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Securities Code: 2121
June 11, 2026

(Electronic Provision Measures Commencement Date: June 4, 2026)

To Shareholders:

Koki Kimura, President and Representative Director
MIXI, Inc.
Shibuya Scramble Square
2-24-12 Shibuya, Shibuya-ku, Tokyo

CONVOCATION NOTICE FOR THE 27TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby give notice regarding the holding of the 27th Ordinary General Meeting of Shareholders of MIXI, Inc. (the "**Company**"). The meeting will be held as described below.

In convening this ordinary general meeting of shareholders, the Company is taking measures for electronic provision and have posted information contained in the reference materials for the general meeting of shareholders and the like (referred to as "electronic provision measures matters" in the Companies Act of Japan) as the "CONVOCATION NOTICE FOR THE 27TH ORDINARY GENERAL MEETING OF SHAREHOLDERS" on the website below.

Company's website

https://mixi.co.jp/en/ir/stock/meeting/

In addition to the foregoing, the electronic provision measures matters are also posted on the website below. The Company requests that you access the website below, enter and search for "Issue name (MIXI)" or "Securities code (2121)", and select "Basic information" and "Documents for public inspection/PR information" in that order, and check the column titled "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting" in "Filed information available for public inspection".

Tokyo Stock Exchange website (Listed Company Search)

https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

We ask that our shareholders "virtually attend" this general meeting of shareholders via the Internet. The Company will hold this general meeting of shareholders without preparing a physical venue, and shareholders are kindly requested to "virtually attend" this general meeting of shareholders via the Internet, with reference to the "Guide to the Virtual-Only General Meeting of Shareholders" below.

If you decide not to attend, you may exercise your voting rights through one of the following methods, so please review the reference material for the general meeting of shareholders and exercise your voting rights by 7:00 p.m. on Thursday, June 25, 2026 (JST).

Exercise of Voting Rights by Mail (in Writing)	**Exercise of Voting Rights via the Internet, etc. (Electronic Methods)**
Please see page 3 for details.	Please see page 3 for details.

1.	Date and time	Friday, June 26, 2026, at 11:00 a.m. (JST) * Streaming is scheduled to start from around 10:30 a.m. (JST). * In the event that it becomes difficult to open the virtual-only general meeting of shareholders on the date and time for the meeting due to the occurrence of communication failures or other reasons, the meeting will be held on the alternate date of Friday, June 26, 2026, at 3:00 p.m. (JST). If the Company decides to hold the general meeting of shareholders on the alternate date, we will make an announcement to that effect on our website by noon on Friday, June 26, 2026 (JST).
2.	Method of holding meeting	General Meeting of Shareholders Without a Designated Location (Virtual-Only General Meeting of Shareholders) • Since this general meeting of shareholders will be held entirely online (only on the Internet), there is no physical venue that you can actually visit. Please attend this general meeting of shareholders online via the website designated by the Company. • For details on how to attend, please refer to pages five to eight.
3.	Agenda items	Items to be reported: 1. The business report, consolidated financial statements, and results of audits of the consolidated financial statements by the independent auditors and the audit and supervisory board for the 27th fiscal year (from April 1, 2025 to March 31, 2026) 2. The non-consolidated financial statements for the 27th fiscal year (from April 1, 2025 to March 31, 2026) Items to be resolved: Agenda Item No. 1: Election of seven directors Agenda Item No. 2: Election of one audit and supervisory board member Agenda Item No. 3: Election of one substitute audit and supervisory board member

Agenda Item No. 4:	Decision on compensation for directors (excluding outside directors) through performance-linked post-evaluation restricted stock compensation
Agenda Item No. 5:	Revision of amount of compensation for audit and supervisory board members

End

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* For those who will virtually attend on the day of this general meeting of shareholders, we ask that you have the enclosed voting rights exercise form readily accessible. If you are posting your voting form in advance, please keep a record of your "Shareholder Number" (the nine-digit number stated in the Login ID column on your voting rights exercise form), "Postal Code," and "Number of Shares Held" stated on your voting rights exercise form readily accessible. The "Postal Code" used for logging in is set based on the information stated on the shareholder registry as of the last day of March 2026. Therefore, please note that in some cases, the "Postal Code" stated on the *voting rights exercise form* may differ from the "Postal Code" of your actual place of residence.
* The reference material for the general meeting of shareholders together with parts of the business report are sent to shareholders who did not make a request for delivery of documents. Documents stating the electronic provision measures matters, excluding the following, are sent to shareholders who have made a request for delivery of documents in accordance with laws and regulations and the Company's articles of incorporation (please note that the page numbers, paragraph numbers, and pages referenced in the documents sent are the same as those stated in the electronic provision measures matters, and therefore, page numbers and the like which may be missing are not misprints): "Matters concerning the Company's subscription rights to shares, etc.," "Matters concerning independent auditors," "Systems that ensure the properness of operations; the operational status of those systems," "Consolidated Statements of Changes in Shareholders' Equity," "Notes to the Consolidated Financial Statements," "Statements of Changes in Shareholders' Equity," and "Notes to the Non-Consolidated Financial Statements."
* If there is any revision to the electronic provision measures matters, the fact that such revisions have been made as well as the matters before and after the revision will be reported on each of the websites on which the electronic provision measures matters are posted.
* The results of the resolutions will be reported on the Company's website, in lieu of sending a Notice of Resolutions in writing. We appreciate your kind understanding.
* A resolution will be adopted at the beginning of this general meeting of shareholders to grant the Chairperson the authority to decide to postpone or adjourn this general meeting of shareholders in order to prepare for an event where the proceedings of this general meeting of shareholders are significantly impeded due to communication failure. If the Chairperson decides to postpone or adjourn this general meeting of shareholders in accordance with such a resolution, we will promptly make an announcement to that effect on the Company's website prescribed above.

How to Exercise of Voting Rights by Mail (in Writing)

Please send back the enclosed voting rights exercise form to the Company expressing your approval or disapproval of the agenda items by the deadline.
Where there is no indication of either "approval" or "disapproval" of the respective proposed resolutions on the voting form, it shall be deemed that each of Proposals were approved.

How to Exercise Voting Rights via the Internet, etc. (Electronic Methods)

If you exercise your voting rights via the Internet, etc. (electronic methods), please exercise your voting rights after checking the following matters.

1. You can exercise your voting rights via the Internet, etc. (electronic methods) only by using the system of Sumitomo Mitsui Trust Bank, Limited, which is the shareholder registry administrator, and by using the electronic voting platform operated by ICJ, Inc.
2. The deadline for exercising voting rights via the Internet, etc. (electronic methods) is 7:00 p.m. on
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Thursday, June 25, 2026 (JST)

3. If you have exercised your voting rights both in writing and via the Internet, etc. (electronic methods), your vote via the Internet, etc. (electronic methods) will be the effective vote.
4. If you have exercised your voting rights via the Internet, etc. (electronic methods) multiple times, then your last vote made via the Internet, etc. (electronic methods) will be the effective vote.
5. Connection fees to be paid to a provider and communications fees (telephone, etc.) to be paid to a telecommunications carrier may be required to use the website for exercising voting rights. In that case, the fees shall be borne by the shareholder.

Guide to the Virtual-Only General Meeting of Shareholders

This general meeting of shareholders will be held as a general meeting of shareholders without a designated location (a so-called "virtual-only general meeting of shareholders"). Please note in advance that there is no physical venue that shareholders can actually visit.

1. System Requirements for Virtual Attendance

The Company recommends that you virtually attend this general meeting of shareholders using the operating environment below. All expenses necessary for virtual attendance of this general meeting of shareholders, such as any expenses related to the telecommunications device and communications fees, are to be borne by the shareholder. Since in some cases shareholders might not be able to virtually attend this general meeting of shareholders or exercise voting rights or other rights due to problems with devices used, such as your PCs or smartphones, or with your communication environments or the like, we ask that you attend this general meeting of shareholders after exercising your voting rights in advance.

	PC		Mobile	
	Windows	Mac	Android	iOS
OS	Windows 10 or higher	MacOS (latest version)	Android OS (latest version)	iOS (latest version)
Browser	Google Chrome, Microsoft Edge (latest version)	Google Chrome, Safari (latest version)	Google Chrome (latest version)	Safari (latest version)

2. Date and Time of Streaming

Friday, June 26, 2026, at 11:00 a.m. (JST)

* Streaming is scheduled to start from around 10:30 a.m. (JST).
* In the event that this general meeting of shareholders cannot be held due to communication failures or other reasons, or in cases where the Chairperson decides to postpone or adjourn this general meeting of shareholders, this general meeting of shareholders will be held on the alternate date of Friday, June 26, 2026, at 3:00 p.m. (JST).

3. How to Attend the General Meeting of Shareholders on the Day of the Meeting

Access URL: https://web.sharely.app/login/mixi-27
Please access the live streaming page by either entering the URL above or scanning the QR code on the right.
* "QR code" is a registered trademark of DENSO WAVE INCORPORATED

After you have accessed the live streaming page, please follow the instructions on the screen to log in by entering your "Shareholder Number" (the nine-digit number stated in the Login ID column on your voting rights exercise form), "Postal Code," and "Number of Shares Held" stated on your voting rights exercise form.

* Before posting your voting form please keep a record of your "Shareholder Number" (the nine-digit number stated in the Login ID column on your voting rights exercise form), "Postal Code," and "Number of Shares Held" readily accessible. The "Postal Code" used for logging in is set based on the information stated on the shareholder registry as of the last day of March 2026. Therefore, please note that in some cases, the "Postal Code" stated on the voting rights exercise form may differ from the "Postal Code" of your actual place of residence.
* If you have any questions regarding how to log in, please refer to the FAQ accessible via the URL below.
https://sharely.zendesk.com/hc/ja/ (in Japanese)

4. How to Ask a Question, Submit a Motion, and Exercise Voting Rights on the Day of the Meeting

(1) How to Ask a Question on the Day of the Meeting

After logging in, you may send questions regarding the agenda items for this general meeting of shareholders via the "Questions" button at the bottom of the screen.

Acceptance period: We will accept your questions from the starting time of this general meeting of shareholders to the time designated by the Chairperson.

* Questions will be limited to a maximum of three questions per person, and up to 150 characters per question.
* Please note in advance that we may not be able to answer all of your questions due to reasons relating to the proceedings of this general meeting of shareholders or the nature of the question.

(2) How to Submit a Motion

After logging in, please follow the instructions of the Chairperson and submit your motion by (i) selecting the type of motion via the "Motion" button at the bottom of the screen and (ii) entering the details of your motion and sending it.

(3) How to Exercise Voting Rights on the Day of the Meeting

After logging in, please follow the instructions of the Chairperson and enter your approval or disapproval via the "Resolution" button at the bottom of the screen.

In the event that a shareholder who has exercised his or her voting rights in writing (by mail) or via the Internet in advance attends this general meeting of shareholders on the day of this general meeting of shareholders, the voting rights exercised in advance will be regarded as ineffective and the details of the last vote made on the day of this general meeting of shareholders will be regarded as effective at the time when the Company confirms that the shareholder's voting rights have been exercised on the day of this general meeting of shareholders. Please note in advance that if the Company cannot confirm the exercise of the voting rights by the shareholder on the day of this general meeting of shareholders, the voting rights exercised in advance will be regarded as effective.

5. How to Ask a Question in Advance

Access URL: https://web.sharely.app/e/mixi-27/pre_question
Please access the page for accepting questions in advance by either entering the URL above or scanning the QR code on the right.
* "QR code" is a registered trademark of DENSO WAVE INCORPORATED

We will accept questions in advance of the meeting during the acceptance period below. Please follow the access procedures prescribed in "3. How to Attend the General Meeting of Shareholders on the Day of the Meeting" above to log in to the Access URL above and send questions regarding the agenda items for this general meeting of shareholders from the "Ask a Question in Advance" form.

Acceptance period: Thursday, June 11, 2026 to 5:00 p.m. on Friday, June 19, 2026 (JST)

* Questions will be limited to up to 150 characters per question.
* Please note in advance that if the Company is unable to provide explanations in response to all of your questions, then we will, at the discretion of the Chairperson, provide explanations for the matters that are of strong interest to our shareholders on the day of this general meeting of shareholders.

6. How to Attend the Meeting by Proxy

You may exercise your voting rights by appointing another shareholder with voting rights as your proxy at this general meeting of shareholders. Shareholders who wish to do so are required to submit a proxy card to the Company prior to this general meeting of shareholders, so please send the proxy card to the address below. Please follow the access procedures prescribed in "3. How to Attend the General Meeting of Shareholders on the Day of the Meeting" above to log in and download the proxy card form via the "Handout" button.

Address for submission of proxy card
Secretariat of the General Meeting of Shareholders, MIXI, Inc.
36th Floor, Shibuya Scramble Square, 2-24-12 Shibuya, Shibuya-ku, Tokyo 150-6136

Submission deadline
6:00 p.m. on Wednesday, June 24, 2026 (JST) (time of receipt)

7. Matters to be Noted Regarding Attendance to the General Meeting of Shareholders

- This general meeting of shareholders will be held using a system that has in place countermeasures for communication failures. Also, this general meeting of shareholders will be operated using structures that allow for prompt restoration even if a communication failure occurs on the day of this general meeting of shareholders.
- As a countermeasure for communication failures, a backup line has been prepared in addition to the main Internet line. Also, a resolution will be adopted at the beginning of this general meeting of shareholders to grant the Chairperson the authority to decide to postpone or adjourn this general meeting of shareholders in the event the proceedings of this general meeting of shareholders are significantly impeded due to communication failures or other reasons.
- In the event that this general meeting of shareholders cannot be held due to communication failures or other reasons, or in cases where the Chairperson decides to postpone or adjourn this general meeting of shareholders, the meeting so postponed or adjourned or this general meeting of shareholders will be held on the alternate date (3:00 p.m. on Friday, June 26, 2026 (JST)).
  In such case, we will make an announcement to that effect on the Company's website.
- We kindly request each shareholder who wishes to exercise voting rights but who has difficulties using the Internet to exercise voting rights in writing in advance by sending the voting rights exercise form you have received.
- Although we will endeavor to provide a stable stream on the day of this general meeting of shareholders, there is a possibility that communication failures, such as interference with video and sound, temporary interruptions, and the like will occur due to issues related to the communication environment. Please also note in advance that we will not be able to provide any support for any connection failures, delays, and audio issues you may have due to your communication environment.
- All expenses incidental to attendance of the virtual-only general meeting of shareholders, such as connection fees and communications fees, are to be borne by the shareholder.
- Please refrain from doing the following: providing video or sound data to third parties; public projection of such data; redistribution or reproduction of such data; informing third persons how to log in to the live streaming page and the page for accepting questions in advance; or filming the proceedings of the online streaming.
- If a shareholder commits any act that is contrary to the purposes of this general meeting of shareholders, such as repeatedly sending the same question or the like, repeatedly sending text data with an excessive volume of characters, or repeatedly sending questions or the like that contain inappropriate content unrelated to the agenda items for this general meeting of shareholders, or if the Chairperson judges that the shareholder is impeding the proceedings of this general meeting of shareholders or the sound operation of the system for the virtual-only general meeting of shareholders, then the secretariat, as ordered or instructed by the Chairperson, may forcibly block the connection of that shareholder.
- This general meeting of shareholders will be conducted in Japanese only.
- Any personal information obtained will not be used for any purposes other than operations related to this general meeting of shareholders.
- Changes may be made to the operation of this general meeting of shareholders due to changes in circumstances in the future. In such a case, we will make an announcement to that effect on the "Shareholder Meeting Documents" page on the Company's website. We request that you check that page as necessary.

8. Inquiries Desk for the 27th Ordinary General Meeting of Shareholders

Sharely Co., Ltd. 03-6683-7664
Hours of Operation 10:00 a.m. to 5:00 p.m. (JST) on and after Thursday, June 11, 2026
* Monday to Friday (excluding holidays)
On the day of streaming (Friday, June 26), the inquiries desk will be operating from 10:00 a.m. (JST) until the closing of the general meeting of shareholders

Agenda Item 1　　Election of seven directors

When this general meeting of shareholders ends, the terms of office of all current seven directors will expire.　Accordingly, the Company proposes the election of seven directors.

