TRANSLATION, For Your Reference Purpose Only

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To Shareholders with Voting Rights:

INTERNET DISCLOSURE
RELATED TO THE NOTICE OF
THE 19TH ANNUAL GENERAL SHAREHOLDERS' MEETING

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MINKABU THE INFONOID, Inc.

Assets and profit and loss

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

		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	19th Fiscal years (this fiscal year) For the fiscal year ended 2025
Sales	(Thousand yen)	5,482,410	6,836,274	9,920,106	10,548,910
Ordinary income / Ordinary loss	(Thousand yen)	828,614	(207,709)	(790,919)	(1,993,227)
Net income attributable to owners of the parent	(Thousand yen)	696,004	726,380	(1,180,874)	(5,525,955)
Net income per share	(Yen)	47.26	48.60	(78.84)	(368.79)
Total Asset	(Thousand yen)	9,757,836	16,534,886	14,838,864	9,982,387
Net Asset	(Thousand yen)	7,443,504	7,855,911	6,184,853	319,988
Book value per share	(YEN)	492.54	518.45	411.81	20.60

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

		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	19th Fiscal years For the fiscal year ended 2025
Sales	(Thousand yen)	4,304,028	4,595,453	2,088,989	1,123,564
Ordinary income / Ordinary loss	(Thousand yen)	693,046	(327,272)	(154,569)	(18,155)
Net income	(Thousand yen)	662,974	802,245	(144,440)	(2,502,391)
Net income per share	(Yen)	45.02	53.67	(9.64)	(167.00)
Total Asset	(Thousand yen)	9,528,929	16,215,405	12,974,624	10,834,850
Net Asset	(Thousand yen)	7,820,758	8,319,438	4,590,024	1,697,862
Book value per share	(Yen)	524.61	555.51	306.35	113.30

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 March 31, 2025)

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", "VOLLEYBALL 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 B2B and B2B2C business such as information solution services which add value to the information in the financial information and asset formation 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. The solution business also operates the stock information media "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, 2025)

(1) The Company

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

(2) Subsidiaries

Contents Monster, Inc.	Minato-ku, Tokyo, JAPAN
MINKABU ASSET PARTNERS, Inc.	Minato-ku, Tokyo, JAPAN
MINAKBU WEB3 WALLET, Inc.	Minato-ku, Tokyo, JAPAN
MINKABU SOLUTION SERVICES, Inc.	Minato-ku, Tokyo, JAPAN
livedoor Co., Ltd	Minato-ku, Tokyo, JAPAN

Employees (as of March 31, 2025)

(1) Status of Employees of the Corporate Group

Business Segment	Number of employees		Increase from the end of the previous consolidated fiscal year	
Media	124	(172)	+2	(-8)
Solution	80	(3)	+6	(-10)
Corporate	37	(9)	+1	(-9)
Total	241	(175)	+9	(-27)

Note:

The number of temporary employees is shown in parentheses with the average number of employees per year as an external number. In the current fiscal year, all employees of the Group have been transferred to the Company and are now employed directly by it.

(2) Status of the Company's Employees

Number of employees	YoY Changes	Average Age	Average length of employment
241 (175)	+90 (+160)	40.1 years old	6.7 years

Note:

1. The number of temporary employees (including contract employees and part-timers) is shown in parentheses with the average number of employees per year shown in external numbers.
2. As of the current fiscal year, all employees have been transferred to the Company. As a result, the number of employees has increased compared to the previous consolidated fiscal year.
3. The average length 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	3,329,166
Sumitomo Mitsui Banking Corporation	1,993,333
Mizuho Bank, Limited	1,357,500

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	1,900 million yen

Other important matters concerning the current state of the Group

During the current consolidated fiscal year, the Company recorded a significant operating loss and posted ordinary losses for the third consecutive fiscal year, resulting in a challenging financial outcome. In response to these circumstances, we have shifted our business policy from revenue expansion to a strategy of prioritization and concentration, and implemented a large-scale asset reorganization during the fiscal year. Looking ahead, in order to prioritize stable earnings generation and the accumulation of net assets, we will promote initiatives to improve in operational efficiency, including cost reduction, group management integration, and the streamlining of internal transactions.

As part of these efforts, this proposal seeks approval of the absorption-type merger agreement between the Company and its wholly owned subsidiary, MINKABU SOLUTION SERVICES, Inc. Through this merger, we aim to eliminate inefficiencies such as overlapping management functions and internal transactions particularly within the solution business, reduce administrative costs, and accelerate business execution. Going forward, we will proceed with gradual integration, considering a unified corporate structure including Livedoor Co., Ltd., while ensuring business continuity through smooth service migration, effective internal control procedures, and appropriate tax and accounting treatment.

In addition, while the Company established Content Monster, Inc. as a wholly owned subsidiary on April 1, 2024, we have decided to withdraw from the content business after it incurred substantial losses in the fiscal year ending March 2025, as announced in the press release titled "Revision of Consolidated Earnings Forecast and Withdrawal of Medium-Term Management Plan," dated February 14, 2025. Consequently, we have resolved to dissolve and liquidate Content Monster, Inc.

Further details regarding this matter are disclosed in the notes to the consolidated financial statements under “Significant Subsequent Events.”

Shares (as of March 31, 2025)

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

ii) Total Number of shares outstanding 14,985,800

Note: As a result of the exercise of stock acquisition rights, the total number of shares issued and outstanding increased by 2,800 shares.

iii) Number of shareholders 12,500

iv) 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%
SBI Ventures Three, LLC	495,900	3.31%
Nikkei Inc. (political investment account)	462,900	3.09%
JAPAN SECURITIES FINANCE CO.,LTD.	289500	1.93%
Ryutaro Takada	288000	1.92%
Nippon Gas Line Co.,Ltd.	248000	1.65%

Note: The shareholding percentage is calculated by subtracting the number of 53 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, 2025

	Series 7	Series 8
Date of resolution to issue	June 25, 2015	June 25, 2015
Number of stock options	100	50
Underlying stock	10,000 Common stocks (100 Common stocks/stock option)	5,000 Common stocks (100 Common stocks/stock option)
Issue price	Free of charge	Free of charge
Exercise price	50,000JPY/stock option (500JPY/common stock)	50,000JPY/stock option (500JPY/common stock)
Exercise period	On and after June 25, 2015	From June 26, 2017 to June 24, 2025
Restriction for exercise	(a)	(b)
Number of directors granted		
Non-Audit and Supervisory (Excluding outside directors)	#stock option 100 #underlying 10,000 #director 1(c)	#stock option 50 #underlying 5,000 #director 1(c)

Non-Audit and Supervisory (Outside directors)	-	-
Audit and Supervisory	-	-

Note:
(a) Stock acquisition rights of the person to whom the stock acquisition rights are issued shall not be inherited.
(b) Conditions for exercise of stock acquisition rights are;
i) The person to whom the stock acquisition rights are issued may exercise their stock acquisition rights only while they are in the office of managing directors, audit & supervisory board members, employees of the Company or subsidiaries of the Company. Provided, however, that in the case the Board of Director approves, foregoing shall not be applicable.
ii) Common stocks of the Company shall be listed on a stock exchange in Japan or overseas.
iii) Stock acquisition rights shall not be inherited.
(c) The stock acquisition rights granted to one director were granted prior to his appointment as a director.
(d) Number of underlying stock and exercise price are adjusted due to a 100-for-1 stock split on January 16, 2019.

