TRANSLATION, For Your Reference Purpose Only

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To Shareholders with Voting Rights:

INTERNET DISCLOSURE
RELATED TO THE NOTICE OF
THE 18TH ANNUAL GENE\RAL SHAREHOLDERS' MEETING

* Independent Auditor's Report and Audit Report are provided only in Japanese.

MINKABU THE INFONOID, Inc.

Assets and profit and loss

(1) Status of the Group's Asset and Profit and Loss

		15th fiscal years For the fiscal year ended 2021	16th Fiscal years For the fiscal year ended 2022	17th Fiscal years For the fiscal year ended 2023	18th Fiscal years (this fiscal year) For the fiscal year ended 2024
Sales	(Thousand yen)	4,158,862	5,482,410	6,836,274	9,920,106
Ordinary income / Ordinary loss	(Thousand yen)	734,276	828,614	(207,709)	(790,919)
Net income attributable to owners of the parent	(Thousand yen)	564,497	696,004	726,380	(1,180,874)
Net income per share	(Yen)	40.97	47.26	48.60	(78.84)
Total Asset	(Thousand yen)	6,989,754	9,757,836	16,534,886	14,838,864
Net Asset	(Thousand yen)	4,215,321	7,443,504	7,855,911	6,184,853
Book value per share	(YEN)	283.42	492.54	518.45	411.81

Note:

1. Net income per share and net assets per share are indicators related to the outstanding shares with voting rights, respectively.
2. Net income per share is calculated based on the average number of shares outstanding during the period.
3. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ No.29, March 31, 2020) effective from the beginning of the consolidated fiscal year ended March 31, 2022. Figures for the fiscal year ended March 31, 2022. reflected the adoption of these accounting standards.

(2) Assets and profit and loss of the Company

		15th Fiscal years For the fiscal year ended 2021	16th Fiscal years For the fiscal year ended 2022	17th Fiscal years For the fiscal year ended 2023	18th Fiscal years For the fiscal year ended 2024
Sales	(Thousand yen)	3,104,210	4,304,028	4,595,453	2,088,989
Ordinary income / Ordinary loss	(Thousand yen)	598,664	693,046	(327,272)	(154,569)
Net income	(Thousand yen)	557,340	662,974	802,245	(144,440)
Net income per share	(Yen)	40.45	45.02	53.67	(9.64)
Total Asset	(Thousand yen)	6,069,246	9,528,929	16,215,405	12,974,624
Net Asset	(Thousand yen)	3,893,202	7,820,758	8,319,438	4,590,024
Book value per share	(Yen)	281.71	524.61	555.51	306.35

Note:

1. Net income per share and net assets per share are indicators related to the outstanding shares with voting rights, respectively.
2. Net income per share is calculated based on the average number of shares outstanding during the period.
3. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ No.29, March 31, 2020) effective from the beginning of the consolidated fiscal year ended March 31, 2022. Figures for the fiscal year ended March 31, 2022. reflected the adoption of these accounting standards.

Main Business (as of March31, 2023)

Business segment	Business
Media	Media service: The media business operates comprehensive media, centered on the livedoor business, which consists of the UGC (User Generated Content) media of "livedoor Blog", and PGC (Professionally Generated Content) media of "livedoor NEWS." In addition, as the specialized media, the Company also offers sports information media "Ultra WORLD Soccer!", "SOCCER KING", "BASEBALL KING", "BASKETBALL KING",and "toto ONE", asset building information media "MINKABU" , women's information media "Peachy", Korean pop culture media "Kstyle", and lifestyle information media "MINKABU Choice" and "livedoor Choice."
Solution	Solution services: The solutions business provides information solution services which add value to the information in the financial information and asset building information media developed by the group for security companies and other financial institutions, and SI and package-based solution services respond to the DX (digital transformation) needs of financial institutions. In addition to BtoB and BtoBtoC businesses, the solution business operates major web media in the domestic stock information field, such as "Kabutan". Also, the solution business expands new business fields utilizing next-generation technology such as NFT solutions based on blockchain.

Main Office (as of March 31, 2023)

(1) The Company

Head Office	Minato-ku, Tokyo, JAPAN
Branch	Fukuoka Branch: Chuo-ku, Fukuoka-City, Fukuoka Prefecture, JAPAN

(2) Subsidiaries

SEESAW GAME, Inc.	Minato-ku, Tokyo, JAPAN
MINKABU ASSET PARTNERS, Inc.	Minato-ku, Tokyo, JAPAN
MINAKBU WEB3 WALLET, Inc.	Minato-ku, Tokyo, JAPAN
livedoor Co., Ltd	Minato-ku, Tokyo, JAPAN

Employees (as of March 31, 2024)

(1) Status of Employees of the Corporate Group

Business Segment	Number of employees		Increase from the end of the previous consolidated fiscal year	
Media	122	(180)	+42	(+164)
Solution	74	(13)	+5	(+11)
Corporate	36	(9)	- 3	(+8)
Total	239	(197)	+51	(+178)

Note:

1. The number of temporary employees (including part-timers, part-timers, and temporary employees) is shown in parentheses with the average number of employees per year as an external number.
2. The increase of 42 employees in the Media business segment compared to the end of the previous fiscal year, was mainly due to the consolidation of From One, Inc. on September 1, 2023.
3. The increase of 164 temporary employees in the Media business segment compared to the end of the previous fiscal year, was mainly due to the consolidation of From One, Inc. on September 1, 2023.

(2) Status of the Company's Employees

Number of employees	YoY Changes	Average Age	Average years of employment
151 (15)	-1 (+3)	41.9 years old	5.4 years

Note:

1. The number of temporary employees (including part-timers, part-timers, and temporary employees) is shown in parentheses with the average number of employees per year shown in external numbers.
2. The number of employees including loaned employees within the group.
3. The average years of employment is calculated by adding up the number of years of employment of those transferred due to group reorganization.

Borrowings outstanding (as of March 31, 2024)

Borrower	Borrowings outstanding (Thousand yen)
MUFG Bank, Limited	3,037,500
Sumitomo Mitsui Banking Corporation	1,687,500
Mizuho Bank, Limited	1,300,000
SBI Shinsei Bank, Limited	656,250

Note:

The Company has commitment line agreements and special overdraft agreements with financial institutions to provide flexible financing for working capital and other purposes. The following table shows the outstanding balance of these contracts at the end of the current fiscal year.

Status of financial covenants are described in "4. Additional Information" in the notes to the consolidated financial statements.

Total amount of commitment line agreement and overdraft limit	2,500 million yen
Executed amount	600 million yen

Other important matters concerning the current state of the Group

As part of 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 From One, 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. From One, Inc. was also merged into 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.
Lastly, we established a new wholly-owned subsidiary, Contents Monster, Inc., on April 1, 2024, to promote content businesses aimed at enhancing the value of Group media assets.
The details of this matter are described in "Additional Information" in the notes to the consolidated financial statements.

Shares (as of March 31, 2024)

a) Total number of shares authorized 46,000,000

b) Total Number of shares outstanding 14,983,000

Note:

1. As a result of the exercise of stock acquisition rights, the total number of shares issued and outstanding increased by 6,800 shares.

c) Number of shareholders 10,640

d) Major shareholders (top 10)

Name of shareholder	Number of shares owned	Ownership (%)
Ken Uryu	1,245,000	8.31%
SBI Holdings, Inc.	1,233,400	8.23%
Sony Network Communications Inc.	980,300	6.54%
FinTech Business Innovation ILP.	646,800	4.32%
QUICK Corp.	617,200	4.12%
Custody Bank of Japan, Ltd. (trust account)	542,400	3.62%
SBI Ventures Three, LLC	495,900	3.31%
Nikkei Inc. (political investment account)	462,900	3.09%
Shiko Otsuka	392,000	2.62%
GOVERNMENT OF NORWAY	386,100	2.58%

Note: The ownership is calculated by subtracting the number of 23 treasury stocks.

Stock Acquisition Rights of the Company

(1) Stock Acquisition Rights as Stock Options held by Directors at the end of the fiscal year ended March 31, 2023

Not applicable.

(2) Status of stock acquisition rights issued to employees, etc. as remuneration for the performance of their duties during the fiscal year

Not applicable.

(3) Other important matters concerning stock acquisition rights, etc.

Not applicable.

Strategic shareholdings

With respect to the investment stocks, the Company classifies stocks held for the purpose of earning profit by change in value of shares or receipt of dividends on shares as Investment shares held for pure investment purposes, and other stocks as Investment shares held for purposes other than pure investment purpose (Strategic shareholdings).

a) Policy of strategic shareholdings

The basic policy of the Company is not to hold strategic shareholdings. At the end of the current fiscal year, the Company recorded 472 million yen as investment securities, but these had been acquired by the previous fiscal year from the perspective of strengthening relationships in business operations and business transactions, with strategically important collaborations with high synergy effects, the Company holds shares when it is judged to contribute to the sustainable growth and enhancement of corporate value of the Company in consideration of significance and economic rationality of the holding in the previous fiscal year. The Company does not have shares held crossly meaning that no company of which shares the Company holds, has shares in the Company, and vice versa.

For each case, the Company verifies the benefits and risks associated with the shareholdings on a quarterly basis, based on actual transactions and market value. In accordance with the basic policy of disposing or reducing shareholdings that are considered to have little significance, the Company will examine the economic rationality of such holdings and, in light of the materiality of the amount and other factors, will consider and decide on measures such as sales after deliberation by the Management Committee or the Board of Directors.
The total amount recorded on the balance sheet at the end of the current fiscal year and ratio to total net asset are as follows.

Total net assets (a)	6,184,853 thousand yen

Total amount recorded on the balance sheet (b)	472,412 thousand yen
Ratio (b/a)	7.64%
Number of companies which the Company owned shares (unlisted shares)	15
Number of companies which the Company owned shares (shares other than unlisted shares)	2

*The above amount represents the total value of shares held by the Company and its subsidiaries

b) Criteria of exercising the voting rights for strategic shareholdings

With respect to the exercise of voting rights for listed shares held by the Company, the Company judges whether to approve or disapprove of the proposals based on respect for the management policies and strategies of the issuing company and taking into consideration whether or not they contribute to the medium- to long-term enhancement of corporate value, and whether or not they are consistent with the realization of the sustainable growth and enhancement of corporate value of the Group.