The candidates for director are as follows:

Candidate number		Name		Positions and responsibilities in the Company	Attendance at board of directors meetings
1	To be reelected	Koki Kimura		President and Representative Director Senior Corporate Officer	100.0% (17 of 17 meetings)
2	To be reelected	Kohei Shimamura		Director Senior Corporate Officer	100.0% (12 of 12 meetings)
3	To be reelected	Tatsuma Murase		Director Senior Corporate Officer	100.0% (17 of 17 meetings)
4	To be reelected	Kenji Kasahara		Director Senior Corporate Officer Chief General Manager of Vantage Studio	100.0% (17 of 17 meetings)
5	To be reelected	Akihisa Fujita	Outside Independent	Director	100.0% (17 of 17 meetings)
6	To be reelected	Hiromi Watase	Outside Independent	Director	100.0% (17 of 17 meetings)
7	To be reelected	Toshiaki Kawai	Outside Independent	Director	100.0% (12 of 12 meetings)

Candidate number 1

Koki Kimura

To be reelected



Date of birth	December 9, 1975
Number of Company shares owned	1,421,381 shares
Number of years in office as director	11 years
Attendance at board of directors meetings	100% (17 of 17 meetings)

■ Career summary and positions and responsibilities

February 2003	Joined Mobileproduction Co., Ltd.
March 2005	Joined Index Corporation
June 2008	Joined the Company
August 2012	Product owner of the Product Development Division of the Company
November 2013	Producer of Monster Strike Studio at the Company
April 2014	General Manager of Monster Strike Studio at the Company
November 2014	Corporate Officer of the Company
January 2015	Chief General Manager of Monster Strike Studio at the Company
June 2015	Director of the Company
August 2015	Chief General Manager of XFLAG Studio at the Company
April 2017	Chief General Manager of XFLAG Business at the Company
April 2018	Corporate Officer of the Company
June 2018	President and Representative Director of the Company (current)
April 2022	Senior Corporate Officer of the Company (current)

■ Reason why the Company selected Mr. Koki Kimura as a candidate for Director

Mr. Koki Kimura has demonstrated strong leadership since being instated in the office of Corporate Officer of the Company in 2014 and has made a great contribution to the improved performance of the Company and its subsidiaries (the "Company Group"), while also leading efforts to improve the corporate value of the Company Group after he was instated in the office of President and Representative Director of the Company in June 2018. The Company's board of directors proposes Mr. Koki Kimura as a candidate for reelection as director in order to utilize the following that he possesses to strengthen the function of the Company's board of directors and to promote further growth of the Company Group: outstanding leadership; expertise related to the domains of platform businesses and technology and AI; and ability to promote M&A and PMI and corporate governance.

Candidate number 2

Kohei Shimamura

To be reelected



Date of birth	June 13, 1981
Number of Company shares owned	108,229 shares
Number of years in office as director	1 year
Attendance at board of directors meetings	100% (12 of 12 meetings)

■ Career summary and positions and responsibilities

April 2004	Joined USEN CORPORATION (currently U-NEXT HOLDINGS Co., Ltd)
May 2008	Joined IBM Business Consulting Services KK (currently IBM Japan, Ltd.)
October 2011	Joined GREE, Inc. (currently GREE Holdings, Inc.)
April 2016	Joined the Company
October 2017	General Manager of the Corporate Planning Division of Corporate Promotion at the Company
April 2019	Chief General Manager of Corporate Planning at the Company
April 2020	Corporate Officer and Chief General Manager of Corporate Promotion at the Company
March 2023	Outside Director of bitbank, Inc.
April 2023	Senior Corporate Officer of the Company (current)
June 2025	Director of the Company (current)

■ Reason why the Company selected Mr. Kohei Shimamura as a candidate for Director

Mr. Kohei Shimamura has successively held a number of positions in the Company's administrative divisions, including the corporate planning and corporate management divisions, is in charge of accounting, finance, and investor relations functions, among other functions, as an incumbent CFO, and leads planning of managerial strategy and enhancement of management that is conscious of capital costs within the Company Group. The Company's board of directors proposes Mr. Kohei Shimamura as a candidate for reelection as director in order to utilize his abundant knowledge and experience related to finance and accounting, business portfolio management and capital policy, M&A and PMI, organizational and human resource development, governance and information disclosure, and compliance and internal control, to strengthen the function of the Company's board of directors, in order to promote further growth of the Company Group.

Candidate number 3

Tatsuma Murase

To be reelected



Date of birth	September 13, 1985
Number of Company shares owned	364,730 shares
Number of years in office as director	7 years
Attendance at board of directors meetings	100% (17 of 17 meetings)

■ Career summary and positions and responsibilities

January 2005	Joined E-Mercury, Inc. (currently the Company)
December 2009	Director of KH2O Inc.
January 2012	Joined Q-Games Ltd.
February 2013	Joined the Company
May 2014	Manager of Group 2, System Coordination Department of Cross Function at the Company
July 2016	General Manager of Game Development Division of XFLAG Studio at the Company
January 2018	Chief General Manager of XFLAG Development (currently Development) at the Company
April 2018	Corporate Officer of the Company
June 2019	Director of the Company (current)
January 2021	Chief General Manager of Design at the Company
April 2022	Senior Corporate Officer of the Company (current)

■ Reason why the Company selected Mr. Tatsuma Murase as a candidate for Director

Mr. Tatsuma Murase has successively held a number of posts as a Chief General Manager within technical divisions of the Company, including the development division, and leads efforts for company-wide AI utilization and corporate digital transformation of the Company Group. The Company's board of directors proposes Mr. Tatsuma Murase as a candidate for reelection as director in order to utilize his abundant knowledge and experience related to technology and AI, organizational and human resource development, and information security, to strengthen the function of the Company's board of directors, in order to promote further growth of the Company Group.

Candidate number 4

Kenji Kasahara

To be reelected



Date of birth	December 6, 1975
Number of Company shares owned	32,521,900 shares
Number of years in office as director	27 years
Attendance at board of directors meetings	100% (17 of 17 meetings)

■ Career summary and positions and responsibilities

June 1999	Established E-Mercury, Y.K. (currently the Company) Director of E-Mercury, Y.K.
October 2000	Reorganization (change from *yugen kaisha* to *kabushiki kaisha*) of E-Mercury, Inc. (currently the Company) President and Representative Director of E-Mercury, Inc.
February 2006	Trade name changed to mixi, Inc. (currently the Company) President and Representative Director of the Company
May 2008	Chairperson at mixi Shanghai, Inc.
October 2008	Representative director of NexPAS, Inc. (currently Torchlight Inc.)
April 2011	Representative director of mixi recruitment, Inc. (in 2022, the name of the company was changed to MIXI RECRUITMENT, Inc.)
July 2011	Corporate Officer of the Company
June 2013	Chairperson of the Company
April 2016	Chief General Manager of Vantage Studio at the Company (current)
April 2018	Corporate Officer of the Company
June 2021	Director of the Company (current)
April 2022	Senior Corporate Officer of the Company (current)

■ Reason why the Company selected Mr. Kenji Kasahara as a candidate for Director

As founder of the Company, Mr. Kenji Kasahara has served as the President and Representative Director for many years in the past and has extensive knowledge and experience in relation to the management and the overall business of the Company Group. Even after resigning from the office of the President and Representative Director of the Company, he has, as a person who exemplifies the Company's corporate philosophy, led the development of new businesses for the Company based on the knowledge and experience he has accumulated. The Company's board of directors proposes Mr. Kenji Kasahara as a candidate for reelection as director in order to utilize his principled attitude towards responsible business operations based on the Company's corporate philosophy and his abundant knowledge and experience related to platform businesses, technology and AI, and M&A and PMI, to strengthen the function of the Company's board of directors, in order to promote further growth of the Company Group.

Candidate number 5

Akihisa Fujita

To be reelected | Outside | Independent



Date of birth	November 17, 1965
Number of Company shares owned	658 shares
Number of years in office as director	4 years
Attendance at board of directors meetings	100% (17 of 17 meetings)

Career summary and positions and responsibilities

April 1991	Joined DENTSU INC.
July 1996	Director of Cyber Communications Inc. (currently CARTA ZERO Inc.)
June 2000	President and Representative Director of D2 Communications Inc. (currently D2C Inc.)
June 2010	Director and Executive Vice President of Dentsu Digital Holdings Inc. (currently Dentsu Innovation Partners Inc.)
June 2014	Representative Director, Executive Vice President of Gurunavi, Inc.
June 2017	Director and Vice President of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)
June 2018	President and Representative Director of SETOUCHI BRAND CORPORATION
April 2021	Director of SETOUCHI BRAND CORPORATION
June 2022	Outside Director of INFOCOM CORPORATION
June 2022	Director of the Company (current)
May 2023	Outside Director of Signpost Corporation (current)
September 2024	Outside Director of LIPPS Co,. Ltd. (current)
December 2025	Outside Director of YRGLM Inc. (current)

Significant concurrent posts

Outside Director of Signpost Corporation
Outside Director of LIPPS Co,. Ltd.
Outside Director of YRGLM Inc.

Reason why the Company selected Mr. Akihisa Fujita as a candidate for Outside Director and outline of anticipated roles

Mr. Akihisa Fujita has been engaged in corporate management as manager in areas such as advertising business, digital media business, and tourism-related business, and possesses from his past career abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable him to appropriately contribute to matters including determination of managerial matters and supervision of the execution of operations and the like for the Company Group. Further, Mr. Akihisa Fujita leads discussions in the area of nomination and compensation as the chairperson of the nomination and compensation committee of the Company. The Company's board of directors proposes Mr. Akihisa Fujita as a candidate for reelection as outside director in the anticipation that he will fulfill the role of supervising the execution of operations and the like of the Company from an objective and independent perspective based on the abundant experience and expertise that he possesses in relation to business portfolio management and capital policy, M&A and PMI, organizational and human resource development, and governance and information disclosure, and because the Company's board of directors has judged that his fulfillment of that role would contribute to the further growth of the Company Group.

Matters regarding independence

Since Mr. Akihisa Fujita's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Mr. Akihisa Fujita is unlikely to have conflicts of interest with general shareholders, has designated him an independent officer, and has notified the Exchange. If Mr. Akihisa Fujita is reelected at this general meeting of shareholders, the Company will again designate him an independent officer.

Candidate number 6

Hiromi Watase
(current surname: Otsuka)

To be reelected | Outside | Independent



Date of birth	November 14, 1964
Number of Company shares owned	329 shares
Number of years in office as director	2 years
Attendance at board of directors meetings	100% (17 of 17 meetings)

■ Career summary and positions and responsibilities

April 1988	Joined Recruit Co., Ltd.
April 2011	Established Alea Co., Ltd. Representative Director of Alea Co., Ltd. (current)
April 2013	Established TRIUM PARTNERS Co., Ltd. Representative Director of TRIUM PARTNERS Co., Ltd.
June 2014	Representative Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)
May 2016	Outside Director of MAXVALU NISHINIHON CO., LTD. (currently FUJI CO., LTD.) (current)
June 2016	Outside Director of Partner Agent, Inc. (currently Tameny Inc.)
January 2017	Director of TRIUM PARTNERS Co., Ltd.
June 2018	Outside Director of The Shoko Chukin Bank, Ltd.
September 2019	Outside Director of DLE Inc.
April 2020	Chief Incubation Officer of ARCH Toranomon Hills Incubation Center, Mori Building Co., Ltd. (current)
September 2021	Visiting Professor at Kaishi Professional University (current)
May 2022	Outside Director of KASUMI CO., LTD. (current)
June 2022	Director of The Jikei University (current)
June 2024	Director of the Company (current)
February 2025	Outside Director of HIOKI E.E. CORPORATION (current)
June 2025	Outside Director of Sony Payment Services Inc. (currently SP.LINKS Inc.) (current)

■ Significant concurrent posts

Representative Director of Alea Co., Ltd.
Outside Director of FUJI CO., LTD.
Outside Director of HIOKI E.E. CORPORATION

■ Reason why the Company selected Ms. Hiromi Watase as a candidate for Outside Director and outline of anticipated roles

Ms. Hiromi Watase has been engaged in corporate management as manager in a number of companies, possesses ample experience in management assistance focused on creation of new businesses, and boasts abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable her to appropriately contribute to the determination of managerial matters and supervision of the execution of operations and the like for the Company Group. The Company's board of directors proposes Ms. Hiromi Watase as a candidate for reelection as outside director in the anticipation that she will fulfill the role of supervising the execution of operations and the like of the Company from an objective and independent perspective based on the abundant experience and expertise that she possesses in relation to platform businesses, M&A and PMI, organizational and human resource development, and governance and information disclosure, and because the Company's board of directors has judged that her fulfillment of that role would contribute to the further growth of the Company Group.

■ Matters regarding independence

Since Ms. Hiromi Watase's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Ms. Hiromi Watase is unlikely to have conflicts of interest with general shareholders, has designated her an independent officer, and has notified the Exchange. If Ms. Hiromi Watase is reelected at this general meeting of shareholders, the Company will again designate her an independent officer.

Candidate number 7

Toshiaki Kawai

To be reelected | Outside | Independent



Date of birth	November 1, 1959
Number of Company shares owned	269 shares
Number of years in office as director	1 year
Attendance at board of directors meetings	100% (12 of 12 meetings)

■ Career summary and positions and responsibilities

April 1982	Joined Tokyo Broadcasting System, Inc. (currently TBS HOLDINGS, INC.)
April 2012	Division President of Technology Division of Tokyo Broadcasting System Television, Inc.
April 2013	Executive Officer, Division President of Technology Division of Tokyo Broadcasting System Television, Inc.
February 2014	Executive Officer of Tokyo Broadcasting System Television, Inc.
March 2014	Director of Tokyo Broadcasting System Television, Inc.
April 2014	Executive Officer of TBS HOLDINGS, INC.
June 2014	Director of TBS HOLDINGS, INC.
April 2015	Managing Director of Tokyo Broadcasting System Television, Inc.
April 2016	Managing Director of TBS HOLDINGS, INC.
June 2018	Senior Managing Director and Representative Director of TBS HOLDINGS, INC. Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc.
June 2020	Representative Director of TBS HOLDINGS, INC. Executive Vice President and Board Director of Tokyo Broadcasting System Television, Inc.
June 2024	Executive Advisor of Tokyo Broadcasting System Television, Inc.
June 2025	Advisor of Tokyo Broadcasting System Television, Inc. (current)
June 2025	Director of the Company (current)

■ Significant concurrent posts

None

■ Reason why the Company selected Mr. Toshiaki Kawai as a candidate for Outside Director and outline of anticipated roles

Mr. Toshiaki Kawai has been engaged in corporate management as a manager in the media business and possesses from his past career abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable him to appropriately contribute to the determination of managerial matters and supervision of the execution of operations and the like for the Company Group. The Company's board of directors proposes Mr. Toshiaki Kawai as a candidate for reelection as outside director in the anticipation that he will fulfill the role of supervising the execution of operations and the like of the Company from an objective and independent perspective based on the abundant experience and expertise that he possesses in relation to platform businesses, business portfolio management and capital policy, M&A and PMI, and governance and information disclosure, and because the Company's board of directors has judged that his fulfillment of that role would contribute to the further growth of the Company Group.

■ Matters regarding independence

Since Mr. Toshiaki Kawai's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Mr. Toshiaki Kawai is unlikely to have conflicts of interest with general shareholders, has designated him an independent officer, and has notified the Exchange. If Mr. Toshiaki Kawai is reelected at this general meeting of shareholders, the Company will again designate him an independent officer.

Notes:

1. There is no special interest between any candidate and the Company.
2. Each candidate's number of shares stated in each of the columns titled "Number of Company shares owned" state the actual number of shares held by each candidate, including the shares owned in the Officers' Shareholding Association of the Company, and is the number of shares as of March 31, 2026.
3. With respect to liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company has entered into individual agreements for limitation of liability with each of Mr. Akihisa Fujita, Ms. Hiromi Watase, and Mr. Toshiaki Kawai that limit liability for damages (the maximum amount of damages is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations) if the requirements stipulated under laws and regulations are fulfilled. If Mr. Akihisa Fujita, Ms. Hiromi Watase, and Mr. Toshiaki Kawai are reelected at this general meeting of shareholders, then those individual agreements will continue.
4. The Company executes with an insurance company a directors' and officers' liability insurance contract, prescribed in Article 430-3, Paragraph 1 of the Companies Act, and covers any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the officers and the like insured as a result of a claim for damages arising from his or her execution of duties. All candidates for directors are included among the insured under this insurance contract. The Company also intends to renew the insurance contract with the same terms and conditions at the time of its renewal in September 2026.
5. Ms. Hiromi Watase's name on her family register is Ms. Hiromi Otsuka; however, we have indicated the name that she uses when performing her duties.
6. With respect to the number of Company shares owned by Mr. Kenji Kasahara, the actual number of shares held by Mr. Kenji Kasahara, including shares owned by his asset management companies (2,000,000 shares owned by Mercury Leaf K.K. and 2,000,000 shares owned by Mercury Sprout K.K.), is stated.

Agenda Item 2　Election of one audit and supervisory board member

The Company proposes the election of one audit and supervisory board member as the Company would like to increase the number of audit and supervisory board members in order to further strengthen the auditing system.

The consent of the audit and supervisory board has been obtained with respect to the submission of this agenda item.

