May 20, 2024

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2024
(Under Japanese GAAP)

Company name:	MINKABU THE INFONOID INC.
Listing:	Growth Market, Tokyo
Securities code:	4436
URL:	https://minkabu.co.jp/
Representative:	Ken Uryu, President and CEO/CFO
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Scheduled date of the Annual General Meeting of Shareholders:	June 28, 2024
Scheduled date to commence dividend payments:	July 1,2024
Scheduled date of submission of the Securities Report:	June 28, 2024
Preparation of supplementary material on annual financial results:	Yes
Holding of financial results briefing:	None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	9,920	45.1	492	(51.7)	(699)	–	(790)	–	(1,180)	–
March 31, 2023	6,836	24.7	1,019	(33.8)	111	(87.2)	(207)	–	726	4.4

Note: Comprehensive income For the fiscal year ended March 31, 2024: (1,285) million yen [(–)%]
For the fiscal year ended March 31, 2023: 755 million yen [(2.9)%]

	Basic earnings per share	Diluted earnings per share	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to gross operating income
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	(78.84)	-	-	(5.0)	-
March 31, 2023	48.60	47.90	9.6	(1.6)	1.6

Reference: Equity in earnings of affiliates For the fiscal year ended March 31, 2024: - million yen
For the fiscal year ended March 31, 2023: - million yen

Note:
1. The diluted net income per share for the fiscal year ended March 2024 is not provided, as there is a net loss per share despite the existence of potential shares.
2. EBITDA (Operating Income + Depreciation + Amortization of Goodwill)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Million yen	Million yen	%	Yen
March 31, 2024	14,838	6,184	41.6	411.81
March 31, 2023	16,534	7,855	47.0	518.45

Reference: Equity
As of March 31, 2024: 6,320 million yen
As of March 31, 2023: 7,764 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	91	(1,684)	(822)	2,047
March 31, 2023	772	(5,370)	5,535	4,463

2. Dividends

	Annual dividends per share					Total dividends for the year	Payout Ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	-	0.00	-	26.00	26.00	389	53.5	5.1
Fiscal year ending March 31, 2024	-	0.00	-	26.00	26.00	389	(37.8)	5.5
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	26.00	26.00		55.6	

Note:
1. Breakdown of the year-end dividend for the fiscal year ended March 2024: ordinary dividend of 26 yen.
2. The year-end dividend for the fiscal year ended March 2024 is scheduled to be resolved using capital surplus as the dividend resource at the Board of Directors meeting on May 28, 2024.
3. For details on the expected dividend amount for the fiscal year ending March 2025, please refer to page 5 of the attached document, "1. Overview of Operating Results, etc. (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years."

3. Earnings Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	15,000	51.2	2,300	366.7	1,200	-	1,100	-	700	-	46.72

Notes:EBITDA is calculated as 'Operating profit + Depreciation + Amortization of goodwill'

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For further information, please refer to "3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policy)" and "3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Estimates)" in page 16.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	14,983,000 shares
As of March 31, 2023	14,976,200 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024	23 shares
As of March 31, 2023	23 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended March 31, 2024	14,978,841 shares
Fiscal year ended March 31, 2023	14,946,428 shares

Reference: Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Net profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	2,088	(54.5)	(375)	-	(154)	-	(144)	-
March 31, 2023	4,595	6.8	(88)	-	(327)	-	802	21.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	(9.64)	-
March 31, 2023	53.67	52.90

Notes: The diluted net income per share for the fiscal year ended March 2024 is not provided, as there is a net loss per share despite the existence of potential shares

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
Fiscal year ended	Million yen	Million yen	%	Yen
March 31, 2024	12,974	4,590	35.4	306.35
March 31, 2023	16,215	8,319	51.3	555.51

Reference: Equity

As of March 31, 2024: 4,590 million yen

As of March 31, 2023: 8,319 million yen

*Summary of financial results reports are exempt from the audit conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters:

1．The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For notes on using earnings projections and assumptions for premises thereof, please refer to “(4) Future outlook” under the “1. Overview of Financial Results ” section on page 5.

2．On May 14, we held a "Business Briefing for the Fiscal Year Ended March 2024 to the Fiscal Year Ending March 2025" for institutional investors and securities analysts, which is available on our website. While we will not hold a briefing based on this financial results report, we will separately disclose the presentation materials today

Table of Contents of Attached Material

1.Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations for the Fiscal Year Ended March 31, 2024

For the current consolidated fiscal year, our business performance was as follows: sales amounted to 9,920,106 thousand yen (an increase of 45.1% year-on-year), operating loss was 699,745 thousand yen (compared to an operating profit of 111,683 thousand yen in the previous consolidated fiscal year), ordinary loss was 790,919 thousand yen (compared to an ordinary loss of 207,709 thousand yen in the previous consolidated fiscal year), and net loss attributable to owners of the parent was 1,180,874 thousand yen (compared to a net profit of 726,380 thousand yen in the previous consolidated fiscal year). Additionally, EBITDA (operating profit + depreciation + amortization of goodwill), which is a key indicator of continuous growth for our group, was 492,857 thousand yen (a decrease of 51.7% year-on-year).

The increase in sales was primarily due to the synergistic effects between livedoor Co., Ltd., which became a subsidiary on December 28, 2022 (deemed acquisition date: December 31, 2022), and our existing business assets, as well as the consolidated contribution of FromOne, Inc., which became a wholly-owned subsidiary on September 1, 2023 (and subsequently merged with CWS Brains, Ltd., which became a wholly-owned subsidiary on March 31, 2023, on November 1, 2023, changing its name to SEESAW GAME, Inc). Additionally, resolving the cannibalization issues between our affiliate sites, which was a challenge in the previous fiscal year, led to higher-than-expected performance-based advertising revenue, resulting in a record high sales.

On the profitability front, while cost reductions through post-merger integration (PMI) of the livedoor business in the media business progressed more than initially planned, factors such as the slower-than-expected recovery in network advertising unit prices and delays in acquiring some information solutions, combined with proactive upfront investments aimed at accelerating revenue diversification away from dependence on advertising revenue as outlined in our mid-term plan, led to an overall pressure on period profits.

Also, based on the "Accounting Standards for Financial Instruments," we conducted evaluations for a portion of the minority investments aimed at acquiring future synergy with our businesses, including MINKABU Web3 Wallet, Inc., which we acquired as a subsidiary in May 2022, resulting in impairment losses and evaluation losses on investment securities being recognized.

Furthermore, as part of our strategic organizational restructuring for efficient group operations, we transferred our media business to livedoor Co., Ltd.. as of April 1, 2023, and our solution business to MINKABU SOLUTION SERVICES, Inc as of July 1, 2023, through company splits. This transition aimed to enhance the agility of business strategy implementation, with each business unit operating independently under a management structure that oversees these operations.

In addition, to strengthen our media business foundation, particularly in the sports domain, we made FromOne, Inc., which operates web, publishing, and video businesses, a wholly-owned subsidiary as of September 1, 2023. With these developments, the monthly user base of our group’s media business has reached approximately 100 million. FromOne, Inc.. was also merged with CWS Brains, Ltd. on November 1, 2023, and its name was changed to SEESAW GAME, Inc, to accelerate business growth through the consolidation and synergy of sports information media.

