analysis for post monitoring |
| Asset Management Analysis | Providing information optimized for individual investor needs through an automatic recommendation engine and automated generation of analysis reports |
| Financial Analysis→ AI Summary of Earnings Briefings | Expanding content by automatically generating diverse financial news through language analysis and different approaches like Kabutan |

ECHOES
livedoor News
NEW




A new service will soon start, automatically converting YouTube videos into articles using AI and distributing them via Livedoor News. This allows creators utilizing YouTube and other video content to reach new users beyond their current audience

## Summary of Financial Results Report by AI

MINKABU
NEW




AI provides key performance changes and evaluation information extracted from earnings briefings in a consistent format. The new feature on "MINKABU" is accessible to users from beginners to experts, offering summaries in an easy-to-understand format with a comment feature, allowing users to quickly grasp the key points of financial results for multiple stocks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# Establish a cross-media monetization engine on an OEM basis, aiming for revenue diversification with low risk and reducing dependency on advertising revenue

livedoor ショッピング

Low-cost operation, high take rate
Develop products closely integrated with media

livedoor Bank

Progress in account acquisition through collaboration with various services

livedoor MOBILE

Low-cost operation and high profitability through the "Oshi Pass"

Total Visitors per month (On a unique user basis)
Approx. 100 million

Total SNS Followers
Approx. 5.6 million

Total LINE Freinds
Approx. 29 million

| News | Blogs | News | Entertainment | Asset Formation |
|---|---|---|---|---|
| livedoor News | livedoor Blog | Peachy | Kstyle | MINKABU |

| Gourmet | Comparison and Ranking | | Asset Formation |
|---|---|---|---|
| livedoor グルメ | livedoor Choice | MINKABU Choice | Kabutan by MINKABU |

Sport

SOCCERKING BASKETBALLKING BASEBALLKING 超WORLDサッカー! toto ONE



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# Strengthening the Creator Economy and Diversifying Creator Revenue

BEFORE



ADNWModel

AFTER



ADNW




LINE stamps and other IP business




Electronic publication of content



Utilizing creators in partnership advertising

- Over 800 creators, primarily illustrators and manga artists, are part of the Livedoor Blog community. In addition to the existing ADNW advertising revenue distribution model, we promote increased revenue through enhanced value of creators via LINE stamps, intellectual property (IP) utilization, electronic book publishing, and partnership advertising
- Not only targeting the fans of creators, but also leveraging the customer attraction and dissemination power of our group media services including Livedoor News, we aim to enhance profitability



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# SEESAW GAME, Inc., acquired as a subsidiary in September 2023, started full-year contribution and generating profits amounting to hundreds of millions of yen

SEESAW GAME

## Media Business

SOCCERKING

BASKETBALLKING

BASEBALLKING

超WORLDサッカー!

サッカーくじtotoの No.1ポータルサイト totoONE

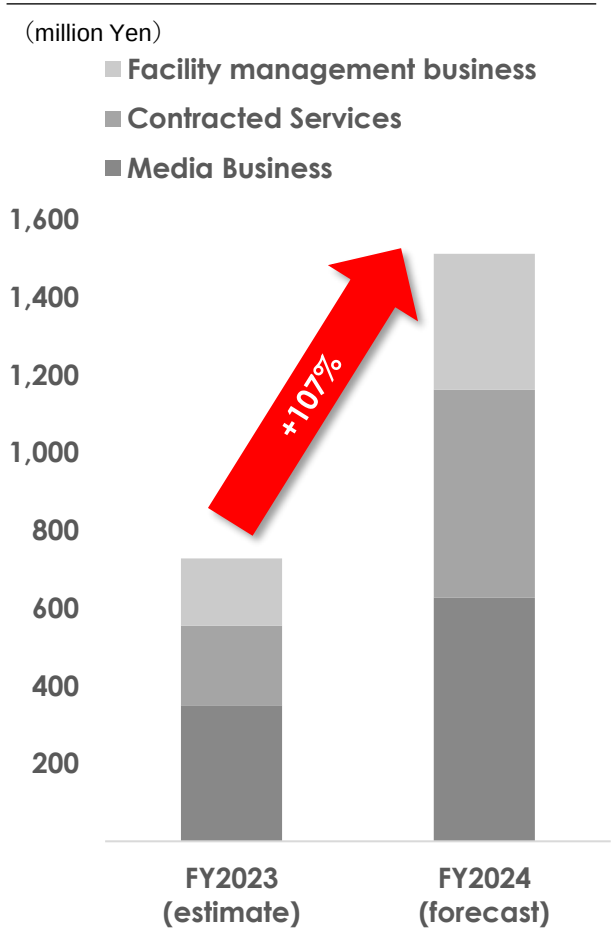
## Contracted Projects




## Facility Management Operations

多目的スポーツコート
Sportivo スポルティーヴォ

**Sales Transition（including former CWS Brains）**




*Consolidation began in October of FY 2024.