The candidate for audit and supervisory board member is as follows:

Candidate　**Tomoyuki Hirao**　To be newly elected　Outside　Independent



Date of birth	November 8, 1965
Number of Company shares owned	0 shares
Number of years in office as audit and supervisory board member	0 years
Attendance at board of directors meetings	-% (- of - meetings)
Attendance at audit and supervisory board meetings	-% (- of - meetings)

■ Career summary and positions

April 1993	Joined Dentsu Inc. (currently Dentsu Group Inc.)
June 2006	Seconded to FRONTAGE INC. General manager of the Sales Department
October 2010	Reinstated at Dentsu Inc. (currently Dentsu Group Inc.) General manager of the Corporate Planning Department
March 2017	Worked in Audit Office at Dentsu Inc (currently Dentsu Group Inc.) Corporate auditor at Adgear, Inc. and 13 other group companies of the Dentsu group
January 2023	Joined DENTSU CORPORATE ONE INC. (scheduled to retire in June 2026)
March 2023	Corporate auditor at Dentsu Creative Force Inc. Corporate auditor at Dentsu Runway Inc. Corporate auditor at Dentsu Casting And Entertainment Inc. (scheduled to resign in June 2026) Corporate auditor at Dentsu Solari Inc. (scheduled to resign in June 2026)
March 2026	Corporate auditor at DENTSU MEITETSU COMMUNICATIONS INC. (scheduled to resign in June 2026)

■ Significant concurrent posts

None

■ Reason why the Company selected Mr. Tomoyuki Hirao as a candidate for outside audit and supervisory board member

Mr. Tomoyuki Hirao possesses knowledge and experience in the domains of investor relations, internal control and compliance, and governance through his duties in the advertising industry, while also possessing abundant insight and experience related to corporate activities by successively holding a number of positions as a corporate auditor at business operating companies. The Company's board of directors proposes Mr. Tomoyuki Hirao as a candidate for election as outside audit and supervisory board member in order to utilize his experience, knowledge, and the like to further strengthen the auditing system of the Company. Although Mr. Tomoyuki Hirao has not been involved in corporate management, the Company has judged that he can properly perform his duties as an outside audit and supervisory board member, comprehensively taking into consideration his aforementioned practical experience, among other factors.

■ Matters regarding independence

Since Mr. Tomoyuki Hirao's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Mr. Tomoyuki Hirao is unlikely to have conflicts of interest with general shareholders, and if Mr. Tomoyuki Hirao is instated in the office of audit and supervisory board member, the Company will designate him an independent officer and notify the Exchange.

Notes:

1. There is no special interest between the candidate and the Company.
2. If Mr. Tomoyuki Hirao is instated in the office of audit and supervisory board member, then, with respect to liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company will enter into an individual agreement for limitation of liability with Mr. Tomoyuki Hirao that limits liability for damages (the maximum amount of damages is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations) if the requirements stipulated under laws and regulations are fulfilled, in accordance with the provisions of the Company's articles of incorporation.
3. The Company executes with an insurance company a directors' and officers' liability insurance contract, prescribed in Article 430-3, Paragraph 1 of the Companies Act and covers any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the officers and the like insured as a result of a claim for damages arising from his or her execution of duties. If Mr. Tomoyuki Hirao is instated in the office of audit and supervisory board member, he will be included among the insured under this insurance contract.

Agenda Item 3 Election of one substitute audit and supervisory board member

The Company proposes in advance the election of one substitute audit and supervisory board member in order to prepare for cases where the number of audit and supervisory board members falls short of the number stipulated by laws and regulations. This election would be effective only before instatement in office and may be revoked by resolution of the board of directors with the consent of the audit and supervisory board.

The consent of the audit and supervisory board has been obtained with respect to the submission of this agenda item.

The candidate for substitute audit and supervisory board member is as follows:

Candidate Ayumi Kambara Outside Independent



Date of birth	May 19, 1979
Number of Company shares owned	0 shares
Number of years in office as audit and supervisory board member	0 years
Attendance at board of directors meetings	-% (- of - meetings)
Attendance at audit and supervisory board meetings	-% (- of - meetings)

■ Career summary and positions

December 2009	Registered as a lawyer (the Tokyo Bar Association)
January 2010	Joined Matsuo & Kosugi
January 2022	Partner of Matsuo & Kosugi (current)
July 2023	Outside corporate auditor of ODD No. Inc.
	Corporate auditor of TATSUNO CORPORATION (current)

■ Significant concurrent posts

None

■ Reason why the Company selected Ms. Ayumi Kambara as a candidate for substitute audit and supervisory board member

Since Ms. Ayumi Kambara possesses specialist knowledge and abundant experience in relation to corporate legal affairs, litigation, and the like that she cultivated as a lawyer, The Company's board of directors proposes Ms. Ayumi Kambara as a candidate for election as substitute audit and supervisory board member in the anticipation that she will utilize this experience, knowledge, and the like for the auditing system of the Company. Although Ms. Ayumi Kambara has not been involved in corporate management, the Company has judged that she can properly perform her duties as an outside audit and supervisory board member, taking into consideration her aforementioned practical experience.

■ Matters regarding independence

Since Ms. Ayumi Kambara's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Ms. Ayumi Kambara is unlikely to have conflicts of interest with general shareholders, and if Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, the Company will designate her an independent officer and notify the Exchange.

Notes:

1. There is no special interest between the candidate and the Company.
2. If Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, then, with respect to liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company will enter into an individual agreement for limitation of liability with Ms. Ayumi Kambara that limits liability for damages (the maximum amount of damages is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations) if the requirements stipulated under laws and regulations are fulfilled, in accordance with the provisions of the Company's articles of incorporation.
3. The Company executes with an insurance company a directors' and officers' liability insurance contract, prescribed in Article 430-3, Paragraph 1 of the Companies Act, and covers any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the officers and the like insured as a result of a claim for damages arising from his or her execution of duties. If Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, she will be included among the insured under this insurance contract.

Agenda Item 4 Decision on compensation for directors (excluding outside directors) through performance-linked post-evaluation restricted stock compensation

The amount of compensation, etc. (a combination of monthly-paid compensation and monetary compensation claims for granting share-based compensation) for the Company's directors was approved at the 17th ordinary general meeting of shareholders held on June 28, 2016 and was subsequently amended at the 24th ordinary general meeting of shareholders held on June 21, 2023 to be no more than 1,000 million yen per annum (including the amount of compensation for the outside directors, which must be no more than 100 million yen, but excluding salaries for employees payable to directors concurrently serving as employees).

In connection with the Company entering its next phase of growth and for the purpose of further strengthening the connection between compensation and medium- to long-term enhancement of corporate value, the Company would like to newly introduce a performance-linked post-evaluation restricted stock compensation plan (the "**Plan**"), in which shares of common stock of the Company subject to certain restrictions, including a Transfer Restricted Period (defined below) and grounds for acquisition by the Company at no cost ("**Restricted Shares**"), in the number based on compensation amounts calculated according to the degree of achievement of performance targets for a predetermined fiscal year (the "**Performance Evaluation Period**") and other factors are delivered to the Company's directors (excluding outside directors; hereinafter "**Eligible Directors**").

In addition to the respective amounts of director compensation and the like described above, the Company would like to set the total amount of monetary compensation claims to be paid as compensation and the like to Eligible Directors under the Plan to no more than 500 million yen for each Applicable Period (as defined in "3." below; the same applies hereinafter), after comprehensively taking into consideration various factors, including the Eligible Directors' level of contribution to the Company. The provision of the performance-linked post-evaluation restricted stock compensation will be determined after comprehensively taking into consideration various factors, including the Eligible Directors' level of contribution to the Company. The Company believes that the details of the allotment are appropriate, because the effect of dilution will be limited—the maximum limit for the total number of Restricted Shares allotted each Applicable Period in accordance with the Plan, namely 250,000 shares, would comprise around 0.38% of 65,106,446 shares, which is the total number of issued shares of the Company as of March 31, 2026 (excluding treasury shares), and even when combined with the maximum number of Restricted Shares approved at the 24th ordinary general meeting of shareholders held on June 21, 2023 (300,000 shares per annum), the maximum number of the total number of the Restricted Shares allotted each Applicable Period would comprise around 0.84% of the total number of issued shares indicated above.

If this agenda item is approved, the Company plans to make necessary changes to the policy for deciding the details of compensation, etc. for individual directors at the Company's board of directors meeting after the closing of this general meeting of shareholders in order to make the policy consistent with the details approved. Since this agenda item will be in line with the policy after such change, the Company judges that the details of this agenda item are appropriate.

There are currently seven directors of the Company (including three outside directors), and the Company will have three Eligible Directors if agenda item 1 is approved.

Overview of the Plan

1. Allotment and Payment for Restricted Shares

The Company will provide Eligible Directors with monetary compensation claims as

compensation and the like under the Plan within the scope of the aforementioned total amount, in accordance with the degree of achievement of performance targets during the Performance Evaluation Period, among other factors. Each Eligible Director will receive an allotment of Restricted Shares by contributing all of those monetary compensation claims through an in-kind contribution. Accordingly, at the commencement of each Applicable Period, it will not yet have been determined whether monetary compensation claims for the delivery of Restricted Shares will be provided to each Eligible Director, or if those monetary compensation claims are to be provided, the amount thereof or the number of Restricted Shares to be delivered.

In addition, monetary compensation claims will be provided on the condition that the Eligible Director in question has agreed to the above in-kind contribution and has executed a Restricted Share Allotment Agreement containing the details set forth in 4. below.

The amount to be paid in for the Restricted Shares will be determined by the Company's board of directors based on the closing price of the shares of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's board of directors for the issuance or disposal of those shares (or, if no trading is reported on that date, the closing price on the immediately preceding trading day), to the extent that the amount of to be paid in is not particularly favorable to the Eligible Directors who will subscribe to the Restricted Shares.

2. Total Number of Restricted Shares

The aggregate number of Restricted Shares to be allotted to Eligible Directors (excluding Restricted Shares allotted or to be allotted under the existing restricted share compensation system), namely 250,000 shares, will be the maximum number of Restricted Shares to be allotted for each Applicable Period.

However, if, on or after the date of the resolution for this agenda item, the Company conducts a stock split (*kabushiki-bunkatsu*) (including a gratis allotment of shares of common stock of the Company) or a stock consolidation (*kabushiki-heigo)* of shares of common stock of the Company or if any event that requires an adjustment similar to the foregoing occurs to the total number of Restricted Shares to be allotted, then the Company may reasonably adjust the total number of such Restricted Shares.

3. Delivery Requirements, Etc.

The main delivery requirements, etc. are as follows.

(i) The base compensation amount and the method for calculating the degree of achievement of performance targets will be predetermined by the Company. After the end of the Applicable Period, the Company will deliver to Eligible Directors a number of Restricted Shares based on, among other factors, the compensation amount calculated in accordance with the degree of achievement of performance targets during the Performance Evaluation Period and the period of service from the conclusion of the ordinary general meeting of shareholders of the Company held during the Performance Evaluation Period until the ordinary general meeting of shareholders of the Company corresponding to that Performance Evaluation Period (that period between the general meetings of shareholders in question, the "**Applicable Period**").

(ii) If, during the Performance Evaluation Period, an Eligible Director resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company and its subsidiaries (the "**Company Group**") due to death or any other justifiable reason, then the timing of the delivery of compensation will be reasonably determined by the Company's board of directors. In such cases, instead of requiring an in-kind contribution of monetary compensation claims, the Company will pay to the relevant Eligible Director (or, in the case of resignation or retirement

due to death, the heir who succeeds to the rights of that Eligible Director) an amount of money reasonably calculated by the Company's board of directors.

If, after the end of the Performance Evaluation Period but before the date of the delivery of shares under the Plan, an Eligible Director resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group due to death or any other justifiable reason, then the timing of the delivery of compensation will be reasonably determined by the Company's board of directors. In such cases, only where it is reasonably expected that the performance targets predetermined by the Company's board of directors will be achieved, the Company will, instead of requiring an in-kind contribution of monetary compensation claims, pay to the relevant Eligible Director (or, in the case of resignation or retirement due to death, the heir who succeeds to the rights of that Eligible Director) an amount of money reasonably calculated by the Company's board of directors.

(iii) If, during the Performance Evaluation Period, an agenda item relating to an organizational restructuring or the like, such as a merger agreement under which the Company is to dissolve or a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, is approved at the Company's general meeting of shareholders (or, where approval by the Company's general meeting of shareholders is not required for such organizational restructuring or the like, by the Company's board of directors), if the effective date of such organizational restructuring or the like (the "**Effective Date of Organizational Restructuring, Etc.**") is scheduled to occur prior to the date of the delivery of shares under the Plan, and if, as a result of such organizational restructuring or the like, the Eligible Director resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group, then the timing of the delivery of compensation will be reasonably determined by the Company's board of directors. In such cases, instead of requiring an in-kind contribution of monetary compensation claims, the Company will pay to the Eligible Director an amount of money reasonably calculated by the Company's board of directors.

If, after the end of the Performance Evaluation Period but before the date of the delivery of shares under the Plan, an agenda item relating to an organizational restructuring or the like is approved at the Company's general meeting of shareholders (or, where approval by the Company's general meeting of shareholders is not required for such organizational restructuring or the like, by the Company's board of directors) and if the Effective Date of Organizational Restructuring, Etc. is scheduled to occur prior to the date of the delivery of shares under the Plan, then the timing of the delivery of compensation will be reasonably determined by the Company's board of directors. In such cases, only where it is reasonably expected that the performance targets predetermined by the Company's board of directors will be achieved, the Company will, instead of requiring an in-kind contribution of monetary compensation claims, pay to the Eligible Director an amount of money reasonably calculated by the Company's board of directors.

(iv) If an Eligible Director resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group for reasons not deemed justifiable by the Company's board of directors or if the Eligible Director falls under any grounds for forfeiture of rights necessary to achieve the purpose of the stock compensation plan, such as the occurrence of certain misconduct (as determined by the board of directors), then no Restricted Shares or monetary payment will be delivered to that Eligible Director under the Plan.

4. Overview of the Restricted Share Allotment Agreement

Upon the allotment of Restricted Shares, the Restricted Share Allotment Agreement to

be entered into between the Company and an Eligible Director receiving the allotment of Restricted Shares under the Plan (the "**Allottee**") will include the following provisions.

(1) Transfer Restricted Period

The Allottee may not, during the period from the delivery date of the Restricted Shares until the date on which the Allottee resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group (the "**Transfer Restricted Period**"), assign, pledge, create an assignment-based security right over, provide as an *inter vivos* gift, bequeath, or in any other way dispose of, the Allottee's allotted Restricted Shares ("**Allotted Shares**") to any third parties (such restrictions, the "**Transfer Restrictions**").

(2) Acquisition of Restricted Shares at no cost

If the Allottee resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group before the expiration of the Transfer Restricted Period, the Company will automatically acquire the Allotted Shares at no cost, unless there is a reason deemed justifiable by the Company's board of directors.

(3) Lifting Transfer Restrictions

Upon expiration of the Transfer Restricted Period, the Company will lift the Transfer Restrictions on all Allotted Shares held by the Allottee at the time of such expiration.

(4) Handling in Cases of Organizational Restructuring, etc.

If, during the Transfer Restricted Period, an agenda item relating to an organizational restructuring or the like, such as a merger agreement under which the Company is to dissolve or a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, is approved at the Company's general meeting of shareholders (or, where approval by the Company's general meeting of shareholders is not required for such organizational restructuring or the like, by the Company's board of directors), if the **Effective Date of Organizational Restructuring, Etc.**) will occur prior to the expiration of the Transfer Restricted Period (a "**Case of Approval of Organizational Restructuring, Etc.**"), and if, as a result of such organizational restructuring or the like, the Allottee resigns or retires from any position as a director, senior corporate officer, corporate officer, or employee of the Company Group, then the Company will, by resolution of the Company's board of directors, lift the Transfer Restrictions on a number of the Allotted Shares reasonably determined in consideration of the Allottee's period of service, among other factors, effective immediately prior to the business day preceding the Effective Date of Organizational Restructuring, Etc.

In a Case of Approval of Organizational Restructuring, Etc., the Company will, as of the business day immediately preceding the Effective Date of Organizational Restructuring, Etc., automatically acquire Allotted Shares whose Transfer Restrictions have not been lifted as at that day at no cost.

(5) Malus and Clawback Clause

If, during the Transfer Restricted Period or after the Transfer Restrictions have been lifted, the Company's board of directors determines that an Eligible Director has materially violated laws, regulations, internal rules, or similar standards, or if certain events specified by the Company's board of directors, including serious accounting misconduct or substantial losses occur, then the Company may cause all or part of the Eligible Director's rights to receive delivery of the shares of common stock of the Company or monetary compensation claims under the Plan to be forfeited or may

acquire at no cost all or part of the Allotted Shares or the shares of common stock of the Company whose Transfer Restrictions have been lifted and which were allotted to the Eligible Director.

In addition, if such shares have been disposed of, the Company may require the Eligible Director to pay an amount equivalent to the value of such shares at the time of the disposal.

Agenda Item 5 Revision of amount of compensation for audit and supervisory board members

The amount of compensation for the Company's audit and supervisory board members was approved at the extraordinary general meeting of shareholders held on August 26, 2004 to be no more than 50 million yen per annum and has remained unchanged to date. However, in connection with the expansion of the business scale of the Company Group and changes in economic conditions, it is believed that the scope of duties of audit and supervisory board members will further expand in the future and that their roles and duties will increase. In light of these circumstances, the Company proposes to revise the amount of compensation above in order to realize an appropriate level of compensation in accordance with such roles and duties.

Accordingly, after comprehensively taking into account the record of payments made in the past, the number of audit and supervisory board members, and other relevant factors, the Company proposes to revise the amount to be no more than 75 million yen per annum.

The current number of audit and supervisory board members is three. If Agenda Item No. 2 is approved in its original form, the number of audit and supervisory board members eligible to receive the compensation proposed under this Agenda Item 5 will be four.

The compensation for audit and supervisory board members will continue to be composed solely of basic compensation, which is fixed compensation.

End.

(Reference) Skill Matrix of Directors and Audit and Supervisory Board Members After this Ordinary General Meeting of Shareholders

Among the skills possessed by each candidate for director and audit and supervisory board member, demonstration of the following is particularly anticipated in the current term. The Company conducts reviews based on the policies adopted for each term.