Moreover, starting from this consolidated fiscal year, revenue from the “Kabutan” business has been integrated into the solution business to strengthen its linkage with the solution business, and revenues from the premium paid service “Kabutan Premium” have also been transferred from the media business to the solution business segment. The comparison and analysis for this fiscal period have been made based on the revised segments.

Lastly, we established a new wholly-owned subsidiary, Contents Monster, Inc., as of April 1, 2024, to promote content businesses aimed at enhancing the value of group media assets.

The business performance by reportable segment is as follows:

(Media Business)

The media business, with the newly integrated livedoor business at its core, operates a comprehensive internet media business with a monthly average of 100 million unique users. This includes UGC (User Generated Content) media centered around “livedoor Blog,” PGC (Professional Generated Content) media centered around “livedoor News,” sports information media such as “Ultra WORLD Soccer!,” “SOCCERKING,” “BASEBALLKING,” “BASKETBALLKING,” “totoONE,” asset formation information media “MINKABU,” women-targeted information media “Peachy,” Korean wave information media “Kstyle,” and lifestyle information sites “MINKABU Choice” and “livedoor Choice.” Revenues are generated from advertising sales through these media operations, subscription sales from paid services, and business sales from content creation contracts and event operations.

In the current consolidated fiscal year, substantial revenue growth was achieved due to resolving the cannibalization issue between our affiliate sites, steady growth in subscription revenue, and the consolidated contribution of livedoor and SEESAW GAME businesses. Although there is a recovery trend in network advertising unit prices, the pace of recovery is below our expectations, hindered profit recovery. However, a continuous improvement trend since the second quarter has been observed. Measures such as transferring some competing affiliate sites to “livedoor Choice” and leveraging our group media, including “Kabutan ,” have been implemented to address the cannibalization issue, achieving recovery levels above plan. The favorable traffic trend of “MINKABU” is driven by growing interest in investment information among asset formation segments, supported by the start of new NISA.

The media business focuses on leveraging synergies between PGC and UGC media, utilizing generative AI, and promoting new integrated apps with high ARPU (Average Revenue Per User) compared to the web. Additionally, proactive initiatives to monetize the 100 million user base connections, which were advanced ahead of schedule in the current fiscal year, are being actively pursued to expand business scope and diversify revenue sources. Our group’s specialized media already has diverse user needs that are being monetized through various service developments. In November 2023, the mobile service “livedoor Mobile” under the MVNO (Mobile Virtual Network Operator) scheme was launched, and in March 2024, the EC service “livedoor Shopping” and the digital financial service “livedoor Bank” under the bank agency scheme were started. These initiatives are part of our revenue diversification strategy to build a robust business model not dependent on financial and advertising markets, which is a pillar of our mid-term plan. Although these upfront investment costs and delayed recovery in the advertising market have pressured this fiscal period’s profits, these diversification strategies are expected to contribute early to achieving high growth as outlined in our mid-term plan, through further cost reductions and increased advertising revenue from ongoing PMI progress.

As a result, sales for the current consolidated fiscal year were 5,877,941 thousand yen (an increase of 132.7% year-on-year), with a segment loss of 706,814 thousand yen (compared to a segment profit of 160,818 thousand yen in the previous consolidated fiscal year). Note that the management fees, etc., paid to our company amounting to 470,799 thousand yen are included in the above sales of 5,877,941 thousand yen and segment loss of 706,814 thousand yen. Thus, sales before the management fee deduction are 6,348,741 thousand yen (an increase of 151.4% year-on-year) and segment loss is 236,014 thousand yen.

(Solution Business)
The solution business provides various information solution services, including AI-generated content using know-how from operating financial information media and cloud input data processed from collected site data, to financial institutions. Additionally, SI and package-based solution services utilizing our know-how and business assets are offered to our clients, mainly financial institutions. The information solution services generate revenue primarily from initial installation and monthly usage fees as ASP services, while the SI and package-based solution services generate revenue from consulting, initial installation, and subsequent maintenance fees. The solution business also operates the stock information media “Kabutan,” earning subscription revenue mainly from the paid service “Kabutan Premium.”

In the current consolidated fiscal year, the subscription revenue of “Kabutan Premium,” a personal subscription service, saw significant growth due to a steady increase in paid members. While revenue growth in information solution services from monthly usage fees and price increases contributed positively, some new order opportunities were delayed as securities companies prioritized responding to new NISA and other regulatory changes. Moreover, revenue decreased year-on-year due to the exclusion of Prop Tech plus Inc. from consolidation as of March 30, 2023. For SI and package-based solution services, resource management challenges arose as it is necessary to secure a certain amount of human resources to respond promptly to customer needs, which temporarily pressured profits in the first half of the consolidated fiscal year. To address these challenges, we promoted a shift to package-based solution services led by our company, which is relatively easier to manage costs, and reset hurdle rates to better prioritize between outsourced development and our own package development. These measures have already improved profitability by implementing price increases for existing contracted projects, which have been accepted by our customers.

Additionally, MINKABU ASSET PARTNERS, Inc. a group company, completed registration for investment advisory and agency business (Kanto Local Finance Bureau Director (Kinsho) No. 3402) on December 26, 2023, and plans to start providing exclusive online investment advisory services to individual investors through securities companies, covering stocks, mutual funds, financial derivatives (stock futures, FX, cryptocurrencies, etc.).

As a result, sales for the current consolidated fiscal year were 3,493,846 thousand yen (a decrease of 19.7% year-on-year), and segment profit was 138,462 thousand yen (a decrease of 82.4% year-on-year). Since July 1, 2023, our group has transitioned to a business promotion structure where the media and solution businesses are primarily operated by their respective business operating companies to enhance agility in promoting group business strategies. Therefore, the above sales of 3,493,846 thousand yen and segment profit of 138,462 thousand yen include management fees, etc., paid to our company amounting to 289,539 thousand yen. Accordingly, sales before the deduction of these management fees were 3,783,385 thousand yen (a decrease of 13.1% year-on-year), and segment profit was 428,002 thousand yen (a decrease of 48.4% year-on-year).

(2)Overview of Financial Position as of March 31, 2024

(i) Assets, Liabilities, and Net Assets

(Assets)

Current assets at the end of the current consolidated fiscal period were 4,132,034 thousand yen, a decrease of 2,435,637 thousand yen from the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction in cash and deposits by 2,416,208 thousand yen and a decrease in advances for office relocation, etc., by 616,501 thousand yen.

Fixed assets were 10,706,829 thousand yen, an increase of 739,615 thousand yen from the end of the previous consolidated fiscal year. Tangible fixed assets increased by 727,187 thousand yen due to office relocations and expansions. Intangible fixed assets decreased by 235,403 thousand yen due to impairment of software assets related to MINKABU Web3 Wallet Inc. Meanwhile, investment and other assets increased by 247,831 thousand yen due to a decrease in investment securities from recording impairment losses on minority shareholdings, and increases in deposits for office relocations and expansion, as well as deferred tax assets.

As a result, total assets amounted to 14,838,864 thousand yen, a decrease of 1,696,021 thousand yen from 16,534,886 thousand yen at the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the current consolidated fiscal period were 2,734,164 thousand yen, an increase of 807,689 thousand yen from the end of the previous consolidated fiscal year. This increase was mainly due to an increase in short-term borrowings by 408,000 thousand yen and an increase in long-term borrowings repayable within one year by 367,572 thousand yen.