	Series 15	Series 16
Date of resolution to issue	October 30, 2017	July 17, 2018
Number of stock options	300	200
Underlying stock	30,000 Common stocks (100 Common stocks/stock option)	20,000 Common stocks (100 Common stocks/stock option)
Issue price	Free of charge	Free of charge
Exercise prise	60,000JPY/stock option (600JPY/common stock)	60,000JPY/stock option (600JPY/common stock)
Exercise period	On and after October 30, 2017	On and after July 20, 2018
Restriction for exercise	(a)	(a)
Number of directors granted		
Non-Audit and Supervisory (Excluding outside directors)	#stock option 300 #underlying 30,000 #director 1	#stock option 200 #underlying 20,000 #director 1
Non-Audit and Supervisory (Outside directors)	-	-
Audit and Supervisory	-	-

Note:
(a) Stock acquisition rights of the person to whom the stock acquisition rights are issued shall not be inherited.
(b) Number of underlying stock and exercise price are adjusted due to a 100-for-1 stock split on January 16, 2019.

(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).

i) 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 356 million yen as investment in securities, these are 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)	319,988 thousand yen
Total amount recorded on the balance sheet (b)*	356,305 thousand yen
Ratio (b/a)	111.35%
Number of companies which the Company owned shares (unlisted shares)	14
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

ii) 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 director, 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, 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
Director	Makoto Sumita	He attended 17 of the 18 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 18 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 18 meetings of the Board of Directors and all 15 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 Supervisory Committee member)	Shozo Ishibashi	The Company attended all 18 meetings of the Board of Directors and all 15 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, 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	The Company attended all 18 meetings of the Board of Directors and all 15 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 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

i) Designation of Accounting Auditor Ernst & Young ShinNihon LLC

ii) 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.

iii) 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.

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

a) 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.
b) 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.
c) 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.
d) 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.

ii) 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.”

iii) Risk of loss ("Risk") Rules and other systems related to the management of Risk

a) Established the Sustainability Committee to identify and select risks at the overall company management level and formulate measures to address them.
b) 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.
c) 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) With respect to important developments and investments, the Company has established a Project Deliberation Committee to conduct cross-functional reviews of business risks as well as compliance risks related to legal and accounting matters, thereby ensuring appropriate management and response measures.

iv) System to ensure the efficient execution of duties by Directors

a) 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.
b) 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.”
c) Introduce an operating officer system, clarify the business execution system by delegating authority, and establish a flexible and efficient management system.
d) To improve the transparency and objectivity in the determination process of director compensation for directors (excluding directors who are members of the Audit and Supervisory Committee) and nomination of candidates for election and dismissal, establish a Nominating & Compensation Committee consisting of at least half of independent outside directors as an advisory body to the Board of Directors.

v) Systems to ensure the appropriateness of business operations of the Company's corporate group

a) The Company shall conduct appropriate business management of its subsidiaries and affiliates in accordance with the "Regulations for the Management of Affiliated Companies".
b) 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.

vi) System for employees to assist the Audit and Supervisory Committee in its duties and their independence from the directors

a) 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.
b) 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).

vii) 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.

viii) Other systems to ensure that audits by Audit and Supervisory Committee members are conducted effectively

a) The President and Representative Director and the Audit and Supervisory Committee members shall hold regular meetings for the purpose of mutual communication.

b) The Audit and Supervisory Committee members shall ensure the effectiveness of the audit in cooperation with those in charge of internal audit.

c) The Audit and Supervisory Committee members shall exchange opinions with the accounting auditor as appropriate.

ix) System to eliminate anti-social forces

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

b) 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.

i) Execution of Duties by Directors

During the fiscal year under review, the Board of Directors met 18 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.

ii) Execution of duties by Audit and Supervisory Committee members

During the fiscal year under review, the Audit and Supervisory Committee met 15 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.

iii) 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, and organized to respond quickly to prevent the expansion of damage and minimize it.

(3) Basic Items Concerning Corporate Governance

Given the Company's financial results of three (3) consecutive fiscal years of consolidated ordinary losses and material uncertainty regarding the going concern assumption, we have shifted its business policy from a rapid expansion strategy focused on high sales growth to prioritization and concentration and decided to streamline the Board of Directors. The basic concept of corporate governance of the Group is that it is essential to establish sound management, legal compliance, and transparency in order 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 including the Nominating Cmmittee 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 take seriously the fact that the Company has recorded ordinary losses for three consecutive fiscal years and that material uncertainty regarding the going concern assumption has been raised. This situation has reaffirmed the importance of deepening and enriching discussions within the Board of Directors, clarifying the responsibilities of directors, and strengthening the Board's oversight function through effective monitoring.

Based on the above results, the Company's Board of Directors will strive to enhance its effectiveness, as expected, by addressing these areas for improvement, with the aim of rebuilding a stable earnings structure and establishing a path to renewed growth, thereby contributing 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, 2025

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		**LIABILITIES**	
Current assets:	**2,039,279**	**Current liabilities:**	**4,376,183**
Cash and deposits	542,610	Accounts payable - trade	284,794
Accounts receivable - trade	1,082,271	Short-term borrowings	2,100,000
Merchandise	911	Current portion of long-term borrowings	1,025,000
Work in process	37,268	Income tax payable	56,670
Supplies	2,219	Provision for loss on business liquidation	156,503
Other	379,479	Other allowances	73,678
Allowance for doubtful accounts	(5,480)	Other	679,536
Non-current assets:	**7,943,107**	**Non-current liabilities:**	**5,286,215**
Property, plant and equipment	**521,149**	Long-term borrowings	4,792,500
Buildings	33,892	Asset retirement obligation	114,409
Accumulated Depreciation	(16,439)	Deferred tax liabilities	379,306
Buildings, net	17,453	**Total liabilities**	**9,662,399**
Facilities attached to buildings	253,117	**NET ASSETS**	
Accumulated Depreciation	(73,315)	**Shareholders' equity**	**228,086**
Facilities attached to buildings, net	179,802	**Share capital**	**320,815**
Structures	254,209	**Capital surplus**	**6,632,867**
Accumulated Depreciation	(56,081)	**Retained earnings:**	**(6,725,484)**
Structures, net	198,128	**Treasury shares**	**(111)**
Vehicles	—	**Accumulated other comprehensive income**	**80,562**
Accumulated depreciation	—	**Valuation difference on available-for-sale securities**	**80,562**
Vehicles, net	—	**Non-controlling interests**	**11,338**
Tools, furniture and fixtures	430,375		
Accumulated Depreciation	(304,609)		
Tools, furniture and fixtures, net	125,766		
Leased assets	9,520		
Accumulated Depreciation	(9,520)		
Leased assets, net	-		
Intangible fixed assets:	**6,244,333**		
Goodwill	2,913,014		
Customer related assets	1,161,290	**Total net assets**	**319,988**
Technical assets	37,034		
Software	1,220,054		
Software in progress	882,531		
Other	30,408		
Investments and other assets:	**1,177,624**		
Investment securities	438,832		
Guarantee deposits	418,500		
Deferred tax assets	314,090		
Other	10,821		
Allowance for doubtful accounts	(4,621)		
Total assets	**9,982,387**	**Total liabilities and net assets**	**9,982,387**

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

Consolidated Statements of Income

From April 1, 2024 to March 31, 2025

(Thousands of yen)