Summary of agreement on limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and the Outside Directors have entered into an agreement limiting their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under the contract is the higher of 1,000,000 yen or the amount prescribed by law.

Summary of contents of liability insurance policy for directors and officers

The Company entered into a directors and officers liability insurance policy (D&O insurance) with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan. All premiums, including those for special clauses, are paid by the Company. Insurance accidents subject to coverage include shareholder derivative suits, corporate lawsuits, and third-party lawsuits. However, claims for damages caused by intentional or gross negligence will not be covered.

Matters concerning outside directors

i) Relationship between significant officers concurrently held and the company

- Mr. Makoto Sumita, who is a Chairman of the board, also serves as an Outside Director (Audit and Supervisory Committee member). There is no capital relationship or business relationship between the Company and the companies in which he holds positions.
- Ms. Noriko Maki, who is a director, is also serves as a Representative director of Maki Communication Strategy Co., Ltd. There is no capital relationship or business relationship between the Company and the companies in which he holds positions.
- Mr. Shinya Hamano, who is a director (member of the Audit and Supervisory Committee,) is also serves as an Audit & Supervisory Board Member of MINKABU SOLUTION SERVICES, Inc., but he does not have any other material concurrent positions.
- Mr. Shozo Ishibashi, who is a director (member of the Audit and Supervisory Committee,) is a representative director of the Tanzan Ishibashi Memorial Foundation, a director of Kurimoto Gakuen, a director of Keizai Club, a general incorporated association, and an outside director of EDION Corporation. There is no capital relationship or business relationship between the Company and the companies in which he holds positions.
- Mr. Sadahiko Yoshimura, a director (Audit and Supervisory Committee member), is a director and full-time Audit and Supervisory Committee member of WACUL Corporation. There is no capital relationship or business relationship between the Company and the companies in which he holds positions.

ii) Major Activities

Position	Name	Attendance of the meetings
Chairman of the board	Makoto Sumita	He attended all 15 meetings of the Board of Directors. At the meetings of the Board of Directors in which he has attended, has executive positions at operating companies, and based on his rich experience and deep knowledge as an analyst, and supervision and made advice from a wide range of perspectives, for ensuring the adequacy and appropriateness of the decision making.
Director	Noriko Maki	She attended all 15 meetings of the Board of Directors. At the meetings of the Board of Directors in which she has attended and based on her extensive experience and high level of knowledge as an anker and manager, and has made comments as appropriate from a wide range of detections about the media industry.
Director (Audit and Supervisory Committee member)	Shinya Hamano	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge as a former member of the senior management team of an operating company. In addition, as a member of the Nominating Committee, he has made comments as appropriate in connection with decisions on candidates for Directors.
Director (Audit and	Shozo Ishibashi	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee

Supervisory Committee member)		held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, including listed companies, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge. In addition, as chairman of the Compensation Committee and the Nominating Committee, he has made comments at each committee as appropriate in connection with decisions on candidates for Directors and director compensation.
Director (Audit and Supervisory Committee member)	Sadahiko Yoshimura	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge. In addition, as a member of the Compensation Committee, he has made comments as appropriate in connection with decisions on director compensation.

Note:
1. The Audit and Supervisory Committee is composed of outside directors, and collaboration among outside directors is promoted through the Audit and Supervisory Committee.
2. The outside directors (Audit and Supervisory Committee members) regularly exchange information and opinions with the representative directors through the activities of the Audit and Supervisory Committee.
3. Mr. Shinya Hamano, an outside director and full-time Audit and Supervisory Committee member, attends meetings of the Board of Directors, the Audit and Supervisory Committee, as well as the Management Committee, and the Compliance Committee, and Sustainable Committee, provides necessary advice from a wide range of perspectives, and confirms the status of the execution of duties by directors (excluding directors who are Audit and Supervisory Committee members) and executive officers.

Accounting Auditor

a) Designation of Accounting Auditor Ernst & Young ShinNihon LLC

b) Amount of remuneration

	Amount of remuneration
Accounting Auditor's Compensation for the fiscal year ended March 31, 2024	40 million JPY
Total of cash and other profits payable by the Company and its subsidiaries to Accounting Auditor	40 million JPY

Note:
1. In the audit contract between the Company and the accounting auditor, the amount of remuneration, etc. for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act are not clearly separated and cannot be practically separated, so the amount of remuneration, etc. for the accounting auditor for the fiscal year under review is the total of these amounts.
2. The Audit and Supervisory Committee decided to agree on the amount of remuneration, etc. for the accounting auditor after conducting the necessary verification of whether the content of the audit plan, the status of the performance of the accounting auditor's duties and the basis for calculating the estimated remuneration of the accounting auditor are appropriate.

c) Policy on dismissal or non-reappointment of accounting auditor

If the Audit and Supervisory Committee deems it necessary, such as when the execution of the duties of the accounting auditor is impeded, the Audit and Supervisory Committee will decide on the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

The Audit and Supervisory Committee will dismiss the accounting auditor with the consent of all members of the Audit and Supervisory Committee if the accounting auditor is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act. In this case, the Audit and Supervisory Committee members selected by the Audit and Supervisory Committee will report the dismissal of the accounting auditor and the reason for the dismissal at the first general meeting of shareholders convened after the dismissal.

System to ensure proper business execution and Activities

(1) System to ensure proper business execution

The following is a summary of the decisions made regarding the system to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the Company's operations.

a) System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

i) In order to ensure compliance with laws and regulations, corporate ethics, and internal rules in business activities, we have established a "Basic Compliance Policy" that sets out the basic matters to be complied with, and make them known to the officers and employees of our group.

ii) The Company shall establish a Compliance Committee to ensure that specific matters to be complied with in the execution of duties, such as laws and regulations, the Articles of Incorporation, internal regulations, and the Code of Conduct, are disseminated and firmly established, and a system to prevent compliance violations shall be established.
iii) Periodically conduct internal audits to ensure that the execution of their respective duties is in compliance with laws and regulations and the Articles of Incorporation.
iv) Respond to the Whistleblower Protection Act in accordance with the "Whistleblower Handling Rules," and strengthen the consultation function for compliance by utilizing the reporting window.

b) System for the storage and management of information related to the execution of duties by Directors
The Company shall properly record information related to the execution of duties by directors, including records related to decision-making at important meetings including the Board of Directors and documents approved by each director in accordance with the "Rules on Administrative Authority," and shall retain such information for a specified period in accordance with laws and regulations and the "Rules on Document Management" and "Rules for the Prevention of Correction and Deletion of Electronic Transaction Data."

c) Risk of loss ("Risk") Rules and other systems related to the management of Risk
i) Established the Sustainability Committee to identify and select risks at the overall company management level and formulate measures to address them.
ii) The Company shall respond to various risks that have a significant impact on management by preparing appropriate countermeasures in advance, etc., depending on the size of the risk and the likelihood of its occurrence, in order to minimize the risk.
iii) For the purpose of preventing risks and minimizing corporate losses, the Company shall establish "Risk Management Regulations" and establish a risk management system in accordance with these regulations. In the event of an unforeseen situation, the Company shall establish a task force headed by the President and Representative Director to take prompt action and put in place a system to prevent and minimize the spread of damage.

d) System to ensure the efficient execution of duties by Directors
i) The Board of Directors shall be held at least once a month in principle - to decide important matters, deliberate and exchange opinions, and each director shall supervise the execution of business in cooperation with each other.
ii) Formulate a medium-term management plan and a single-year budget to define the future vision and goals for the company as a whole in response to changes in the environment. In order to achieve the management plan and annual budget, the Company clarifies the responsibilities of directors and employees and thoroughly improves the efficiency of operations in accordance with the "Organization Rules," the "Rules on the Segregation of Duties," and the "Rules on Duties and Authorities."
iii) Introduce an operating officer system, clarify the business execution system by delegating authority, and establish a flexible and efficient management system.
iv) To improve the transparency and objectivity of the remuneration decision-making process for directors (excluding directors who are members of the Audit and Supervisory Committee) by establishing a Compensation Committee consisting of at least half of independent outside directors as an advisory body to the Board of Directors.

e) Systems to ensure the appropriateness of business operations of the Company's corporate group
i) The Company shall conduct appropriate business management of its subsidiaries and affiliates in accordance with the "Regulations for the Management of Affiliated Companies".
ii) In addition to conducting internal audits of consolidated subsidiaries on a regular basis, the Company's Audit and Supervisory Committee members shall conduct audits as necessary and develop a system to ensure the appropriateness of business operations.

f) System for employees to assist the Audit and Supervisory Committee in its duties and their independence from the directors
i) When the Audit and Supervisory Committee requests that the Company assign employees to assist in the performance of its duties, the Company shall assign appropriate personnel, and the specific details of such assignment (organization, number of employees, etc.) shall be discussed and examined.
ii) Personnel changes and performance evaluations of employees set forth in the preceding item shall be made after hearing and respecting the opinions of the Audit and Supervisory Committee, and the Audit and Supervisory Committee shall have the authority to give orders and ensure independence from directors (excluding directors who are members of the Audit and Supervisory Committee).

g) System for Directors (excluding Directors who are Audit and Supervisory Committee members) and employees to report to the Audit and Supervisory Committee
Audit and Supervisory Committee members shall have access to major approval documents and other important documents related to business execution, and shall request explanations from Directors, etc. as necessary.

h) Other systems to ensure that audits by Audit and Supervisory Committee members are conducted effectively
i) The President and Representative Director and the Audit and Supervisory Committee members shall hold regular meetings for the purpose of mutual communication.
ii) The Audit and Supervisory Committee members shall ensure the effectiveness of the audit in cooperation with those in charge of internal audit.
iii) The Audit and Supervisory Committee members shall exchange opinions with the

accounting auditor as appropriate.

i) System to eliminate anti-social forces

i) The Company and its subsidiaries shall work to block relations with antisocial forces in accordance with the "Basic Compliance Policy".

ii) The Company shall cooperate sufficiently with law enforcement agencies, the Federation for the Prevention of Special Measures against Violence, legal advisors, and other external specialized organizations to share information and develop a system to eliminate antisocial forces.