Fixed liabilities were 5,919,846 thousand yen, a decrease of 832,653 thousand yen from the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction in long-term borrowings by 1,112,500 thousand yen due to scheduled repayments and reclassification to current assets, an increase in asset retirement obligations by 114,409 thousand yen, and an increase in deferred tax liabilities by 165,437 thousand yen.

As a result, total liabilities amounted to 8,654,011 thousand yen, a decrease of 24,963 thousand yen from 8,678,974 thousand yen at the end of the previous consolidated fiscal year.

(Net Assets)

Total net assets at the end of the current consolidated fiscal period were 6,184,853 thousand yen, a decrease of 1,671,058 thousand yen from 7,855,911 thousand yen at the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction in capital surplus by 387,525 thousand yen due to ordinary dividend payments, and a reduction in retained earnings by 1,180,874 thousand yen.

As a result, the equity ratio was 41.6% (compared to 47.0% at the end of the previous consolidated fiscal year).

(3) Overview of Cash Flow for the Fiscal Year ended March 31, 2024

The balance of cash and cash equivalents at the end of the current consolidated fiscal year decreased by 2,416,208 thousand yen from the end of the previous consolidated fiscal year to 2,047,745 thousand yen. The status and factors of each cash flow in the current consolidated fiscal year are as follows:

Cash Flows from Operating Activities

Cash flows from operating activities were 91,018 thousand yen (compared to 772,229 thousand yen in the previous fiscal year). This was mainly due to a pre-tax net loss of 1,189,259 thousand yen, depreciation expenses primarily associated with growth investments totaling 910,375 thousand yen, goodwill amortization of 282,227 thousand yen, impairment loss of 243,965 thousand yen, securities valuation losses of 168,852 thousand yen, and a decrease in other current assets of 150,246 thousand yen, offset by an increase in accounts receivable of 226,147 thousand yen, interest payments of 60,779 thousand yen, and corporate tax payments of 148,002 thousand yen.

Cash Flows from Investing Activities

Cash flows from investing activities were expenditures of 1,684,902 thousand yen (compared to expenditures of 5,370,270 thousand yen in the previous fiscal year). This was primarily due to expenditures of 759,242 thousand yen for the acquisition of intangible fixed assets centered on software development investments, expenditures of 482,974 thousand yen for the purchase of tangible fixed assets associated with office relocations and expansions, and expenditures of 458,172 thousand yen for the acquisition of subsidiary shares resulting in changes in the scope of consolidation for. SyncroLife, Inc and FromOne, Inc.

Cash Flows from Financing Activities

Cash flows from financing activities were expenditures of 822,324 thousand yen (compared to receipts of 5,535,830 thousand yen in the previous fiscal year). This was mainly due to expenditures of 744,928 thousand yen for repayments of long-term borrowings and dividend payments of 389,024 thousand yen, offset by a net increase in short-term borrowings of 308,000 thousand yen.

(4) Future Outlook

Currently, our group perceives significant growth opportunities for the Next Step, utilizing group business assets. Despite a weaker outlook for existing business sales due to external factors in the fiscal year ending March 2024, we have proactively advanced investments for growth opportunities, including the diversification of revenue into mobile, e-commerce, and banking sectors, creating achievements in the content field for further monetization of customer touchpoints, and entering financial services like investment advisory and financial product brokerage with our solution business assets packaged for new business opportunities with financial institutions. These initiatives have enabled us to achieve revenue diversification results over a year ahead of schedule.

For the fiscal year ending March 2025, we anticipate substantial growth in consolidated sales, expecting a 51% increase to 15 billion yen, driven by both the sustained growth of existing businesses in the media and solution segments and the full-fledged revenue contributions from upfront investment projects. We forecast a significant increase in consolidated operating profit to 1,200 million yen, consolidated ordinary profit to 1,100 million yen, net profit attributable to owners of the parent to 700 million yen, and EBITDA to 2,300 million yen compared to the fiscal year ending March 2024. Given that major new revenue opportunities from upfront investments will concentrate in the second half of the fiscal year, resulting in fixed costs leading to losses in the first quarter, we also anticipate a back-end loaded profit structure in the fiscal year ending March 2025.

Media Business

For existing businesses, we do not incorporate a scenario for a full recovery in advertising markets based on current business environment conditions and recognize the need to address and consider the impact of moving towards a cookie-less world. On the other hand, we expect revenue growth of approximately 900 million yen (a 16% increase year-on-year) through initiatives such as actively utilizing generative AI for new services and content development, and revenue expansion measures by enhancing the value of diverse genres of creators on Livedoor Blog.

For new businesses, we anticipate revenue growth of approximately 2.5 billion yen from monetizing new engines like mobile, e-commerce, and financial services, which were materialized ahead of schedule through upfront investments in the current consolidated fiscal year. We also expect substantial revenue growth from large-scale event operations cultivated through upfront investments, managed by the newly established Contents Monster, Inc.., contributing to the growth of related income such as supporter passes.

Solution Business

For existing businesses, we expect revenue growth of approximately 900 million yen (a 25% increase year-on-year) driven by continued demand for DX from the new customer base established in SI and package-based solutions, needs for U.S. stock information in information solutions, and the increase in premium service subscribers and price revisions for "Kabutan."

For new businesses, we anticipate revenue growth of approximately 600 million yen from the monetization of workplace-focused asset formation support services "MINKABU ACADEMY," financial and asset formation education services, and online advisory services by MINKABU ASSET PARTNERS, Inc., as well as the launch of a new coupon (reward) distribution platform service utilizing Web3 technology.

In the initial fiscal year of our mid-term plan, under challenging external business conditions, we have driven transformation, rationalization, and value creation through revenue diversification initiatives and PMI. For the fiscal year ending March 2025, we aim to realize these initiatives' early results and catch up to our mid-term plan.

(5) Basic Policy of Earnings Distribution and Dividends of Current and Next Fiscal Year

Recognizing that we are still in a growth phase, our policy prioritizes enhancing retained earnings and making proactive growth investments using these retained earnings to boost sales growth. We also aim to balance growth and shareholder returns by implementing stable dividends as one of our shareholder return measures. Given the potential for profit growth in future periods due to upfront investments for growth opportunities, we expect to distribute an ordinary dividend of 26 yen per share for the current consolidated fiscal year. The dividend for the next fiscal year (fiscal year ending March 2025) will be determined based on business performance trends and investment progress, but we currently plan to continue the ordinary dividend of 26 yen per share.

