Business Report

(2nd period)

from April 1, 2024 to March 31, 2025

MINKABU SOLUTION SERVICES, Inc.

1. Matters Concerning the Current Status of the Company

(1) Business Overview for the Current Fiscal Year

The Company was established in April 2023 as a wholly owned subsidiary of MINKABU THE INFONOID, Inc. (hereinafter referred to as "MINKABU THE INFONOID, Inc." or the "Parent Company"). Although the Company does not prepare consolidated financial statements, it has advanced its business operations as the core entity of the solution business within the Minkabu Group, together with its subsidiaries, MINKABU ASSET PARTNERS, Inc. (hereinafter "MAP") and MINKABU WEB3 WALLET, Inc. (hereinafter "MWW").

i) Business Performance

As a core operating company responsible for the overall solutions business of the MINKABU Group, the Company primarily focuses on the following three areas: (1) in its core domain, it provides value-added financial information as information solution services for financial institutions and operates the stock information media "Kabutan" for individual investors; (2) in the growth domain, the Company offers system integration (SI) and packaged solution services that address digital transformation (DX) needs beyond financial information; and (3) in the new business domain, the Company is actively developing the workplace-oriented asset formation support service "MINKABU Academy." In addition, within the growth domain mentioned above, the Company is collaborating with MWW, Inc.to develop blockchain-based NFT solutions.

During the current fiscal year, the number of subscribers to "Kabutan Premium,"a paid service for individual users, continued to grow steady, and revenue increased due to the effect of a monthly fee hike. Regarding the information solution services, recurring revenue from monthly usage fees also remained solid. On the other hand, spot revenue from initial and one-time sales in the information solution business fell short of expectation as some anticipated projects were postponed such as a large-scale projects for mid-tier face-to-face securities firms and the poor performance of online brokerage firms. In the SI and packaged solution services as well, the Company experienced a loss of a large-scale DX project from an existing client, which had been expected in the latter half of the fiscal year.

In addition, as extraordinary losses, the Company recorded a valuation loss of 102,753 thousand yen on investment securities related to a write-down of a minority investment, and an impairment loss of 50,505 thousand yen on software and other assets.

As a result, net sales amounted to 3,639,664 thousand yen, operating profit was 274,628 thousand yen, ordinary profit was 282,314 thousand yen, and net income for the fiscal year was 167,910 thousand yen.

ii) Capital Investment

The amount of capital investment during the fiscal year was 274,555 thousand yen. This includes investments in both tangible and intangible fixed assets.

iii) Fundraising Activities

No new fundraising activities were conducted during the fiscal year.

Regarding borrowings, the Company fully repaid a loan of 200 million yen from the Japan Finance Corporation. Additionally, in order to provide working capital to MAP, the Company borrowed 100 million yen from the Parent Company. Upon the transfer of shares of MAP, the

Company waived the claim against MAP, and in turn, received debt forgiveness from the Parent Company.

As a result, the outstanding balance of borrowings amounted to 137.5 million yen (lender: MUFG Bank, Ltd.).

iv) Absorption-Type Company Split, Absorption-Type Merger, and Acquisition of Shares of Other Companies

None.

(2) Financial Position and Operating Results

Classification		1st Fiscal Year (Fiscal year ended March 2024)	2nd Fiscal Year (Current Fiscal Year, Fiscal year ended March 2025)
Net sales	(thousand yen)	2,547,012	3,639,664
Ordinary income	(thousand yen)	129,428	282,314
Net income	(thousand yen)	(400,417)	167,910
Net income per share	(yen)	(129,166.87)	54,164.72
Total assets	(thousand yen)	3,945,963	3,350,205
Net assets	(thousand yen)	2,462,328	2,684,424
Net assets per share	(yen)	794,299.59	865,943.54

Note: For the fiscal year ended March 2024, the period for recording net sales and other items was nine months.

(3) Status of Significant Parent Company and Subsidiaries

i) Status of the Parent Company

Company Name	Capital	Voting Rights Held by the Company	Main Business Activities
MINKABU THE INFONOID, Inc.	319 million yen	100%	・Group management and administration as an operating ・Media Business ・Solution Business

ii) Status of Significant Subsidiaries

Company Name	Capital	Voting Rights Held by the Company	Main Business Activities
MINKABU ASSET PARTNERS, Inc.	100 million yen	100.0%	Financial instruments intermediary business and investment advisory/agency services
MINKABU WEB3 WALLET, Inc.	109 million yen	51.2%	Provision of NFT solution services utilizing Web3 based on blockchain technology

Note: All shares of MINKABU ASSET PARTNERS, Inc. were transferred to TRADE WORKS Co., Ltd. on March 31, 2025.