- In addition to full-year contribution, we anticipate more than doubling revenue for FY2025 compared to FY2024 due to organic growth through strengthening the position as a specialist media sutied to the cookie-less era and the effects of Paris-hosted Olympic and Paralympic Games.
- PMI (Post Merger Integration) and group synergy led to a review of the cost of sales and SG＆A, resulting in a forecast of an OP contribution of approximately 100 million yen for the full year.
- New ventures have also been launched, including the athlete support service "Ath-michi," led by Director and CIO Yuki Saito as the project leader, and a new media servie "VOLLEYBALLKING," alongside the start of the SV League.



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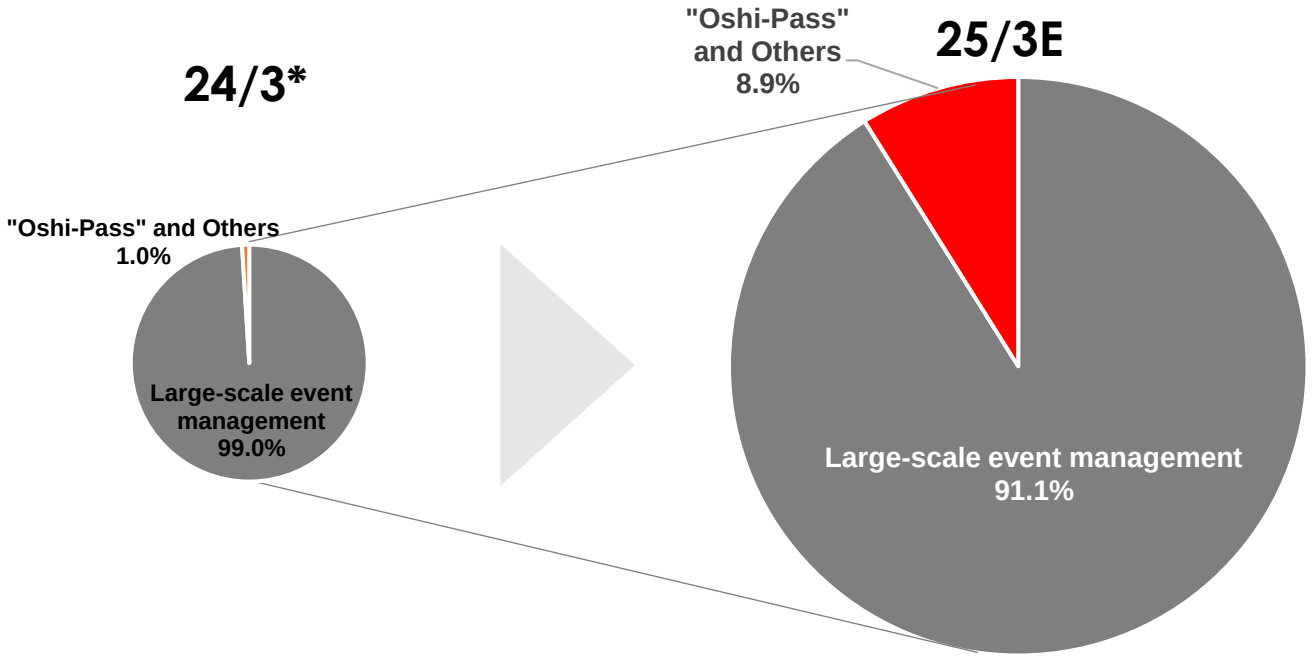
# To enhance the value of media business assets, Contents Monster, Inc. was established

CONTENTS MONSTER

## Transition of Contents Monster's revenue structure




At the previous Kstyle PARTY, we received high praise from the industry. By leveraging Kstyle's media power and reputation, we obtained the rights to host established large-scale external events. This has enabled us to host K-POP events on the largest scale domestically, allowing for scalability. Additionally, we have expanded the benefits of our "Oshi-pass" membership program, contributing to stable revenue growth

## Focused Event for FY2025

Kstyle PARTY



Golden Wave

- In addition to the regular hosting of Kstyle PARTY 2025, the rights to hold Golden Wave in Tokyo 2024 have been secured
- Furthermore, final adjustments are being made to secure the rights to host an even larger K-POP event, the largest of its kind

*For FY2024, it was accounted for as one of the business divisions of MINKABU THE INFONOID, Inc