(2) Corporate governance activities during this Fiscal Year

An overview of the operation of the system to ensure the appropriateness of business is as follows.

a) Execution of Duties by Directors

During the fiscal year under review, the Board of Directors met 15 times to make management decisions. In addition, we have established internal regulations such as the regulations of the Board of Directors to ensure that the directors act in accordance with laws and regulations and the Articles of Incorporation.

b) Execution of duties by Audit and Supervisory Committee members

During the fiscal year under review, the Audit and Supervisory Committee met 14 times, and the Audit and Supervisory Committee members exchanged opinions with each other. In addition to attending important meetings, including those of the Board of Directors, the Audit and Supervisory Committee obtains an audit plan describing the fundamental audit policy and the major audit items from Accounting Auditor and exchange opinions regarding these items. Furthermore, the Audit and Supervisory Committee receives regular quarterly review and auditing results of the fiscal year from the Accounting Auditor, and reflects these contents in their audit work. The internal Auditor regularly reports to the Audit and Supervisory Committee about the contents of the business audit, exchanges opinions on a regular basis, and works closely to improve the quality of the auditing operation. The Audit and Supervisory Committee members audit the execution of duties by directors by exchanging information with the accounting auditor and those in charge of internal audit as appropriate.

c) Risk management and compliance

The Company established a Sustainability Committee to extract and select risks at the company management level, and plan countermeasures against them. The Company will take action to minimize risk, against various risks that have a significant impact on management, preparing appropriate countermeasures in advance. In order to mitigate and prevent risks, the Company is working to strengthen its risk management system and ensure compliance through the establishment of risk management regulations and meetings of the Compliance Committee.

In the event of an unforeseen situation, an emergency headquarters will be established, headed by a representative director & CEO/CFO, and organized to respond quickly to prevent the expansion of damage and minimize it.

(3) Basic Items Concerning Corporate Governance

Since the Company's funding, the Company set the Company's mission of "providing a mechanism that embodies the value of information," as philosophy, shared it throughout the Group, and using basis of management decisions. The basic concept of corporate governance of the Group is that it is essential to establish sound management, legal compliance, and transparency to build relationships of trust with all stakeholders and achieve sustainable growth and development. In order to achieve these goals, we will make prompt and appropriate management decisions, exercise independent auditing functions, establish an effective internal control system, and promote timely and appropriate information disclosure, while ensuring that all officers and employees are aware of their social responsibilities. Also, the Company will recognize the basic principles of corporate governance codes to enhance the Company's corporate governance.

(4) The results of the assessment of the effectiveness of the Board of Directors

In order to improve the effectiveness of the Board of Directors and the Compensation Committee, the Company conducted a self-evaluation through a questionnaire to all directors, and the results were discussed and evaluated by the Board of Directors. As a result, the Company's Board of Directors has confirmed that it is functioning effectively as an executive and supervisory body, and that the effectiveness of the Board of Directors has been ensured.

The Board of Directors recognized further deep and enriching discussion as main issues to be achieved. The Company confirmed that it is necessary to deepen broader and for medium-term discussions to achieve sustainable growth and improve corporate value of the Group, including strengthening of ability to respond to business risks associated with rapid expanding business scope and scale, surrounding the Group, etc., and due to ensure the effectiveness of such discussions, it is important to appropriate information sharing from the operating side to directors and Board of Directors.

Based on the above results, the Company's Board of Directors will continue to make efforts to improve the effectiveness of the Board of Directors and contribute to the sustainable enhancement of the corporate value of the Group.

Basic Policy on Control of the Company

The Company believes that those who control decisions on financial and business policies should focus management resources on maximizing corporate value and increasing shareholder returns, with the aim of achieving sustainable growth. No special takeover defense measures have been introduced.

TRANSLATION, For Your Reference Purpose Only

Consolidated Balance Sheets

As of March 31, 2024

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		**LIABILITIES**	
Current Assets:	**4,132,034**	**Current liabilities:**	**2,734,164**
Cash and cash equivalents	2,047,745	Accounts payables	298,504
Account receivables	1,596,775	Short-term borrowings	608,000
Merchandise	517	Current portion of long-term borrowings	935,000
Work in process	34,226	Income tax payable	64,331
Supplies	13,818	Other allowances	51,134
Others	448,809	Others	777,194
Allowance for doubtful accounts	(9,858)	**Fixed liabilities:**	**5,919,846**
Fixed Asset:	**10,706,829**	Long-term borrowings	5,640,000
Tangible Asset	**824,868**	Asset retirement obligation	114,409
Buildings	60,780	Deferred tax liabilities	165,437
Accumulated Depreciation	(42,502)	**Total liabilities**	**8,654,011**
Buildings(Net)	18,278	**NET ASSETS**	
Facilities attached to buildings	409,898	**Shareholders' equity**	**6,141,988**
Accumulated Depreciation	(46,694)	**Share capital**	**3,534,975**
Facilities attached to buildings(Net)	363,204	**Capital surplus**	**3,806,635**
Structures	247,754	**Retained earnings:**	**(1,199,528)**
Accumulated Depreciation	(69,918)	**Treasury shares**	**(93)**
Structures(Net)	177,836	**Accumulated other comprehensive income**	**28,202**
Vehicles and transportation equipment	9,251	**Valuation difference on available-for-sale securities**	**28,202**
Accumulated depreciation	(3,252)	**Non-controlling interests**	**14,662**
Vehicles and transportation equipment (Net)	5,999		
Equipment and fixtures	480,625		
Accumulated Depreciation	(221,075)		
Equipment and fixtures (Net)	259,550		
Lease assets	9,520		
Accumulated Depreciation	(9,520)		
Intangible fixed assets:	**8,589,166**		
Goodwill	3,497,481	**Total net assets**	**6,184,853**
Client assets	3,138,453		
Technology assets	45,275		
Software	1,389,456		
Software in progress	476,008		
Others	42,491		
Investments and other assets:	**1,292,794**		
Investments in securities	560,518		
Guarantee deposits	410,879		
Deferred tax assets	289,647		
Others	36,370		
Allowance for doubtful accounts	(4,621)		
Total assets	**14,838,864**	**Total liabilities and equity**	**14,838,864**

Note: Amounts have been rounded down to the nearest thousand yen.

Consolidated Statements of Income

From April 1, 2023 to March 31, 2024

(Thousands of yen)

Accounts	Amount	
Net sales		**9,920,106**
Cost of sales		**5,715,734**
Gross profit		**4,204,371**
Selling, general and administrative expenses		**4,904,116**
Operating loss		**(699,745)**
Non-operating income		
Interest income	627	
Dividend income	4,810	
Reversal of allowance for doubtful accounts	1,697	
Others	4,004	11,139
Non-operating expenses		
Interest expense	61,682	
Guarantee commission	1,849	
Commission fee	14,126	
Financing expenses	833	
Merger related costs	7,386	
Investment partnership management loss	9,514	
Foreign exchange losses	2,530	
Others	4,391	102,313
Ordinary loss		**(790,919)**
Extraordinary profit		
Gain on sale of fixed assets	295	
Gain on sale of investment securities	1,038	
Gain on negative goodwill	16,197	17,531
Extraordinary loss		
Loss on disposal of fixed assets	3,053	
Loss on impairment of investment securities	168,852	
Impairment loss	243,965	415,872
Loss before income taxes		**(1,189,259)**
Income taxes (Corporate, residential, enterprise taxes)	35,607	
Income taxes - deferred	32,862	68,470
Net loss		**(1,257,729)**
Net loss attributable to noncontrolling interests		(76,855)
Net loss attributable to owners of the parent		**(1,180,874)**

Note: Amounts have been rounded down to the nearest thousand yen.

Consolidated Statement of Changes in Equity

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

(Thousands of yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at the beginning of the 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)
Loss attributable to owners of the parent			(1,180,874)		(1,180,874)
Change in the ownership interest of the parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during the period	1,855	(387,525)	(1,180,874)	–	(1,566,545)
Balance at the end of the 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 the beginning of the period	55,860	55,860	91,518	7,855,911
Changes during period				
Issuance of new shares				3,710
Dividends of surplus				(389,380)
Loss attributable to owners of the parent				(1,180,874)
Change in the ownership interest of the 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 the period	(27,657)	(27,657)	(76,855)	(1,671,058)
Balance at the end of the period	28,202	28,202	14,662	6,184,853

Note: Amounts have been rounded down to the nearest thousand yen.

Notes to Consolidated Financial Statements

1. Notes to significant matters that form the basis for the preparation of the consolidated financial statements, etc.

(1) Matters related to the scope of consolidation

a) Status of consolidated subsidiaries

- Number of consolidated subsidiaries: 5
- Name of the consolidated subsidiary : SEESAW GAME, Inc.
  : MINKABU ASSET PARTNERS, Inc.
  : MINKABU Web3 Wallet Inc.
  : MINKABU SOLUTION SERVICES, Inc.
  : livedoor Co., Ltd.

b) Status of non-consolidated subsidiaries

Not applicable.

(2) Application of equity method

a) Non-consolidated subsidiaries to which the equity method is applied

Not applicable.

b) Non-consolidated subsidiaries to which the equity method is not applied

Not applicable.

(3) Notes to changes in the scope of consolidation and application of the equity method

a) Change in the scope of consolidation

The Company acquired shares of SyncroLife, Inc. and From One, Inc. as of April 1, 2023 and October 1, 2023, respectively. MINKABU SOLUTION SERVICES, Inc. was established on April 3, 2023. These companies have been included in the scope of consolidation from the current consolidated fiscal year. Additionally, as of April 1, 2023, ALIS Co., Ltd. was merged into livedoor Co., Ltd. with livedoor Co., Ltd being as the surviving company. In addition, as of August 1, 2023, SyncroLife, Inc. was merged into livedoor Co., Ltd. with livedoor Co., Ltd being as the surviving company. As of October 1, 2023, Robot Fund Co., Ltd. was merged into MINKABU SOLUTION SERVICES, Inc. with MINKABU SOLUTION SERVICES, Inc being as the surviving company. As of November 1, 2023, From One, Inc. was merged into SEESAW GAME, Inc. (formerly CWS Brains, Ltd.) as the surviving company. These companies have been excluded from the scope of consolidation from the current consolidated fiscal year.

b) Change in scope of equity method

Not applicable.