Accounts	Amount	
Net sales		**10,548,910**
Cost of sales		**7,661,868**
Gross profit		**2,887,041**
Selling, general and administrative expenses		**4,798,290**
Operating loss		**(1,911,248)**
Non-operating income		
Interest income	504	
Dividend income	5,091	
Investment securities lending fee	7,118	
Reversal of allowance for doubtful accounts	2,140	
Foreign exchange gains	25	
Others	6,670	21,551
Non-operating expenses		
Interest expense	89,070	
Guarantee commission	1,239	
Loss on investments in investment partnerships	7,606	
Others	5,613	103,530
Ordinary loss		**(1,993,227)**
Extraordinary income		
Gain on sale of non-current assets	509	
Gain on sale of investment securities	20,000	
Gain on sale of shares of subsidiaries	91,965	
Other	18,014	130,490
Extraordinary loss		
Loss on sale of non-current assets	5,942	
Loss on retirement of non-current assets	2,912	
Loss on valuation of investment securities	102,753	
Impairment loss	2,146,328	
Loss on liquidation of business	1,181,805	3,439,741
Loss before income taxes		**(5,302,479)**
Income taxes - current	60,554	
Income taxes - refund	(223)	
Income taxes - deferred	166,469	226,801
Loss		**(5,529,280)**
Loss attributable to non-controlling interests		(3,324)
Loss attributable to owners of parent		**(5,525,955)**

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

TRANSLATION, For Your Reference Purpose Only

Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	3,534,975	3,806,635	(1,199,528)	(93)	6,141,988
Changes during period					
Issuance of new shares	815	815			1,630
Dividends of surplus		(389,557)			(389,557)
Profit (loss) attributable to owners of parent			(5,525,955)		(5,525,955)
Purchase of treasury shares				(17)	(17)
Transfer from share capital to other capital surplus	(3,214,975)	3,214,975			
Net changes in items other than shareholders' equity					
Total changes during period	(3,214,160)	2,826,232	(5,525,955)	(17)	(5,913,901)
Balance at end of period	320,815	6,632,867	(6,725,484)	(111)	228,086

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	28,202	28,202	14,662	6,184,853
Changes during period				
Issuance of new shares				1,630
Dividends of surplus				(389,557)
Profit (loss) attributable to owners of parent				(5,525,955)
Purchase of treasury shares				(17)
Transfer from share capital to other capital surplus				–
Net changes in items other than shareholders' equity	52,360	52,360	(3,324)	49,036
Total changes during period	52,360	52,360	(3,324)	(5,864,865)
Balance at end of period	80,562	80,562	11,338	319,988

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

Notes to Consolidated Financial Statements

1. Notes to Going Concern Assumption

The Group posted an operating loss of 1,911,248 thousand yen, ordinary loss of 1,993,227 thousand yen, and net loss of 5,529,280 thousand yen in the current fiscal year, resulting in consolidated net assets of 319,988 thousand yen. The short-term repayment due within one year (3,125,000 thousand yen) was much larger than the amount of cash on hand (542,610 thousand yen).

As a result, the Company violated the financial covenants in the term loan agreement and syndicated loan agreement concluded with several financial institutions for the term loan of 5,680,000 thousand yen and syndicated loan of 1,900,000 thousand yen, and so the Company recognizes that there are events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In order to improve and eliminate the deficit in profit and loss and concerns about cash flow, the Group has been promoting (1) cost reduction to secure stable profits (1) to (3) below and (2) improvement of the financing environment to stabilize funds (4) below. In addition to cost reductions, the Company has made progress with respect to the funding environment, including the establishment of new lines of credit to provide immediate cash management, with the consent of each of the financial institutions, as described in “Notes to Significant Subsequent Events”.

i) Immediate withdrawal from the content (event) business

In order to ensure that the impact of this business would be temporary, we decided to withdraw from the subscription service for users of the “Oshikatsu” service, which was part of a revenue diversification strategy using the media, and from the large-scale event business, which was undertaken as a measure to promote the service. The Company resolved on May 2, 2025 to dissolve the business with a dissolution date of the end of June of the same year.

ii) Termination or withdrawal from businesses and services that require continued investment

Under the expansion-oriented business policy, the Company has made investments including several M&As. However, the Company decided to withdraw or terminate businesses that require additional investments until they contribute to profits, thereby avoiding the burden of further upfront investments. In addition, the Company has reviewed necessary assets and reduced the depreciation burden of fixed assets in the future.

iii) Cost reduction centered on fixed costs

The Company has reviewed the organizational structure and operations based on expansion, and promoted reduction of fixed costs including office downsizing, and strengthen review of fixed external expenses to reduce external outflow costs.

iv) Measures to improve financial condition

The Company is discussing with financial institutions the repayment schedule, including changes to the repayment schedule, for loans with a repayment date of within one year. With the consent of all financial lenders, the Company has established a new line of credit of 500 million yen.

Even with the above actions, significant uncertainties regarding the premise of a going concern are recognized at this time because of the possibility of a significant impact on future cash flows, depending on the future business situation and the status of discussions with financial institutions. The consolidated financial statements are prepared on the premise of a going concern, and the effect of the material uncertainty regarding the premise of a going concern is not reflected in the consolidated financial statements.

2. 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

i) Status of consolidated subsidiaries

- Number of consolidated subsidiaries: 4
- Name of the consolidated subsidiary : Contents Monster, Inc.
  : MINKABU Web3 Wallet Inc.
  : MINKABU SOLUTION SERVICES, Inc.
  : livedoor Co., Ltd.

ii) Status of non-consolidated subsidiaries

Not applicable.

(2) Application of equity method

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

Not applicable.

ii) 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

i) Change in the scope of consolidation

As of April 1, 2024, Content Monster, Inc. was newly established and has been included in the scope of consolidation from the current consolidated fiscal year.

As of October 1, 2024, SEESAW GAME, Inc., a subsidiary of the Company, was merged into

another subsidiary, livedoor Co., Ltd., as the surviving company, and has been excluded from the scope of consolidation.
In addition, as of March 31, 2025, all shares of MINKABU Asset Partners, Inc., a second-tier subsidiary, were sold, and the company has been excluded from the scope of consolidation.

ii) 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
i) Basis and method of valuation of significant assets
a) Securities
Other securities
- Securities other than stocks without market prices:
The fair value method is applied, using market value as of the balance sheet date.
Unrealized gains and losses are included directly in net assets (the "comprehensive income" section), and the cost of securities sold is calculated using the moving average method.
- Stocks,etc without market prices:
The cost method using the moving average method is applied.
As for investments in investment limited partnerships and similar partnerships that are deemed securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act,the method of incorporating the proportionate share on a net basis, based on the most recent financial statements available as of the reporting date specified in the partnership agreement, is applied.

b) Inventories
- Merchandise:
The cost method based primarily on the specific identification method or the weighted average method is applied. The balance sheet value is determined by writing down book value based on a decline in profitability.
- Work in process:
The cost method based on the specific identification method is applied.
The balance sheet value is determined by writing down book value based on a decline in profitability.
- Supplies:
The cost method based on the specific identification method is applied.

ii) Depreciation and amortization of significant depreciable assets
a) Non-current 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	3 - 18 years
Structures	10 - 30 years
Vehicles	6 years
Tools, furniture, and fixtures	2 - 15 years

b) Intangible 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	3 - 8 years
Trademark	5 - 10 years
Contract asset	10 years
Technical assets	10 - 15 years
Customer related assets	10 - 16 years
Right of using facilities	15 years

iii) Accounting standards for significant reserves
a) 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.
b) Allowance for product warranties
To prepare for expenses related to product warranties, the Company provides a reserve for estimated losses.
c) Provision for shareholder benefits
The amount expected to be incurred is recorded to prepare for expenditures related to the shareholder benefit plan.

d) Provision for loss on business liquidation
To provide for losses associated with business restructuring, the estimated amount of losses expected to be incurred in or after the next consolidated fiscal year has been recorded during the current consolidated fiscal year.

iv) 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.

v) 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.

vi) 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.