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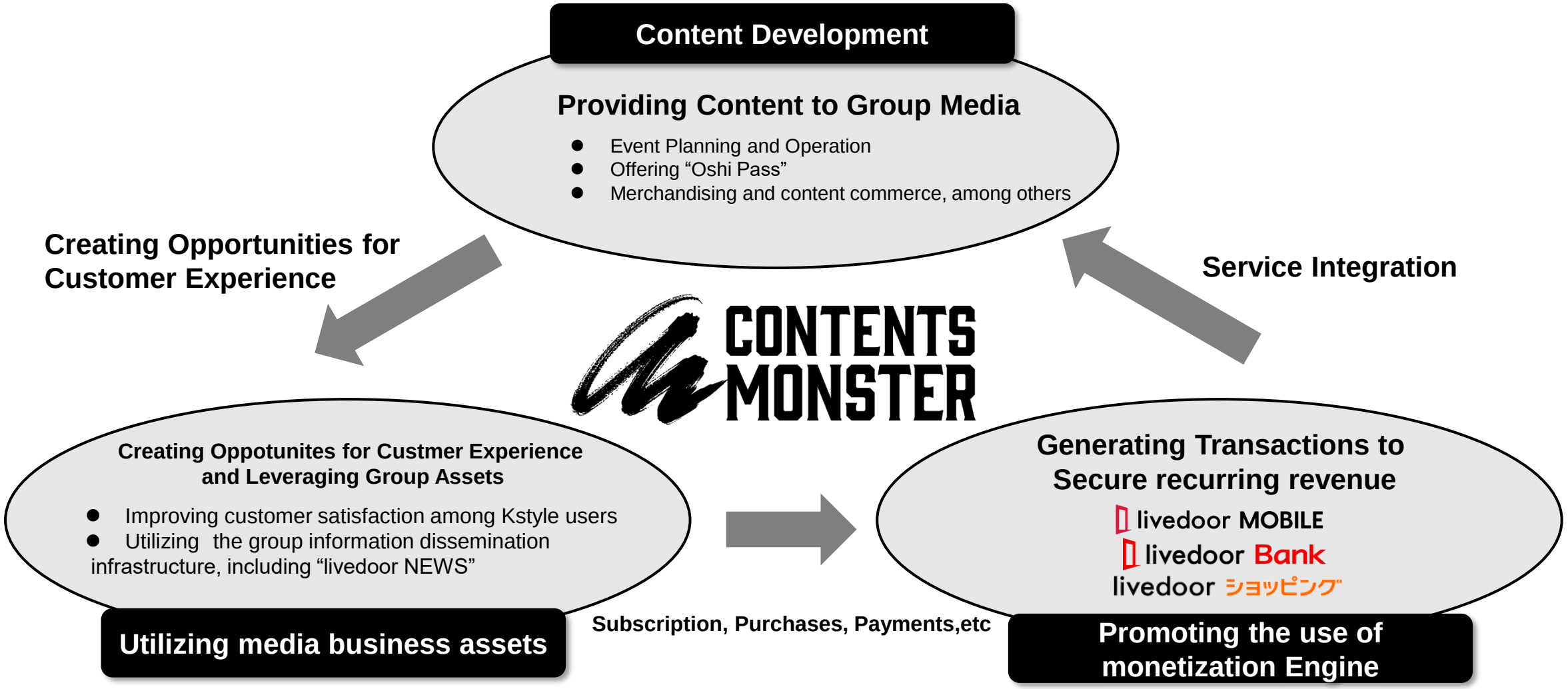
# Acting as the hub for the creation of various content and services centered around large-scale events, aim to maximize revenue from media business assets