(4) Fiscal years of consolidated subsidiary

The fiscal year end of the consolidated subsidiary is the same as the consolidated fiscal year.

(5) Accounting policies

a) Basis and method of valuation of significant assets

i) Securities

Other securities

- Items other than stocks, etc. without market prices

  Adopt the fair value method based on market prices as of the balance sheet date (unrealized gains and losses are accounted for as a separate component of net assets, and the cost of securities sold is calculated using the moving average method).
- Stocks, etc. without market prices

  Adopt the cost using the moving average method.

  In addition, for investments in investment limited partnerships and similar investments in partnerships, deemed as securities in paragraph 2 in chapter 2 of the Financial Instruments and Exchange Act, adopt the method of incorporating the proportionate share on a net basis, based on the latest financial statement available as of the financial reporting date stipulated in the partnership agreement.

ii) Inventories

Adopt the cost method based on the specific-identification method (the value on the consolidated balance sheet is calculated by writing down the book value based on a decline in profitability).

b) Depreciation and amortization of significant depreciable assets

i) Fixed assets: Declining-balance method, however, straight-line method is applied for facilities attached to buildings purchased on and after April 1, 2016.

Additionally, the main useful lives are as follows.

Buildings	24 years
Facilities attached to buildings	8 - 18 years
Structures	10 - 30 years
Vehicles and transportation equipment	6 years
Tools, furniture, and fixtures	2 - 15 years

ii) Intangible fixed assets: Straight-line method

Additionally, the main useful lives are as follows.

In-house software	5 years based on its useful life in the Company
Patent	4 - 8 years
Trademark	5 - 10 years
Contract asset	10 years
Technology asset	10 - 15 years
Client related asset	10 - 16 years
Right of using facilities	15 years

c) Accounting standards for significant reserves

i) Allowance for doubtful accounts
To prepare for losses due to bad debts, the Company records an estimated uncollectible amount for general receivables based on historical bad debt ratios and specific receivables such as doubtful receivables based on individual assessments of collectability.

ii) Allowance for product warranties
To prepare for expenses related to product warranties, the Company provides a reserve for estimated losses.

iii) Provision for shareholder benefits
The amount expected to be incurred is recorded to prepare for expenditures related to the shareholder benefit plan.

d) Basis for recording significant income and expenses
The Group applies the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 31, 2020). The Group recognizes the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to the customer.
The summary of the performance obligation and the ordinary timing of fulfilling the obligation are disclosed in 9. Notes to revenue recognition (2) Basic information on revenue from contracts with customers in Notes to Consolidated Financial Statements.

e) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen
Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rate at the balance sheet date, and the foreign exchange gains and losses are recognized in the statements of income.
Other securities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the balance sheet date, and foreign exchange differences are included in the net unrealized gains or losses on available-for-sale securities under net assets.

f) Amortization method and period of goodwill
Goodwill is amortized on a straight-line basis over a period of 5 to 18 years, based on an estimate of the period over which the effect of the investment will be realized.

2. Notes to changes in accounting policies
Not applicable.

3. Notes to accounting estimates
(1) Valuation of goodwill and client related assets associated with livedoor Co., Ltd.

a) Amount on the consolidated financial statements for the fiscal year ended March 31, 2024

Goodwill	2,947,008 thousand yen
Client related assets	3,033,651 thousand yen

b) Information about the content of material accounting estimates for the identified item

i) Calculation method of the consolidated financial statements of the current consolidated fiscal year
Goodwill is the difference between the acquisition price and the market value of the company's identifiable assets and liabilities as of the date of the business combination.
Client related assets are calculated as the present value of excess earnings generated from ongoing transactions with existing customers, such as advertising revenue. These assets are amortized on a recurring basis over the periods during which their effects are realized, and any unamortized balance is subject to impairment.
When there is an indication of impairment of an asset group including goodwill and client related assets, the carrying amount of the asset group is compared with the undiscounted future cash flows and if it is determined that an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount and the amount of such reduction is recognized as an impairment loss under extraordinary losses.

ii) Major assumptions used for the calculation of the amount on the consolidated financial statements for the fiscal year ended March 31, 2024
The business plan that forms the basis for the valuation of customer-related assets uses future projected PV numbers as key assumptions. The valuation of goodwill is based on a business plan prepared considering the increased rates of sales and expenses, taking into account past performance, future business development, and the impact of the external environment.

iii) Impact on consolidated financial statements for the fiscal year ending March 31, 2025
Such accounting estimates are based on information available as of the end of the current consolidated fiscal year, and if future changes in the business environment result in a significant difference between future business plans and actual results, it may affect the consolidated financial statements for the next consolidated fiscal year.

(2) Recoverability of Deferred Tax Assets Related to livedoor Co., Ltd.

a) Amount recorded in the consolidated financial statements for the current fiscal year
Deferred Tax Assets: 883,902 thousand yen (None)
(Note: The amount in parentheses represents the amount recorded in the consolidated financial statements after deducting deferred tax liabilities.)

b) Information on significant accounting estimates related to identified items

i) Method of calculating the amount recorded in the consolidated financial statements for the current fiscal year
The recoverability of deferred tax assets is determined based on taxable income and tax planning derived from future profitability for future deductible temporary differences and tax loss carryforwards.

ii) Key assumptions used in the calculation of the amount recorded in the consolidated financial

statements for the current fiscal year
Estimates of taxable income are based on the business plan and consider sales and expense growth rates derived from past performance, future business development, and the impact of the external environment.

iii)Impact on the consolidated financial statements for the subsequent fiscal year
The timing and amount of taxable income may be affected by changes in future economic conditions. If the actual timing and amount differ from the estimates, it may have a significant impact on the amount of deferred tax assets recognized in the consolidated financial statements for the subsequent fiscal year and beyond.

4. 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.

(1) 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 the revenue sources through revenue contributions from the created content itself.

Additionally, all operations related to the provision of "Oshi Pass," which the Company has 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

(ⅰ)Trade Name: Contents Monster, Inc
(ⅱ)Head office: 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo
(ⅲ)Representatives: Chairman & CEO: Ken Uryu
President & COO: Jeonghwan Choi
(ⅳ) Business Activities: Membership service (Oshi Pass, a fan incentive plan) business, Various content production, operation, and distribution businesses
(ⅴ) Share Capital: 10 million yen
(ⅵ) Establishment Date: April 1, 2024
(ⅶ) Number of Shares Issued: 100 shares
(ⅷ) Ownership of the Company: 100%

(Financial Covenants)

A syndicated loan agreement has been concluded for 600,000 thousand yen out of the 608,000 thousand yen in short-term borrowings, which includes the following financial covenants:
(1) Maintain the amount of net assets in the consolidated balance sheet at the end of each fiscal year at 75% of the higher amount between the previous fiscal year-end or the consolidated balance sheet as of March 2023.
(2) No recurring losses must be recorded in the consolidated statement of income for two consecutive fiscal years.
(3) Maintain the total amount of interest-bearing debt in the consolidated balance sheet at the end of each quarter, after deducting the total amount of debt incurred for purposes other than working capital, to be less than or equal to the amount of cash and deposits and required working capital.

Additionally, the Company has entered into term loan agreements for 710,000 thousand yen out of 935,000 thousand yen in current portion of long-term borrowings and 5,502,500 thousand yen out of 5,640,000 thousand yen in long-term borrowings, which include the following financial covenants:
(1) Maintain the amount of net assets in the consolidated balance sheet at the end of each fiscal year at 75% of the higher amount between the previous fiscal year-end or the consolidated balance sheet as of March 2022.
(2) No recurring losses must be recorded in the consolidated statement of income for two consecutive fiscal years.

Although the Company failed to comply with the financial covenants in (2) of both agreements in the current consolidated fiscal year, the Company is negotiating with the relevant financial institutions to obtain exemptions for the application of these covenants.

5. Notes to the Consolidated Statement Balance Sheet

Guarantees

The Company provided debt guarantees for borrowings from financial institutions by the following affiliated company:

MINKABU SOLUTION SERVICES, Inc.: 162,500 thousand yen

6. Notes to the Consolidated Statement of income

Impairment loss

(1) Overview of asset groups recognizing impairment losses

Usage	Type	Location
Business assets	Software	Minato-ku, Tokyo
Business assets	Work-in-progress Software	Minato-ku, Tokyo
Business assets	Goodwill	Minato-ku, Tokyo
Idle assets	Software	Minato-ku, Tokyo

(2) Circumstances leading to the recognition of impairment losses

Impairment losses were recognized because future cash flows can no longer be expected from the software and work-in-progress software of business assets, the excess earning power can no longer be expected from the goodwill of business assets, and the investment amount cannot be expected to be recovered due to a review of the retention of idle assets.

(3) Amount of Impairment Losses

Software:	152,537 thousand yen
Work-in-progress software:	16,200 thousand yen
Goodwill:	75,227 thousand yen
Total:	243,965 thousand yen

(4) Method of Grouping Assets

Our group groups assets based on service classification as the smallest unit that generates cash flow. For shared assets, impairment losses are recognized on a larger unit including the shared assets. For idle assets, grouping is done on a per-property basis.

(5) Method of Calculating Recoverable Amount

The recoverable amount for the software and work-in-progress software of business assets was recognized as zero because future cash flows can no longer be expected. For the goodwill of business assets, the recoverable amount was recognized as zero because excess earning power can no longer be expected. For idle assets, the recoverable amount was recognized as zero because they are not expected to be used in the future.

7. Notes to the Consolidated Statement of Changes in Net Assets

(1). Type and number of shares issued and outstanding

Type of stock	Number of shares at the beginning of the fiscal year ended March 31, 2024	Increase in the number of shares during the fiscal year ended March 31, 2024	Decrease in the number of shares during the fiscal year ended March 31, 2024	Number of shares at the end of fiscal year ended March 31, 2024
Common stock (note)	14,976,200	6,800	—	14,983,000

Note: The increase in 6,800 issued shares is due to the exercise of stock options.