2. Basic Approach to Selection of Accounting Standards

Many of our stakeholders, such as shareholders, creditors, and business partners, are based in Japan, and the majority of our group's operations are conducted within Japan. Therefore, we apply Japanese accounting standards. Regarding the adoption of International Financial Reporting Standards (IFRS), we plan to appropriately respond based on future business developments and trends both domestically and internationally.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
ASSETS		
Current Assets:		
Cash and deposit	4,463,954	2,047,745
Account receivables	1,247,809	1,596,775
Merchandise	-	517
Work in process	10,928	34,226
Supplies	6,154	13,818
Others	845,064	448,809
Allowance for doubtful accounts	(6,238)	(9,858)
Total current assets	6,567,652	4,132,034
Non-current Assets:		
Property, plant and equipment		
Buildings	-	60,780
Accumulated depreciation	-	(42,502)
Buildings(net amount)	-	18,278
Building fixtures	30,322	409,898
Accumulated depreciation	(12,043)	(46,694)
Building fixtures(net amount)	18,278	363,204
Structures	-	247,754
Accumulated depreciation	-	(69,918)
Structures(net amount)	-	177,836
Tools, furniture, and fixtures	212,382	480,625
Accumulated depreciation	(141,975)	(221,075)
Tools, furniture, and fixtures(net amount)	70,407	259,550
Vehicles	9,251	9,251
Accumulated depreciation	(256)	(3,252)
Vehicles(net amount)	8,994	5,999
Lease assets	-	9,520
Accumulated depreciation	-	(9,520)
Total tangible fixed assets	97,680	824,868
Intangible assets:		
Goodwill	3,564,368	3,497,481
Clients asset	3,382,999	3,138,453
Technology assets	56,461	45,275
Software	1,581,490	1,389,456
Software in progress	209,350	476,008
Others	29,901	42,491
Total intangible assets	8,824,570	8,589,166
Investments and other assets:		
Investments securities	773,591	560,518
Guarantee deposits	129,949	410,879
Deferred tax assets	136,743	289,647
Others	9,299	36,370
Allowance for doubtful accounts	(4,621)	(4,621)
Total investment and other assets	1,044,962	1,292,794
Total fixed assets	9,967,214	10,706,829
Total assets	16,534,886	14,838,864

Note: Amounts are rounded down to the nearest thousand yen.

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
LIABILITIES		
Current liabilities:		
Accounts payables	290,163	298,504
Short-term borrowings	200,000	608,000
Current portion of long-term borrowings	567,428	935,000
Income tax payable	186,088	64,331
Other allowances	27,891	51,134
Others	654,904	777,194
Total current liabilities	1,926,474	2,734,164
Non-current liabilities:		
Long-term borrowings	6,752,500	5,640,000
Asset Retirement Obligation	-	114,409
Others	-	165,437
Total non-current liabilities	6,752,500	5,919,846
Total liabilities	8,678,974	8,654,011
NET ASSETS		
Shareholders' equity		
Share capital	3,533,120	3,534,975
Capital surplus	4,194,160	3,806,635
Retained earnings	(18,653)	(1,199,528)
Treasury share	(93)	(93)
Total shareholders' equity	7,708,533	6,141,988
Accumulated other comprehensive income (loss):		
Valuation difference on available-for-sale securities	55,860	28,202
Total accumulated other comprehensive income (loss)	55,860	28,202
Non-controlling interests	91,518	14,662
Total net assets	7,855,911	6,184,853
Total liabilities and net assets	16,534,886	14,838,864

Note: Amounts are rounded down to the nearest thousand yen.

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	From April 1, 2022 to March 31, 2023	From April 1, 2023 to May 31, 2024
Net Sales	6,836,274	9,920,106
Cost of Sales	4,204,271	5,715,734
Gross Profit	2,632,003	4,204,371
Selling, general and administrative expenses	2,520,319	4,904,116
Operating profit	111,683	(699,745)
Non-operating income		
Interest income	53	627
Dividend income	6,190	4,810
Reversal of allowance for doubtful accounts	1,787	1,697
Others	2,920	4,004
Total non-operating income	10,952	11,139
Non-operating expenses		
Interest expense	25,318	61,682
Guarantee commission	4,019	1,849
Commission fee	-	14,126
Financing expenses	207,417	833
Acquisition-related cost	85,975	7,386
Investment partnership management loss	-	9,514
Foreign exchange losses	370	2,530
Others	7,243	4,391
Total non-operating expenses	330,344	102,313
Ordinary profit	(207,709)	(790,919)
Extraordinary Profit		
Gain on Sale of Fixed Assets	10,187	295
Gain on Sale of Investment Securities	2,746	1,038
Gain on Sale of Subsidiary Stock	1,935,623	-
Gain on Negative Goodwill	-	16,197
Total extraordinary profit	1,948,557	17,531
Extraordinary Losses		
Settlement Payment	28,000	-
Loss on retirement of non-current assets	88	3,053
Investment securities valuation loss	216,360	168,852
Impairment loss	250,385	243,965
Total extraordinary losses	494,834	415,872
Profit before income taxes	1,246,013	(1,189,259)
Income taxes (Corporate, residential, enterprise taxes)	358,514	35,607
Deferred income taxes	148,369	32,862
Total income taxes	506,883	68,470
Net profit	739,129	(1,257,729)
Profit attributable to non-controlling interests	12,749	(76,855)
Net profit attributable to owners of the parent company	726,380	(1,180,874)

Note: Amounts are rounded down to the nearest thousand yen.

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Profit	739,129	(1,257,729)
Other comprehensive income		
Valuation difference on available-for-sale securities	16,018	(27,657)
Total other comprehensive income	16,018	(27,657)
Comprehensive income	755,148	(1,285,387)
Comprehensive income attributable to;		
Owners of parent	742,399	(1,208,532)
Non-controlling interests	12,749	(76,855)

Note: Amounts are rounded down to the nearest thousand yen.

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	3,514,020	4,533,849	(745,034)	(93)	7,302,741
Changes during period					
Issuance of new shares	19,100	19,100			38,200
Dividends of surplus		(357,784)			(357,784)
Profit attributable to owners of parent			726,380		726,380
Change in ownership interest of parent due to transactions with non-controlling interests		(1,003)			(1,003)
Net changes in items other than shareholders' equity					
Total changes during period	19,100	(339,688)	726,380	—	405,792
Balance at end of period	3,533,120	4,194,160	(18,653)	(93)	7,708,533

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	39,841	39,841	100,922	7,443,504
Changes during period				
Issuance of new shares				38,200
Dividends of surplus				(357,784)
Profit attributable to owners of parent				726,380
Change in ownership interest of parent due to transactions with non-controlling interests				(1,003)
Net changes in items other than shareholders' equity	16,018	16,018	(9,404)	6,614
Total changes during period	16,018	16,018	(9,404)	412,407
Balance at end of period	55,860	55,860	91,518	7,855,911

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	3,533,120	4,194,160	(18,653)	(93)	7,708,533
Changes during period					
Issuance of new shares	1,855	1,855			3,710
Dividends of surplus		(389,380)			(389,380)
Profit attributable to owners of parent			(1,180,874)		(1,180,874)
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	1,855	(387,525)	(1,180,874)	―	(1,566,545)
Balance at end of period	3,534,975	3,806,635	(1,199,528)	(93)	6,141,988

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	55,860	55,860	91,518	7,855,911
Changes during period				
Issuance of new shares				3,710
Dividends of surplus				(389,380)
Profit attributable to owners of parent				(1,180,874)
Change in ownership interest of parent due to transactions with non-controlling interests				
Net changes in items other than shareholders' equity	(27,657)	(27,657)	(76,855)	(104,513)
Total changes during period	(27,657)	(27,657)	(76,855)	(1,671,058)
Balance at end of period	28,202	28,202	14,662	6,184,853

