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May 2, 2025

Company name: MINKABU THE INFONOID INC.
Representative: President Masayuki Ban
Listing: Growth Market, Tokyo (4436)
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Notice Regarding the Recognition of Extraordinary Losses

At today's Board of Directors meeting, we have decided to recognize extraordinary losses in the fourth quarter of the fiscal year ended March 2025. This decision is made with the objective of building a business structure capable of generating profits from the beginning of the fiscal year ending March 2026. The extraordinary losses will include impairments associated with the withdrawal and termination of various businesses and services that require time and additional investment to start contributing to profits, as well as asset value reductions. We hereby notify you as follows:

In addition to the recognition of these extraordinary losses, the business selection and concentration, including the withdrawal from unprofitable businesses, as announced in the "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended December 31, 2024" and the "Q3 FY2025 Earnings Presentation Materials" dated February 14, 2025, along with significant cost-cutting measures exceeding 2 billion yen, have led to the successful transition to a business structure capable of generating profits starting from the beginning of the fiscal year ending March 2026. As a result, we will steadily work toward the recovery of shareholders' equity going forward.

1. Recognition of Impairment Losses

Regarding the customer-related assets of livedoor, while there has been an improvement in the traffic on livedoor Blog recently, and the revenue from the creator economy, including the e-book publication and sponsored advertisements generated by various content owned by livedoor Blog creators, is also showing an upward trend. However, we have taken the post-acquisition decline of ad unit prices and the traffic impacted from changes of Google's algorithm seriously, and therefore we intentionally did not factor in any recovery of these elements in the recovery simulations. Based on this cautious assessment of the recoverability of customer-related assets concerning livedoor Blog, we have decided to recognize an impairment loss in accordance with the "Accounting Standard for Impairment of Fixed Assets."

In addition, due to signs of impairment resulting from a decline in profitability, we have decided to recognize impairment losses on certain fixed assets, including the livedoor app and MINKABU ASSET PLANNER. As a result, we expect to recognize an impairment loss of 2,145 million yen.

2. Recognition of Business Reorganization Losses

As announced in the " Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended December

31, 2024" and the "Q3 FY2025 Earnings Presentation Materials" dated February 14, 2025, as part of our strategy of business selection and concentration, which includes the withdrawal from loss-making businesses, we expect to recognize a business reorganization loss of 1,198 million yen due to the withdrawal from the content business, the termination of certain services in media businesses such as livedoor Gourmet and Super World Soccer!, as well as impairment of fixed assets and penalties associated with office downsizing.

3. Recognition of Impairment Losses on Investment Securities

Regarding certain minority investments in the solutions business, for those where the real value has significantly declined, we expect to recognize an impairment loss on investment securities amounting to 103 million yen.

4. Impact on Consolidated Financial Forecasts

Regarding the consolidated financial forecast for the fiscal year ended March 2025, please refer to the "Notice Regarding the Revision of Consolidated Financial Forecasts" published today.

END