(2). Type and number of treasury shares

Type of stock	Number of shares at the beginning of the fiscal year ended March 31, 2024	Increase in the number of shares during the fiscal year ended March 31, 2024	Decrease in the number of shares during the fiscal year ended March 31, 2024	Number of shares at the end of the fiscal year ended March 31, 2024
Common stock (note)	23	—	—	23

(3). Matters related to dividends from surplus

a) Cash dividends paid, etc.

Scheduled Resolutions	Type of stock	Funding for dividends	Total amount of dividends (Million yen)	Dividends per share (Million yen)	Record date	Effective Date
Board of Directors meeting on May 30, 2023	Common stock	Additional paid-in capital	389	26	March 31, 2023	June 16, 2023

b) Dividends with a record date in the current fiscal year and an effective date in the subsequent fiscal year

Scheduled Resolutions	Type of stock	Funding for dividends	Total amount of dividends (Million yen)	Dividends per share (Million yen)	Record date	Effective Date
Board of Directors meeting on May 28, 2024	Common stock	Additional paid-in capital	389	26	March 31, 2024	June 29, 2024

(4). Type and number of shares to be issued upon exercise of stock acquisition rights

Series	Type of underlying shares	Number of shares for stock options			
		As of April 1, 2023	Increase	Decrease	As of March 31, 2024
The 7th stock acquisition rights	Ordinary shares	122,000	—	2,000	120,000
The 8th stock acquisition rights	Ordinary shares	22,300	—	1,700	20,600
The 9th stock acquisition rights	Ordinary shares	7,000	—	—	7,000
The 15th stock acquisition rights	Ordinary shares	30,000	—	—	30,000
The 16th stock acquisition rights	Ordinary shares	72,000	—	2,000	70,000
The 17th stock acquisition rights	Ordinary shares	15,200	—	1,100	14,100
Total		268,500	—	6,800	261,700

Note: The decrease in the 7th, 8th, 16th, and 17th series of stock acquisition rights during the fiscal year ended March 31, 2024 is due to the exercise of stock acquisition rights.

8. Notes to financial instruments

(1) Matters concerning the status of financial instruments

a) Policy for financial instruments

The Group limits money management activities to short-term deposits, etc., and finances through borrowings from banks and other financial institutions and issuing bonds.

Loans and bonds are used for working capital (mainly short-term) and business investment capital (long-term). The Company has a policy not to use derivatives.

b) Details of financial instruments and their risks, and management system

Accounts receivables are exposed to the credit risk of our trading partners. The Company reduces the risk based on its credit management policies.

Loans and bonds are used to finance working capital and capital expenditures. Borrowings with floating interest rates are exposed to the risk of interest rate fluctuations.

Although borrowings are exposed to liquidity risk, the Company manages them by preparing and updating cash flow plans and other methods. Consolidated subsidiaries also perform the same management in accordance with the Company's method.

(2) Matters concerning the fair value of financial instruments

The following table shows the amounts on the consolidated balance sheet, market values, and differences as of March 31, 2024. This does not include the securities without market price etc., whose details are described in the note below.

	Amount on the consolidated balance sheet (Thousands of yen)	Fair value (Thousands of yen)	Difference (Thousands of yen)
Investment securities			
Other securities	174,874	174,874	—
Total assets	174,874	174,874	—
Current portion of long-term debt	935,000	930,683	(4,316)
Long-term borrowings	5,640,000	5,317,884	(322,115)
Total liabilities	6,575,000	6,248,568	(326,431)

Cash and cash equivalents, account receivables, account payables, and short-term borrowings are recognized at book value as they are settled in the short term and fair values are almost equal to book values.

Note: Securities without a market price and investment partnerships

	Amount on the consolidated balance sheet (Thousands of yen)
Unlisted shares	297,538
Investment partnerships	85,605

The fair values of unlisted shares are not disclosed in accordance with paragraph 5 in "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

The fair values of investment partnerships are not disclosed in accordance with paragraph 24-16 in "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021).

(3) Matters concerning the fair value of financial instruments

According to the observability and significance of inputs used by calculating fair values, fair values for these financial instruments are classified into the following three-level hierarchy.

Level 1 - Fair values measured by observable inputs with quoted prices in active markets for identical assets and liabilities.
Level 2 - Fair values measured by observable inputs other than Level 1 inputs.
Level 3 - Fair values measured by unobservable inputs that are supported by no market activity.

If multiple inputs which have a significant impact on market value calculation are used, a financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

a) Financial instruments measured at fair value on the balance sheet

Classification	Fair values (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	174,874	—	—	174,874
Total assets	174,874	—	—	174,874

b) Financial instruments not measured at fair value on the balance sheet

Classification	Fair values (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Current portion of long-term borrowings	—	930,683	—	930,683
Long-term borrowings	—	5,317,884	—	5,317,884
Total liabilities	—	6,248,568	—	6,248,568

Note: Explanation of valuation methods and inputs used for the measurement of fair value is as follows.

Investment securities

Listed shares are measured by quoted price. Listed shares are classified as Level 1 since they are traded in active markets.

Current portion of long-term borrowings and long-term borrowings

They are classified as Level 2 which are measured by the net present value method based on the sum of principal and interest, the interest rate in consideration of remaining duration, and credit risk.

9. Notes to revenue recognition

(1) Breakdown of revenue from contracts with customers

(Thousands of yen)

	Reported segments		Total
	Media business	Solution business	
Advertising revenue	5,189,966	—	5,189,966
Charged revenue	129,300	—	129,300
Other media revenue	980,129	—	980,129
Recurring revenue	—	2,471,974	2,471,974
Upfront, one-time revenue	—	1,148,735	1,148,735
Revenue from contracts with customers	6,299,396	3,620,709	9,920,106
Other revenue	—	—	—
Net sales to external customers	6,299,396	3,620,709	9,920,106

(2) Basic information to understand the revenue from contracts from the customers

With respect to the revenue from contracts with customers, the performance obligations in major businesses and their ordinary timings of fulfilling the obligation (the ordinary timings of revenue recognition) are as follows.

a) Media business

Media business records advertising revenue and charged revenue.

Regarding pure advertising and network advertising revenue, revenue is recognized when the advertisement is uploaded, clicked, or shown since the performance obligation is fulfilled at these times. For pay-for-performance advertising with respect to opening customers' brokerage accounts, revenue is recognized when the acceptance inspection is performed since the performance obligation is fulfilled at these times.

Charged revenue is recognized over time because it is subscription-type revenue that users are paying monthly fees.

The portion of advertising revenue for which the Company is determined to act primarily as an agent is recognized as revenue on a net basis, deducting the amount paid to other parties from the amount received in exchange for goods or services provided by those other parties.

b) Solution business

Solution business records revenue from the implementation and monthly services with respect to cloud-type ASP services. Solution business also records revenue from AI driven software content etc. and delivery of information. These revenues are classified as recurring revenue and upfront, one-time revenue based on the timing of the transfer of the services.

Revenue from the implementation of ASP services is recognized when the acceptance inspection is performed. Revenue from providing ASP services, maintenance and operation of these services, providing AI driven software content etc., and delivery of information are recognized when the services are rendered, or the period of services being rendered since they are provided mainly by a fixed monthly fee, but the services also include one-time payment and pay-as-you-go arrangements based on the numbers of ID and downloads.

Revenue is measured based on the promised consideration defined in contracts with customers, net of returns, discounts, and rebates.

The consideration for transactions is received within one year after fulfilling the performance obligation, and it does not contain any significant financial elements.

(3) The information to understand the amounts of revenue for the fiscal year ended March 31, 2024 and for the next and subsequent fiscal years.

Contract liabilities mainly consist of compensation received before fulfilling the performance obligation which are included in other current liabilities on the balance sheet.

The following table shows the receivables from the contracts from the customers and contract liabilities.

	As of March 31, 2024 (Thousands of yen)
Receivables from the contracts from the customers	1,596,775
Contract liabilities	58,518

There is no material amount in contract liabilities at the beginning of this fiscal year which is recognized as revenue for the fiscal year ended March 2024. And there is no material amount in revenue recognized from the performance obligation fulfilled in the previous fiscal years for the fiscal year ended March 2024.

10. Notes to Per Share Information

Net assets per share	411.81 yen
Net loss per share	(78.84) yen

11. Notes to significant subsequent events

(Reduction of Capital Stock and Capital Reserve)

At the Board of Directors meeting held on May 14, 2024, our company resolved to submit a proposal regarding the decrease in the amount of capital stock and capital reserve to the Annual General Meeting of Shareholders to be held on June 28, 2024.

(1) Purpose of the Decrease in the Amount of Capital Stock and Capital Reserve

The Company aims to prepare for a more agile and flexible capital policy in the future by reducing the amount of capital stock and capital reserve.

(2) Details of the Decrease in the Amount of Capital Stock

(a) Amount of Capital Stock to be Decreased

Decrease 3,214,975,000 yen from our capital stock.

(b) Method of Decreasing the Amount of Capital Stock

Based on the provisions of Article 447, Paragraph 1 of the Companies Act, the decrease in the amount of capital stock will be carried out as stated above, and the entire amount of the decreased capital stock will be transferred to other capital surplus.

(3) Details of the Decrease in the Amount of Capital Reserve

(a) Amount of Capital Reserve to be Decreased

The Company will decrease 2,654,975,000 yen from our capital reserve.

(b) Method of Decreasing the Amount of Capital Reserve

Based on the provisions of Article 448, Paragraph 1 of the Companies Act, the decrease in the amount of capital reserve will be carried out as stated above, and the entire amount of the decreased capital reserve will be transferred to other capital surplus.