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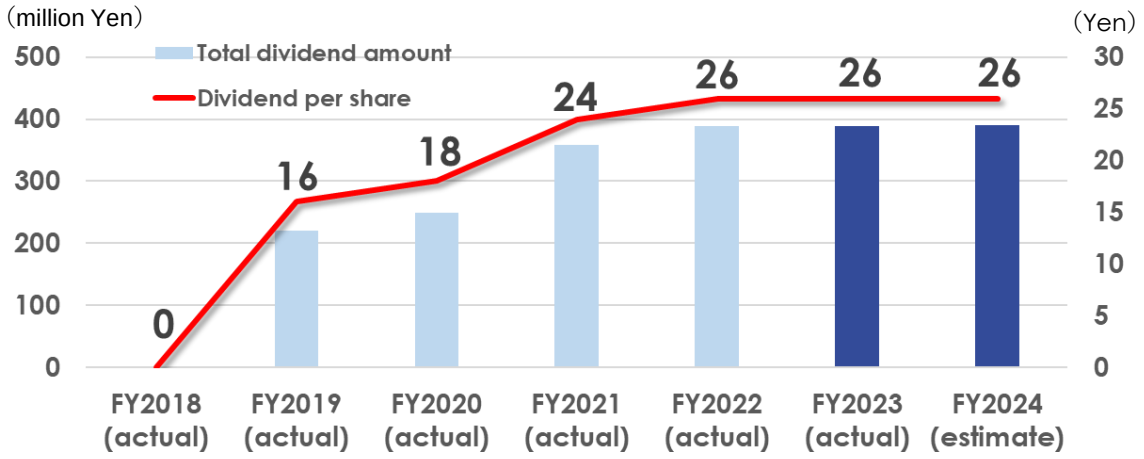
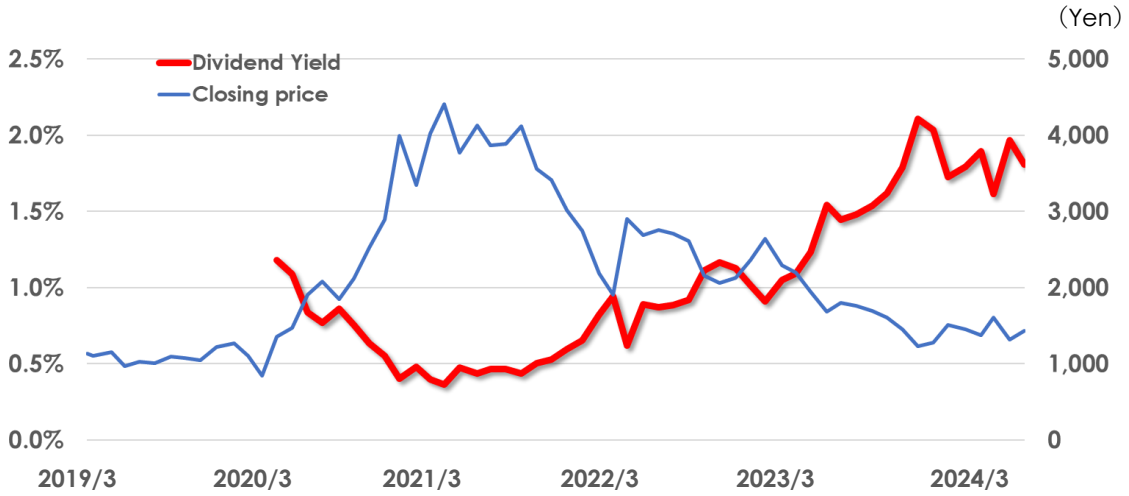
general

# We plan to maintain the dividend per share for the fiscal year ending March 24. Any increase in dividends will be considered based on the trend of EBITDA

**Transition in total dividends and per-share dividends**




**Historical stock Price and dividend yield trends since the company's listing**




- **In line with our ongoing perception that we are still in a growth phase, we will continue our basic policy of high growth and high returns, prioritizing value enhancement through aggressive growth investments while implementing stable dividends**
- **In line with our commitment to EBITDA as one of the key indicators since our listing, we will consider increasing dividends in the future based on the balance between growth investments, debt repayment, and shareholder returns, depending on the degree of profit recovery**

*Market-specific dividend yield weighted averages: Prime Market 2.01%, Standard Market 2.08%, Growth Market 0.46%, as of April 2024 (Source: Tokyo Stock Exchange)



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# To enable a flexible capital policy, a reduction in capital will be implemented

We will reduce capital and capital reserves, transferring them to other capital surplus,
in order to ensure flexibility and agility in our capital policy.

| (million Yen) | End of FY23 | Change | After reduction |
|---|---|---|---|
| Capital stock | 3,534 | -3,214 | 320 |
| Capital reserve | 2,734 | -2,654 | 80 |
| Other capital surplus | -1,553 | 5,868 | 4,316 |
| Retained Earnings | -143 | | -143 |
| Shareholders' Equity | 4,572 | | 4,572 |

- **With the transition to a group business promotion structure in July 23, our company effectively shifted to a holding company structure**
- **In order to ensure flexibility and agility in our future capital policy, we plan to propose a reduction of capital at the regular shareholders' meeting**
- **The transfer of capital and capital reserves in the shareholders' equity section of the balance sheet to other capital surplus is a reclassification process, with no change in the net assets of our company**

※ Please refer to the announcement titled 'Notice of Decrease in Amount of Capital Stock and Capital Reserve' released on May 14, 2024, for the details regarding the above information
※ This matter shall take effect upon resolution at the regular shareholders' meeting scheduled for June 2024.