(4) Issues to Be Addressed

Aligned with the MINKABU Group's policy of prioritization and concentration, the Company recognize that strengthening the competitiveness of the Company's core services and assets is key to stabilizing revenue and driving renewed growth. In the information solution business, amid the expanding domestic asset-building demographic, financial institutions continue to seek more sophisticated investment information, stronger user support systems, cost reduction, and diversified revenue streams. To respond to this market environment, the Company will strengthen our revenue base by deepening market penetration.

Furthermore, the Company is actively pursuing overseas expansion to increase revenues from existing businesses. In collaboration with overseas securities firms seeking information on Japanese and U.S. equities, the Company is developing and proposing services. In the Kabutan (Kabutan.com) business, the Company continue to enhance data and content coverage for both the Japanese and U.S. stock markets, steadily growing the number of paid subscribers. Leveraging existing assets, the Company is positioning the English-language version of "kabutan.com" as a new growth driver aimed at monetizing services for overseas retail investors, and preparations are underway accordingly.

In the SI and package business, the Company aims to secure stable revenue by making upsell proposals to the Company's existing clients and maintaining continuous support services. At the same time, the Company is developing new solutions to meet the operational reform needs of financial institutions. Looking ahead, the Company will strive to improve both profit margins and project execution efficiency through standardizing solutions and enhancing the reusability of development assets.

From a governance perspective, as a group member of a listed company, the Company continues to promote operations based on internal regulations and conduct regular reviews and improvements to establish an internal control system equivalent to that of the parent company. In addition, to ensure the Company's sustainable growth, it will continue to foster an environment in which our officers and employees can work autonomously with a high level of motivation.

(5) Main Business Activities (As of March 31, 2025)

Business Segment	Description
Solution Business	The Company provides (i) information-based solutions for financial institutions, (ii) SI and package-type solutions that address the digital transformation (DX) needs of financial institutions, and (iii) fee-based subscription services for individual investors through "Kabutan Premium."

(6) Principal Office (As of March 31, 2025)

Head Office	Minato-ku, Tokyo

(7) Status of Employees (As of March 31, 2025)

Number of Employees	Change from Previous Fiscal Year	Average Age	Average Years of Service
76 (17)	5 (16)	46.3	1.5

Notes:
1. The number of employees includes in-house employees (excluding those seconded from the Company to other organizations, and including those seconded to the Company from outside entities). The number in parentheses represents the annual average number of temporary employees, including part-time workers, part-time staff, and temporary workers, stated separately.
2. All employees are seconded from the parent company.
3. The Company was established on April 3, 2023, and began accepting seconded employees through an absorption-type company split on July 1, 2023. Therefore, the average years of service are calculated from July 1, 2023.

(8) Other Significant Matters Concerning the Current Status of the Company

None.

2. Company Overview

(1) Share Status (As of March 31, 2025)

i) Total number of shares authorized: 5,000 shares

ii) Total Number of shares outstanding: 3,100 shares

iii) Number of shareholders: 1

iv) Major Shareholder:

Shareholder Name	Number of Shares Held	Shareholding Ratio(%)
MINKABU THE INFONOID, Inc.	3,100	100%

(2) Status of Company Officers

i) Directors and Audit & Supervisory Board Members (As of March 31, 2025)

Position in the Company	Name	Responsibilities and Significant Concurrent Positions
Representative Director, President and COO	Masayuki Ban	Representative Director and President, MINKABU THE INFONOID, Inc. Director, MINKABU WEB3 WALLET, Inc.
Director	Wataru Goto	－
Director	Koji Nakazawa	－
Director	Norihiro Manabe	－
Director	Junko Yaguchi	Director, MINKABU THE INFONOID, Inc. Audit & Supervisory Board Member, MINKABU ASSET PARTNERS, Inc.
Director	Masakatsu Saito	Executive Secretary, Japan Association of New Economy Director, Japan Digital Space Economy Federation President and CEO, TRADE WORKS Co., Ltd. Non-executive Director, MINKABU WEB3 WALLET, Inc. Non-executive Director, MINKABU ASSET PARTNERS, Inc.
Director	Satoshi Noguchi	－
Auditor	Shinya Hamano	Director (Audit and Supervisory Committee Member), MINKABU THE INFONOID, Inc.

Note: Mr. Ken Uryu, Representative Director, Chairman and CEO, resigned on February 14, 2025.

ii) Remuneration, etc., for Directors and Audit & Supervisory Board Members

a) Total remuneration, etc., for the fiscal year

Category	Number of Persons	Directors' Remuneration	Directors' Bonuses	Total Remuneration
Directors (Outside Directors)	5 (－)	53,490 thousand yen (－)	－ (－)	53,490 thousand yen (－)

Note:

1. The number of directors receiving remuneration excludes two directors who did not receive compensation. These two directors also serve as officers of the parent company.
2. The one auditor is not compensated and is concurrently serving as an audit and supervisory committee member of the parent company.