(4) Consolidated Statement of Cash Flows

	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,246,013	(1,189,259)
Depreciation	760,302	910,375
Impairment losses	250,385	243,965
Amortization of goodwill	147,434	282,227
Gain on bargain purchase	—	(16,197)
Increase in allowance for doubtful accounts	1,512	1,319
Increase in other provisions	7,171	17,645
Interest and dividend income	(6,243)	(5,437)
Interest expense	25,318	61,682
Share issuance costs	604	81
Financing expenses	207,417	—
Settlement paid	28,000	—
Gain on sale of non-current assets	(10,098)	2,758
Gain on sale of securities	(2,746)	(1,038)
Gain on valuation of marketable securities	216,360	168,852
Gain on sale of subsidiary’s stock	(1,935,623)	—
Increase (decrease) in trade receivables	733,395	(226,147)
Increase in inventories	(14,480)	(30,866)
Increase in other current assets	(679,688)	150,246
Increase in trade payables	(198,749)	(29,071)
Increase in other current liabilities	272,176	(41,634)
Increase in security deposits	—	(6,674)
Others	8,524	1,534
Subtotal	1,056,983	294,362
Interest and dividends received	6,243	5,437
Interest paid	(24,360)	(60,779)
Income taxes paid	(238,637)	(148,002)
Settlement paid	(28,000)	—
Cash flows from operating activities	772,229	91,018
Cash flows from investing activities		
Purchase of property, plant and equipment	(63,928)	(482,974)
Purchase of intangible assets	(1,050,024)	(759,242)
Proceeds from the sale of intangible assets	21,600	300
Expenditures for Fulfilling Asset Retirement Obligations	—	(6,500)
Purchase of investment securities	(50,000)	(20,000)
Proceeds from sale of investment securities	187,400	25,584
Payments of leasehold and guarantee deposits	(199)	(87,450)
Proceeds from refund of leasehold deposits	165	103,551
Paid from the purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,457,921)	(458,172)
Proceeds from the purchase of shares of subsidiaries resulting in change in scope of consolidation	10,000	—
Proceeds from the sale of shares of subsidiaries resulting in change in scope of consolidation	3,032,637	—
Cash flows from investing activities	(5,370,270)	(1,684,902)

	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing	200,000	308,000
Proceeds from long-term borrowing	8,222,582	—
Repayments of long-term borrowings	(2,566,091)	(744,928)
Proceeds from issuance of shares	37,595	3,628
Dividends paid	(357,253)	(389,024)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,003)	—
Cash flows from financing activities	5,535,830	(822,324)
Net increase in cash and cash equivalents	937,788	(2,416,208)
Cash and cash equivalents at beginning of period	3,526,165	4,463,954
Cash and cash equivalents at end of period	4,463,954	2,047,745

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Changes in major subsidiaries during the period)

Not applicable.

Although there are no significant changes in subsidiaries, the following changes occurred:

In the first quarter of the consolidated fiscal year, SyncroLife, Inc. and MINKABU SOLUTION SERVICES, Inc. were newly included in the scope of consolidation. SyncroLife, Inc. became a subsidiary through a stock acquisition by our wholly-owned subsidiary, livedoor Co., Ltd.. MINKABU SOLUTION SERVICES, Inc. was newly established as a wholly-owned subsidiary of our company. Additionally, ALIS Inc., which was a consolidated subsidiary, was excluded from the scope of consolidation due to its absorption merger with., livedoor Co., Ltd., which survived the merger.

In the second quarter of the consolidated fiscal year, FromOne Inc., which became a wholly-owned subsidiary through a stock acquisition, was included in the scope of consolidation. On the other hand, SyncroLife, Inc., which was included in the scope of consolidation from the first quarter, was excluded from the scope of consolidation due to its absorption merger with. livedoor Co., Ltd., which survived the merger.

In the third quarter of the consolidated fiscal year, Robot Fund Co., Ltd.., which was a wholly-owned subsidiary of MINKABU SOLUTION SERVICES, Inc., was excluded from the scope of consolidation due to its absorption merger with MINKABU SOLUTION SERVICES, Inc., which survived the merger. FromOne Inc. was also excluded from the scope of consolidation due to its absorption merger with SEESAW GAME, Inc (formerly CWS Brains, Ltd.), a wholly-owned subsidiary of our company, which survived the merger.

(Changes in Accounting Policies)

None

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

I. For the twelve-months period ended March 31, 2023 (From April 1, 2022 to March 31 ,2023)

1. Dividend payment amount

Resolutions	Type of stock	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 20, 2022	common stock	357,784	24	31 March 2022	June 8, 2022	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

   None

II. For the twelve-months period ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Dividend payment amount

Resolutions	Type of stock	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 30, 2023	common stock	389,380	26	31 March 2023	June 16, 2023	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

   None

(Changes in Accounting Estimates)

None

(Additional Information)
(Establishment of a Subsidiary)
At the Board of Directors meeting held on March 15, 2024, the decision was made to establish the following subsidiary, which was subsequently established on April 1, 2024.

Purpose of Establishment
The Company has established a new subsidiary Contents Monster, Inc,. (hereinafter "the new company"), with the following objectives:
ⅰ)To enhance the content supply capacity aimed at further increasing the media value of our group.
ⅱ)To expand the merchandising business using content as a hook.
ⅲ)To diversify our revenue sources through revenue contributions from the created content itself.
Additionally, all operations related to the provision of "Oshi Pass," which we have been offering, as well as the large-scale K-POP event "Kstyle PARTY," which is scheduled to be held regularly, will be transferred to the new company to further develop these businesses.

2.Overview of the Subsidiary
(1) Trade Name:. Contents Monster, Inc
(2) Head office: 1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
(3) Representatives:
Chairman & CEO: Ken Uryu
President & COO: Jeonghwan Choi
(4) Business Activities:
Membership service (Oshi Pass) business
Various content production, operation, and distribution businesses
(5) Share Capital: 10 million yen
(6) Establishment Date: April 1, 2024
(7) Number of Shares Issued: 100 shares
(8) Ownership of the Company: 100%

(Segment Information, etc)

【Segment Information】

1.Overview of Reportable Segments

(1) Method for Determining Reportable Segments

Our group’s reportable segments are determined based on the available separate financial information of our organizational units. The Board of Directors regularly reviews these units to make decisions regarding the allocation of management resources and to evaluate performance.

Our group’s reportable segments consist of “Media Business” and “Solution Business.” The types of businesses included in each segment are as follows:

(2) Types of Services in Each Reportable Segment

(3) Media Business

The Media Business, centered on the Livedoor business, primarily includes UGC (User Generated Content) media centered on “Livedoor Blog” and PGC (Professional Generated Content) media centered on “Livedoor News.” Additionally, it encompasses specialized media such as sports information media “Ultra WORLD Soccer!”, “SOCCERKING,” “BASEBALLKING,” “BASKETBALLKING,” asset formation information media “MINKABU,” stock information specialist media “Kabutan," women-oriented information media "Peachy," Korean information media "Kstyle," as well as comprehensive media including affiliate sites "MINKABU Choice" and "Livedoor Choice." Revenue from these media sites is generated through advertising sales, subscription fees from paid services, content contract production, and event business sales.

(ii)Solution Business

The Solution Business leverages the expertise gained from operating financial information media to provide a wide range of AI-driven software and fintech solutions processed from cloud input data collected on-site to financial institutions. Additionally, it offers system solutions services utilizing our assets to our customer base, mainly financial companies. For information solutions services, revenue is generated from initial implementation and monthly usage fees as an ASP service. For system solutions services, revenue is derived from consulting, initial implementation, and subsequent maintenance and operation services.