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# Reviewing our management structure

With the resolutions of the annual shareholders' meeting scheduled for June 28, 2024, the following officer structure will be established, and we will strive forward towards achieving our midterm plan

| Current | |
|---|---|
| Makoto Sumida | Director, Chairman of the Borad (Outside) |
| Ken Uryu | Representative Director, President & CEO/CFO |
| Masakatsu Saito | Director, Vise President |
| Naohito Miyamoto | Managing Director |
| Ryutaro Takada | Director (Part-time) |
| Noriko Maki | Director (Outside) |
| Shozo Ishibashi | Director, Audit & Supervisory Committee member (Outside) |
| Sinnya Hamano | Director, Audit & Supervisory Committee member (Outside) |
| Sadahiko Yoshimura | Director, Audit & Supervisory Committee member (Outside) |

| Name | New Role | Status of concurrent positions within the group (including scheduled appointments) | Newly Appointed or Reapointed |
|---|---|---|---|
| Ken Uryu | Representative Director, President & Chairman of the Board | Representative Director, Chairman & CEO of livedoor,Co. Ltd., Representative Director, Chairman &CEO of MINKABU SOLUTION SERVICES, Inc.(scheduled), Representative Director, Chairman & CEO of Contents Monster, Inc. | Reappointed |
| Naohito Miyamoto | Director<br>(in charge of media business) | Representative Director, President & CEO of livedoorm Co. Ltd., Representative Director, President & CEO of SEESAW GAME, Inc. | Reappointed |
| Junko Yaguchi | Director<br>(in charge of Business Administration and Management) | Director of MINKABU SOLUTION SERVICES, Inc. | Newly appointed |
| Masayuki Ban | Director<br>(in charge of solution business) | Representative Director, President & COO of MINKABU SOLUTION SERVICES, Inc. (scheduled) | Reappointed |
| Ryutaro Takada | Director<br>(Part-time director) | Director, livedoor,Co. Ltd.<br>Director, SEESAW GAME, Inc. | Reappointed |
| Makoto Sumida | Director<br>(Outside director) | | Reappointed |
| Noriko Maki | Director<br>(Outside director) | | Reappointed |
| Shozo Ishibashi | Director, Audit & Supervisory Committee member, Outside and Independent director | | Reappointed |
| Sinnya Hamano | Director, Audit & Supervisory Committee member, Outside and Independent director | | Reappointed |
| Sadahiko Yoshimura | Director, Audit & Supervisory Committee member, Outside and Independent director | | Reappointed |

※ Regarding this matter, it was tentatively approved at the Nomination Committee meeting held on May 10, 2024, and is scheduled to be submitted as an agenda item for the Regular Shareholders' Meeting at the scheduled Board of Directors meeting on May 28, 2024/

※ Masakatsu Saito, as part of the capital business alliance with TW, is scheduled to assume the position of representative for TW. Therefore, he will retire from his position as an officer of our company upon the expiration of his term at the shareholders' meeting on June 28. However, he will continue to serve as an officer of our subsidiary, MSS


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**Whilie OP for FY 2025 is expected to fall below the mid-term plan due to upfront investments prioritized for medium to long-term growth, Sales expansion at a pace exceeding the midterm plan. There is no change to the target set for the final year of the mid-term plan for FY2026**

## Previous
**-Transformation・Rationalization and Creation-**
FY2023

- A certain amount of unrealized revenue from existing businesses was offset by revenue diversification strategies, leading to an over 40% increase in sales and a record high revenue
- The acceleration of revenue diversification strategies resulted in unplanned upfront investments, temporarily worsening profits combined with the underachievement of existing businesses
- Cost reductions through PMI and the model change of solutions have successfully built a more muscular business structure than planned

**Sales：9.9billion**
**OP：-700 million**

## Current
**-Realization of Outcome-**
FY2024

- In addition to the growth of existing operations, the media business is expected to achieve high revenue growth through the full-year contribution of SSG, the start of contributions from new revenue engines, and the vertical launch of content businesses
- In addition to sustained growth and improved profitability, the solution business have also progressed in diversifying revenue streams
- The proactive investment period for revenue diversification initiatives, which were accelerated, has completed its initial phase, and revenue contributions have commenced. However, since the full-fledged contributions are expected to begin in the latter part of the period, we anticipate catching up to the midterm plan from the latter half.

**Sales：15 billion**
**(midterm plan 14 billion)**
**OP：1.2 billion**
**(mid-term plan 1.8 billion)**

## Next
**-Fruition of Current Plan-**
FY2025

- The modernization of media systems and other updates will further accelerate revenue diversification
- Subscription-based solution services will contribute to revenue expansion and improved profitability
- Cross-media revenue diversification strategies will widely permeate various media, realizing substantial revenue contributions. The impact of financial and advertising market conditions will be limited

**Sales：over 17billion**
**OP：3billion**


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# income statement

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, the Company has presented the figures as previously disclosed, excluding management fees, for the sake of disclosure continuity. The figures including management fees are listed on pages 25-26