Position		Directors							Audit and Supervisory Board Members			
Name		Koki Kimura	Kohei Shimamura	Tatsuma Murase	Kenji Kasahara	Akihisa Fujita O I	Hiromi Watase O I	Toshiaki Kawai O I	Yuichiro Nishimura O I	Tomoyuki Hirao O I	Nozomi Ueda O I	Sumiko Takayama O I
Male●/Female●		●	●	●	●	●	●	●	●	●	●	●
Business domain	Platform business	✓			✓		✓	✓				
Management functions	Technology; AI	✓		✓	✓							
Management functions	Business portfolio management; capital policy		✓			✓		✓				
Management functions	M&A; PMI	✓	✓		✓	✓	✓	✓				
Management functions	Organizational and human resource development		✓	✓		✓	✓					
Supervision; governance	Governance; information disclosure	✓	✓			✓	✓	✓	✓	✓	✓	✓
Supervision; governance	Finance and accounting		✓									✓
Supervision; governance	Compliance; internal control		✓	✓	✓				✓	✓	✓	✓

Notes

1. The chart above also includes current audit and supervisory board members.
2. In the chart above, “O” means “Outside,” and “I” means “Independent.”

The details of each skill are as follows.

Skill	Details
Platform business	Development and operation of ecosystems and platforms; maximization of IP/content
Technology; AI	Judgment regarding the technical feasibility of business strategies; development of frameworks for formulating and promoting innovation strategies
Business portfolio management; capital policy	Promotion of cost-of-capital conscious management; capital policy; enhancement of corporate value through business portfolio composition and resource allocation
M&A; PMI	Valuation of investment targets; creation of synergies and maximization of integration effects
Organizational and human resource development	Development and establishment of organizational and human resource frameworks that exemplify our corporate philosophy
Governance; information disclosure	Development, operation, and supervision of corporate governance framework; disclosure of finance and non-finance information; reports on investor relations and integration
Finance and accounting	Ensuring accuracy and credibility of financial reports; effectiveness of accounting audits
Compliance; internal control	Development and operation of compliance frameworks; maintenance of the effectiveness of internal control and information security, including cybersecurity

The following are respective materialities that particularly relate to each skill.

Skill	Materiality							
	Opportunity			Risk		Corporate		
	Creation of spaces and opportunities for communication	Promotion of innovation	Mutual prosperity with local community	Operation of wholesome IT services	Operation of safe and secure sporting and other events	Information security and privacy	Diversity, equity, and inclusion	Strengthening of governance
Platform business	✓	✓	✓	✓	✓			
Technology; AI	✓	✓	✓	✓		✓		
Business platform management; capital policy	✓	✓	✓					
M&A; PMI	✓	✓	✓					
Organizational and human resource development	✓	✓					✓	
Governance; information disclosure				✓	✓		✓	✓
Finance and accounting				✓	✓			✓
Compliance; internal control				✓	✓	✓	✓	✓

Note

1. The Company has established eight materialities (material social issues to be addressed by the Company) as themes to be adopted through corporate activities.

   For details, please see the Company’s website (https://mixi.co.jp/en/sustainability/).

(Reference) The Company's Criteria for Judging Independence

Based on a reasonable amount of research by the Company and the criteria for judging independence prescribed by the Tokyo Stock Exchange, the Company's policy is to deem its outside officers and outside officer candidates to have sufficient independence as long as they do not fall under any of the following categories.

1. Business executives of the Company or one of the Company's subsidiaries
2. Business executives of counterparties of the Company that exceed the standards set by the Company (Note 1)
3. Consultants, accountants, or jurists that receive large amounts of cash or other assets aside from officer compensation (Note 2) (If the recipient is a corporate body or organization, then this refers to members of that corporate body or organization)
4. Major shareholders of the Company (Note 3) or their business executives
5. Business executives of major lenders and banks that work with the Company
6. Business executives of lead underwriters of the Company
7. Business executives of auditing firms that work with the Company
8. Close relatives of individuals that fall into categories 1-3 above (Note 4)
9. Individuals that fell into categories 1-7 in the past three years

Note 1: "Counterparties of the Company that exceed the standards set by the Company" means counterparties whose transactions with the Company exceed 2% of the Company's consolidated net sales.

Note 2: The value of "large amounts of cash or other assets aside from officer compensation" is an amount more than or equal to 10 million yen for individuals, or an amount more than or equal to 2% of the Company's consolidated net sales for corporate bodies or organizations.

Note 3: In accordance with Article 163, Paragraph 1 of the Financial Instruments and Exchange Act, "major shareholders of the Company" means any shareholder that holds voting rights (excluding those specified by a Cabinet Office Ordinance in consideration of the manner of acquisition or holding thereof or other circumstances) exceeding 10% of the voting rights held by all the shareholders, etc. in the name of himself/herself or another person (or under a fictitious name).

Note 4: "Close relatives" means any relatives up to the second degree.

(Reference) Approach to, and framework, for corporate governance

- Fundamental approach to corporate governance

  The Company positions corporate governance as a managerial and governance function intended to maximize corporate value. Consequently, as the Company expands its business, it conducts appropriate reviews of its organization and seeks to clarify management of profits and losses for each of its businesses and management authority and responsibility. The Company is focused on enhancing the functions of its board of directors, which is the Company's decision-making organ, enhancing the supervisory function of the audit and supervisory board members and the audit and supervisory board over the execution of duties by directors, and enhancing internal control functions that prevent improprieties in the performance of duties.

  In addition, it is the Company's policy to appropriately release statutory disclosure documents and to actively conduct investor relations activities using the Company's website and the like in an ongoing effort to improve managerial transparency and fairness.

  The Company's corporate governance reports are published on its website (https://mixi.co.jp/en/sustainability/materiality/governance/overview/).

- Corporate governance framework

  The Company's corporate governance framework is as follows:

  - Directors and board of directors

    If Agenda Item No. 1 is approved and adopted, the board of directors will become composed of seven directors in total, with four inside directors (none of whom will be women) and three outside directors (one of whom will be a woman). In principle, a board of directors meeting is regularly held once a month, and the board of directors is structured in a way that enables swift and efficient decision-making. Further, each director's term of office is set at one year, in order to clarify each director's managerial responsibilities and to develop a managerial framework that is able to swiftly respond to changes in the managerial environment.

    In the fiscal year ended March 31, 2026, 17 board of directors meetings were held, and matters relating to material business execution (such as acquisition of the Company's own shares, payment of an interim dividend, execution of large-scale M&A transactions, development of business execution systems, review of the personnel system and the compensation system, and revision of important rules, including rules on administrative authority and the like) set forth in laws and regulations or internal rules were determined, and discussions were conducted based on the managerial strategy and reports on the status of execution of duties. In addition, under the policy for the strengthening of board of directors functions related to strategies and supervision, the board of directors confirmed, on an ongoing basis, the progress and integration status regarding important investments and M&A transactions and discussed matters related to the development and strengthening of the internal control and governance framework, taking into account a case of misconduct at a subsidiary in the previous fiscal year, and thereby endeavored to enhance the effectiveness of supervisory functions. Further, monitoring was conducted on a regular basis in relation to the status of communication with investors and the status of measures concerning sustainability.

    Attendance at the board of directors meetings in the fiscal year ended March 31, 2026 was as follows.

Chairperson	(inside director) Koki Kimura:	100% (17 of 17 meetings)
	(inside director) Kohei Shimamura:	100% (12 of 12 meetings)
	(inside director) Tatsuma Murase:	100% (17 of 17 meetings)
	(inside director) Kenji Kasahara:	100% (17 of 17 meetings)
	(outside director) Akihisa Fujita:	100% (17 of 17 meetings)
	(outside director) Hiromi Watase:	100% (17 of 17 meetings)
	(outside director) Toshiaki Kawai:	100% (12 of 12 meetings)

Notes:

1. Figures in parentheses indicate the number of meetings attended/number of meetings held during the term of office.
2. All three outside directors have been designated as independent directors.
3. The listed members are those as of the last day of the fiscal year ended March 31, 2026.

■ Management committee

The Company's management committee is a meeting body composed mainly of inside directors and deliberates and makes decisions regarding important matters related to business operations. While in principle it meets regularly once a month, it also holds meetings at other times as required. The details of each meeting of the management committee are shared with the outside officers as appropriate.

■ Audit and supervisory board

If Agenda Item No. 2 is approved and adopted, the Company's audit and supervisory board will become composed of four independent outside audit and supervisory board members (of whom two are women). The audit and supervisory board members and the audit and supervisory board will conduct audits in accordance with each fiscal year plan through collaboration with internal auditors or the internal audit office and independent auditors, conduct consultation regarding the results and details of the audits in audit and supervisory board meetings, which are regularly held at least once a month, express to the directors or directors opinions as appropriate, and endeavor to ensure the soundness and effectiveness of management.

■ Nomination and compensation committee

The Company has established a nomination and compensation committee for the purpose of bolstering transparency and objectivity by obtaining the opinions and advice of outside directors on matters related to individual personnel proposals regarding directors (excluding outside directors) and matters related to compensation and the like in advance of deliberation by the board of directors.

The deliberative scope of the nomination and compensation committee is as follows:

(1) personnel proposals regarding individual directors (including matters related to election and dismissal) and proposals for basic policies regarding personnel affairs;

(2) proposals for basic policies regarding compensation systems for directors;

(3) proposals for the compensation framework for directors (including the calculation method);

(4) proposals for specific amounts of compensation for individual directors (including the calculation method); and

(5) other inquiries from the president and director.

In the fiscal year ended March 31, 2026, seven nomination and compensation committee meetings were held. Deliberations were conducted with respect to

evaluation of directors, personnel proposals regarding individual directors, the amount of compensation for individual directors, and the composition of compensation for directors, and discussions were also conducted regarding measures for a succession plan.

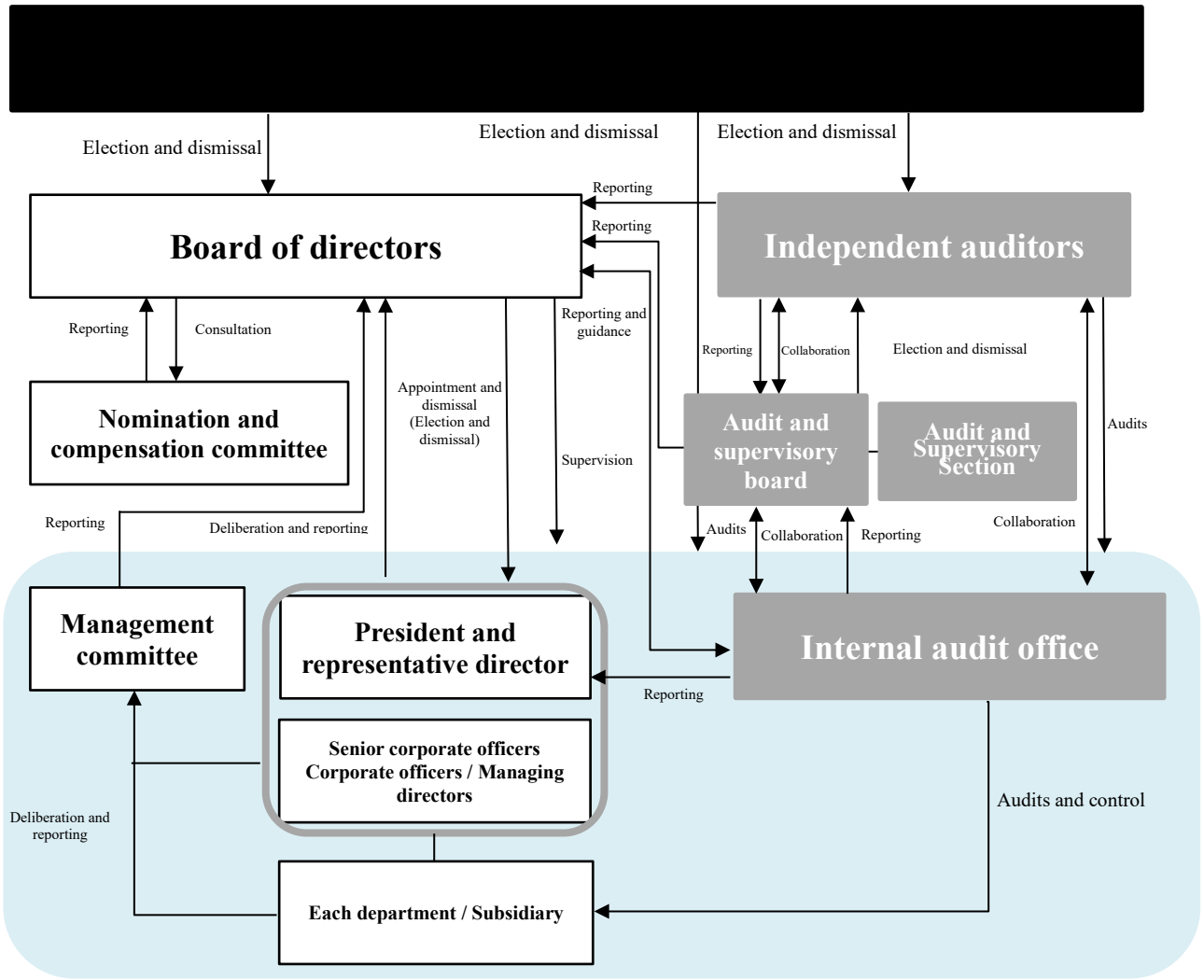
For the nomination and compensation committee in the fiscal year ended March 31, 2026, an independent outside director served as chairperson, and of the five members, three were outside directors. Attendance by each committee member was as follows.

Composition of the nomination and compensation committee

Chairperson	(outside director) Akihisa Fujita:	100% (7 of 7 meetings)
	(outside director) Hiromi Watase:	100% (7 of 7 meetings)
	(outside director) Toshiaki Kawai:	100% (5 of 5 meetings)
	(inside director) Koki Kimura:	100% (7 of 7 meetings)
	(inside director) Kohei Shimamura:	100% (5 of 5 meetings)

Notes:

1. Figures in parentheses indicate the number of meetings attended/number of meetings held during the term of office.
2. The listed members are those as of the last day of the fiscal year ended March 31, 2026.



- Evaluating the effectiveness of the board of directors

  The Company conducts on an ongoing basis annual self-evaluations and analysis regarding the effectiveness of the board of directors for the purpose of improving the performance of the board of directors and, in turn, increasing corporate value.

  - Method for evaluating the effectiveness of the board of directors

    During the period from January 2026 to February 2026, the Company conducted a questionnaire for the members of the board of directors, which is composed of all directors, and audit and supervisory board members. In that questionnaire, the Company had the responses directly sent to an external organization in order to maintain respondent anonymity. Analysis, deliberation, and evaluation was conducted at the April 2026 ordinary board of directors meeting, taking into consideration the external organization's report on the collected results.

    Main topics in the questionnaire:

    – composition of the board of directors
    – operation of the board of directors
    – managerial strategies and management plans
    – internal control and risk management
    – support system for directors and audit and supervisory board members

– evaluation of the nomination and compensation committee

– dialogue with shareholders (investors)

■ Outline of results of self-analysis and self-evaluation regarding the effectiveness of the board of directors

The survey responses were generally positive, and the Company's self-evaluation was that the board of directors is operating effectively overall. The following points in particular were highly commended.

– Frequency of the board of directors meetings and time for deliberations of each agenda item are appropriately secured at the board of directors meetings, and free, open-minded, and constructive discussions and exchanges of opinions are conducted

– Information necessary for the execution of duties by directors and audit and supervisory board members is provided, including reports that are well grounded from a financial perspective and feedback on dialogue with shareholders and investors

– The board of directors appropriately delegates to the president and representative director, management committee (a meeting body related to business execution that is composed mainly of inside directors), and the like the authority for matters whose delegation is deemed appropriate and secures sufficient time necessary for deliberation at the board of directors meetings

– Decision-making regarding execution of business at the management committee meetings is conducted in accordance with the managerial strategies

In addition to the above, overall improvements were seen in scores in comparison with the evaluation of the board of directors for the previous fiscal year particularly in matters that were a focus for improvement, and we confirmed that the functions of the board of directors have been appropriately executed through reform activities.

■ Measures taken for the fiscal year ended March 31, 2026 to improve the effectiveness of the board of directors

The board of directors and the secretariat of the board of directors worked on the following matters, taking into consideration the results of evaluation of the effectiveness of the board of directors for the previous fiscal year.

– Establishment of effective systems for information provision

The board of directors established an information-sharing environment integrated with various AI tools, enabling broad access not only to the proposal materials for the board of directors meeting on the date in question but also to related information, thereby establishing a framework under which directors can quickly ascertain the background of matters submitted for resolution.

In addition, continuing from the previous fiscal year, streamlining of discussions was promoted by conducting prior deliberation of each agenda item at the management committee meetings, by sharing materials summarizing details thereof prior to the board of directors meetings, and by the chairperson of the board of directors providing explanations at the beginning of the board of directors meetings.

– Enhancement of discussions for mid- to long-term growth

With respect to monitoring of the mid- to long-term plan by the board of directors, the Company improved the content of reporting, with the aim of placing an emphasis on key performance indicators. In addition, in order to enhance the quality of the management decision-making process, a forum for

discussion was provided once each quarter separately from the board of directors meetings. In that forum for discussion, discussions were conducted that would contribute to the Company's mid- to long-term growth, including with respect to the medium-term vision, enhancement of group governance, and the ideal design and operation of the board of directors.