From this consolidated fiscal year, considering the strengthened collaboration with the Solution Business, the assets related to the "Kabutan" business have been reclassified under the Solution Business. Revenue from the paid subscription service "Kabutan Premium" has also been transferred from the Media Business to the Solution Business segment.

2. Calculation Method for Amounts of Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The accounting methods for the reported business segments are generally consistent with those described in "Significant Matters for the Preparation of Consolidated Financial Statements."

Segment profit is based on operating income (after goodwill amortization).

Internal sales between segments are based on third-party transaction prices.

3. Information regarding net sales and operating profit or loss by the reportable segments
For the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media Business	Solution Business	Total		
Net sales					
Advertising	2,420,850	—	2,420,850	—	2,420,850
Subscription	65,919	—	65,919	—	65,919
Media and others	38,662	—	38,662	—	38,662
Recurring revenue	—	3,084,396	3,084,396	—	3,084,396
Initial/one-time revenue	—	1,226,445	1,226,445	—	1,226,445
Revenue from contracts with customers	2,525,432	4,310,841	6,836,274	—	6,836,274
Other revenue	—	—	—	—	—
Net sales to external customers	2,525,432	4,310,841	6,836,274	—	6,836,274
Intersegment net sales and transfer	—	41,284	41,284	(41,284)	—
Total	2,525,432	4,352,126	6,877,559	(41,284)	6,836,274
Segment profit	160,818	829,567	990,386	(878,702)	111,683
Segment assets	9,704,720	2,423,269	12,127,989	4,406,896	16,534,886
Segment liabilities	536,875	639,737	1,176,612	7,502,362	8,678,974
Other items					
Depreciation	240,663	484,172	724,836	35,465	760,302
Amortization of goodwill	48,316	99,118	147,434	—	147,434
Increase in tangible and intangible assets	318,629	763,047	1,081,677	33,971	1,115,648

Notes:
1. Segment profit adjustment of (878,702) thousand yen includes corporate expenses that are not allocated to each reporting segment which are mainly general and administrative expenses that do not belong to the reporting segment.
2. Segment profit is adjusted with operating income (after adjustment of amortization of goodwill) on the consolidated income statement.
3. Segment assets adjustment of 4,406,896 thousand yen mainly consists of company-wide assets and back-office assets which are not allocated to reported segments.
4. Depreciation adjustments mainly relates to company-wide and back-office assets.
5. Adjustment of increase in tangible and intangible assets mainly relates to company-wide and back-office assets.

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media Business	Solution Business	Total		
Net sales					
Advertising	5,189,966	—	5,189,966	—	5,189,966
Subscription	129,300	—	129,300	—	129,300
Media and others	980,129	—	980,129	—	980,129
Recurring revenue	—	2,471,974	2,471,974	—	2,471,974
Initial/one-time revenue	—	1,148,735	1,148,735	—	1,148,735
Revenue from contracts with customers	6,299,396	3,620,709	9,920,106	—	9,920,106
Other revenue	—	—	—	—	—
Net sales to external customers	6,299,396	3,620,709	9,920,106	—	9,920,106
Intersegment net sales and transfer	(421,454)	(126,863)	(548,318)	548,318	—
Total	5,877,941	3,493,846	9,371,787	548,318	9,920,106
Segment profit	(706,814)	138,462	(568,351)	(131,393)	(699,745)
Segment assets	10,685,444	3,484,261	14,169,705	669,158	14,838,864
Segment liabilities	1,885,971	449,752	2,335,723	6,318,287	8,654,011
Other items					
Depreciation	448,724	368,308	817,032	93,342	910,375
Amortization of goodwill	236,073	46,153	282,227	—	282,227
Increase in tangible and intangible assets	375,571	557,412	932,983	409,623	1,342,607

Notes:

1. The adjustment amount of (131,398) thousand yen for segment profit or loss represents corporate revenues and expenses not allocated to the reportable segments. Corporate revenues mainly consist of management fees from each business segment, while corporate expenses primarily consist of general administrative expenses not attributable to the reportable segments. From the second quarter of the consolidated fiscal year, the company has been collecting management fees from group companies. The segment profit or loss of each business segment is stated after deducting these management fees. The management fee included in the segment loss of the Media Business, which amounts to 706,814 thousand yen, is 470,799 thousand yen. The segment loss before deducting this fee is 236,014 thousand yen. The management fee included in the segment profit of the Solution Business, which amounts to 138,462 thousand yen, is 289,539 thousand yen. The segment profit before deducting this fee is 428,002 thousand yen.
2. Segment profit or loss is adjusted to the operating loss (after goodwill amortization) in the quarterly consolidated statements of income.
3. The adjustment amount of 669,158 thousand yen for segment assets mainly pertains to assets related to the corporate and administrative departments.
4. The adjustment amount for depreciation expense mainly pertains to assets related to the corporate and administrative departments.
5. The adjustment amount for the increase in tangible and intangible fixed assets mainly pertains to the increase in assets related to the corporate and administrative departments.

[Information of impairment loss on fixed assets by reporting segment]

For the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(thousand yen)

	Media business	Solution business	Company-wide/Elimination	Amount of consolidated financial statements
Impairment loss	46,699	203,686	-	250,385

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(thousand yen)

	Media business	Solution business	Company-wide/Elimination	Amount of consolidated financial statements
Impairment loss	21,904	222,061	-	243,965

[Information of amortization and unamortized amount of goodwill by reporting segment]

For the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(thousand yen)

	Media business	Solution business	Company-wide/Elimination	Amount of consolidated financial statements
Amortization costs	48,316	99,118	-	147,434
Unamortized amount	3,270,114	294,253	-	3,564,368

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(thousand yen)

	Media business	Solution business	Company-wide/Elimination	Amount of consolidated financial statements
Amortization costs	236,073	46,153	-	282,227
Unamortized amount	3,324,610	172,871	-	3,497,481

[Information of negative goodwill by reporting segment]

For the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

None

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

In the Media Business, on September 1, 2023, our company acquired all issued shares of FromOne Inc. (which merged with CWS Brains, Ltd., our 100% subsidiary, and was renamed SEESAW GAME, Inc on November 1, 2023), resulting in the recognition of a gain on bargain purchase of 16,197 thousand yen.

(Per Share Information)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Net assets per share	518.45 yen	411.81 yen
Basic earnings per share	48.60 yen	(78.84 yen)
Diluted earnings per share	47.90 yen	- yen

Notes 1. For the current consolidated fiscal year, diluted net income per share is not presented because there was a net loss per share despite the existence of potential shares

2.The basis for the calculation of net assets per share is as follows

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Total net assets (thousands of yen)	7,855,911	6,184,853
Amount deducted from total net assets (thousands of yen)	91,518	14,662
(Of which non-controlling interests) (thousands of yen)	(91,518)	(14,662)
Net assets attributable to common stock (thousands of yen)	7,764,393	6,170,190
The number of common stock at end of fiscal year used for the calculation of net assets per share.	14,976,177	14,982,977

3. Earnings per share (EPS) or net loss per share and the basis for their calculation, as well as diluted EPS and the basis for their calculation, are as follows

	Fiscal year ended March 31, 2023 (From April 1, 2025 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Basic earnings per share		
Net income attributable to owners of parents (thousands of yen)	726,380	(1,180,874)
Amount not attributable to common shareholders (thousands of yen)	-	-
Net income attributable to owners of parents' common stock (thousands of yen)	726,380	(1,180,874)
Average number of common stock during the fiscal year (shares)	14,946,372	14,978,841
Diluted earnings per share		
Net income attributable to owners of parents' adjustment (thousands of yen)	-	-
Increase in number of common shares (shares)	219,305	-
(Of which subscription rights to shares)	(219,305)	-
Summary of diluted shares not included in the calculation of diluted earnings per share as it does not have dilutive effect.	-	-

(Significant Subsequent Events)
(Reduction of Capital and Capital Reserve)
At the Board of Directors meeting held on May 14, 2024, the decision was made to submit a proposal for the reduction of capital and capital reserve at the Annual General Meeting of Shareholders scheduled for June 28, 2024.