3. Notes to changes in accounting policies
Not applicable.

4. Notes to accounting estimates
(1) Valuation of goodwill and client related assets related to livedoor Co., Ltd.
i) Amount on the consolidated financial statements for the fiscal year ended March 31, 2024

Goodwill	2,771,067 thousand yen
Customer related assets	1,072,454 thousand yen

ii) Information about the content of material accounting estimates for the identified item
a) 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.
Customer 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 systematically 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.
b) Major assumptions used for the calculation of the amount on the consolidated financial statements for the fiscal year ended March 31, 2025
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.
c) Impact on consolidated financial statements for the fiscal year ended March 31, 2026
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.
i) Amount recorded in the consolidated financial statements for the current fiscal year
Deferred Tax Assets: None (None)
(Note: The amount in parentheses represents the amount recorded in the consolidated financial statements after deducting deferred tax liabilities.)
ii) Information on significant accounting estimates related to identified items
a) 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.
b) 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.
c) 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.

5. Notes on Changes in Accounting Estimates

The Company resolved at the Board of Directors meeting held on February 14, 2025, to relocate its headquarters office in line with a reduction in office space.
As a result, the useful lives of certain fixed assets that will become unusable due to the relocation have been shortened prospectively.
This change had no impact on profit or loss for the current consolidated fiscal year.

6. Additional Information

(Financial Covenants)

The Company has entered into a syndicated loan agreement for 1,900,000 thousand yen out of the 2,100,000 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) Not record an ordinary loss 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 887,500 thousand yen out of 1,025,000 thousand yen in current portion of long-term borrowings and 4,792,500 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) Not record an ordinary loss in the consolidated statement of income for two consecutive fiscal years.

It should be noted that the Company violated all of the above financial covenants in the current consolidated fiscal year.

7. 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.: 137,500 thousand yen

8. Notes to the Consolidated Statement of income

Distribution Revenue Related to Discontinued Business
In view of the immediate withdrawal from the content business as resolved at the Board of Directors meeting held on February 14, 2025, the Company transferred the hosting rights of an event originally scheduled to be held in March 2025 to a third-party organizer.
This revenue represents the share of proceeds received by the Company from the organizer following the successful execution of the event.

Impairment loss

(1) Overview of asset groups recognizing impairment losses

Usage	Type	Location
Business assets	Facilities attached to buildings	Minato-ku,Tokyo
Business assets	Tools, furniture and fixtures	Minato-ku,Tokyo
Business assets	Goodwill	Minato-ku,Tokyo
Business assets	Customer related assets	Minato-ku,Tokyo
Business assets	Trademark	Minato-ku,Tokyo
Business assets	Software	Minato-ku,Tokyo
Business assets	Work-in-progress Software	Minato-ku,Tokyo
Idle assets	Trademark	Minato-ku,Tokyo
Idle assets	Software	Minato-ku,Tokyo

(2) Circumstances leading to the recognition of impairment losses

Impairment losses were recognized as future cash flows were no longer expected from facilities attached to buildings, tools, furniture and fixtures, customer-related assets, trademarks, software, and work-in-progress software used in business operations.
For goodwill, impairment was recognized as excess earnings power could no longer be expected.
Impairment losses for idle assets were recognized due to a review of asset retention, which indicated the investment amounts were no longer recoverable.

In the current consolidated fiscal year, the Group made strategic decisions to focus and streamline its operations, including withdrawal from unprofitable businesses.
As a result, the carrying amounts of fixed assets belonging to the affected asset groups were reduced to their recoverable amounts. The total amount of such reduction, ¥672,798 thousand, was recorded as loss on business restructuring under extraordinary losses.

(3) Amount of Impairment Losses

Facilities attached to buildings:	187,471 thousand yen
Tools, furniture and fixtures:	88,579 thousand yen
Goodwill:	317,469 thousand yen
Customer related assets:	1,734,518 thousand yen
Trademark:	14,294 thousand yen
Software:	412,978 thousand yen
Work-in-progress software:	63,814 thousand yen
Total:	2,819,127 thousand yen

Note: Of the above, ¥672,798 thousand is recorded under "Loss on business restructuring."
The breakdown is as follows:
Facilities attached to buildings: ¥187,471 thousand
Tools, furniture and fixtures: ¥88,579 thousand
Goodwill: ¥317,469 thousand
Trademarks: ¥1,517 thousand
Software: ¥77,635 thousand
Work-in-progress software: ¥127 thousand

(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

For business assets such as facilities attached to buildings and tools, furniture and fixtures, recoverable amounts were calculated based on net selling value.
Customer-related assets were measured using value in use and their carrying amounts were reduced accordingly.
For business assets such as trademarks, software, and work-in-progress software, recoverable amounts were recognized as zero, since no future cash flows are expected.
Goodwill was also reduced to zero as excess earnings power is no longer anticipated.
Idle assets were recognized at zero recoverable value, as they are no longer expected to be used in the future.

Loss on Business Restructuring

As part of the Group's strategic decision to focus its business portfolio, including the withdrawal from unprofitable businesses, a loss on business restructuring of ¥1,181,805 thousand was recorded. This amount primarily includes costs associated with the withdrawal from the content business, termination of certain media services such as Livedoor Gourmet, impairment of goodwill and software, and penalties related to office lease termination following the downsizing of office space.

9. 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, 2025	Increase in the number of shares during the fiscal year ended March 31, 2025	Decrease in the number of shares during the fiscal year ended March 31, 2025	Number of shares at the end of fiscal year ended March 31, 2025
Common stock (note)	14,983,000	2,800	—	14,985,800

Note: The increase in 2,800 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, 2025	Increase in the number of shares during the fiscal year ended March 31, 2025	Decrease in the number of shares during the fiscal year ended March 31, 2025	Number of shares at the end of the fiscal year ended March 31, 2025
Common stock	23	30	—	53

(3). Matters related to dividends from surplus

i) 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 28, 2024	Common stock	Additional paid-in capital	389	26	March 31, 2024	June 29, 2024

ii) Dividends whose record date in the current fiscal year and an effective date in the subsequent fiscal year

Not applicable.

(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, 2024	Increase	Decrease	As of March 31, 2025
The 7th stock acquisition rights	Ordinary shares	120,000	—	—	120,000
The 8th stock acquisition rights	Ordinary shares	20,600	—	500	20,100
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	70,000	—	2,000	68,000
The 17th stock acquisition rights	Ordinary shares	14,100	—	300	13,800
Total		261,700	—	2,800	258,900

Note: The decrease in the 8th, 16th, and 17th series of stock acquisition rights during the fiscal year ended March 31, 2025 is due to the exercise of stock acquisition rights.

10. Notes to financial instruments

(1) Matters concerning the status of financial instruments

i) 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.

ii) 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, 2025. 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	261,520	261,520	—
Total assets	261,520	261,520	—
Current portion of long-term borrowings	1,025,,000	1,012,298	(12,701)
Long-term borrowings	4,792,500	4,339,502	(452,997)
Total liabilities	5,817,500	5,351,801	(465,698)

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	94,785
Investment partnerships	80,027

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.

i) 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	261,520	—	—	261,520
Total assets	261,520	—	—	261,520

ii) 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	—	1,012,298	—	1,012,298
Long-term borrowings	—	4,339,502	—	4,339,502
Total liabilities	—	5,351,801	—	5,351,801

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

Investment securities

Listed shares are measured using quoted market prices. Since they are traded in active markets, they are classified as Level 1.

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

These are measured using the net present value method, based on the total amount of principal and interest, discounted at interest rates that reflect the remaining maturity and credit risk. Accordingly, they are classified as Level 2.