– Enhancement of monitoring concerning group governance

The Company sought to enhance the sophistication of our risk management framework by strengthening the group-wide response structure for misconduct risk, while also promoting improved visibility into the management status of its subsidiaries and strengthening of supervisory functions by enhancing the risk management system through, among other measures, regularly reporting on progress of PMI at overseas subsidiaries.

– Pursuing a design for the board of directors that is optimized to the Company

In light of significant changes in the business environment, including the development of AI technologies and the active expansion of overseas businesses, the Company renewed the director structure and business execution systems in order to accelerate management decision-making and execution. In addition, for the purpose of further strengthening governance, an independent outside director was appointed as chairperson of the nomination and compensation committee, thereby enhancing the objectivity and transparency of procedures. The nomination and compensation committee reformed the nomination and evaluation system by reviewing director qualification requirements and introducing peer review, and, in order to establish a structure to drive sustainable enhancement of corporate value, the committee decided to introduce a new compensation system linked to medium- to long-term strategies (involving the introduction of STI/LTI, increasing the variable compensation ratio, and the like).

■ Measures to be taken in the future

The Company recognizes that enhancement of discussions for mid- to long-term growth, strengthening of monitoring of group governance, and pursuit of a design for the board of directors that is optimized to the Company, as well as strengthening of measures to enhance the quality of discussions by the board of directors, in light of requests for further improvement of quality and efficiency of discussions, are all critical tasks that must be addressed in the future.

Based on the results of the evaluation, the Company will continue to seek further improvement in the effectiveness of the board of directors overall in the future.

● Peer reviews for directors

From the fiscal year ended March 31, 2026, the Company has implemented peer reviews for directors with the purpose of providing feedback from multifaceted perspectives regarding the contributions and competencies of individual directors and thereby promoting "awareness" and "mutual understanding" among directors. Based on the insights obtained through these peer reviews, the Company seeks to further clarify the roles and expertise expected of each director and thereby enhance the effectiveness of the board of directors as a whole.

● Other measures supplementing the corporate governance framework

For the purpose of enhancing the effectiveness of the board of directors, the Company holds the following voluntary meetings and provides opportunities for discussions and information sharing.

■ Information-sharing meeting for officers

A forum for discussion was provided once each quarter separately from the board of directors meetings, where outside directors, outside audit and supervisory board members, inside directors, and senior corporate officers gather together, and information was shared on managerial strategies, agenda items scheduled to be submitted at the board of directors meetings, and other such matters, and sufficient time was secured for deeper discussions of such agenda items.

- Policy on electing directors, and nomination procedures

  The Company's policy for deciding candidates for, and election of, directors (excluding outside directors) is as follows.

  - Personnel proposals regarding directors (excluding outside directors) must heed the requirement to strike a sound balance between the knowledge, experience and ability needed by each director to effectively execute his or her role and duties and the requirement to form a board of directors that is diverse and optimally scaled.
  - Personnel proposals regarding directors (excluding outside directors) who are in charge of executing operations shall heed the requirement to elect persons with foresight who are able to accurately, appropriately and swiftly make managerial judgements and execute operations in order to contribute to the Company's continued growth and to contribute to improvement in the Company's corporate value over the mid- to long-term.

  Each candidate for director (excluding outside director) is appointed in accordance with this policy and is determined by resolution of the board of directors after deliberation by the nomination and compensation committee.

  The requirement to strike a sound balance between the knowledge, experience and ability and the requirement to form a board of directors that is diverse and optimally scaled are heeded when nominating candidates for outside directors.

- Policy and procedures for deciding officer compensation

  Please see "4. Matters related to the policy for deciding compensation" in "IV. Matters concerning the Company's officers" in the Business Report.

Business Report (from April 1, 2025 to March 31, 2026)

I. Matters concerning corporate group's current status

1. Course and results of the business

The Company's net sales for the consolidated fiscal year ended March 31, 2026 were 171,369 million yen (an increase of 10.7% year on year). In addition, the Company's EBITDA was 31,176 million yen (a decrease of 1.6% year on year), operating income was 22,256 million yen (a decrease of 16.3% year on year), ordinary income was 24,700 million yen (a decrease of 6.8% year on year), and profit attributable to the owners of the parent for the consolidated fiscal year ended March 31, 2026 was 17,270 million yen (a decrease of 1.9% year on year).

The status of each segment is set out below.

Net Sales by Business Segment

Business Segment	26th Fiscal Year		27th Fiscal Year		YoY Comparison (%)
	Net Sales (millions of yen)	Composition Ratio (%)	Net Sales (millions of yen)	Composition Ratio (%)	
Digital Entertainment Business	94,082	60.8	83,889	49.0	(10.8)
Sports Business	40,206	26.0	65,848	38.4	63.8
Lifestyle Business	14,795	9.5	17,159	10.0	16.0
Investment Business	5,696	3.7	4,440	2.6	(22.0)
Adjustment Amount	66	0.0	31	0.0	(53.3)
Total	154,847	100.0	171,369	100.0	10.7

Note: "Adjustment Amount" includes company-wide sales not allocated to each reportable segment.

(Method for measuring profits of the business segments)

The method for measuring profits of the business segments uses operating income-based amounts (EBITDA), which does not take into account the amount of depreciation and amortization of goodwill.

(i) Digital Entertainment business

The digital entertainment business has generated income mainly through the smart device game "Monster Strike." Net sales for "Monster Strike" decreased compared to the previous fiscal year due to a decrease in MAU. Although an increase in settlements via the Company's proprietary settlement channel, the MONSTER STRIKE Web Shop, led to a decrease in fees and improved cost efficiency, segment profit decreased due to temporary advertising expenses incurred for terrestrial anime broadcasts, etc.

As a result, net sales for the digital entertainment business were 83,889 million yen (a decrease of 10.8% year on year), and the segment profit was 43,050 million yen (a decrease of 2.8% year on year).

(ii) Sports business

In the sports business, the Company mainly operates betting businesses and sports viewing businesses. With respect to betting businesses, PointsBet Holdings Limited, which operates sports betting businesses in Australia and Canada, joined the Company Group in September 2025, and its performance from October 2025 onward has been included in the segment performance for this business. In addition to the increase in sales resulting from PointsBet Holdings Limited becoming a consolidated subsidiary, the increase in online betting ticket sales at the sports betting service TIPSTAR, and growth in betting ticket sales and comprehensive outsourcing fees for keirin stadium operations earned by Chariloto Co., Ltd., resulted in an increase in both revenue and profit compared to the previous fiscal year. In the sports viewing business, due to growth in ticket sales and expansion in sponsor revenue at Chiba Jets, following the opening of "LaLa arena TOKYO-BAY" in the previous year, among other factors, both revenue and profit increased compared to the previous fiscal year.

As a result, net sales for the sports business were 65,848 million yen (an increase of 63.8% year on year), and the segment profit was 5,088 million yen (an increase of 154.5% year on year).

(iii) Lifestyle business

The Company operates a variety of services within its lifestyle business, with "FamilyAlbum," an app for sharing photos and videos for families, "minimo," a salon artist booking app, and "mixi" and "mixi2" social networking services, being the main focus. Net sales for "FamilyAlbum" increased compared to the previous fiscal year due to growth in the sales of focused products ("FamilyAlbum Premium" "Photo Print," "FamilyAlbum GPS Guardian", and advertising), despite a decrease in sales of New Year Cards services due to the shrinking market. Revenue increased compared to the previous fiscal year, and the business in question returned to profitability.

As a result, net sales for the lifestyle business were 17,159 million yen (an increase of 16.0% year on year), and the segment profit was 876 million yen (the segment loss for the previous fiscal year was 128 million yen).

(iv) Investment business

In the investment business, the Company has been conducting investment in startups and through venture capital. In the fiscal year ended March 31, 2026, the Company recorded dividend income from funds subject to investment by the Company Group. However, both revenue and profit decreased compared to the previous fiscal year because a gain on sale of shares in Timee, Inc. was recorded in the previous fiscal year.

As a result, net sales for the investment business were 4,440 million yen (a decrease of 22.0% compared to the previous fiscal year), and the segment profit was 1,001 million yen (a decrease of 49.4% compared to the previous fiscal year).

2. Change in the status of assets and income and loss

(i) Change in the status of the corporate group's assets and income and loss

Category		24th Fiscal Year (ended March 2023)	25th Fiscal Year (ended March 2024)	26th Fiscal Year (ended March 2025)	27th Fiscal Year (the relevant consolidated fiscal year) (ended March 2026)
Net Sales	(millions of yen)	146,867	146,868	154,847	171,369
Ordinary Income	(millions of yen)	18,250	15,669	26,511	24,700
Profit Attributable to Owners of Parent	(millions of yen)	5,161	7,082	17,601	17,270
Basic Earnings per Share	(yen)	70.87	99.71	255.43	260.72
Total Assets	(millions of yen)	222,321	207,342	225,544	280,405
Net Assets	(millions of yen)	183,463	175,730	181,333	189,466
Net Assets per Share	(yen)	2,480.51	2,466.38	2,641.26	2,787.63

Notes:

1. The basic earnings per share were computed by using the average number of shares outstanding for the period.
2. The net assets per share were computed by using the total number of shares outstanding as of the end of the fiscal year.

(ii) Change in the status of the Company's assets and income and loss

Category		24th Fiscal Year (ended March 2023)	25th Fiscal Year (ended March 2024)	26th Fiscal Year (ended March 2025)	27th Fiscal Year (the relevant consolidated fiscal year) (ended March 2026)
Net Sales	(millions of yen)	118,617	114,922	118,052	113,925
Ordinary Income	(millions of yen)	25,579	18,544	25,934	23,140
Profit	(millions of yen)	7,476	7,319	16,107	16,652
Basic Earnings per Share	(yen)	102.64	103.04	233.75	251.39
Total Assets	(millions of yen)	206,171	189,025	200,110	225,455
Net Assets	(millions of yen)	182,873	175,175	179,219	178,056
Net Assets per Share	(yen)	2,490.59	2,475.69	2,628.81	2,721.08

Notes:

1. The basic earnings per share were computed by using the average number of shares outstanding for the period.
2. The net assets per share were computed by using the total number of shares outstanding as of the end of the fiscal year.

3. Issues to be addressed

Although the growth rate of the domestic mobile game market is gradually decreasing, it continues to be attractive because its market size still remains enormous and high-profile new games dominate the market from time to time. In the government-controlled competitive sports events market, the growth rate of sales via the Internet has been slowing down, but it is expected that the market will continue to remain its current size or to slowly expand. In addition, while the birthrate is declining in Japan, the youth-related market is growing due to increased spending by grandparents on their grandchildren (the so-called "six-pockets" phenomenon) and other factors. In addition, the youth-related market overseas continues to maintain a high level of potential, and the Company Group acknowledges it as a market with business opportunities.

In this environment, the Company Group acknowledges that an issue to be addressed is the building of a sustainable revenue base by creating businesses that will become second and third pillars of revenue in the sports business and lifestyle business while maintaining and expanding the revenue scale of the digital entertainment business.

In the digital entertainment business, we will continue to endeavor to increase use by users and strengthen the revenue base in Japan by further bolstering planning, marketing, and the media mix policy for "Monster Strike." Overseas, "STRIKE WORLD," the global version of "Monster Strike," was soft-launched in February 2026 in India, a fast-growing emerging market. We commenced full-scale operations for that product in April 2026 and will seek to expand use by overseas users.

In the sports business, we will aim to differentiate the Company from other companies by

improving “TIPSTAR,” which is building a unique position as a social betting service. In addition, we will aim to grow further by expanding business growth in both of the consolidated subsidiaries Chariloto Co., Ltd. and Net Dreamers, Co. Ltd. and generating more enhanced synergies in the services of each company. Overseas, the Company is aiming to establish social betting operations in the Australian and Canadian markets and to become a leading player in those markets by combining the strong brand recognition and unique technological capabilities of PointsBet Holdings Limited, which became a subsidiary during the fiscal year ended March 31, 2026, with the Company’s know-how in social betting operations and service expansion through viral growth.

In the lifestyle business, we will continue endeavoring to expand our economic zone inside and outside Japan and to grow “FamilyAlbum” and “minimo.”

4. Main businesses (as of March 31, 2026)

Business Segment	Details of Business
Digital Entertainment Business	Providing services with a focus on smart device games
Sports Business	Operating professional sports team management and providing social betting services
Lifestyle Business	Operating services that utilize the Internet and that are closely related to people’s everyday lifestyles
Investment Business	Investment in startups and through venture capital

5. Main offices (as of March 31, 2026)

The Company	Head office	Shibuya-ku, Tokyo

6. Status of employees (as of March 31, 2026)

(i) Status of the corporate group’s employees

Number of Employees	Increase or Decrease from the Previous Consolidated Fiscal Year
2,116 (433)	increase of 399 (decrease of 14)

Note 1: The number of employees stated above refers to the number of workers, and the average number of contingent workers (including part-time employees and temporary employees) for the consolidated fiscal year ended March 31, 2026 is presented in parentheses.

Note 2: The increase of 399 employees compared with the end of the previous consolidated fiscal year was mainly attributable to the acquisition of shares in PointsBet Holdings Limited by MIXI Australia Pty Ltd, a consolidated subsidiary of the Company, resulting in the inclusion of PointsBet Holdings Limited and its six subsidiaries within the scope of consolidation of the Company.

(ii) Status of the Company's employees

Number of Employees	Increase or Decrease from the Previous Fiscal Year	Average Age	Average Length of Service
1,316 (50)	Increase of 57 (Decrease of 10)	38.1 years old	6.2 years

Note: The number of employees stated above refers to the number of workers, and the average number of contingent workers (including part-time employees and temporary employees) for the fiscal year ended March 31, 2026 is presented in parentheses.

7. Main lender (as of March 31, 2026)

Lender	Amount borrowed
Syndicated loan	27,900 million yen
Sumitomo Mitsui Banking Corporation	15,977 million yen

Note: The syndicated loan was provided through syndicated financing by Sumitomo Mitsui Banking Corporation and five other banks.

8. Status of financing

During the consolidated fiscal year ended March 31, 2026, in connection with MIXI Australia Pty Ltd ("**MIXI Australia**"), a consolidated subsidiary of the Company, acquiring shares in PointsBet Holdings Limited in September 2025 and thereby making PointsBet Holdings Limited a consolidated subsidiary, the Company procured short-term borrowings in the amount of 27,900 million yen as acquisition financing and conducted a third-party allotment of shares to MIXI Australia. Those short-term borrowings were refinanced in March 2026 with long-term borrowings under a syndicated loan agreement.

9. Status of capital expenditures

The total amount of capital expenditures outlaid in the consolidated fiscal year ended March 31, 2026 was 9,792 million yen. The main component of these capital expenditures was 7,326 million yen as redevelopment costs for a keirin stadium by Chariloto Co., Ltd.

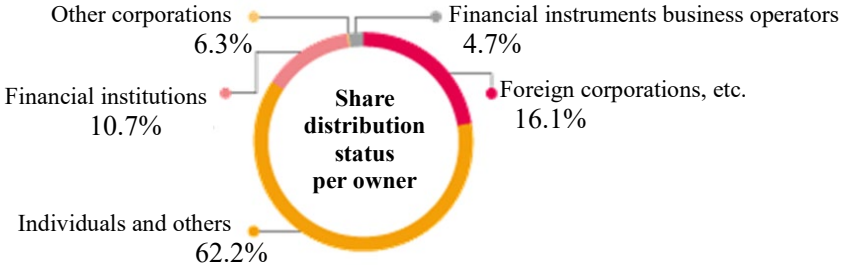
10. Status of material subsidiaries

Company name	Stated capital	The Company's investment ratio	Principal business activities
Chariloto Co., Ltd.	110 million yen	100.0%	Sales of keirin betting tickets
Net Dreamers Co., Ltd.	110 million yen	100.0%	Operation of a comprehensive horse racing website
PointsBet Holdings Limited	821 million Australian dollars	66.4%	Holding company for subsidiaries engaged in sports betting businesses in Australia and Canada

Note: The investment ratio includes indirect ownership.

II. Matters concerning the Company's shares (as of March 31, 2026)

1. Total number of authorized shares — 264,000,000 shares
2. Total number of issued shares — 71,330,850 shares (including 6,224,404 shares of treasury stock)
3. Number of shareholders — 24,636 shareholders



4. Principal shareholders (top ten shareholders)

Name of Shareholder	Number of Shares (shares)	Percentage of Shareholding (%)
Kenji Kasahara	32,521,900	49.95
The Master Trust Bank of Japan, Ltd. (trust account)	5,312,200	8.16
Custody Bank of Japan, Ltd. (trust account)	1,614,700	2.48
Koki Kimura	1,414,800	2.17
State Street Bank And Trust Company 505001	1,108,647	1.70
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1,017,362	1.56
THE BANK OF NEW YORK 133612	908,300	1.40
STATE STREET BANK AND TRUST COMPANY 505103	580,223	0.89
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	507,079	0.78
THE BANK OF NEW YORK MELLON 140044	505,186	0.78

Notes:

1. The percentages of shareholding were calculated by excluding 6,224,404 shares of treasury stock and are rounded to the nearest one-hundredth of one percent.
2. The number of shares held by Koki Kimura does not include the number of shares held through the Officers' Shareholding Association of the Company.
3. With respect to the number of Company shares owned by Mr. Kenji Kasahara, the actual number of shares held by Mr. Kenji Kasahara, including shares owned by his asset management companies (2,000,000 shares owned by Mercury Leaf K.K. and 2,000,000 shares owned by Mercury Sprout K.K.), is stated.