Financial Statement

(2nd period)

from April 1, 2024 to March 31, 2025

MINKABU SOLUTION SERVICES, Inc.

1-9-1, Higashi shimbashi Minato-ku,Tokyo
Tokyo Shiodome Building 6F

Balance Sheets

As of March 31, 2025

(yen)

Accounts	Amount	Accounts	Amount
ASSETS		**LIABILITIES**	
Current assets	**1,151,807,854**	**Current liabilities**	**665,780,101**
Cash and deposits	185,778,129	Accounts payable - trade	297,215,921
Accounts receivable - trade	630,601,238	Short-term borrowings	137,500,000
Work in process	36,667,914	Accounts payable-other	7,864,324
Supplies	694,017	Accrued expense	106,319,435
Prepaid expenses	16,536,699	Accrued business office taxes	1,604,500
Advances paid	133,175	Enterprise tax payable	16,511,200
Accounts receivable - other	282,878,541	Income tax payable	15,486,800
Allowance for doubtful accounts	(1,917,491)	Accrued consumption taxes	35,865,800
Prepaid interest	435,632	Allowance for product warranties	330,801
Non-current assets	**2,198,397,230**	Employee accounts payable	2,781,300
Property, plant and equipment	**12,650,635**	Unearned revenue	41,717,500
Tools, furniture and fixtures	20,627,192	Deposits received	2,582,520
Accumulated depreciation	(7,976,557)	**Total liabilities**	**665,780,101**
Intangible fixed assets	**1,577,597,058**	**NET ASSETS**	
Goodwill	141,947,510	**Shareholders' equity**	**2,619,692,506**
Technical assets	37,034,272	**Share capital**	**310,000,000**
Customer related assets	88,836,294	Share capital	310,000,000
Trademark	773,234	**Capital surplus**	**2,542,199,173**
Software	686,528,019	Other capital surplus	2,542,199,173
Software in progress	622,477,729	**Retained earnings**	**(232,506,667)**
Investments and other assets	**608,149,537**	Retained earnings carried forward	(232,506,667)
Investment securities	317,821,247	**Valuation and translation adjustments**	**64,732,477**
Long-term prepaid expenses	20,845,751	Valuation difference on available-for sale securities	64,732,477
Deferred tax assets	269,482,539	**Total net assets**	**2,684,424,983**
Total assets	**3,350,205,084**	**Total liabilities and equity**	**3,350,205,084**

Statements of Income

From April 1, 2024 to March 31, 2025

(yen)

Accounts	Amount	
Net sales		
Net sales	3,639,664,292	3,639,664,292
Cost of sales		
Purchases of goods	2,180,635,148	
Cost of goods manufactured during the period	653,439,372	2,834,074,520
Gross profit		**805,589,772**
Selling, general and administrative expenses		**530,961,475**
Operating profit		**274,628,297**
Non-operating income		
Interest income	783,622	
Dividend income	4,650,939	
Other non-operating income	7,118,720	
Exchange gain	567	
Miscellaneous income	12,035	12,565,883
Non-operating expenses		
Interest expense	4,870,857	
Miscellaneous loss	8,847	4,879,704
Ordinary income		282,314,476
Extraordinary profit		
Gain on sales of investment securities	20,000,000	
Gain on forgiveness of debts	100,911,860	120,911,860
Extraordinary loss		
Loss on valuation of investment securities	102,753,708	
Impairment loss	50,505,872	
Loss on forgiveness of debts	100,911,860	254,171,440
Income before income taxes and minority interests		**149,054,896**
Income taxes (Corporate, residential, enterprise taxes)	35,277,141	
Income tax-deferred	(53,909,569)	
Income taxes-refunded	(223,300)	
Net income		**167,910,624**

Selling, general and administrative expenses

From April 1, 2024 to March 31, 2025

(yen)

Accounts	Amount	
Advertising expenses	53,301,503	
Directors' compensation	53,490,000	
Salaries and allowances	432,601,810	
Miscellaneous salaries	1,370,150	
Legal welfare expenses	79,361,110	
Welfare expenses	638,450	
Depreciation	4,999,160	
Rent	18,139,794	
Repair expenses	12,502	
Office supplies	205,689	
Consumables	1,048,342	
Travel and transportation expenses	12,169,812	
Fees	29,336,252	
Taxes and dues	1,999,656	
Entertainment expenses	21,786,134	
Communication expenses	1,375,135	
Membership fees	725,333	
Newspaper and book expenses	503,717	
Provision for doubtful accounts	325,125	
Land rent	83,408,569	
Miscellaneous expenses	3,084,870	
Recruitment and education expenses	7,710,405	
Transfer to other accounts	(491,684,351)	
Business tax	26,129,100	
Compensation paid	5,432,166	
Business consignment	145,703,434	
Audit fees	10,750,000	
Amortization of goodwill	27,037,608	
Selling, general and administrative expenses		**530,961,475**