1.Purpose of Reducing Capital and Capital Reserve
The purpose of reducing capital and capital reserve is to prepare for flexible and agile capital policies in the future.

2.Method of Reducing the Amount of Capital
(1) Amount of Capital to be Reduced
The company will reduce its capital by 3,214,975,000 yen.
(2) Method of Reducing Capital
Based on the provisions of Article 447, Paragraph 1 of the Companies Act, the amount of capital will be reduced as mentioned above, and the entire amount of the reduced capital will be transferred to other capital surplus.
3.Method of Reducing the Amount of Capital Reserve
(1) Amount of Capital Reserve to be Reduced
The company will reduce its capital reserve by 2,654,975,000 yen.
(2) Method of Reducing Capital Reserve
Based on the provisions of Article 448, Paragraph 1 of the Companies Act, the amount of capital reserve will be reduced as mentioned above, and the entire amount of the reduced capital reserve will be transferred to other capital surplus.
4.Schedule
(1) Board of Directors resolution date: May 14, 2024
(2) Public notice of creditor objection: May 27, 2024 (scheduled)
(3) Final date for creditor objections: June 27, 2024 (scheduled)
(4) Shareholders' meeting resolution date: June 28, 2024 (scheduled)
(5) Effective date of capital reduction: June 28, 2024 (scheduled)

5.Future Outlook
This matter involves a transfer of capital and capital reserve in the net assets section of the balance sheet to other capital surplus. There will be no change in the total amount of net assets, and it will not affect the company’s performance. The above contents are subject to approval and resolution at the 18th Annual General Meeting of Shareholders scheduled to be held on June 28, 2024.

(Business Combinations)
(Business Combination through Acquisition)
1. SyncroLife, Inc
livedoor Co., Ltd.. (hereinafter "Livedoor"), a 100% subsidiary of our company, entered into an agreement on March 21, 2023, to acquire all shares of SyncroLife, Inc. (hereinafter "SynchroLife"), a company spun off from GINKAN Inc. (headquarters: Chiyoda-ku, Tokyo, President & CEO: Tomomi Kamiya), which operates the Web3 gourmet app business. Livedoor acquired all issued shares of SynchroLife on April 1, 2023, making it a wholly-owned subsidiary. Livedoor and SynchroLife subsequently merged on August 1, 2023, with Livedoor as the surviving company.
(1) Overview of the Business Combination
① Name and Business of Acquired Company

Name:. SyncroLife, Inc
Business: Planning, development, and operation of smartphone applications
② Main Reason for the Business Combination
As part of our group's media strategy, the acquisition aims to expand specialized media services in the gourmet information field, provide new customer experiences, and offer high value-added services such as improving user loyalty.
③ Business Combination Date: April 1, 2023
④ Legal Form of the Business Combination: Stock acquisition for cash
⑤ Name of the Company after the Business Combination: No change
⑥ Percentage of Voting Rights Acquired: 100%
⑦ Main Reason for Determining the Acquiring Company: Livedoor acquired the shares for cash consideration.
(2) Period of the Acquired Company's Performance Included in the Consolidated Financial Statements
From April 1, 2023, to March 31, 2024
(3) Acquisition Cost and Breakdown by Type of Consideration

Consideration for the acquisition: Cash 300,000 thousand yen
Acquisition cost: 300,000 thousand yen

(4) Content and Amount of Major Acquisition-related Costs
Fees and commissions to advisors: 12,397 thousand yen

(5) Amount, Cause, Amortization Method, and Amortization Period of Goodwill
① Amount of Goodwill: 290,569 thousand yen

The amount of goodwill was provisionally accounted for in the first quarter and finalized in the second quarter, with no change in the amount.
② Cause: Future excess earning power expected from business development
③ Amortization Method and Period: Straight-line amortization over 8 years
(6) Amount of Assets Acquired and Liabilities Assumed on the Date of the Business Combination and Their Main Breakdown

Current assets:	2,719 thousand yen
Non-current assets:	22,101 thousand yen
Total assets:	24,821 thousand yen
Current liabilities:	15,390 thousand yen
Total liabilities:	15,390 thousand yen

2.FromOne Inc.
On August 10, 2023, the Board of Directors resolved to acquire all shares of FromOne Inc. (hereinafter "FromOne", headquarters: Chuo-ku, Tokyo) from its shareholders, including Dentsu Group Inc. (headquarters: Minato-ku, Tokyo, President & CEO: Hiroshi Igarashi). The acquisition was completed on September 1, 2023, making FromOne a wholly-owned subsidiary. Subsequently, CWS Brains, Ltd. (hereinafter "CWS Brains"), a 100% subsidiary of our company, merged with FromOne on November 1, 2023, with CWS Brains as the surviving company and changed its name to SEESAW GAME, Inc
(1) Overview of the Business Combination
① Name and Business of Acquired Company
Name: FromOne Inc.
Business: Operation of sports information media sites
② Main Reason for the Business Combination
As part of our group's media strategy, the acquisition aims to expand specialized media in the sports field and enhance the revenue base of our media business.
FromOne operates major web media in the domestic soccer information field, such as "SOCCERKING," "BASEBALLKING," and "BASKETBALLKING," with a total of approximately 9 million unique monthly users.
③ Business Combination Date: September 1, 2023
④ Legal Form of the Business Combination: Stock acquisition for cash
⑤ Name of the Company after the Business Combination: No change
⑥ Percentage of Voting Rights Acquired: 100%
⑦ Main Reason for Determining the Acquiring Company: Our company acquired the shares for cash consideration.
(2) Period of the Acquired Company's Performance Included in the Consolidated Financial Statements
From October 1, 2023, to March 31, 2024
(3) Acquisition Cost and Breakdown by Type of Consideration

Consideration for the acquisition: Cash 0 thousand yen
Acquisition cost: 0 thousand yen
Note: Dentsu Group Inc. and our company entered into a separate agreement for our company to acquire Dentsu Group's loan receivable of 880 million yen against FromOne for 300 million yen.

(4) Content and Amount of Major Acquisition-related Costs
Fees and commissions to advisors: 9,886 thousand yen

(5) Amount and Cause of Gain on Bargain Purchase
① Amount of Gain on Bargain Purchase: 16,197 thousand yen

The amount of goodwill was provisionally accounted for in the second quarter and finalized in the third quarter, resulting in a decrease of 7,480 thousand yen from the initially calculated 23,678 thousand yen to 16,197 thousand yen.