11. Notes to revenue recognition

(1) Breakdown of revenue from contracts with customers

(Thousands of yen)

	Reported segments		Total
	Media business	Solution business	
Advertising revenue	4,243,039	—	4,243,039
Charged revenue	106,663	—	106,663
Other media revenue	2,484,255	—	2,484,255
Recurring revenue	—	2,707,429	2,707,429
Upfront, one-time revenue	—	1,007,523	1,007,523
Revenue from contracts with customers	6,833,958	3,714,952	10,548,910
Other revenue	—	—	—
Net sales to external customers	6,833,958	3,714,952	10,548,910

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

The major performance obligations and the ordinary timing of fulfilling those obligations (i.e., the ordinary timing of revenue recognition) in the primary businesses of the Company and its consolidated subsidiaries regarding revenue from contracts with customers are as follows.

a) Media business

The media business mainly records advertising revenue and subscription revenue.

Advertising revenue includes pure advertising and network advertising revenue, for which revenue is recognized at the time of advertisement placement, clicks, or impressions, as performance obligations are fulfilled at those points. For performance-based advertising, such as those related to account openings, revenue is recognized at the time of acceptance inspection, when the performance obligation is fulfilled.

Subscription revenue is recognized over time, as it represents revenue from monthly user fees under subscription-based services.

For advertising revenue where the Company is determined to be primarily acting as an agent, revenue is recognized on a net basis by 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

The solution business records revenue from initial implementation and monthly service fees of cloud-based ASP services, the provision of information content developed for the media business, planning and consulting services for financial institutions, custom system development, and the operation of the equity information media “Kabutan.”

These services are classified into recurring revenue and upfront or one-time revenue based on the timing of service transfer.

Revenue from the initial implementation of ASP services is recognized at the time of acceptance inspection.

Revenue from providing ASP services and their maintenance and operations, as well as information delivery via content, is recognized either at the time of service provision or over the service period, depending on the contract. These services are mainly offered on a fixed monthly fee basis, but may also include lump-sum data provision or pay-per-use pricing based on the number of user IDs or downloads.

Revenue from “Kabutan” is primarily generated from monthly paid subscription services and is recognized over the period the services are provided.

Revenue is measured at the amount of consideration promised in the contract with the customer, net of returns, discounts, and rebates.

The consideration is typically received within one year from the fulfillment of performance obligations, and the transaction does not contain any significant financing components.

(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, 2025 (Thousands of yen)
Receivables from the contracts from the customers	1,082,771
Contract liabilities	120,812

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 2025. 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 2025.

12. Notes to Per Share Information

Net assets per share	20.60 yen
Net loss per share	(368.79) yen

13. Notes to significant subsequent events

(Dissolution and Liquidation of a Consolidated Subsidiary)

At the Board of Directors meeting held on May 2, 2025, the Company resolved to dissolve and liquidate its consolidated subsidiary, Contents Monster, Inc.

(1) Reason for the Dissolution and Liquidation

Contents Monster, Inc. was established to promote the Group's content business. However, as disclosed in the "Notice Regarding Revisions to Consolidated Earnings Forecasts and Withdrawal of the Medium-Term Management Plan" dated February 14, 2025, the content business incurred significant losses during the fiscal year ended March 31, 2025. Accordingly, the Company decided to withdraw from the business and resolved to dissolve and liquidate the subsidiary.

(2) Overview of the Subsidiary to be Dissolved and Liquidated

(a) Name: Contents Monster, Inc.
(b) Address: 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo
(c) Business Description: Membership service ("Oshi Pass"), various content production, operation, and distribution
(d) Share Capital: 10 million yen
(e) Date of Establishment: April 1, 2024
(f) Ownership Ratio: 100% owned by the Company

(3) Schedule for Dissolution and Liquidation

(a) Dissolution of the subsidiary: June 30, 2025
(b) Completion of liquidation: September 2025 (planned)

(4) Impact on Profit or Loss

The impact on profit or loss for the next and subsequent fiscal years is expected to be immaterial.

(Execution of a Commitment Line Agreement)

At the Board of Directors meeting held on April 25, 2025, the Company resolved to establish a borrowing facility to secure liquidity and subsequently entered into an agreement.

(a)Lender: MUFG Bank, Ltd.
(b)Credit Line: 500 million yen
(c)Interest Rate: 5.4% per annum
(d)Contract Date: April 30, 2025
(e)Contract Period: Until June 25, 2025 (subject to extension upon mutual agreement in writing)
(f)Collateral: Yes (beneficial interests in self-trusts related to accounts receivable and loans to affiliates, and deposit claims)
(g)Guarantee: Yes (joint and several guarantees by the Company's consolidated subsidiaries, Livedoor Co., Ltd. and Minkabu Solution Services, Inc.)

(Absorption-type Merger of a Consolidated Subsidiary)

At the Board of Directors meeting held on February 14, 2025, the Company resolved to transition to a single-entity operational structure through an absorption-type merger, effective July 1, 2025, with the Company as the surviving entity and its consolidated subsidiaries, Livedoor Co., Ltd. ("Livedoor") and Minkabu Solution Services, Inc. ("MSS"), as the dissolving entities. After further consideration, the Board resolved on May 22, 2025, to first proceed with the absorption-type merger of MSS alone, with the effective date changed to October 1, 2025.

(1) Summary of the Transaction

(a)Names of the Companies and Business Overview

Surviving Company: MINKABU THE INFONOID, Inc.
Business: Solution and media businesses

Absorbed Company: Minkabu Solution Services, Inc.
Business: Solution business

(b)Date of the Business Combination: October 1, 2025 (planned)
(c)Legal Structure: Absorption-type merger with MINKABU THE INFONOID, Inc. as the surviving company
(d)Name of the Company After Merger: MINKABU THE INFONOID, Inc.

(e)Other Details:
The Company initially announced its policy to consolidate the operations of Minkabu, Livedoor, and MSS to transition to a single-entity operational structure and streamline the organization. While there is no change in this policy, upon reevaluation to maximize synergies and prioritize a return to profitability, the Company decided to first merge with MSS. The merger schedule including Livedoor will be adjusted going forward.

(2) Overview of Accounting Treatment
The transaction will be accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standards for Business Combinations and Business Divestitures, etc." (ASBJ Guidance No. 10, January 16, 2019).

14. Other notes

(Business combinations)
(Transfer of Subsidiary Shares)
Transfer of Shares in MINKABU ASSET PARTNERS, Inc.
At the Board of Directors meeting held on February 14, 2025, the Company resolved to transfer all shares of MINKABU ASSET PARTNERS, Inc. (hereinafter "MAP"), a consolidated subsidiary held by MINKABU SOLUTION SERVICES, Inc. (hereinafter "MSS"), to TradeWorks Co., Ltd. (hereinafter "TW"), a business alliance partner of the Company. The share transfer was completed on March 31, 2025.
As a result, MAP has been excluded from the scope of consolidation.

(1) Overview of the Share Transfer
(a)Name of the transferee: TradeWorks Co., Ltd.
(b)Name and business of the transferred subsidiary
Name: MINKABU ASSET PARTNERS, Inc.
Business: Online investment advisory services, financial instruments brokerage business, investment advisory and agency business
(c) Reason for the share transfer:
The Company established MAP in September 2021 with the aim of providing financial services for asset formation, under the theme of "From Savings to Asset Formation." MAP subsequently completed registration as a financial instruments intermediary in December 2022 and as an investment advisory and agency business in December 2023, and joined the Japan Investment Advisers Association, preparing to launch operations as an online-only investment advisor.
TW, with whom the Company entered into a business alliance in May 2024, operates a financial solutions business leveraging its extensive knowledge of the securities industry, strong track record in developing and operating financial systems, and highly skilled human capital. Based on its medium-term management plan, TW is working on strengthening its business foundation for future growth.
Through discussions among the Company, MSS, and TW on various business strategies, it was determined that the financial services being prepared for launch by MAP would realize higher business synergies under TW, which possesses real-time trading systems. Accordingly, the Company resolved to transfer the shares of MAP.
(d)Date of the share transfer: March 31, 2025
(e) The details including legal form of the transaction: Share transfer for consideration in cash or equivalent assets
(2) Overview of Accounting Treatment
(a)Gain on the transfer of shares:
Gain on sale of shares of a subsidiary: 91,965 thousand yen
(b)Book values of assets and liabilities related to the transferred subsidiary and their main breakdown:
Current assets: 10,601 thousand yen
Non-current assets: 5,079 thousand yen
Total assets: 15,681 thousand yen
Current liabilities: 7,646 thousand yen
Total liabilities: 7,646 thousand yen
(c)Accounting treatment:
The difference between the selling price of the transferred shares and the consolidated book value has been recorded as a gain on sale of shares of a subsidiary under extraordinary income.