5. Status of shares delivered to the Company's officers as compensation for the execution of duties during the fiscal year ended March 31, 2026

Based on a resolution adopted at the 24th ordinary general meeting of shareholders held on June 21, 2023, the Company introduced a restricted share compensation system. The Company resolved at the board of directors meeting held on June 26, 2025 to dispose of treasury shares as restricted share compensation and disposed of 104,300 treasury shares and allotted such shares to three directors (excluding outside directors) on July 16, 2025.

III. Matters concerning the Company's subscription rights to shares, etc.

1. Status of subscription rights to shares, etc. held by the Company's officers as of the last day of the fiscal year ended March 31, 2026

Name	The 13th subscription rights to shares	The 14th subscription rights to shares	The 15th subscription rights to shares
Date of the board resolution	August 5, 2016	August 8, 2017	August 9, 2018
Occupation and number of the holders of the subscription rights to shares	One director (excluding outside directors)	One director (excluding outside directors)	One director (excluding outside directors)
Number of subscription rights to shares	470 (see Note 1)	285 (see Note 1)	954 (see Note 1)
Class and number of shares subject to the subscription rights to shares	47,000 shares of common stock (see Note 1)	28,500 shares of common stock (see Note 1)	95,400 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)	One yen (see Note 2)	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	1,898 yen	3,945 yen	1,381 yen
Exercise period of the subscription rights to shares	From: August 30, 2016 Until: August 29, 2046	From: August 30, 2017 Until: August 29, 2047	From: August 30, 2018 Until: August 29, 2048
Terms and conditions in relation to the subscription rights to shares	See Note 3	See Note 3	See Note 3

Name	The 17th subscription rights to shares	The 19th subscription rights to shares	The 21st subscription rights to shares
Date of the board resolution	June 26, 2019	June 26, 2020	June 25, 2021
Occupation and number of the holders of the subscription rights to shares	Two directors (excluding outside directors)	Two directors (excluding outside directors)	Two directors (excluding outside directors)
Number of subscription rights to shares	1,736 (see Note 1)	1,606 (see Note 1)	765 (see Note 1)
Class and number of shares subject to the subscription rights to shares	173,600 shares of common stock (see Note 1)	160,600 shares of common stock (see Note 1)	76,500 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)	One yen (see Note 2)	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	929 yen	1,066 yen	1,577 yen
Exercise period of the subscription rights to shares	From: July 17, 2019 Until: July 16, 2049	From: July 14, 2020 Until: July 13, 2050	From: July 13, 2021 Until: July 12, 2051
Terms and conditions in relation to the subscription rights to shares	See Note 3	See Note 3	See Note 3

Name	The 23rd subscription rights to shares
Date of the board resolution	June 28, 2022
Occupation and number of the holders of the subscription rights to shares	Two directors (excluding outside directors)
Number of subscription rights to shares	735 (see Note 1)
Class and number of shares subject to the subscription rights to shares	73,500 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	1,081 yen
Exercise period of the subscription rights to shares	From: July 14, 2022 Until: July 13, 2052
Terms and conditions in relation to the subscription rights to shares	See Note 3

Notes:

1. If the Company carries out a stock split (*kabushiki-bunkatsu*) or stock consolidation (*kabushiki-heigo*) after the issuance of subscription rights for shares, the number of the shares subject to the subscription rights for shares will be adjusted in accordance with the following formula, and any fraction of less than one share resulting from such adjustment will be rounded down.

Number of shares after adjustment	=	Number of shares before adjustment	x	Ratio of stock split or stock consolidation

2. The Company may adjust the number of shares granted within a reasonable extent if, after the issuance of subscription rights to shares, any of the following occurs: the Company carries out a merger (*gappei*), corporate split (*kaisha-bunkatsu*), share exchange (*kabushiki-kokan*) or stock transfer (*kabushiki-iten*) (collectively, "**Merger, Etc.**"); the Company carries out an allotment of shares without contribution; or any other adjustment of the number of shares granted becomes necessary.

   If the Company adjusts the number of shares granted, the Company shall, either directly or publicly, give notice of all necessary matters to each person who holds subscription rights to shares as stated in the register of subscription rights to shares (a "**Rights Holder**") by the date immediately preceding the effective date of the adjustment of the number of shares granted; however, if the Company fails to give such notice by the date immediately preceding such effective date of such adjustment, the Company shall thereafter promptly give such notice.

3. (1) Each Rights Holder may exercise his or her subscription rights to shares for subscription during the "Exercise period of the subscription rights to shares" set forth above, upon the condition that such exercise is conducted no later than ten days after the date immediately following the date when he or she ceased to be the Company's director (however, (i) if the board of directors of the Company separately determines the date when the Rights Holder loses not only his or her status as a director of the Company, but all of his or her statuses as a senior corporate officer or corporate officer of the Company, then that date, or (ii) if the exercise of the subscription rights to shares is permitted under the proviso in paragraph (2), item (a) below, the date after which the ten-day period is to be counted will be the date when he or she ceased to be any of the following: the Company's audit and supervisory board member, senior corporate officer, corporate officer or employee; or a director, auditor, senior corporate officer, corporate officer or employee of the Company's subsidiary).

   (2) Notwithstanding paragraph (1) above, each Rights Holder may not exercise his or her subscription rights to shares if he or she falls under any of the following:

      (a) if the Rights Holder's term as a director is less than three years; unless, after he or she loses the status of director, (i) he or she holds a position as the Company's audit and supervisory board member, senior corporate officer, corporate officer or employee or a director, auditor, senior corporate officer, corporate officer or employee of the Company's subsidiary and (ii) the Company's board of directors permits the exercise of the subscription rights to shares;

      (b) if the Rights Holder is dismissed from his or her position as a director or audit and supervisory board member or auditor of either the Company or its subsidiary, or is subject to disciplinary dismissal, resignation under instruction or any other sanction of a similar degree as an employee (including as a senior corporate officer or corporate officer) of the Company or its subsidiary;

      (c) if the Rights Holder falls under Article 331, Paragraph 1, Item (iii) or (iv) of the Companies Act;

      (d) if the Rights Holder is in breach of the "agreement on subscription of all subscription rights to shares allotted" that is entered into between the Company and the Rights Holder (a "**Subscription Agreement**") or if the Company's board of directors decides that the Rights Holder has committed an act severely damaging the relationship of trust between the Company and the Rights Holder; and

      (e) if the Rights Holder submits in writing his or her intention to waive the subscription rights to shares for subscription he or she holds, in whole or in part.

   (3) If a person to whom subscription rights to shares are allotted dies, his or her heir may exercise the subscription rights to shares upon the condition that the decedent Rights Holder does not fall under any of the items in the preceding paragraph and as long as the exercise of the subscription rights to shares is conducted no later than the date on which three months will have passed since the date immediately following the date of the decedent's death.

(4) If a Rights Holder exercises his or subscription rights to shares, he or she must exercise, as a whole, all of the subscription rights to shares that he or she holds.

(5) Other terms and conditions for exercising the subscription rights to shares will be determined in each "Subscription Agreement" to be executed between the Company and each Rights Holder.

2. Status of subscription rights to shares, etc. granted to the Company's employees during the fiscal year ended March 31, 2026

Not applicable

IV. Matters concerning the Company's officers

1. Names of, and other information regarding, directors and audit and supervisory board members (as of March 31, 2026)

Position in Company	Name	Responsibilities and Significant Concurrent Posts
President and Representative Director Senior Corporate Officer	Koki Kimura	
Director Senior Corporate Officer	Kohei Shimamura	
Director Senior Corporate Officer	Tatsuma Murase	
Director, Founder Senior Corporate Officer	Kenji Kasahara	Chief General Manager of Vantage Studio
Director	Akihisa Fujita	Outside Director of Signpost Corporation Outside Director of LIPPS Co., Ltd. Outside Director of YRGLM Inc.
Director	Hiromi Watase	Representative Director of Alea Co., Ltd. Outside Director of FUJI CO., LTD. Outside Director of HIOKI E.E. CORPORATION
Director	Toshiaki Kawai	
Audit and Supervisory Board Member (Standing)	Yuichiro Nishimura	
Audit and Supervisory Board Member	Nozomi Ueda	Partner of Kioizaka Themis Outside Director of Anritsu Corporation Outside Director of TOBA Inc.
Audit and Supervisory Board Member	Sumiko Takayama	Representative of Sumiko Takayama Certified Public Accountant Office Outside Director of Shoei Co., Ltd. External Director Serving as an Audit and Supervisory Committee Member Representative Director of High Clarity, Co., Ltd

Notes:

1. Director Akihisa Fujita, Director Hiromi Watase, and Director Toshiaki Kawai are outside directors.
2. Standing Audit and Supervisory Board Member Yuichiro Nishimura, Audit and Supervisory Board Member Nozomi Ueda, and Audit and Supervisory Board Member Sumiko Takayama are outside audit and supervisory board members.
3. Standing Audit and Supervisory Board Member Yuichiro Nishimura has built up experience in personnel and general affairs over many years and possesses considerable expertise regarding administrative operations.
4. Audit and Supervisory Board Member Nozomi Ueda is qualified as a lawyer and possesses considerable expertise regarding law and compliance.
5. Audit and Supervisory Board Member Sumiko Takayama is qualified as a certified public accountant

and possesses considerable expertise regarding finance and accounting.

6. The Company has notified the Tokyo Stock Exchange that Director Akihisa Fujita, Director Hiromi Watase, Director Toshiaki Kawai, Standing Audit and Supervisory Board Member Yuichiro Nishimura, Audit and Supervisory Board Member Nozomi Ueda, and Audit and Supervisory Board Member Sumiko Takayama are independent directors or auditors.

7. There is no special relationship between the Company and the other corporations for which outside directors or outside audit and supervisory board members above concurrently serve as officers or the like.

2. Directors and Audit and Supervisory Board Members who resigned or were dismissed during the fiscal year ended March 31, 2026

Not applicable

3. Compensation amount, etc. for directors and audit and supervisory board members

Category	Number of Officers Eligible for Compensation	Compensation Amount, etc. by Type			Aggregate Compensation Amount, etc.
		Basic Compensation	Share-Based Basic Compensation	outcome-based compensation	
Director (Outside Director)	9 (4)	224 million yen (35 million yen)	79 million yen	232 million yen	536 (35 million yen)
Audit and Supervisory Board Member (Outside Audit and Supervisory Board Member)	3 (3)	34 million yen (34 million yen)	–	–	34 million yen (34 million yen)

Notes:

1. The aggregate compensation amount, etc. for directors does not include salaries for employees payable to directors concurrently serving as employees.
2. Based on a resolution at the 17th ordinary general meeting of shareholders held on June 28, 2016 and pursuant to the amendment thereto at the 24th ordinary general meeting of shareholders held on June 21, 2023, the maximum compensation amount, etc. for directors is 1,000 million yen per annum (including a maximum amount of 100 million yen per annum for outside directors), combining monthly-paid compensation and monetary compensation claims for granting stock options (restricted shares). The number of directors present at the 24th ordinary general meeting of shareholders held on June 21, 2023 for the resolution was seven (including three outside directors). This compensation, etc. does not include salaries for employees payable to directors concurrently serving as employees.
3. It was resolved at the extraordinary general meeting of shareholders held on August 26, 2004, that the maximum compensation amount, etc. for audit and supervisory board members is 50 million yen per annum. The number of audit and supervisory board members present at the meeting for the resolution was one.
4. The Company delivers to directors the restricted shares as non-monetary compensation. The status of delivery of the share compensation is stated in “5. Status of shares delivered to the Company’s officers as compensation for the execution of duties during the fiscal year ended March 31, 2026” in “II. Matters concerning the Company’s shares” in the Business Report. The maximum number of restricted shares to be allotted shall be 300,000 shares of common stock of the Company in each fiscal year, and each director who receives an allotment of restricted shares has executed with the Company a restricted share allotment agreement that, among other provisions, provides to the effect that on the condition that the director who receives an allotment continuously holds a position as director, senior corporate officer, corporate officer, or employee of the Company or its subsidiaries or associates until the first ordinary general meeting of shareholders of the Company after the delivery date of the restricted shares, the transfer restriction will be released when he or she resigns or retires from all such positions.
5. Each compensation amount, etc. above includes the expenses reported for the fiscal year in relation to restricted shares (305 million yen for directors).

4. Matters related to the policy for deciding compensation

(i) Basic policy

The basic policy for compensation for directors is to establish an appropriate balance between compensation in cash and the Company's shares to function as a sound incentive toward the continued growth of the Company.

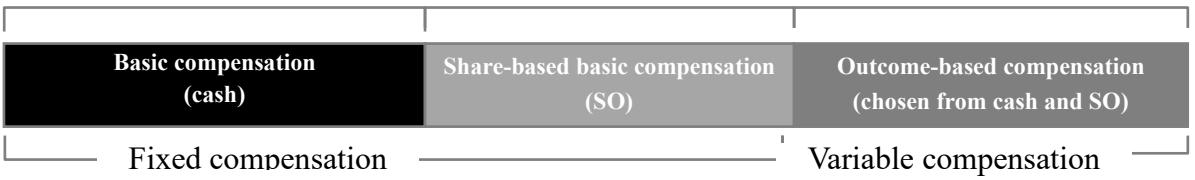
(ii) Compensation system

Based on the basic policy, compensation for directors (excluding outside directors) is provided in two forms: "cash compensation" paid on a monthly basis; and "share-based compensation (restricted shares)" delivered once a year after the ordinary general meeting of shareholders for the relevant fiscal year. Specifically, compensation is composed of the three elements "basic compensation," "share-based basic compensation," and "outcome-based compensation," and with respect to each form of compensation, "basic compensation" is "cash compensation," "share-based basic compensation" is "share-based compensation (restricted shares)," and "cash compensation" paid on a monthly basis or "share-based compensation (restricted shares)" delivered once a year after the ordinary general meeting of shareholders for the relevant fiscal year may be chosen as "outcome-based compensation." The ratio of "basic compensation," "share-based basic compensation," and "outcome-based compensation" is determined by the board of directors through the formulation of a proposal based on each officer's roles, duties, title, and the like with reference to the past performance of the Company and compensation market survey data for Japanese listed companies provided by external professional organizations and after deliberation by the nomination and compensation committee.

From the perspective of ensuring adequate supervisory functions for the execution of business, the compensation structure for outside directors is composed solely of cash compensation.

There is no retirement bonus system for directors.

Composition of compensation for directors (in the case where evaluation regarding outcome-based compensation is standard)



(iii) Method for deciding compensation

Each method for deciding compensation for directors is set out below.

– Compensation for directors (excluding outside directors)

Compensation amounts are decided based on whether the officer has the right of representation, the officer's roles, duties, title, and the like for "basic compensation" and "share-based basic compensation." With respect to "share-based basic compensation," restricted shares (shares of common stock of the Company), whose transfer is restricted, are delivered, and monetary compensation claims for granting the restricted shares are provided, during the period from the delivery date of the restricted shares until the director in question resigns or retires from all positions as director, senior corporate officer, corporate officer, or employee (in the event that the name of such position is changed, including the position after the name change), with the purpose of that delivery and provision being the promotion of measures for

enhancing corporate value in the mid- to long-term and the sharing of value with the shareholders of the Company. With respect to "outcome-based compensation," compensation amounts are decided by (i) predetermining the evaluation ratio in accordance with the title of the individual in question and the division managed by the individual and (ii) multiplying the base amount of outcome-based compensation determined in accordance with the basic compensation by the evaluation coefficient in accordance with the combined evaluation of the performance in the previous fiscal year of the Company overall and the performance of the individual in question with respect to his or her expected role. Performance evaluation is conducted by evaluating the net sales, operating income, and net income of the Company overall against the budget achievement rate and the rate of increase or decrease compared with the previous fiscal year. The details of the compensation in the event that "share compensation (restricted shares)" to be delivered once a year after the ordinary general meeting of shareholders is chosen as "outcome-based compensation" will be the same as those stated above, and monetary compensation claims equivalent to the amount of outcome-based compensation determined as described above will be granted.

Method for deciding outcome-based compensation

	Performance evaluation of the Company overall	Individual role evaluation
Evaluation indicator	Consolidated net sales/ Consolidated operating income/ Consolidated net income	-
Evaluation ratio for President and Representative Director	50%	50%
Evaluation ratio for other inside directors	40%	60%

Note 1: Because we recognize the performance evaluation as an important indicator for improvement of performance and corporate value, consolidated net sales, consolidated operating income, and consolidated net income are used as an indicator. In addition, the nomination and compensation committee will review raising or lowering the evaluation of the performance of the Company overall based on the results of ROE.