(4) Schedule

(a) Resolution by the Board of Directors:	May 14, 2024
(b) Notice to Creditors for Objection:	May 27, 2024
(c) Deadline for Objection by Creditors:	June 27, 2024 (planned)
(d) Resolution by the General Meeting of Shareholders:	June 28, 2024 (planned)
(e) Effective Date of Capital Reduction:	June 28, 2024 (planned)

(5) Future Outlook

This matter involves transferring the amount of capital stock and capital reserve to the account of other capital surplus within the net assets section of the balance sheet. There will be no change in the total amount of net assets, nor will there be any impact on our company's business performance. The above content is subject to approval and resolution of "Reduction of Capital Stock and Capital Reserve" at the 18th Annual General Meeting of Shareholders scheduled to be held on June 28, 2024.

12. Other notes

(Business combinations)

(Business combination through acquisition)

(1) SyncroLife, Inc

livedoor Co., Ltd. (hereinafter "Livedoor"), a 100% subsidiary of the 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.

(a) Overview of the business combination

(ⅰ) Name and business of acquired company

Name:. SyncroLife, Inc

Business: Planning, development, and operation of smartphone applications

(ⅱ) 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.

(ⅲ) Business combination date: April 1, 2023

(ⅳ) Legal form of the business combination: Stock acquisition for cash

(ⅴ) Name of the company after the business combination: No change

(vi) Percentage of voting rights acquired: 100%
(vii) Main reason for determining the acquiring company: Livedoor acquired the shares for cash consideration.

(b) Period of the acquired company's performance included in the consolidated financial statements
From April 1, 2023, to March 31, 2024

(c) Acquisition cost and breakdown by type of consideration

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

(d) Content and amount of major acquisition-related costs
Fees and commissions to advisors: 12,397 thousand yen

(e) Amount, cause, amortization method, and amortization period of goodwill
(i) 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.
(ii) Cause: Future excess earning power expected from business development
(iii) Amortization method and period: Straight-line amortization over 8 years

(f) 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).From One Inc.
On August 10, 2023, based on the resolution of the Board of Directors, the Company decided to acquire all shares of From One Inc. (hereinafter"From One", headquarters: Chuo-ku, Tokyo) from its shareholders, including Dentsu Group Inc. (headquarters:Minato-ku, Tokyo, President & CEO: Hiroshi Igarashi). The Company entered into a stock transfer agreement, and the acquisition was completed on September 1, 2023, making From One a wholly-owned subsidiary. Subsequently, CWS Brains, Ltd. (hereinafter "CWS Brains"), a 100% subsidiary of our company, merged with From One on November 1, 2023, with CWS Brains as the surviving company and changed its name to SEESAW GAME, Inc.

(a) Overview of the business combination
(i) Name and business of acquired company
Name: From One Inc.
Business: Operation of sports information media sites
(ii) 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.
From One 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. Through the acquisition of From One, in conjunction with our existing group service "Ultra World Soccer! ", the Company's group's media business will become a top-class net media service in the soccer field in Japan, exceeding a monthly user scale of 100 million.
The Company will leverage the businesses and monetization know-how managed by From One to enhance the synergy across our group's media business and strengthen our revenue base
(iii) Business combination date: September 1, 2023
(iv) Legal form of the business combination: Stock acquisition for cash
(v) Name of the company after the business combination: No change
(vi) Percentage of voting rights acquired: 100%
(vii) Main reason for determining the acquiring company: Our company acquired the shares for cash consideration.

(b) Period of the acquired company's performance included in the consolidated financial statements
From October 1, 2023, to March 31, 2024

(c) 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 From One for 300 million yen.

(d) Content and amount of major acquisition-related costs
Fees and commissions to advisors: 9,886 thousand yen

(e) Amount and Cause of Gain on Bargain Purchase
(i) 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.
(ii) 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.

(f) Amount of assets acquired and liabilities assumed on the date of the business combination and their main breakdown

Current assets	322,493 thousand yen
Fixed assets	394,969 thousand yen
Total assets	717,463 thousand yen
Current liabilities	280,355 thousand yen
Fixed liabilities	420,909 thousand yen
Total liabilities	701,265 thousand yen

(g)Estimated amount and calculation method of the effect of the business combination on the consolidated income statement for the consolidated fiscal year ended March 2024 as if the business combination had been completed on the first day of the consolidated fiscal year

The estimated amount of the impact is omitted due to its insignificance

(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

(Transaction under common control)
(Absorption-type merger between consolidated subsidiaries)
(1) Merger between livedoor Co., Ltd. and ALIS Co., Ltd

At the Board of Directors meeting held on February 14, 2023, the Company resolved to conduct an absorption-type merger of livedoor Co., Ltd. (hereinafter "Livedoor"), a 100% owned consolidated subsidiary, with ALIS Co., Ltd (hereinafter "ALIS"), also a 100% owned consolidated subsidiary, and the absorption-type merger was completed on April 1, 2023.

(a) Details of the Transaction

(ⅰ) Names and business description of the combined companies

・Name of the combined company: livedoor Co, Ltd.
・ Description of the business: Operation of blog services, news sites, etc.
・ Name of the absorbed company: ALIS Co., Ltd
・Description of the business: Operation of social media platforms, etc.

(ⅱ) The date of the business combination:

April 1, 2023

(ⅲ) Legal form of the business combination:

Absorption-type merger, with Livedoor as the surviving company and ALIS as the disappearing company

(ⅳ) Name of the company after the business combination

livedoor, Co., Ltd

(ⅴ) Other details regarding the transaction:

The purpose is to consolidate the media business provided by ALIS into Livedoor, the core company of our group's media business, to build a business structure that allows for quick and flexible allocation of various resources and efficiency in operations in response to changes in the market environment, and to enhance the agility to promote the group's business strategy.

(b) 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 between 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.

(a) Overview of the Transaction

(ⅰ)Name and business activities of the combined company

・Name of the combining company: livedoor Co., Ltd.
・Business: Operation of blog services and news sites
・Name of the acquired company: SyncroLife, Inc
・Business: Planning, development, and operation of smartphone applications

(ⅱ) Date of business combination

August 1, 2023

(ⅲ) Legal form of the business combination

Absorption-type merger with Livedoor as the surviving company

(ⅳ) Name of the company after the business combination

livedoor Co., Ltd.

(ⅴ) Other details of the transaction

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

(b) 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 between MINKABU SOLUTION SERVICES, Inc and Robot Fund Co., Ltd.
At the Board of Directors meeting held on August 14, 2023, the Company resolved to merge MINKABU SOLUTION SERVICES, Inc. (hereinafter "MINKABU SOLUTION SERVICES") and its subsidiary Robot Fund Co., Ltd. (hereinafter "Robot Fund") as part of the integration of wholly owned subsidiaries, with MINKABU SOLUTION SERVICES as the surviving company and Robot Fund as the dissolved company, effective October 1, 2023.

(a) Overview of the transaction
(ⅰ) Name and business activities of the combined companies
・Name of the combined company: MINKABU SOLUTION SERVICES, Inc.
・Business activities: Primarily information solution services in the financial sector and system solution services
・Name of the acquired company: Robot Fund Co., Ltd
・Business activities:
Providing digital solutions for investment trust business efficiency for asset management companies
Providing digital solutions for investment trust sales and marketing efficiency for securities companies and banks
Providing investment trust and market data
(ⅱ) Date of the business combination:
October 1, 2023
(ⅲ) Legal form of the business combination:
Absorption-type merger with MINKABU SOLUTION SERVICES as the surviving company and Robot Fund as the dissolved company
(ⅳ) Name of the company after the combination
MINKABU SOLUTION SERVICES, Inc.
(ⅴ) Other details of the transaction
This merger aims to further consolidate the functions of our group's solution business as part of the organizational restructuring centered around MINKABU SOLUTION SERVICES.

(b) 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).

(4) Merger of CWS Brains, Ltd. and From One Inc.
At the Board of Directors meeting held on August 14, 2023, the Company resolved to merge CWS Brains, Ltd. (hereinafter "CWS Brains") and From One Inc. (hereinafter "From One") as part of the integration of wholly owned subsidiaries, with CWS Brains (renamed SEESAW GAME, Inc. as of November 1, 2023, hereinafter "SEESAW GAME") as the surviving company and From One as the dissolved company, effective November 1, 2023.

(a) Overview of the Transaction
(ⅰ) Name and business activities of the combined companies
・Name of the combined company: SEESAW GAME, Inc.
・Business activities: Operation of sports information media sites
・Name of the acquired company: From One Inc.
・Business activities: Operation of sports information media sites
(ⅱ) Date of the business combination
November 1, 2023
(ⅲ) Legal form of the business combination:
Absorption-type merger with SEESAW GAME as the surviving company and From One as the dissolved company
(ⅳ) Name of the company after the combination:
SEESAW GAME, Inc.
(ⅴ) Other details of the transaction:
By consolidating the web business, publishing business, and video business provided by From One into SEESAW GAME, the Company aims to expand the specialized sports media and strengthen the revenue base of the media business, enhancing synergy across Group's media business.

(b) 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 Company resolved to transfer the media business to livedoor Co., Ltd. (hereinafter "Livedoor"), a wholly owned subsidiary, and the solution business to MINKABU SOLUTION SERVICES, Inc.(hereinafter "MINKABU SOLUTION SERVICES"), also a wholly owned subsidiary, through an absorption-type company split, with the media business transferred on April 1, 2023, and the solution business transferred on July 1, 2023.

(1) Succession of the Media Business

(a) Overview of the Transaction

(ⅰ) Name and business activities of the business transferred

・Name of the business: Our Media Business

・Business activities: Primarily impression-based and performance-based advertising business in the financial sector

(ⅱ) Date of the business combination:

April 1, 2023

(ⅲ) Legal form of the business combination:

Company split with the Company as the splitting company and Livedoor (our consolidated subsidiary) as the succeeding company

(ⅳ) Name of the company after the combination:

livedoor Co., Ltd. (our consolidated subsidiary)

(ⅴ) Other details of the transaction:

By consolidating our media business into Livedoor, the core company of our group's media business, the Company aims to build a business structure that enables rapid and flexible resource allocation and operational efficiency in response to changes in the market environment surrounding the media business, enhancing the agility to promote the group's business strategy.