(3) Name of the reportable segment to which the transferred subsidiary belonged:
Solution business

(4) Amounts related to the transferred subsidiary included in the consolidated statement of income for the fiscal year:
Revenue: 8,841 thousand yen
Operating loss: 100,970 thousand yen

(Transactions under Common Control)
(Absorption-type Merger between Consolidated Subsidiaries)
Merger between livedoor Co., Ltd. and SEESAW GAME, Inc.
At the Board of Directors meeting held on July 19, 2024, the Company resolved to carry out an absorption-type merger between two wholly owned subsidiaries, livedoor Co., Ltd. (hereinafter "livedoor") and SEESAW GAME, Inc. (hereinafter "SEESAW GAME"), with livedoor as the surviving company and SEESAW GAME as the dissolved company, effective October 1, 2024.
(1) Overview of the Transaction
i) Name and business of the combined companies

・Name of surviving company: livedoor Co., Ltd.
・ Business: Operation of comprehensive online media such as “livedoor Blog,” “livedoor News,” and “Kstyle”
・ Name of dissolved company: SEESAW GAME, Inc.
・Business: Operation of specialized sports media, video production, and facility management

ii) Date of business combination:
October 1, 2024

iii) Legal form of business combination:
Absorption-type merger with livedoor as the surviving company and SEESAW GAME as the dissolved company

iv) Name of the company after the combination:
livedoor, Co., Ltd

v) Other details of the transaction:
This merger is intended to enhance the continued growth of the Group’s media business, maximize synergies including cost reductions, and make effective use of management resources.

(2) Overview of Accounting Treatment
The transaction was accounted for as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

TRANSLATION, For Your Reference Purpose Only

Balance Sheets

As of March 31, 2025

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		**LIABILITIES**	
		Current liabilities:	**4,344,487**
Current assets:	**1,961,221**	Accounts payable - trade	54,399
Cash and deposits	140,604	Short-term borrowings	2,100,000
Accounts receivable - trade	168,762	Current portion of long-term borrowings	887,500
Supplies	32	Accrued expense	642,257
Short-term loan to the subsidiary	830,000	Income tax payable	14,322
Other receivables	686,155	Accrued business office taxes	1,299
Prepaid expenses	64,844	Accrued consumption taxes	72,484
Others	71,670	Deferred revenues	7,132
Allowance for doubtful accounts	(848)	Provision for loss on business liquidation	143,835
Non-current assets:	**8,873,628**	Provision for shareholder benefits	63,600
Property, plant and equipment:	**217,586**	Others	357,657
Facilities attached to buildings	154,563	**Non-current liabilities:**	4,792,500
Accumulated depreciation	(35,320)	Long-term borrowings	4,792,500
Tools, furniture and fixtures	363,245	**Total liabilities**	9,136,987
Accumulated depreciation	(264,901)	**NET ASSETS**	
Intangible fixed assets:	**82,778**	**Shareholders' equity**	**1,682,031**
Trademark	14,943	**Share capital**	**320,815**
Software	60,661	**Capital surplus**	**4,007,519**
Software in progress	782	Capital surplus	80,815
Others	6,391	Other capital surplus	3,926,704
Investments and other assets:	**8,573,263**	**Retained earnings:**	**(2,646,190)**
Investment securities	105,387	Other retained earnings	(2,646,190)
Investment in affiliates	8,091,161	Retained earnings carried forward	(2,646,190)
Bankruptcy claims	4,621	**Treasury Shares**	**(111)**
Long-term prepaid expenses		**Valuation and translation adjustments**	**15,830**
Deferred tax assets	5,625	Valuation difference on available-for sale securities	15,830
Guarantee deposits	40,208		
Allowance for doubtful accounts	330,880 (4,621)	**Total net assets**	1,697,862
Total assets	**10,834,850**	**Total liabilities and equity**	**10,834,850**

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

Statements of Income

From April 1, 2024 to March 31, 2025

(Thousands of yen)

Accounts	Amount	
Net sales		1,123,564
Cost of sales		36,404
Gross profit		1,087,159
Selling, general and administrative expenses		1,039,295
Operating profit		47,864
Non-operating income		
Interest income	23,757	
Dividend income	440	
Reversal of allowance for doubtful accounts	1,946	
Exchange gain	259	
Others	2,547	28,950
Non-operating expenses		
Interest expense	84,873	
Guarantee commission	1,239	
Loss on investments in investment partnerships	7,606	
Others	1,250	94,969
Ordinary loss		(18,155)
Extraordinary profit		
Gain on sale of non-current assets	509	509
Extraordinary loss		
Loss on disposal of non-current assets	2,282	
Loss on valuation of shares of subsidiaries	9,999	
Loss on liquidation of business	450,162	
Impairment loss	26,402	
Loss on waiver of claims	1,976,095	2,464,942
loss before income taxes		(2,482,587)
Income taxes (Corporate, residential, enterprise taxes)	14,032	
Income tax-deferred	5,771	19,803
Net loss		(2,502,391)

Note: Amounts are 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.

TRANSLATION, For Your Reference Purpose Only

Statements of changes in shareholders' equity

From April 1, 2024 to March 31, 2025

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Capital surpluses	Other capital surpluses	Total capital surplus	Other retained earnings / Accumulated retained earnings	Total retained earnings		
Balance at the beginning of the period	3,534,975	2,734,975	(1,553,688)	1,181,286	(143,799)	(143,799)	(93)	4,572,368
Changes during the period								
Issuance of new shares	815	815		815				1,630
Dividends of surplus			(389,557)	(389,557)				(389,557)
Purchase of treasury shares							(17)	(17)
Net loss					(2,502,391)	(2,502,391)		(2,502,391)
Transfer from share capital to capital surplus	(3,214,975)		3,214,975	3,214,975				
Transfer from capital reserve to capital surplus		(2,654,975)	2,654,975					
Net changes in items other than shareholders' equity								
Total changes during the period	(3,214,160)	(2,654,160)	5,480,392	2,826,232	(2,502,391)	(2,502,391)	(17)	(2,890,336)
Balance at the end of the period	320,815	80,815	3,926,704	4,007,519	(2,646,190)	(2,646,190)	(111)	1,682,031

	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	17,655	17,655	4,590,0248
Changes during the period			
Issuance of new shares			1,630
Dividends of surplus			(389,557)
Purchase of treasury shares			(17)
Net loss			(2,502,391)
Transfer from share capital to capital surplus			
Transfer from capital reserve to capital surplus			
Net changes in items other than shareholders' equity	(1,825)	(1,825)	(1,825)
Total changes during the period	(1,825)	(1,825)	(2,892,161)
Balance at the end of the period	15,830	15,830	1,697,862

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

Notes to Financial Statements

1. Notes to Going Concern Assumption

As stated in the "Notes to Consolidated Financial Statements – Notes to Going Concern Assumption", the Group posted an operating loss of 1,911,248 thousand yen, ordinary loss of 1,993,227 thousand yen, and net loss of 5,529,280 thousand yen in the current fiscal year, resulting in consolidated net assets of 319,988 thousand yen. The short-term repayment due within one year (3,125,000 thousand yen) was much larger than the amount of cash on hand (542,610 thousand yen).