(JPY in million)

| | Fiscal Year ended March 31, 2022 Consolidated | Fiscal Year ended March 31, 2023 Consolidated | Fiscal Year ended March 31, 2024 Consolidated | Changes | Consolidated Financial Forecasts Fiscal Year ending March 31, 2025 Consolidated | Changes |
|---|---|---|---|---|---|---|
| **Net Sales** | **5,482** | **6,836** | **9,920** | **+45.1%** | **15,000** | **+51.2%** |
| MEDIA | 2,353 | 2,525 | 6,348 | +151.4% | 10,200 | +60.7% |
| SOLUTION (8.) | 3,148 | 4,352 | 3,783 | -13.1% | 5,200 | +37.4% |
| Adjustment (1.) | -20 | -41 | -212 | – | -400 | – |
| **Operating Profit** | **874** | **111** | **-699** | – | **1,200** | – |
| MEDIA (7.) | 747 | 160 | -236 | – | 1,300 | – |
| SOLUTION (7.) (8.) | 786 | 829 | 428 | -48.4% | 1,100 | +157.0% |
| Adjustment (2.) | -658 | -878 | -891 | – | -1,200 | – |
| **Ordinary Profit** | **828** | **-207** | **-790** | – | **1,100** | – |
| **Profit attributable to Parent Company** | **696** | **726** | **-1,180** | – | **700** | – |
| **EBITDA** (3.) | **1,539** | **1,019** | **492** | **-51.7%** | **2,300** | **+366.7%** |

1. Re-allocation of inter-segment sales
2. Elimination of inter-segment and unallocable operating expenses
3. Calculation formula of EBITDA is Operating income+depreciation+amortization of goodwill
4. Among the media business billing revenue, the billing revenue from Kabutan Premium has been reclassified to the stock revenue of the solution business from the third fiscal year of 2024.
   Additionally, the comparisons between the fiscal year ending March 2023 and fiscal year ending March 2024 are based on the classification after the change
5. Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
6. Acquired FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
7. The Company has been collecting management fees from various group companies as internal transactions since July 1, 2023. If we add this management fee to the segment profit or loss of each business segment, the segment loss of the media business after adding the management fee of 470 million yen to the segment loss of 242 million yen is 712 million yen, and the segment profit of the solution business after adding the management fee of 289 million yen to the segment profit of 428 million yen is 138 million yen
   Regarding the plan for the fiscal year ending March 2025, the segment profit for the media business is 1,300 million yen before deducting the management fee of 900 million yen, resulting in a segment profit of 400 million yen after this deduction. Similarly, the segment profit for the solution business is 1,100 million yen before deducting the management fee of 300 million yen, resulting in a segment profit of 800 million yen after this deduction
8. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
9. Figures are all in Japanese Yen and rounded down to the nearest million yen.



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# sales by segments

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, the Company has presented the figures as previously disclosed, excluding management fees, for the sake of disclosure continuity. The figures including management fees are listed on pages 25-26

(JPY in million)

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|---|---|---|---|---|---|---|
| **MEDIA** | **2,353** | **2,525** | **6,348** | **+151.4%** | **10,200** | **+60.7%** |
| Ad revenue | 1,929 | 2,420 | 5,193 | +114.5% | 6,000 | +15.5% |
| Subscription revenue (2.)(3.) | 392 | 65 | 129 | +96.1% | 320 | +147.5% |
| Others | 32 | 38 | 1,026 | +2,553.9% | 3,880 | +278.1% |
| **SOLUTION** (6.) | **3,148** | **4,352** | **3,783** | **-13.1%** | **5,200** | **+37.4%** |
| Subscription revenue (3.) | 2,195 | 3,097 | 2,626 | -15.2% | 3,620 | +37.8% |
| Billing revenue(3.) | – | 346 | 440 | +27.2% | 550 | +24.8% |
| Initial revenue | 953 | 1,254 | 1,157 | -7.7% | 1,580 | +36.5% |
| Adjustment (1.) | -20 | -41 | -212 | – | -400 | – |
| **Net Sales** | **5,482** | **6,836** | **9,920** | **+45.1%** | **15,000** | **+51.2%** |

1. Re-allocation of inter-segment sales
2. Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
3. Allocation of billing revenue for Kabutan Premium in media business will be altered to Solution Business revenue from FY2024/03
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# income statement