② Cause: The fair value of the acquired company's net assets exceeded the acquisition cost at the time of the business combination, and the difference was recognized as gain on bargain purchase.

(6) Amount of Assets Acquired and Liabilities Assumed on the Date of the Business Combination and Their Main Breakdown

Current assets:	209,999 thousand yen
Total assets:	209,999 thousand yen
Current liabilities:	1,225 thousand yen
Total liabilities:	1,225 thousand yen

(7) Estimated Impact on the Consolidated Statements of Income for the Current Fiscal Year Assuming the Business Combination Was Completed at the Beginning of the Consolidated Fiscal Year and the Method of Calculation

The estimated impact on the consolidated statements of income for the current fiscal year is not disclosed due to the difficulty of estimating the amount.

(Finalization of Provisional Accounting Treatment for Business Combination)

CWS Brains, Ltd

The business combination with CWS Brains, Ltd executed on March 31, 2023, was provisionally accounted for in the previous consolidated fiscal year and finalized in the third quarter of this fiscal year, with no change in the amount.

Amount, Cause, Amortization Period, and Amortization Method of Goodwill

(1) Amount of Goodwill: 64,876 thousand yen

(2) Cause: Future excess earning power expected from business development

(3) Amortization Method and Period: Straight-line amortization over 10 years

(Transactions under Common Control)

(Absorption Mergers between Consolidated Subsidiaries)

Merger of livedoor Co., Ltd. and SyncroLife, Inc.

At the Board of Directors meeting held on June 9, 2023, the decision was made to merge SyncroLife, Inc (hereinafter "SynchroLife"), a 100% consolidated subsidiary, with livedoor Co., Ltd.. (hereinafter "Livedoor"), another 100% consolidated subsidiary, with Livedoor as the surviving company. The merger was completed on August 1, 2023.

(1) Overview of the Transaction

① Names and Businesses of the Merged Companies

Surviving Company: livedoor Co., Ltd.
Business: Operation of blog services and news sites
Merged Company: SyncroLife, Inc
Business: Planning, development, and operation of smartphone applications

② Date of Business Combination: August 1, 2023

③ Legal Form of the Business Combination: Absorption-type merger with Livedoor as the surviving company

④ Name of the Company after the Business Combination: livedoor Co., Ltd.

⑤ Other Details of the Transaction

By consolidating the media business provided by SynchroLife into Livedoor, the core media business company in our group, we aim to improve management efficiency, unify resources, and strengthen business activities. Additionally, we intend to maximize the media capabilities of our company to further develop and accelerate Livedoor's gourmet business.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).

2.Merger of MINKABU SOLUTION SERVICES, Inc. and Robot Fund Co., Ltd..

At the Board of Directors meeting held on August 14, 2023, the decision was made to merge MINKABU SOLUTION SERVICES, Inc. (hereinafter "MINKABU SOLUTION SERVICES") and its subsidiary Robot Fund

Co., Ltd.. (hereinafter "Robot Fund") as an integration of wholly-owned subsidiaries. The merger was completed on October 1, 2023, with MINKABU SOLUTION SERVICES as the surviving company.

(1) Overview of the Transaction

① Names and Businesses of the Merged Companies

Surviving Company: MINKABU SOLUTION SERVICES, Inc
Business: Mainly information solutions business and system solutions services business in the financial field
Merged Company:. Robot Fund Co., Ltd.
Business: Providing efficiency and digital solutions for investment trust business for management companies, sales and marketing solutions for investment trusts for securities companies and banks, and providing investment trust and market data

② Date of Business Combination: October 1, 2023

③ Legal Form of the Business Combination: Absorption-type merger with MINKABU SOLUTION SERVICES as the surviving company

④ Name of the Company after the Business Combination: MINKABU SOLUTION SERVICES, Inc

⑤ Other Details of the Transaction

As part of the organizational restructuring of the solution business in our group centered on MINKABU SOLUTION SERVICES, we aim to further integrate the functions of the solution business.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).

3.Merger of CWS Brains, Ltd. and FromOne Inc.

At the Board of Directors meeting held on August 14, 2023, the decision was made to merge CWS Brains, Ltd . (hereinafter "CWS Brains") and FromOne Inc. (hereinafter "FromOne") as an integration of wholly-owned subsidiaries. The merger was completed on November 1, 2023, with CWS Brains, renamed to SEESAW GAME, Inc, as the surviving company.

(1) Overview of the Transaction

① Names and Businesses of the Merged Companies

Surviving Company: SEESAW GAME, Inc
Business: Operation of sports information media sites
Merged Company: FromOne Inc.
Business: Operation of sports information media sites

② Date of Business Combination: November 1, 2023

③ Legal Form of the Business Combination: Absorption-type merger with SEESAW GAME as the surviving company

④ Name of the Company after the Business Combination: SEESAW GAME, Inc

⑤ Other Details of the Transaction

By consolidating the web business, publishing business, and video business provided by FromOne into SEESAW GAME, the sports media business in our group, we aim to expand specialized media in the sports field and enhance the revenue base of the media business. This will increase the synergy effects of our group's media business and strengthen the revenue base.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).

(Business Succession to Consolidated Subsidiaries)

At the Board of Directors meeting held on February 14, 2023, the decision was made to transfer the media business and solution business of our company to livedoor Co., Ltd.. (hereinafter "Livedoor"), a 100% consolidated subsidiary, and MINKABU SOLUTION SERVICES, Inc. (hereinafter " MINKABU SOLUTION SERVICES "), another 100% consolidated subsidiary, respectively, through an absorption-type company split. The media business was transferred on April 1, 2023, and the solution business on July 1, 2023.

1.Succession of the Media Business

(1) Overview of the Transaction

① Name and Business of the Transferred Business

Business name: Media Business of our company

Business content: Mainly impression-guaranteed advertising and performance-based advertising business in the financial field

② Date of Business Combination: April 1, 2023

③ Legal Form of the Business Combination: Company split with our company as the splitting company and Livedoor (our consolidated subsidiary) as the succeeding company

④ Name of the Company after the Business Combination: livedoor Co., Ltd.. (our consolidated subsidiary)

⑤ Other Details of the Transaction

By consolidating the media business provided by our company into Livedoor, the core media business company in our group, we aim to build a business structure capable of flexible resource allocation and operational efficiency in response to changes in the market environment surrounding the media business, enhancing agility in promoting group business strategies.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).

2.Succession of the Solution Business

(1) Overview of the Transaction

① Name and Business of the Transferred Business

Business name: Solution Business of our company

Business content: Mainly information solutions business and SI/package solutions services business in the financial field

② Date of Business Combination: July 1, 2023

③ Legal Form of the Business Combination: Company split with our company as the splitting company and MINKABU SOLUTION SERVICES (our consolidated subsidiary) as the succeeding company

④ Name of the Company after the Business Combination: MINKABU SOLUTION SERVICES, Inc. (our consolidated subsidiary)

⑤ Other Details of the Transaction

In the solution business provided by our company, the primary growth strategy going forward will be positioned as a deepening strategy, aiming for further evolution of information solutions services and SI/package solutions services, as well as the expansion of new financial information solutions contributing to the expansion of the asset formation segment. The goal is to build a business structure capable of promoting this strategy dynamically.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).