Manufacturing Cost Report

From April 1, 2024 to March 31, 2025

(yen)

Accounts		Amount	
Labor cost			
Wages		25,311,690	
Legal welfare expenses		3,679,227	28,990,917
Outsourced processing costs			**629,804,740**
	Total manufacturing costs		658,795,657
Work in process inventory at end of period			5,356,285
	Cost of finished goods manufactured in the current period		653,439,372

Statements of changes in shareholders' equity

From April 1, 2024 to March 31, 2025

(yen)

	Shareholders' equity						Valuation And translation adjustments	Total Net Asset
	Share capital	Capital surplus		Retained earnings earnings		Total shareholders' equity	Valuation difference on available-for-sale securities	
		Other capital surpluses	Total capital surplus	Other retained earnings Accumulated retained earnings	Total retained earnings			
Balance at the beginning of the period	310,000,000	2,542,199,173	2,542,199,173	(400,417,291)	(400,417,291)	2,451,781,882	10,546,846	2,462,328,728
Changes during the period								
Net profit/loss for the period				167,910,624	167,910,624	167,910,624		167,910,624
Valuation difference on available—for—sale							54,185,631	54,185,631
Total changes during the period				167,910,624	167,910,624	167,910,624	54,185,631	222,096,255
Balance at the end of the period	310,000,000	2,542,199,173	2,542,199,173	(232,506,667)	(232,506,667)	2,619,692,506	64,732,477	2,684,424,983

Notes to the Non-Consolidated Financial Statements

From April 1, 2024 to March 31, 2025

1. Notes regarding matters related to significant accounting policies

Basis and method of valuation of significant assets

Securities valuation standards and methods

i) Subsidiary shares

The cost method is based on the moving average method.

ii) Other securities

・Anything other than stocks that do not have a market price

The fair value method based on the market price on the balance sheet date is used (all valuation differences are included directly in net assets, and sales costs are calculated using the moving average method).

・Stocks with no market price

The cost method is based on the moving average method.

Inventory valuation standards and methods

i) Work in progress

The cost method based on the specific cost method (balance sheet values are calculated by writing down book values based on declines in profitability).

ii) Storage items

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

Methods of depreciation of fixed assets

i) Tangible fixed assets

The declining balance method is used, except for buildings and fixtures acquired on or after April 1, 2016, which are depreciated using the straight-line method.

ii) Intangible fixed assets

The fixed amount method is used.

Basis for accounting for allowances

i) Loan inversion as gold

To provide for losses due to bad debts, general receivables are recorded at an amount based on the historical bad debt ratio.

ii) Provision for product warranties

To provide for expenses related to product warranties, the amount expected to be incurred is recorded.

2. Notes to profit and loss statement

Accounting for consumption tax and local consumption tax

Consumption taxes and local consumption taxes are accounted for using the tax exclusion method.

3. Notes to statements of changes in shareholders' equity

Type and number of shares issued and outstanding

Outstanding shares

Common stock (outstanding shares)

Number of shares at the end of the previous period (outstanding common shares)	3,100 shares
Number of shares at the end of the current period (outstanding common shares)	3,100 shares

4. Notes to Tax Effect Accounting

The main reason for deferred tax assets

The main reason for deferred tax assets and deferred tax liabilities

The main reason for deferred tax assets is a temporary difference of future subtraction related to loss carryforwards.

139,226 thousand yen is deducted from deferred tax assets as a valuation allowance.

In addition, 30,334 thousand yen was offset against deferred tax liabilities.

5. Notes on Transactions with Related Parties

Breakdown of transactions with related parties

Name or title of related party

MINKABU THE INFONOID INC.

Percentage of voting rights held by related parties in total voting rights of the company

Owner, directly 100%

Relationship between company and related parties

Parent company

Name or title of related party

MINKABU WEB3 WALLET, Inc.

Percentage of the number of voting rights held by the related party to the total number of voting rights held by all shareholders of the company

Ownership, direct 51.2%

Relationship between the company and the related party

Subsidiary

6. Notes to per share information

Net assets per share	865,943 yen
Net loss per share	54,164 yen

7. Other Notes

Other

Item

Transfer of Subsidiary Shares

Description

Transfer of Shares in MINKABU ASSET PARTNERS, Inc.

At a meeting of the Board of Directors held on February 12, 2025, the Company resolved to transfer all shares of its wholly owned subsidiary, MINKABU ASSET PARTNERS, Inc. to its business partner, TRADE WORKS Co.,Ltd, and the transfer was completed on March 31, 2025.