(b) 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

(a) Overview of the transaction

(ⅰ) Name and business activities of the business transferred

・Name of the business: Our Solution Business

・Business Activities: Primarily information solution services and SI/package solution services in the financial sector

(ⅱ) Date of the business combination

July 1, 2023

(ⅲ) Legal form of the business combination

Company split with the Company as the splitting company and MINKABU SOLUTION SERVICES (our consolidated subsidiary) as the succeeding company

(ⅳ) Name of the company after the combination

MINKABU SOLUTION SERVICES, Inc. (our consolidated subsidiary)

(ⅴ) Other details of the transaction

In our solution business, the Company aims to position strategies for further evolution of information solution services and SI/package solution services, as well as the development of new financial information solutions that contribute to the expansion of the asset formation layer as our fundamental growth strategy. This transaction aims to build a business structure that can dynamically promote this strategy.

(b) 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).

Balance Sheets

As of March 31, 2024

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		**LIABILITIES**	
		Current liabilities:	**2,882,100**
Current assets:	**3,680,734**	Accounts payables	71,413
Cash and cash equivalents	781,907	Short-term borrowing	600,000
Account receivables	556,270	Current portion of long-term debt	710,000
Supplies	7,213	Accrued expense	1,129,634
Short-term loan to the subsidiary	930,000	Income tax payable	239
Other receivables	1,099,477	Accrued business office taxes	1,716
Prepaid expenses	62,694	Accrued consumption taxes	6,328
Consumption tax receivables	64,158	Deposit	43,154
Income tax receivables	112,807	Deferred revenues	4,827
Others	68,999	Provision for shareholder benefits	40,400
Allowance for doubtful accounts	(2,795)	Others	274,386
Fixed Asset:	**9,293,889**	**Fixed liabilities:**	5,502,500
Tangible fixed asset:	**538,922**	Long-term borrowings	5,502,500
Facilities attached to buildings	311,344	**Total liabilities**	8,384,600
Accumulated depreciation	(14,707)	**NET ASSETS**	
Vehicles and transportation equipment	9,251	**Equity**	**4,572,368**
Accumulated depreciation	(3,252)	**Capital stock**	**3,534,975**
Equipment and fixtures	430,815	**Capital surplus**	**1,181,286**
Accumulated depreciation	(194,529)	Capital reserve	2,734,975
Intangible fixed assets:	**78,036**	Other capital reserves	(1,553,688)
Trademark	32,075	**Retained earnings:**	**(143,799)**
Software	36,544	Other retained earnings	(143,799)
Software in progress	4,075	Retained earnings carried forward	(143,799)
Others	5,341	**Treasury Shares**	**(93)**
Investments and other assets:	**8,676,930**	**Valuation and translation adjustments**	**17,655**
Investments in securities	118,405	Valuation difference on available-for sale securities	17,655
Investment in affiliates	8,091,161		
Long-term loans to affiliates	100,000		
Bankruptcy claims	4,621		
Long-term accrued interest receivable	216	**Total net assets**	4,590,024
Long-term prepaid expenses	5,512		
Deferred tax assets	43,794		
Guarantee deposits	317.839		
Allowance for doubtful accounts	(4,621)		
Total assets	**12,974,624**	**Total liabilities and equity**	**12,974,624**

Note: Amounts have been rounded down to the nearest thousand yen.

TRANSLATION, For Your Reference Purpose Only

Statements of Income

From April 1, 2023 to March 31, 2024

(Thousands of yen)

Accounts	Amount	
Net sales		2,088,989
Cost of sales		1,334,886
Gross profit		754,102
Selling, general and administrative expenses		1,129,513
Operating loss		(375,411)
Non-operating income		
Interest income	11,639	
Dividend income	300,407	
Reversal of allowance for doubtful accounts	92	
Others	166	312,305
Non-operating expenses		
Interest expense	56,305	
Guarantee commission	1,849	
Stock issuance expenses	81	
Financing expenses	833	
Merger related costs	7,386	
Commission fee	14,126	
Loss on investments in investment partnerships	9,514	
Exchange loss	1,303	
Others	64	91,463
Ordinary loss		(154,569)
Extraordinary profit		
Gain on sale of fixed assets	295	
Gain on sale of investment securities	1,038	1,333
Extraordinary loss		
Loss on disposal of non-current assets	2,771	2,771
loss before income taxes		(156,006)
Income taxes (Corporate, residential, enterprise taxes)	4,484	
Income tax-deferred	(16,050)	(11,566)
Net loss		(144,440)

Note: Amounts have been rounded down to the nearest thousand yen.

The Company received the Independent Auditor's Report and the Audit Report by the Audit and Supervisory Committee for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) pursuant to the Companies Act of Japan. These are provided only in Japanese.

Statements of changes in shareholders' equity

From April 1, 2023 to March 31, 2024

(Thousands of yen)

	Shareholders' equity							
	Capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surpluses	Total capital surplus	Other retained earnings Accumulated retained earnings	Total retained earnings		
Balance at the beginning of the period	3,553,120	2,733,120	1,996,791	4,729,911	640	640	(93)	8,263,578
Changes during the period								
Issuance of new shares	1,855	1,855		1,855				3,710
Dividends of surplus			(389,380)	(389,380)				(389,380)
Net loss					(144,440)	(144,440)		(144,440)
Decrease due to company split			(3,161,099)	(3,161,099)				(3,161,099)
Net changes in items other than shareholders' equity								
Total changes during the period	1,855	1,855	(3,550,479)	(3,548,624)	(144,440)	(144,440)	–	(3,691,210)
Balance at the end of the period	3,534,975	2,734,975	(1,553,688)	1,181,286	(143,799)	(143,799)	(93)	4,572,368

	Valuation and translation adjustments		Total Net Asset
	Valuation difference on available-for-sale securities	Total value and translation adjustments	
Balance at the beginning of the period	55,860	55,860	8,319,438
Changes during the period			
Issuance of new shares			3,710
Dividends of surplus			(389,380)
Net loss			(144,440)
Decrease due to company split			(3,161,099)
Net changes in items other than shareholders' equity	(38,204)	(38,204)	(38,204)
Total changes during the period	(38,204)	(38,204)	(3,729,414)
Balance at the end of the period	17,655	17,655	4,590,024

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

Notes to Financial Statements

1. Notes regarding matters related to significant accounting policies

(1) Basis and method of valuation for assets

a) Investments in subsidiaries

Stated at cost using the moving average method.

b) Other securities

・Items other than the ones without market value

The fair value method based on market prices as of the balance sheet date (unrealized gains and losses are accounted for as a separate component of net assets, and the cost of securities sold is calculated using the moving average method).

・Items without market value

Stated at cost using the moving average method.

Investment limited partnerships and similar investments in partnerships, deemed as securities in paragraph 2 in chapter 2 of the Financial Instruments and Exchange Act, are measured at net asset values based on the available partnerships' financial statements at balance sheet date in proportion to the Company's share.

c) Inventories

・Work in progress

The cost method based on a specific identification method (the value on the balance sheet is calculated by writing down the book value based on a decline in profitability).

・Supplies

The cost method based on the specific identification method

(2) Method of depreciation of fixed assets

a) Tangible fixed assets

The declining-balance method is used. However, the straight-line method is used for facilities attached to buildings acquired on or after April 1, 2016.

The main useful lives of the assets are as follows.

Buildings and accompanying facilities	8-18 years
Vehicles and transportation equipment	6 years
Equipment and fixtures	3-15 years

b) Intangible fixed assets: Straight-line method:

Software	5 years
	based on its useful service life in the Company
Patent asset	4 - 8 years
Trademark asset	5 - 10 years
Contract asset	10 years
Technology asset	10 - 15 years
Client related asset	10 - 15 years

(3) Treatment method of deferred asset

All stock issuance costs are treated as expenses when incurred.

(4) Basis for adjustment of foreign currency assets and debt

Foreign currency assets and debt are valued in Japanese yen based on the market price on the accounting closing date. Valuation differences are booked as profit or loss.

Other investment securities denominated in foreign currencies are valued in Japanese yen based on the market price on the accounting closing date. Valuation differences are booked in the net asset classification.

(5) Basis for provisions

i) Allowance for doubtful accounts

To prepare for losses due to bad debts, the Company records an estimated uncollectible amount for general receivables based on historical bad debt ratios and specific receivables such as doubtful receivables based on individual assessments of collectability.

ii) Allowance for product warranties

To prepare for expenses related to product warranties, the Company provides a reserve for estimated losses.

iii) Provision for shareholder benefits

The amount expected to be incurred is recorded to prepare for expenditures related to the shareholder benefit plan.

(6) Basis for recognition of revenues

The Company applies the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 31, 2020). The Company recognizes the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to the customer.

The summary of the performance obligation and the ordinary timing of fulfilling the obligation is disclosed in 9. Notes to revenue recognition (2) Basic information on revenue from contracts with customers in Notes to Consolidated Financial Statements.

(7) Amortization of goodwill

Goodwill and negative goodwill are amortized in equal amounts over an estimated period of 10 years in which investment effects will be revealed.

2. Notes to changes in accounting policies

Not applicable

3. Notes to accounting estimates

Valuation of affiliated company shares (livedoor Co., Ltd.)

(1) Amount on the financial statements for the fiscal year ended March 31, 2024

Subsidiary's stock 7,420,873 thousand yen

(2) Information about the content of material accounting estimates for the identified item.

(a) Calculation method of the financial statements of the current fiscal year

The share of livedoor Co., Ltd. is non-marketable security, and its shares are priced to reflect the company's excess earning capacity. When the excess earning capacity has decreased and the actual value of the stock has declined significantly, the stock is written down unless the recoverability of the stock can be supported by sufficient evidence.

(b) Major assumptions used for the calculation of the amount on the financial statements for the fiscal year ended March 31, 2024

The determination of whether excess earning capacity is no longer expected is based on the business plan prepared by taking into consideration the past results, future business development, and the rate of increase in sales and expenses based on the impact of the external environment.

(c) Impact on financial statements for the fiscal year ended March 31, 2024

Because future business plans involve management's judgment and these estimates are subject to uncertainty, changes in the above assumptions and other factors may affect the financial statements in the future.

4. Change in Accounting Estimates

Not applicable

5. 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.