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|---|---|---|---|---|---|---|
| **Net Sales** | **5,482** | **6,836** | **9,920** | **+45.1%** | **15,000** | **+51.2%** |
| MEDIA | 2,353 | 2,525 | 5,877 | +132.7% | 9,300 | +58.2% |
| SOLUTION (8.) | 3,148 | 4,352 | 3,493 | -19.7% | 4,900 | +40.2% |
| Adjustment (1.) | -20 | -41 | 548 | – | 800 | +45.9% |
| **Operating Profit** | **874** | **111** | **-699** | – | **1,200** | – |
| MEDIA (7.) | 747 | 160 | -706 | – | 400 | – |
| SOLUTION (7.) (8.) | 786 | 829 | 138 | -83.3% | 800 | +477.8% |
| Adjustment (2.) | -658 | -878 | -131 | – | – | – |
| **Ordinary Profit** | **828** | **-207** | **-790** | – | **1,100** | – |
| **Profit attributable to Parent Company** | **696** | **726** | **-1,180** | – | **700** | – |
| **EBITDA** (3.) | **1,539** | **1,019** | **492** | **-51.7%** | **2,300** | **+366.7%** |

1. Re-allocation of inter-segment sales
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   Regarding the plan for the fiscal year ending March 2025, the segment profit for the media business is 400 million yen, which includes a management fee of 900 million yen, resulting in a segment profit of 1,300 million yen before this deduction. Similarly, the segment profit for the solution business is 800 million yen, which includes a management fee of 300 million yen, resulting in a segment profit of 1,100 million yen before this deduction.
8. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
9. Figures are all in Japanese Yen and rounded down to the nearest million yen.



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# sales by segments

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, we have presented the figures including management fees

(JPY in million)

| | Fiscal Year ended March 31, 2022 Consolidated | Fiscal Year ended March 31, 2023 Consolidated | Fiscal Year ended March 31, 2023 Consolidated | Fiscal Year ended March 31, 2023 Changes | Consolidated Financial Forecasts Fiscal Year ending March 31, 2024 Consolidated | Consolidated Financial Forecasts Fiscal Year ending March 31, 2024 Changes |
|---|---|---|---|---|---|---|
| **MEDIA** | **2,353** | **2,525** | **5,877** | **+132.7%** | **9,300** | **+58.2%** |
| Ad revenue | 1,929 | 2,420 | 5,193 | +114.5% | 6,000 | +15.5% |
| Subscription revenue (2.)(3.) | 392 | 65 | 129 | +96.1% | 320 | +147.5% |
| Others | 32 | 38 | 1,026 | +2,553.9% | 3,880 | +278.1% |
| Others(management fee deduction) | – | – | -470 | – | -900 | – |
| **SOLUTION** (6.) | **3,148** | **4,352** | **3,493** | **-19.7%** | **4,900** | **+40.2%** |
| Subscription revenue (3.) | 2,195 | 3,097 | 2,626 | -15.2% | 3,620 | +37.8% |
| Billing revenue(3.) | – | 346 | 440 | +27.2% | 550 | +24.8% |
| Initial revenue | 953 | 1,254 | 1,157 | -7.7% | 1,580 | +36.5% |
| Others(management fee deduction) | – | – | -289 | – | -300 | – |
| **Adjustment** | **-20** | **-41** | **548** | **–** | **800** | **+45.9%** |
| Adjustment (1.) | -20 | -41 | -212 | – | -400 | – |
| Adjustment (management fee deduction) | – | – | 760 | – | 1,200 | +57.8% |
| **Net Sales** | **5,482** | **6,836** | **9,920** | **+45.1%** | **15,000** | **+51.2%** |

1. Re-allocation of inter-segment sales
2. Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
3. Allocation of billing revenue for Kabutan Premium in media business will be altered to Solution Business revenue from FY2024/03
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5. Acquired FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
6. Since July 1, 2023, our company has been collecting management fees from each group company. The segment sales of each business segment are presented after deducting these management fees, and the collected management fees are included in the adjustment amount.
7. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
8. Figures are all in Japanese Yen and rounded down to the nearest million yen.



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# balance sheet items

(JPY in million)

| | Fiscal Year ended March 31, 2022 | Fiscal Year ended March 31, 2023 | Fiscal Year ended March 31, 2024 | |
|---|---|---|---|---|
| | Consolidated | Consolidated | Consolidated | Changes |
| Current assets | 4,825 | 6,567 | 4,132 | -37.1% |
| (Cash and deposit) | 3,526 | 4,463 | 2,047 | -54.1% |
| Non - current assets | 4,932 | 9,967 | 10,706 | +7.4% |
| **Assets** | **9,757** | **16,534** | **14,838** | **-10.3%** |
| Current Liabilities | 942 | 1,926 | 2,734 | +41.9% |
| Non-Current Liabilities | 1,372 | 6,752 | 5,919 | -12.3% |
| **Liabilities** | **2,314** | **8,678** | **8,654** | **-0.3%** |
| Capital stock | 3,514 | 3,533 | 3,534 | +0.1% |
| Capital surplus | 4,533 | 4,194 | 3,806 | -9.2% |
| Retained earnings | -745 | -18 | -1,199 | – |
| Others | 39 | 55 | 28 | -49.6% |
| Non-controlling interests | 100 | 91 | 14 | -84.0% |
| **Net assets** | **7,443** | **7,855** | **6,184** | **-21.3%** |

1. Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
2. Acquired FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
3. As of March 30,2023, the Company has hold sold subsidiary, Prop Tech plus Co., LTD.
4. Figures are all in Japanese Yen and rounded down to the nearest million yen.