Note 2: As an outline of each indicator for outcome-based compensation, with respect to consolidated net sales, consolidated operating income, and consolidated net income, which are performance indicators for the Company overall, the budget achievement rate and rate of increase or decrease compared with the previous fiscal year for consolidated net sales exceeded the standard. The budget achievement rate for consolidated operating income exceeded the standard, but the rate of increase or decrease compared with the previous fiscal year fell below the standard. The budget achievement rate for consolidated net income exceeded the standard, and the rate of increase or decrease compared with the previous fiscal year met the standard. As a result, the evaluation of the performance of the Company overall exceeded the standard (consolidated net sales were 171,369 million yen, consolidated operating income was 22,256 million yen, and consolidated net income was 16,552 million yen for the fiscal year ended March 31, 2026).

– Compensation for outside directors

The amount of compensation in cash is decided in accordance with the duties and the like of the individual in question, taking into consideration compensation market survey data for domestic listed companies and the like provided by external professional organizations.

(iv) Decision-making process

The compensation system and method for deciding compensation for directors (excluding outside directors) is determined by the board of directors based on deliberation by the nomination and compensation committee (whose members consist of all outside directors and the president and representative director, as well as one other inside director) from the perspective of securing objectivity and transparency in the decision-making process.

The board of directors adopted resolutions for decisions regarding compensation for individual directors. Compensation for directors (excluding outside directors) must be deliberated by the nomination and compensation committee before any resolution is adopted by the board of directors.

(v) Reason why the board of directors determined that the details of compensation for individual directors, etc., for the fiscal year ended March 31, 2026 are in line with the decision-making policy

The nomination and compensation committee deliberates on and examines compensation for individual directors (excluding outside directors) and the like from various perspectives, including consistency with the decision-making policy, before deciding the details. The board of directors, in principle, defers to the report from the nomination and compensation committee and determines that the details of compensation for individual directors and the like are in line with the decision-making policy.

5. Matters related to Company directors' and officers' liability insurance contract

(i) Scope of insured

All directors and audit and supervisory board members of the Company and all of its subsidiaries

(ii) Outline of details of insurance contract

The Company will execute with an insurance company a company directors' and officers' liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act and will cover any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the insured officers and the like as a result of a claim for damages arising from his or her execution of duties.

6. Matters regarding outside officers

(i) Main activities during the fiscal year ended March 31, 2026

Position	Name	Board of directors meetings attendance status	Audit and supervisory board meetings attendance status	Activities
Director	Akihisa Fujita	100% Attended 17 of 17 meetings	-	He possesses abundant insights and achievements related to corporate activities as a manager of a listed company and the like and is expected to perform his role making management decisions and strengthening monitoring functions for execution of business from that perspective. He performs an appropriate role as an outside director of the Company in supervising, advising, and the like in relation to the execution of business, including proactively providing comments from that perspective at board of directors meetings. He also leads discussions in the fields of nomination and compensation as chairperson of the nomination and compensation committee of the Company.
Director	Hiromi Watase	100% Attended 17 of 17 meetings	-	She possesses abundant insights and achievements related to business activities as an executive of numerous companies, and is expected to perform her role making management decisions and strengthening monitoring functions for execution of business from that perspective. She performs an appropriate role as an outside director of the Company in supervising, advising, and the like in relation to the execution of business, including proactively providing comments from that perspective at the board of directors meetings.
Director	Toshiaki Kawai	100% Attended 12 of 12 meetings	-	He possesses abundant experience and broad knowledge related to business activities as an executive in the media business, and is expected to perform his role making management decisions and strengthening monitoring functions for execution of business from that perspective. He performs an appropriate role as an outside director of the Company in supervising, advising, and the like in relation to the execution of business, including proactively providing comments from that perspective at the board of directors meetings.
Audit and Supervisory Board Member (Standing)	Yuichiro Nishimura	100% Attended 17 of 17 meetings	100% Attended 17 of 17 meetings	He conducts on a daily basis activities for improving the governance and enhancing internal control as a standing audit and supervisory board member and provided comments necessary for deliberation at the board of directors meetings and audit and supervisory board meetings as appropriate. In addition, he contributed to securing the soundness and properness of management by collaborating closely with independent auditors and internal audit office.

Audit and Supervisory Board Member	Nozomi Ueda	94% Attended 16 of 17 meetings	100% Attended 17 of 17 meetings	She provided necessary comments at the board of directors meetings and audit and supervisory board meetings as appropriate based on her expertise and experience as a lawyer and contributed to improving effectiveness and enhancing governance of the board of directors and audit and supervisory board.
Audit and Supervisory Board Member	Sumiko Takayama	94% Attended 16 of 17 meetings	100% Attended 17 of 17 meetings	She provided necessary comments at the board of directors meetings and audit and supervisory board meetings as appropriate utilizing her extensive expertise as a certified public accountant and experience as an outside officer of other companies and contributed to improving effectiveness and enhancing governance of the board of directors and audit and supervisory board.

(ii) Outline of the agreements for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act with each of the outside directors and each of the outside audit and supervisory board members. The amount of liability for damages limited pursuant to the agreements is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations.

V. Matters concerning independent auditors

1. Name of independent auditors

   PricewaterhouseCoopers Japan LLC

2. Independent auditors' compensation for the fiscal year ended March 31, 2026

	Payment
Independent auditors' compensation for the fiscal year ended March 31, 2026	197 million yen
The aggregate amount of money and other financial benefits to be paid by the Company and its subsidiaries	197 million yen

Notes:

1. Under the audit contract between the Company and the independent auditors, compensation is not clearly divided into compensation for the audit under the Companies Act and for the audit under the Financial Instruments and Exchange Act, and it is impractical to allocate the compensation between those two audits. Therefore, the aggregate amount of compensation for those audits for the fiscal year ended March 31, 2026 is stated in the table above.
2. The audit and supervisory board gave the consent under Article 399, Paragraph 1 of the Companies Act regarding compensation for the independent auditors after it (i) confirmed the records of the audit times by audit items and by auditor hierarchies and changes in compensation in the audit plans for the previous fiscal years, as well as the status of the independent auditors' performance of their duties, and (ii) reviewed the appropriateness of the audit plan and compensation for the fiscal year ended March 31, 2026.
3. Of the Company's material subsidiaries, PointsBet Holdings Limited has been audited by an audit firm other than the Company's independent auditors.

3. Details of non-audit services

   The Company has not delegated to the independent auditors any duty other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act.

4. Policy to determine dismissal or non-reelection of independent auditors

   If the audit and supervisory board determines, by taking into account various factors, that it is necessary to dismiss or not to reelect the independent auditors (such as in a case where the independent auditors have difficulty with the execution of their duties), the audit and supervisory board will resolve an agenda item concerning the dismissal or non-reelection of the independent auditors, and the board of directors will submit the agenda item to the general meeting of shareholders in accordance with the resolution made by the audit and supervisory board.

   In addition, if the independent auditors are deemed to fall under any item of Article 340, Paragraph 1 of the Companies Act, the audit and supervisory board will dismiss the independent auditors pursuant to the unanimous consent of the audit and supervisory board members. In that case, an audit and supervisory board member selected by the audit and supervisory board will report about the dismissal of the independent auditors and the reason therefor at the first general meeting of shareholders convened after the dismissal.

5. Outline of the agreements for limitation of liability

   Not applicable

VI. Systems that ensure the properness of operations; operational status of those systems

Systems that ensure the properness of operations:

An outline concerning decided details for the systems necessary to ensure that the execution of duties by the directors complies with laws and regulations and the articles of incorporation and other systems necessary to ensure the properness of operations of a corporation is set out below.

(1) Systems to ensure that the execution of duties by the directors and employees of the Company and its subsidiaries (the "**Company Group**") complies with laws and regulations and the articles of incorporation

(i) The Company Group shall emphasize the importance of compliance with the "MIXI Group Business Conduct Guidelines" and "Ethical Code" and thoroughly make the details of this code known to all officers and employees through an information system, training, and the like.

(ii) The Company Group shall endeavor to ensure that duties are properly executed by directors and employees by developing operation processes and internal rules as well as strengthening the assessment and supervision system of the internal audit office.

(iii) The Company Group shall establish a whistleblower system to curb acts that violate any law, regulation, articles of incorporation, or the like and shall seek to prevent misconduct, while also developing a system for eliminating antisocial forces.

(iv) If an act that violates any law, regulation, articles of incorporation, or the like occurs or is likely to occur, the Company Group shall swiftly ascertain that information and make efforts to deal with that matter.

(2) Systems regarding preservation and management of information relating to the execution of duties by directors of the Company Group

The Company Group shall develop information-management rules and, by identifying important documents and clarifying a way to preserve those documents, the Company Group shall construct a system for proper and secure preservation and management of personal information, important business secrets, and information relating to the execution of a director's duties.

(3) Rules and other systems for managing risk of loss of the Company Group

The Company Group shall develop rules to ascertain and manage various risks surrounding the Company Group and develop and strengthen a system that is necessary for managing risks. The Company appoints the President and Representative Director as the chief executive of the system for promoting risk management and also appoints a senior corporate officer or corporate officer in charge of risk and compliance (the "**Corporate Officer in Charge of Risk Management, Etc.**") who supports the chief executive of the system for promoting risk management. The Company shall endeavor to ascertain, assess, and minimize risks relevant to the business operations that the Company Group conducts by establishing a "risk management committee" overseen by the Corporate Officer in Charge of Risk Management, Etc. In addition, The Company Group shall swiftly and appropriately handle incidents when they occur.

(4) Systems to ensure efficient execution of duties by directors of the Company Group

(i) To clarify the details of the duties to be assigned and administrative authority, the Company Group shall develop rules regarding the division of duties and administrative authority and shall endeavor to ensure that directors of the Company Group efficiently execute their duties by, among other things, introducing a group-wide information-sharing system.

(ii) The Company Group shall prepare budgets and set goals for the Company Group in each fiscal year after taking into account the current and future business environment.

Each division of the Company and each group company in the Company Group shall implement various measures to achieve those goals. In addition, monthly actual results of the budget of the entire Company Group will be reported at the Company's board of directors, and the board of directors of the Company shall verify the status of goal achievement for each division of the Company and each group company in the Company Group.

(5) System to ensure the properness of execution of operations in the Company Group

(i) The Company shall establish a division to administer the group companies and shall, pursuant to the rules for administrating group companies, monitor the progress of group companies' operations and the status of duty execution by the directors, et al., of the group companies.

(ii) The Company shall cause information related to the status of business of each division and each group company to be reported or shared among the directors, including the President and Representative Director of the Company, senior corporate officers, corporate officers, and the chief general managers and shall provide in a timely manner appropriate direction and advice regarding important matters as necessary.

(iii) The internal audit office of the Company shall, pursuant to the internal audit rules, implement an internal audit of the group companies from perspectives such as the level of conformance with laws and regulations, the articles of incorporation, the internal rules and the like.

(6) Matters relating to employees assisting duties of audit and supervisory board members of the Company when appointment of those employees is requested by the audit and supervisory board members of the Company

In order to assist in the duties of audit and supervisory board members, the Company shall establish a division for assisting in the duties of audit and supervisory board members (the "**Audit and Supervisory Section**") and assign, at the request of audit and supervisory board members or the audit and supervisory board, employees to assist audit and supervisory board members. Audit and supervisory board members may instruct those employees on matters required to conduct audits.

(7) Matters relating to independence from the Company's directors of employees assisting duties of the Company's audit and supervisory board members and matters relating to ensuring the effectiveness of instructions given by the Company's audit and supervisory board members to those employees

(i) In providing assistance to audit and supervisory board members, employees assisting in the duties of audit and supervisory board members shall follow only the instructions of audit and supervisory board members and shall not receive instructions from directors or employees.

(ii) The appointment of, the appraisal of, and the transfer of an employee assisting in the duties of audit and supervisory board members shall be determined after hearing the opinions of the audit and supervisory board.

(8) System for reporting by the Company's directors and employees to the Company's audit and supervisory board members

(i) Audit and supervisory board members may attend board of directors meetings, management committee meetings, and other important meetings and hear explanations from directors and employees.

(ii) Audit and supervisory board members shall inspect important documents and other documents and, as necessary, may request directors and employees to explain those documents.

(iii) Directors and employees shall immediately report to audit and supervisory board members facts that might materially affect the management or business results of the Company.

(9) System for reporting to the Company's audit and supervisory board members by the Company Group's directors, audit and supervisory board members, other relevant persons or employees, or persons who received a report from one of those people

At the Company Group, a method by which directors and employees of each of the group companies report to the Company's audit and supervisory board members through a whistleblower system will be prepared. In addition, each person that has received an internal notification from a person other than an audit and supervisory board member shall report to the Company's audit and supervisory board members in a timely and proper manner.

(10) System to ensure that persons that reported under (8) or (9) above are not disadvantageously treated for the reason that they made that report

The confidentiality of the content of notifications from the Company Group's directors and employees to the Company's audit and supervisory board members must be ensured in accordance with laws and regulations, the whistleblower system, etc. Disadvantageously treating a whistleblower is prohibited.

(11) Matters relating to policies for processing expenses that arise when the Company's audit and supervisory board members execute duties

If an audit and supervisory board member of the Company makes a request to the Company for prepayment, etc., of expenses in accordance with Article 388 of the Companies Act in relation to the execution of the member's duties, then the Company shall promptly deal with that request unless it is acknowledged that the expenses are not necessary to execute the duties. In addition, if an audit and supervisory board member judges it necessary for the execution of its duties, then auditing expenses that are required to request the opinions and advice of lawyers, patent attorneys, certified public accountants, certified public tax accountants and other external specialists will be permitted.

(12) Other systems to ensure the Company's audit and supervisory board members effectively conduct audits

(i) The Company Group's directors and employees shall deepen understanding of the audits conducted by audit and supervisory board members and cooperate in those audits to ensure the efficiency of the auditing system.

(ii) Audit and supervisory board members shall conduct effective audits by regularly exchanging opinions with directors and the independent auditors as well as coordinating with the internal audit office.

(iii) The Company Group shall develop a system in which audits are conducted effectively by, for example, ensuring opportunities for the exchange of opinions and information between audit and supervisory board members and the independent auditors and, at the request of audit and supervisory board members, holding interviews with the Company's representative director, directors, and corporate officers, liaison conferences with outside directors, and periodic meetings with executive officers, representative directors of subsidiaries, and the like.

Operational status of the systems that ensure the properness of operations

An outline of the operational status of the systems that ensure the properness of operations in the fiscal year ended March 31, 2026 is set out below.

(1) Execution of directors' duties

In accordance with the "Code of the board of directors," the Company held, as necessary, extraordinary board of directors meetings in addition to holding monthly regular board of directors meetings and made important business-related decisions and supervised the execution of operations in meetings of the board of directors. In addition, outside directors and audit and supervisory board members utilized their expertise and experience to monitor and supervise the execution of duties of the board of directors.

The Company appropriately maintains and manages the minutes of important meetings, such as board of directors meetings, and other important records and documents related to decision-making for execution of business and the like, such as records of approval and the like, in accordance with the document management rules and rules relating to information security.

(2) Compliance initiatives

The Company endeavored to ensure compliance in each business of the Company Group by establishing a division for the purposes of building a compliance system for the Company Group and supporting the retention of compliance in execution of individual businesses.

In addition, based on internal rules, such as the "MIXI Group Business Conduct Guidelines" and "Ethical Code," the Company provided officers and employees of the Company Group with compliance and information security education and other training tailored to duties.

In addition, the Company operated a whistleblower system whose contact point is an external law firm and, at an early stage, the Company identified acts that might violate a law or regulation, the articles of incorporation or an internal rule and responded to those acts in an appropriate and timely manner.

(3) Risk management initiatives

The Company continued to conduct risk management activities with respect to important business of the Company Group, which involved, for example, ascertaining, assessing, and giving directions regarding countermeasures for risk, by electing a corporate officer in charge of management and the like and also establishing a risk management committee overseen by the officer in charge of management and the like. In addition, the Company is making efforts to strengthen the risk management for risks that are thought might greatly affect management by reporting at the board of directors meeting and at other important meetings and consulting about these risks, and by conducting other activities.

(4) Administering the Company Group

In accordance with the rules for administrating group companies, the Company Group has established a department for the administration of group companies and monitors the status of the progress of business and the status of execution of duties by directors and the like at each company of the Company Group. In addition, information regarding important matters concerning the execution of business of the Company Group is shared with directors, audit and supervisory board members, senior corporate officers, corporate officers, and the like.

(5) Implementing internal audits

Based on the internal audit plan, the internal audit office inspects documents and implements an onsite inspection to check whether the Company and each company of the Company Group is executing its duties in accordance with laws and regulations, the articles of incorporation and internal rules. In addition, the internal audit office seeks to mutually coordinate with the audit and supervisory board, reports on the status of internal auditing to the audit and supervisory board, and holds meetings as necessary at which opinions and information were exchanged.

(6) Auditing by audit and supervisory board members

Based on the annual plan formulated by the audit and supervisory board, audit and supervisory board members of the Company attended board of directors meetings and other important meetings, exchanged opinions with the Company's directors, directors of corporate groups, the internal audit office, and other employees as necessary, and audited the duties executed by the directors.

VII. Policy for determining dividends from surplus

The Company recognizes that providing a return to shareholders is an important management issue, and the Company's basic policy is to aim for dividend payouts totaling 20% of the Company's consolidated net income or a dividend on equity ratio (DOE) of 5% while seeking to achieve sustained increases in corporate value by making investments (including business development, research and development, and M&As) that are necessary for future growth.