As a result, the Company violated the financial covenants in the term loan agreement and syndicated loan agreement concluded with several financial institutions for the term loan of 5,680,000 thousand yen and syndicated loan of 1,900,000 thousand yen, and so the Company recognizes that there are events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In order to improve and eliminate the deficit in profit and loss and concerns about cash flow, the Group has been promoting (1) cost reduction to secure stable profits (1) to (3) below and (2) improvement of the financing environment to stabilize funds (4) below. In addition to cost reductions, the Company has made progress with respect to the funding environment, including the establishment of new lines of credit to provide immediate cash management, with the consent of each of the financial institutions, as described in "Notes to Significant Subsequent Events".

(1) Immediate withdrawal from the content (event) business

In order to ensure that the impact of this business would be temporary, we decided to withdraw from the subscription service for users of the "Oshikatsu" service, which was part of a revenue diversification strategy using the media, and from the large-scale event business, which was undertaken as a measure to promote the service. The Company resolved on May 2, 2025 to dissolve the business with a dissolution date of the end of June of the same year.

(2) Termination or withdrawal from businesses and services that require continued investment

Under the expansion-oriented business policy, the Company has made investments including several M&As. However, the Company decided to withdraw or terminate businesses that require additional investments until they contribute to profits, thereby avoiding the burden of further upfront investments. In addition, the Company has reviewed necessary assets and reduced the depreciation burden of fixed assets in the future.

(3) Cost reduction centered on fixed costs

The Company has reviewed the organizational structure and operations based on expansion, and promoted reduction of fixed costs including office downsizing, and strengthen review of fixed external expenses to reduce external outflow costs.

(4) Measures to improve financial condition

The Company is discussing with financial institutions the repayment schedule, including changes to the repayment schedule, for loans with a repayment date of within one year. With the consent of all financial lenders, the Company has established a new line of credit of 500 million yen.

Even with the above actions, significant uncertainties regarding the premise of a going concern are recognized at this time because of the possibility of a significant impact on future cash flows, depending on the future business situation and the status of discussions with financial institutions. The consolidated financial statements are prepared on the premise of a going concern, and the effect of the material uncertainty regarding the premise of a going concern is not reflected in the consolidated financial statements.

2. Notes regarding matters related to significant accounting policies

(1) Basis and method of valuation of significant assets

i) Investments in subsidiaries

The cost method using the moving average method is applied.

ii) Other securities

- Securities other than stocks without market prices:

  The fair value method is applied. Unrealized gains and losses are directly included in net assets (the "comprehensive income" section), and the cost of securities sold is calculated using the moving average method.

- Stocks, etc. without market prices:

  The cost method using the moving average method is applied.

  For investments in investment limited partnerships and similar partnerships that are deemed securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act, the method of incorporating the proportionate share on a net basis, based on the most recent financial statements available as of the reporting date specified in the partnership agreement, is applied.

iii) Inventories

- Work in process:

  The cost method based on the specific identification method is applied.

  The balance sheet value is determined by writing down book value based on a decline in profitability.

- Supplies:

  The cost method based on the specific identification method is applied.

(2) Depreciation and amortization of significant depreciable assets

i) Non-current assets

ThDeclining-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.

Facilities attached to buildings	3-18 years
Vehicles	6 years
Tools, furniture, and fixtures	3-15 years

ii) Intangible 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 asset	3 - 8 years
Trademark asset	5 - 10 years

(3) Treatment method of deferred asset
All stock issuance costs are treated as expenses when incurred.

(4) 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.

(5) 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.
iv) Provision for loss on business liquidation
To provide for losses associated with business restructuring, the estimated amount of losses expected to be incurred in or after the next consolidated fiscal year has been recorded during the current consolidated fiscal year.

(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.

3. Notes to changes in accounting policies

Not applicable

4. 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, 2025
Subsidiary's stock 7,781,161 thousand yen

(2) Information about the content of material accounting estimates for the identified item.
i) 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.
ii) Major assumptions used for the calculation of the amount on the financial statements for the fiscal year ended March 31, 2025
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.
iii) Impact on financial statements for the fiscal year ended March 31, 2025
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.

5. Notes on Changes in Accounting Estimates

The Company resolved at the Board of Directors meeting held on February 14, 2025, to relocate its headquarters office in line with a reduction in office space.
As a result, the useful lives of certain fixed assets that will become unusable due to the relocation have been shortened prospectively.
This change had no impact on profit or loss for the current fiscal year.

6. Additional Information

(Financial Covenants)
Out of the 2,100,000 thousand yen in short-term borrowings, the Company has entered into a syndicated loan agreement for 1,900,000 thousand yen, which includes financial covenants.
Additionally, out of the 1,025,000 thousand yen in current portion of long-term borrowings and 4,792,500 thousand yen in long-term borrowings, the Company has entered into term loan agreements for 887,500 thousand yen and 4,792,500 thousand yen, respectively, which also include financial covenants.
For further details, please refer to "Notes to the Consolidated Financial Statements (Additional Information)."

7. 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.	137,500 thousand yen

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

(i)	Short-term monetary claims	1,577,080 thousand yen
(ii)	Short-term monetary obligations	844,377 thousand yen

8. Notes to profit and loss statement

(1) Transactions with subsidiaries and affiliates
Transactions from business transactions

Net sales	3,693,153 thousand yen
Cost of sales	687,769 thousand yen
Selling, general and administrative expenses	1,643,142 thousand yen
Transactions other than from Business Transactions	(1,952,530) thousand yen

(2) Impairment Loss
The Company recognized impairment losses on the following assets.
An overview of the impaired fixed assets and the amount of the impairment loss are as follows.

Location	Usage	Type	Impairment Loss
Minato-ku,Tokyo	Business assets	Facilities attached to buildings	187,471 thousand yen
Minato-ku,Tokyo	Business assets	Tools, furniture and fixtures	88,579 thousand yen
Minato-ku,Tokyo	Business assets	Software	13,789 thousand yen
Minato-ku,Tokyo	Business assets	Trademark	9,350 thousand yen
Minato-ku,Tokyo	Idle assets	Trademark	3,262 thousand yen

Note:Of the total amount above, 276,050 thousand yen was recorded as loss on liquidation of business.
The breakdown is as follows:
Facilities attached to buildings: 187,471 thousand yen
Tools, furniture and fixtures: 88,579 thousand yen

The background leading to the recognition of impairment losses, the method of asset grouping, and the method for estimating recoverable amounts are described in the Notes to Consolidated Statement of Income under "Impairment Loss."

(3) Loss on valuation of shares of subsidiaries
This represents the loss on valuation of shares of Content Monster Inc., a consolidated subsidiary of the Company, for which the Company resolved to dissolve and liquidate following the decision to withdraw from unprofitable business operations.

(4) Loss on liquidation of business
An amount of 450,162 thousand yen was recorded as a loss on liquidation of business, related to the prioritization and concentration of business operations, including withdrawal from unprofitable businesses. The main components of this loss were impairment loss on fixed assets due to office downsizing and penalties related to the termination of office lease agreements.

(5) Loss on waiver of claims
This represents a loss on waiver of claims arising from the forgiveness of loans and other receivables to subsidiaries that were designated for liquidation or sale as part of the prioritization and concentration of business operations, including the withdrawal from unprofitable businesses.