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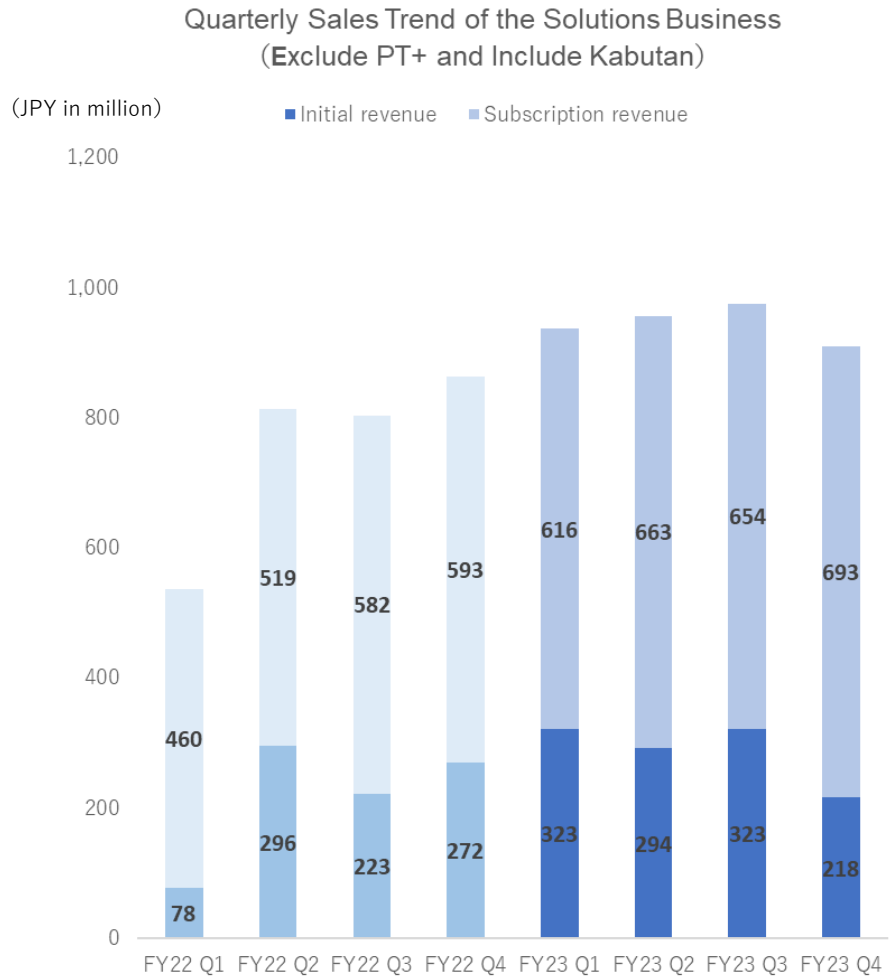
# 【Note】Sales Trend of the Solutions Business Excluding the Impact of Prop Tech Plus

Excluding the impact of the decrease in sales from PT+, which was sold at the end of March 2023, the Solutions Business saw steady expansion, with recurring income increasing by approximately 22% and spot income increasing by approximately 33%.




【Disclosure figures: Previous period performance including PT+ sales.】 (JPY in million)

| | FY22 | FY23 | Changes | YoY |
|---|---|---|---|---|
| Initial revenue | 2,751 | 2,626 | ▲124 | ▲4.5% |
| (Billing revenue) | 346 | 440 | 69 | 26.9% |
| Subscription revenu | 1,254 | 1,157 | ▲97 | ▲7.7% |

【For reference: figures excluding PT+ sales from the previous period performance.】
(JPY in million)

| | FY22 | FY23 | Changes | YoY |
|---|---|---|---|---|
| Initial revenue | 2,154 | 2,626 | 472 | 21.9% |
| (Billing revenue) | 254 | 440 | 186 | 73.2% |
| Subscription revenu | 868 | 1,157 | 289 | 33.3% |

※ As of the fiscal year 2023, we have changed the classification of billing revenue from Kabutan Premium to stock income of the Solutions Business. The comparisons with the third quarter of fiscal year 2023 and the third quarter of fiscal year 2024 are based on the revised classification.
※ As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd.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