(1) Purpose of Establishment

The Company has established a new subsidiary Contents Monster, Inc,. (hereinafter "the new company"), with the following objectives:

(a)To enhance the content supply capacity aimed at further increasing the media value of our group.

(b)To expand the merchandising business using content as a hook.

(c)To diversify the revenue sources through revenue contributions from the created content itself.

Additionally, all operations related to the provision of "Oshi Pass," which the Company has 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

(a)Trade Name: Contents Monster, Inc

(b)Head office: 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo

(c)Representatives: Chairman & CEO: Ken Uryu
President & COO: Jeonghwan Choi

(d) Business Activities: Membership service (Oshi Pass, a fan incentive plan) business, Various content production, operation, and distribution businesses

(e) Share Capital: 10 million yen

(f) Establishment Date: April 1, 2024

(g) Number of Shares Issued: 100 shares

(h) Ownership of the Company: 100%

(Financial Covenants)

Short-term borrowings of 600,000 thousand yen, and the current portion of long-term borrowings of 710,000 thousand yen, and long-term borrowings of 5,502,500 thousand yen are subject to financial covenants. For details, please refer to the "Notes to Consolidated Financial Statements (Additional Information)."

6. Notes to Balance Sheet

(1) Guarantee obligation

Provide debt guarantees for loans from the financial institutions of the following affiliated companies

MINKABU SOLUTION SERVICES, Inc.	162,500 thousand yen

(2) Monetary claims and liabilities to affiliated companies are as follows.

(ⅰ)	Short-term monetary claims	2,100,605 thousand yen
(ⅱ)	Long-term monetary obligations	100,216 thousand yen
(ⅲ)	Short-term monetary obligations	1,254,935 thousand yen

7. Notes to profit and loss statement

(1) Transactions with subsidiaries and affiliates

Transactions from business transactions

Net sales	2,633,665 thousand yen
Cost of sales	405,596 thousand yen
Selling, general and administrative expenses	1,008,212 thousand yen

(2) Gain on sales of securities

Gain on sales of securities is the gain on sales of shares the Company held.

8. Notes to statements of changes in shareholders' equity

Type and number of treasury shares

Type of stock	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the end of the current fiscal year
common stock (note)	23	—	—	23

9. Notes to tax effect accounting

The main cause of the deferred tax assets is future deductible temporary differences related to carryforward tax losses, and an allowance for valuation of 115,106 thousand yen has been deducted from the deferred tax assets. Additionally, 17,208 thousand yen has been offset against deferred tax liabilities.

10. Notes regarding transactions with related parties

Subsidiaries:

(Thousands of yen)

Attribution	Name of company	% of voting rights held	Relationship with the related party	Content of transactions	Transaction amount (Thousands of yen)	Items	Balance as of March 31, 2024
Subsidiary	SEESAW GAME, Inc.	Direct holding 100%	Common Director	Common Director	—	—	—
			Loan of funds	Loan of funds (Notes 1)	300,000	Short-term loans receivable	300,000
Subsidiary	MINKABU ASSET PARTNERS, Inc.	Direct holding 100%	Common Director	Common Director	—	—	—
Subsidiary	MINKABU WEB3 WALLET, Inc.	Direct holding 51.2%	Common Director	Common Director	—	—	—
Subsidiary	MINKABU SOLUTION SERVICES, Inc.	Direct holding 100%	Common Director	Common Director	—	—	—
			Subscription to capital	Subscription to capital (Notes 2)	310,000	—	—
			Company split (Notes 3,5)	Amount of assets related to the company split	2,585,183	—	—
				Amount of liabilities and net assets related to the company split	2,585,183	—	—
				Consideration for the company split (Note 6)	—	—	—
			Guarantee of debt	Guarantee of borrowings (Note 7)	162,500	—	—
			Loan of funds	Loan of funds	400,000	Long-term loans receivable	100,000
			Temporary receipt related to subsidiary's external sales	Temporary receipt related to subsidiary's external sales	—	Accrued expenses	919,293
			Subsidiary's share of external expenses	Subsidiary's share of external expenses	—	Other receivables	182,604
			Receipt of personnel expenses	Receipt of personnel expenses	—	Other receivables	184,949
Subsidiary	livedoor Co., Ltd.	Direct holding 100%	Common Director	Common Director	—	—	—
			Company split (Notes 4,5)	Amount of assets related to the company split	619,202	—	—
				Amount of liabilities and net assets related to the company split	619,202	—	—
				Consideration for the company split (Note 6)	—	—	—
			Loan of funds	Loan of funds (Note 1)	930,000	Short-term loans receivable	630,000
			Receipt of dividends	Receipt of dividends	300,027	—	—
			Management fee	Management fee	398,712	Other receivables	140,128

			Temporary receipt related to subsidiary's external sales	Temporary receipt related to subsidiary's external sales	—	Other payables	272,384

Transaction Conditions and Determination Policies
(Note 1) The interest rate on the loans is reasonably determined considering the market interest rate. No collateral is accepted.
(Note 2) The subscription to capital involves the acceptance of shares issued by MINKABU SOLUTION SERVICES, Inc. upon its establishment on April 3, 2023, and the subscription to the total number of shares issued based on the agreement signed on August 30, 2023, with the shares being issued on August 31, 2023.
(Note 3) The company split involves an absorption-type split based on the absorption-type split agreement signed on May 30, 2023, effective July 1, 2023, transferring the solution business recorded by the Company to MINKABU SOLUTION SERVICES, Inc.
(Note 4) The company split involves an absorption-type split based on the absorption-type split agreement signed on February 14, 2023, effective April 1, 2023, transferring the media business recorded by the Company to livedoor Co., Ltd.
(Note 5) The amounts of assets, liabilities, etc. transferred in the company split are calculated based on the book value of the assets, liabilities, etc. held by the Company.
(Note 6) No shares or other monetary compensation were provided as consideration for the assets, liabilities, etc. transferred in the company split.
(Note 7) The Company provides a debt guarantee for the borrowings of our consolidated subsidiary, MINKABU SOLUTION SERVICES, Inc. No guaranteed fees or collateral are provided. The transaction amount represents the borrowings guaranteed by the debt guarantee.

11. Notes to revenue recognition

(1) Breakdown of revenue from contracts with customers

(Thousands of yen)

	Reported segments			Total
	Media business	Solution business	Corporate	
Advertising revenue	29,232	—	—	29,232
Charged revenue	12,500	—	—	12,500
Other media revenue	349,189	—	—	349,189
Recurring revenue	—	613,530	—	613,530
Upfront one-time revenue	—	324,197	—	324,197
Management fee(Note)	—	—	760,339	760,339
Revenue from contracts with customers	390,922	937,727	760,339	2,088,989
Other revenue	—	—	—	—
Net sales to external customers	390,922	937,727	760,339	2,088,989

(Note)
During the organizational restructuring implemented in the current fiscal year, our group transitioned to a business promotion structure where the media business and solution business are primarily operated by each business operating company within the group, with our company mainly overseeing these activities. As a result, from July 1, 2023, we have been collecting management fees from each group company.

(2) Basic information on revenue from contracts
Basic information on revenue from contracts is omitted since this is disclosed in 9. Notes to revenue recognition in Notes to Consolidated Financial Statements.

(3) The information to understand the amounts of revenue for the fiscal year ended March 31, 2024 and for the next and subsequent fiscal years.
Contract liabilities mainly consist of compensation received before fulfilling the performance obligation which are included in unearned revenue on the balance sheet.

The following table shows the receivables from the contracts from the customers and contract liabilities.

	As of March 31, 2024 (Thousands of yen)
Receivables from the contracts from the customers	556,270
Contract liabilities	4,827

There is no material amount in contract liabilities at the beginning of this fiscal year which is recognized as revenue for the fiscal year ended March 2024. And there is no material amount in revenue recognized from the performance obligation fulfilled in the previous fiscal years for the fiscal year ended March 2024.

12. Notes to per share information

Net assets per share	306.35 yen
Net loss per share	(9,64) yen

(Basis for calculation)

Net loss	(144,440) thousand yen
Amount not attributable to common shareholders	None

Net loss on common share	(144,440) thousand yen
Average number of common shares outstanding	14,978,841 shares

13. Significant Subsequent Events

(Decrease in the amount of capital stock and capital surplus)

At the Board of Directors meeting held on May 14, 2024, the Company resolved to submit a proposal regarding the decrease in the amount of capital stock and capital surplus to the Annual General Meeting of Shareholders to be held on June 28, 2024.

(1) Purpose of the decrease in the amount of capital stock and capital surplus

The Company aims to prepare for a more agile and flexible capital policy in the future by reducing the amount of capital stock and capital surplus.

(2) Details of the decrease in the amount of capital stock

(a) Amount of capital stock to be decreased

Decrease 3,214,975,000 yen from capital stock.

(b) Method of decreasing the amount of capital stock

Based on the provisions of Article 447, Paragraph 1 of the Companies Act, the decrease in the amount of capital stock will be carried out as stated above, and the entire amount of the decreased capital stock will be transferred to other capital surplus.

(3) Details of the decrease in the amount of capital surplus

(a)Amount of capital surplus to be decreased

Decrease 2,654,975,000 yen from capital surplus.

(b)Method of decreasing the amount of capital surplus

Based on the provisions of Article 448, Paragraph 1 of the Companies Act, the decrease in the amount of capital surplus will be carried out as stated above, and the entire amount of the decreased capital surplus will be transferred to other capital surplus.

(4) Schedule

(a) Resolution by the Board of Directors:	May 14, 2024
(b) Notice to creditors for objection:	May 27, 2024
(c) Deadline for objection by creditors:	June 27, 2024 (planned)
(d) Resolution by the General Meeting of Shareholders:	June 28, 2024 (planned)
(e) Effective date of capital reduction:	June 28, 2024 (planned)

(5) Future Outlook

This matter involves transferring the amount of capital stock and capital surplus to the account of other capital surplus within the net assets section of the balance sheet. There will be no change in the total amount of net assets, nor will there be any impact on our company's business performance. The above content is subject to approval and resolution of "Reduction in the Amount of Capital Stock and Capital Surplus" at the 18th Annual General Meeting of Shareholders scheduled to be held on June 28, 2024.