9. 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	30	—	53

10. Notes on Deferred Tax Accounting

(1) Breakdown of major causes of deferred tax assets and deferred tax liabilities

The primary cause of deferred tax assets is the deductible temporary differences related to loss carryforwards. A valuation allowance of 724,283 thousand yen has been deducted from deferred tax assets. In addition, 3,265 thousand yen has been offset against deferred tax liabilities.

(2) Revisions to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rates

As a result of the enactment of the "Act Partially Amending the Income Tax Act, etc." (Act No. 13 of 2025) and the "Act Partially Amending the Local Tax Act, etc." (Act No. 7 of 2025) on March 31, 2025, the statutory effective tax rates used in calculating deferred tax assets and deferred tax liabilities for this fiscal year (limited to those expected to be recovered or settled on or after April 1, 2025) have changed. Specifically, for amounts expected to be recovered or settled during the period from April 1, 2025 to March 31, 2026, the rate remains at 30.62%, and for amounts expected to be recovered or settled on or after April 1, 2026, the rate has been changed to 31.52%.

As a result, the amount of deferred tax assets (net of deferred tax liabilities) increased by 774 thousand yen, income taxes - deferred increased by 867 thousand yen, and valuation difference on available-for-sale securities decreased by 93 thousand yen.

11. Notes regarding transactions with related parties

(1)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, 2025
Subsidiary	Contents Monster Inc.	Direct holding 100%	Subscription to capital	Subscription to capital (Note 1)	10,000	—	—
			Loan of funds	Loan of funds (Note 2)	1,480,200	—	—
			Interest	Interest received	9,596	—	—
			Management fee	Management fees	376,666	—	—
			Waiver	Waiver of claims (Note 6)	1,852,546	—	—
Subsidiary	SEESAW GAME, Inc.(Note 3)	Direct holding 100%	Common Director	Common Director	—	—	—
			Interest	Interest received	3,890,348	—	—
Subsidiary	MINKABU ASSET PARTNERS, Inc.(Note 4)	Direct holding 100%	Common Director	Common Director	—	—	—
			Waiver	Waiver of claims	22,636	—	—
Subsidiary	MINKABU SOLUTION SERVICES, Inc.	Direct holding 100%	Common Director	Common Director	—	—	—
			Guarantee of debt	Guarantee of borrowings (Note 5)	137,500	—	—
			Loan of funds	Loan of funds (Note 2)	100,000	—	—
			Offset between management fee and business consignment fee	Offset amount	—	Accrued expenses	282,441
			Temporary receipt related to subsidiary's external sales	Commission income	256,765	—	—
				Temporary receipt related to subsidiary's external sales	—	Accrued expenses	244,879
			Loss on waiver of claims	Waiver of claims (Note 8)	100,911	—	—
Subsidiary	MINKABU WEB3 WALLET, Inc.	Direct holding 51.2%	Common Director	Common Director	—	—	—
Subsidiary	livedoor Co., Ltd.	Direct holding	Common Director	Common Director	—	—	—

		100%	Loan of funds	Loan of funds(Note 2)	830,000	Short-term loans receivable	830,000
			Waiver Waiver of claims	Waiver Waiver of claims	9,382	—	—
			Management fee	Management fee	411,249	—	—
			Receipt of personnel expenses	Personnel cost reimbursement	—	Other receivables	270,296
			Temporary receipt related to subsidiary's external sales	Temporary receipt related to subsidiary's external sales	—	Other payables	307,981

Transaction Conditions and Determination Policies
(Note 1) The underwriting of the investment represents the underwriting of the common shares issued by Contents Monster Inc. on April 1, 2024 in connection with the incorporation of the company and the underwriting of the total number of shares to be offered in accordance with the subscription agreement dated April 1, 2024.
(Note 2) The interest rate on the loans is reasonably determined considering the market interest rate. No collateral is accepted.
(Note 3) Effective October 1, 2024, livedoor Co.,Ltd. and SEESAW GAME, Inc. merged in an absorption-type merger, with livedoor Co.,Ltd. as the surviving company and SEESAW GAME, Inc. as the absorbed company. The transaction amount with SEESAW GAME, Inc. above shows the transaction amount before the merger.
(Note 4) On March 31, 2025, all shares of MINKABU ASSET PARTNERS, Inc. were transferred. The transaction amount represents the transaction volume up to the time of the share transfer.
(Note 5) The Company guarantees the borrowings of its consolidated subsidiary, MINKABU SOLUTION SERVICES, Inc.There is no guarantee fee and no collateral. The transaction amount represents the amount of borrowing under the debt guarantee.
(Note 6) This is a waiver of loans receivable, accounts receivable and accrued interest receivable in connection with the resolution to dissolve Contents Monster, Inc.
(Note 7) This is a waiver of receivables related to the transfer of all shares of MINKABU ASSET PARTNERS, Inc. as of March 31, 2025.
(Note 8) This is a waiver of loans receivable and accrued interest receivable in connection with the transfer of all shares of MINKABU ASSET PARTNERS, Inc. on March 31, 2025.

(2) Directors and principal individual shareholders, etc.

(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, 2025
Companies, etc. in which the majority of voting rights are held by directors and their close relatives	Uryuken Co. Ltd.	—	Borrowing of funds	Borrowing of funds	200,000	Short-term debt	200,000
				Interest payments (Note1)	3,572	—	—

Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.

(Note 1)For borrowing of funds, the interest rate is reasonably determined in consideration of the market interest rate. No collateral is pledged. On March 26, 2025, the Company amended the contract regarding the borrowing interest rate. The borrowing rate after the change is 0.0% (non-interest bearing).

12. Notes to revenue recognition

(1) Breakdown of revenue from contracts with customers

(Thousands of yen)

	Reported segments			Total
	Media business	Solution business	Corporate	
Other media revenue	3,064	—	—	3,064
Management fee(Note)	—	—	1,120,500	1,120,500
Revenue from contracts with customers	3,064	—	1,120,500	1,123,564
Other revenue	—	—	—	—
Net sales to external customers	3,064	—	1,120,500	1,123,564

(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 11. 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, 2025 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, 2025 (Thousands of yen)
Receivables from the contracts from the customers	168,762
Contract liabilities	7,132

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 2025. 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 2025.

13. Notes to per share information

Net assets per share	113.30 yen
Net loss per share	(167.00) yen

(Basis for calculation)

Net loss	(2,502,391) thousand yen
Amount not attributable to common shareholders	None
Net loss on common share	(2,502,391) thousand yen
Average number of common shares outstanding	14,983,933 shares

14. Significant Subsequent Events

(Dissolution and Liquidation of Consolidated Subsidiary)

At a meeting of the Board of Directors held on May 2, 2025, the Company resolved to dissolve and liquidate its consolidated subsidiary, Contents Monster Inc. The details are described in the “Notes to Significant Subsequent Events (Dissolution and Liquidation of Consolidated Subsidiary)” in the Notes to Consolidated Financial Statements.

(Execution of overdraft agreement)

The Company's Board of Directors resolved at its meeting held on April 25, 2025 to establish a borrowing facility to provide for the Company's immediate cash needs, and the Company has executed the agreement. The details are described in the “Notes to Significant Subsequent Events (Conclusion of Overdraft Agreement)” in the Notes to Consolidated Financial Statements.

(Absorption-type Merger of Consolidated Subsidiary)

The Company's Board of Directors resolved at a meeting held on May 22, 2025 to merge with its consolidated subsidiary Minkabu Solution Services, Inc. effective October 1, 2025. For further details, please refer to “Notes (Significant Subsequent Events) (Absorption-type Merger of Consolidated Subsidiary)” in the Consolidated Financial Statements.