Based on the above policy, the annual dividend for the fiscal year ended March 31, 2026 is 120 yen per share. The Company has distributed an interim dividend of 60 yen per share in the interim period, and the year-end dividends for the fiscal year ended March 31, 2026 are 60 yen per share.

Historically, in order to provide stable shareholder returns that are not affected by fluctuations in profit levels, the Company has maintained or increased dividends with a target DOE of 5%. Going forward, in light of the transition to a phase of profit growth, the Company will strengthen shareholder returns by raising the target consolidated dividend payout ratio from 20% to 40%. By maintaining the policy of targeting a DOE of 5% while raising the consolidated dividend payout ratio, the Company has adopted a policy that enables profit growth to be reflected in shareholder returns to a greater extent than before.

Based on the policy above, the annual dividends for the following fiscal year (ending March 31, 2027) are expected to be 125 yen per share (of which, 60 yen are interim dividends).

The Company will flexibly conduct acquisition of its own shares as necessary, taking into account the business conditions and outlook. The Company's policy for holding treasury shares is to hold approximately 5% of the total number of shares outstanding and, in principle, to cancel any excess shares.

The Company will continue to seek to achieve continued increases in corporate value by enhancing shareholder returns and proactively pursuing investments for medium- to long-term growth.

Consolidated Financial Statements

Consolidated Balance Sheets

(As of March 31, 2026)

(Unit: ¥ million)

Description	Amount	Description	Amount
Assets		**Liabilities**	
Current assets	**176,340**	**Current liabilities**	**40,022**
Cash and deposits	111,560	Short-term borrowings	4,927
Notes and accounts receivable - trade	15,811	Accounts payable - other	16,490
Operational investment securities	31,898	Income taxes payable	4,209
Securities	2,853	Accrued consumption taxes	971
Merchandise	985	Provision for bonuses	2,124
Other	13,484	Other	11,300
Allowance for doubtful accounts	(252)	**Non-current liabilities**	**50,916**
Non-current assets	**104,064**	Long-term borrowings	40,223
Property, plant and equipment	**25,180**	Deferred tax liabilities	9,937
Buildings and structures	18,378	Other	755
Tools, furniture and fixtures	3,173	**Total liabilities**	**90,939**
Land	2,699	**Net Assets**	
Construction in progress	754	**Shareholders' equity**	**175,070**
Other	175	**Paid-in capital**	**9,698**
Intangible assets	**60,551**	**Capital surplus**	**9,675**
Goodwill	23,827	**Retained earnings**	**174,756**
Customer-related assets	14,033	**Treasury shares**	**(19,060)**
Trademark right	7,738	**Accumulated other comprehensive income**	**6,422**
Software	14,657	Valuation difference on available-for-sale securities	2,656
Other	293	Foreign currency translation adjustment	3,765
Investments and other assets	**18,332**	**Subscription rights to shares**	**896**
Investment securities	4,618	**Non-controlling interests**	**7,077**
Long-term loans receivable	5,616		
Deferred tax assets	3,053		
Other	5,878		
Allowance for doubtful accounts	(834)	**Total net assets**	**189,466**
Total assets	**280,405**	**Total liabilities and net assets**	**280,405**

Note: Figures have been rounded down to the nearest million yen.

Consolidated Statements of Income

(April 1, 2025 to March 31, 2026)

(Unit: ¥ million)

Description	Amount	
Net sales		**171,369**
Cost of sales		**57,779**
Gross profit		**113,590**
SG&A expenses		**91,334**
Operating income		**22,256**
Non-operating income		
Interest income	311	
Dividend income	97	
Foreign exchange gains	2,269	
Share of profit of entities accounted for using equity method	31	
Reversal of allowance for doubtful accounts	694	
Other	472	**3,878**
Non-operating expenses		
Interest expenses	448	
Commission expenses	581	
Other	404	**1,433**
Ordinary income		**24,700**
Extraordinary income		
Gain on sales of non-current assets	8	
Gain on sale of shares of subsidiaries and associates	273	
Reversal of allowance for doubtful accounts	210	
Other	46	**539**
Extraordinary losses		
Loss on sales and retirement of non-current assets	80	
Impairment losses	104	
Payment contribution	83	
Loss on change in equity	74	
Other	10	**354**
Income before income taxes		**24,885**
Income taxes – current	8,549	
Income taxes – deferred	(216)	**8,332**
Period net income		**16,552**
Profit (loss) attributable to non-controlling interests		**(718)**
Profit attributable to owners of parent		**17,270**

Note: Figures have been rounded down to the nearest million yen.

Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2025 to March 31, 2026)

(Unit: ¥ million)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance on April 1, 2025	9,698	9,669	173,149	(17,491)	175,026
Changes of items during period					
Dividends of surplus			(8,377)		(8,377)
Profit attributable to owners of parent			17,270		17,270
Purchase of treasury shares				(9,499)	(9,499)
Disposal of treasury shares		(227)		870	643
Cancellation of treasury shares		(7,061)		7,061	–
Transfer to capital surplus from retained earnings		7,288	(7,288)		–
Change in ownership interest of parent due to transactions with non-controlling interests		6			6
Change in scope of equity method			1		1
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	6	1,606	(1,568)	44
Balance on March 31, 2026	9,698	9,675	174,756	(19,060)	175,070

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance on April 1, 2025	3,070	883	3,954	1,082	1,270	181,333
Changes of items during period						
Dividends of surplus						(8,377)
Profit attributable to owners of parent						17,270
Purchase of treasury shares						(9,499)
Disposal of treasury shares						643
Cancellation of treasury shares						–
Transfer to capital surplus from retained earnings						–
Change in ownership interest of parent due to transactions with non-controlling interests						6
Change in scope of equity method						1
Net changes of items other than shareholders' equity	(413)	2,881	2,467	(186)	5,806	8,088
Total changes of items during period	(413)	2,881	2,467	(186)	5,806	8,132
Balance on March 31, 2026	2,656	3,765	6,422	896	7,077	189,466

Note: Figures have been rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

1. Notes on Important Matters That Form the Basis of Preparing Consolidated Financial Statements

(1) Matters related to the scope of consolidation

1) Number and names of consolidated subsidiaries

- Number of consolidated subsidiaries: 32
- Names of the major consolidated subsidiaries: Chariloto Co., Ltd.
  Net Dreamers Co., Ltd.
  PointsBet Holdings Limited

During the consolidated fiscal year ended March 31, 2026, MIXI Australia Pty Ltd, a consolidated subsidiary of MIXI, acquired shares of PointsBet Holdings Limited. Following this share acquisition, six companies, comprising the said company and its subsidiaries, were included in the scope of consolidation.

In addition, during the consolidated fiscal year ended March 31, 2026, Keitan Co., Ltd. was removed from the scope of consolidation due to its liquidation.

2) Name of the major non-consolidated subsidiary

E-Mercury, Inc.

(Reason for exclusion from the scope of consolidation)

E-Mercury, Inc. and three other companies have been excluded from the scope of consolidation as they are small-scale companies and their total assets, net sales, profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) and others have no significant impact on the consolidated financial statements.

(2) Matters related to the application of equity method

1) Number and names of entities accounted for using the equity method

- Number of equity-method associates: 4
- Names of the major equity-method associates: bitbank, inc.
  HUB CO., LTD.

During the consolidated fiscal year ended March 31, 2026, Decollte Holdings Corporation was excluded from the scope of equity method application due to the partial sale of shares.

2) Names, etc. of non-consolidated subsidiaries and associates to which the equity method is not applicable

Names, etc. of major companies

E-Mercury, Inc.

(Reason for not applying the equity method)

E-Mercury, Inc. and three other companies are excluded from the scope of application of the equity method since their exclusion has an insignificant impact on the consolidated financial statements in terms of profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) and others.

3) Matters deemed necessary to be specifically stated regarding the procedure for applying the equity method

For equity-method associates with different balance sheet dates, financial statements corresponding to their respective fiscal years are used.

(3) Matters related to the fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the balance sheet date of Scrum Ventures Fund I, L.P. and three other companies is December 31, the balance sheet date of TOKYO FOOTBALL CLUB Co., Ltd. is January 31, and the balance sheet date of AA Fund Investment LPS and one other company is the end of February, and their financial statements as at their respective balance sheet dates are used. However, necessary adjustments are made to reflect important transactions that occurred between their balance sheet dates and the consolidated balance sheet date. In addition, the balance sheet date of Chiba Jets Funabashi Co., Ltd. is June 30, although it uses the financial statement based on a provisional settlement of accounts.

Among consolidated subsidiaries, the balance sheet date of Lovegraph, Inc. was December 31. Its financial statements as at its balance sheet date were used and necessary adjustments were made to reflect important transactions that occurred between its balance sheet date and the consolidated balance sheet date. However, from the consolidated fiscal year ended March 31, 2026, its balance sheet date was changed to March 31. As a result of this change in the balance sheet date, a period of 15 months from January 1, 2025 to March 31, 2026 was consolidated for the consolidated fiscal year ended March 31, 2026. The impact of the change in the balance sheet date was adjusted using the consolidated statements of income. This change has minimal impact on the consolidated fiscal year ended March 31, 2026.

During the consolidated fiscal year ended March 31, 2026, MIXI Australia Pty Ltd, its subsidiary PointsBet Holdings Limited, and six other companies, have changed their balance sheet dates from June 30 to March 31, which is the same as the consolidated balance sheet date. This change has no impact on the consolidated financial statements.

(4) Matters related to accounting policies for foreign subsidiaries

The Group has applied Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements (PITF No.18 on June 28, 2019). Necessary adjustments are made to the financial statements of foreign subsidiaries for consolidation purposes.

(5) Matters related to accounting policies

1) Valuation standards and valuation methods of significant assets

Valuation standards and valuation methods of securities

Available-for-sale securities (including operational investment securities)

Securities other than shares, etc. without market value:

Stated at fair value based on market price as of the balance-sheet date (valuation differences are included directly in net assets, and cost of sales is measured using the moving average method)

Shares, etc. without market value:

Stated at cost using the moving-average method.

Investments in investment partnerships and others are based on the financial statements for the most recent balance sheet date using the net amount proportionate to MIXI's ownership interests.

Valuation standards and valuation methods of inventories

Merchandise:

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).

2) Depreciation and amortization methods of significant depreciation assets

a. Property, plant and equipment (excluding leased assets):

The declining balance method is primarily applied.

However, the straight-line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.

The principle useful lives are as follows:

Buildings and structures: 2 to 50 years

Tools, furniture and fixtures: 2 to 20 years

b. Intangible assets (excluding leased assets):

The straight-line method is applied.

The principle useful lives are as follows:

Software for internal use: 2 to 5 years

Trademark rights: Amortized based on economic useful life (5 to 19 years)

Customer-related assets: Amortized based on economic useful life (5 to 19 years)

Other intangible assets: Amortized based on economic useful life (5 years)

c. Leased assets:

Leased assets pertaining to finance leases not involving the transfer of ownership

The straight-line method, substituting the lease term for the useful life, assuming no residual value.

d. Goodwill:

Amortization of goodwill is estimated for each period in which it is expected to emerge, and then equally amortized over the designated amortization period (4 to 13 years).

3) Accounting standards for significant allowances and provisions

a. Allowance for doubtful accounts:

In order to provide for losses due to bad debt, including on notes and accounts receivable – trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

b. Provision for bonuses:

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the consolidated fiscal year under review is recorded.

4) Accounting standards for revenue and expenses

The Group recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

a. Operation of services for smart device games such as "Monster Strike"

The Group operates services for smart device games such as "Monster Strike." The Group determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, the Group recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency "orbs" etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, the Group determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when "orbs" are consumed.

Under the revenue recognition standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

b. Operation of services for a horse racing information website "netkeiba.com"

The Group provides services that provide information for paying members and race forecast information from tipsters "Umai Baken" through the use of a horse racing information website "netkeiba.com." Revenue related to the flat-rate service of information provision for paying members is recognized over a contract period as performance obligations are satisfied over time. Revenue related to "Umai Baken" is recognized when information is delivered, as performance obligations are deemed to be satisfied mainly when the Group presents relevant information.

c. Operation of services for "Chariloto," an online voting website for keirin and auto race betting tickets, and "TIPSTAR," a sports betting service

The Group provides online voting systems to users through the use of "Chariloto," an online voting website for keirin and auto race betting tickets, and "TIPSTAR," a sports betting service. Revenue related to them is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

d. Operation of a sports betting service overseas

The Group provides a sports betting service overseas. Revenue related to the service is recognized when the outcome of a wager is determined and the wager is settled in accordance with contracts with customers, as this is the point at which performance obligations are deemed to be satisfied.

The Group recognizes revenue related to the iGaming service in the same manner as the service is provided using a similar mechanism.

e. Operation of professional sport teams

The Group operates two professional sport teams, Chiba Jets Funabashi and F.C.Tokyo. With respect to advertising fee revenue, which is the principal source of revenue, the Group provides uniforms, signage at game venues, and other printed materials as advertising media. Revenue is recognized over time such as the contract period, because the performance obligation is deemed to be satisfied over time when the advertisement or project is placed over time. On the other hand, when the advertisement is placed for a single game or project, the performance obligation is deemed to be satisfied at the time of the event, and revenue is recognized at a point in time of the end of the event.

f. Operation of services for “FamilyAlbum”

The Group provides a monthly service “FamilyAlbum Premium” that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of “FamilyAlbum.” Revenue related to “FamilyAlbum Premium” is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

g. Operation of services for the New Year Cards app “FamilyAlbum New Year Cards”

The Group provides a service of creating New Year’s cards for printing through the use of the New Year Cards app “FamilyAlbum New Year Cards.” With respect to this service, while performance obligations are deemed to be satisfied by manufacturing New Year’s cards for printing according to the order received from a user and delivering them to the user, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

h. Operation of services for a beauty staff direct appointment app “minimo”

The Group provides a salon reservation support service to users through the use of a beauty staff direct appointment app “minimo.” Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

2. Notes on Changes in Presentation Method

(Consolidated balance sheets)

“Structures,” which was included in “Other” under “Property, plant and equipment” in the consolidated fiscal year ended March 31, 2025, has increased in monetary importance and is therefore reported separately as “Buildings and structures” from the consolidated fiscal year ended March 31, 2026. Accordingly, “Buildings” under “Property, plant and equipment” is included in “Buildings and structures” from the consolidated fiscal year ended March 31, 2026.

“Software,” which was included in “Other” under “Intangible assets” in the consolidated fiscal year ended March 31, 2025, has increased in monetary importance and is therefore reported separately from the consolidated fiscal year ended March 31, 2026.

(Consolidated statements of income)

“Commission expenses,” which was included in “Other” under “Non-operating expenses” in the consolidated fiscal year ended March 31, 2025, has increased in monetary importance and is therefore reported separately from the consolidated fiscal year ended March 31, 2026.

3. Notes on Accounting Estimates

(Impairment of operational investment securities and investment securities)

Operational investment securities and investment securities stood at ¥31,898 million and ¥4,618 million, respectively, as of March 31, 2026. Of these, the Group assesses impairment on non-listed shares, etc. (excluding shares of equity-method associates) of ¥14,969 million as described below.

In the valuation of non-listed shares, etc., if the net asset value or market value of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such non-listed shares of a company were purchased at a price higher than the net asset value per share, which can be obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or unrecoverability of the book value may arise owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

(Impairment of goodwill and other intangible assets)

Goodwill arising from business combinations, software, customer-related assets, trademark right, etc. stood at ¥56,729 million as of March 31, 2026. The Group assesses whether it is necessary to recognize an impairment. Assessment is carried out by means of the following four steps.

(1) Identification of the asset or the asset group to which the intangible assets belong (hereinafter referred to as "asset group")

Events that indicate the possibility of impairment of an asset (hereinafter referred to as "indication of impairment") are identified according to asset groups. The Company groups assets mainly by each subsidiary because the businesses operated by the Company's subsidiaries are different from one another.

(2) Identification of indication of impairment

Indication of impairment is identified if profit or cash flows from operating activities for which the asset group is used have remained negative or are expected to remain negative, or deterioration of the business environment is recognized.

(3) Recognition of impairment

For an asset group with indication of impairment, undiscounted future cash flow is calculated based on the mid- to long-term business plan etc. If it is below the asset group's book value, an impairment loss is recognized.

(4) Measurement of impairment

For an asset or an asset group regarding which it is judged that an impairment loss should be recognized, the book value is reduced to the recoverable value and the amount of the reduction is recognized as an impairment loss and recorded for the current fiscal year.

MIXI Australia Pty Ltd, a consolidated subsidiary of the Company, applies International Financial Reporting Standards. Groups of cash-generating units including goodwill are tested for impairment every fiscal year and when there is indication of impairment, and if the recoverable value is less than the book value, the book value is reduced to the recoverable value and the amount of the reduction in the book value is recognized as an impairment loss.

The recoverable value is measured as the highest of its value in use and its fair value less costs of disposal.

In accordance with Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements (PITF No.18 on June 28, 2019), the goodwill is amortized by the straight-line method over the period during which its effect is expected to be realized.

Forecasts of future sales and expenses and the operating income margin and other assumptions used for the above calculations of cash flow are determined according to management's best estimates and judgment based on the historical data and the business plan approved by the Company's management, which is based on the business plan at the time of acquisition and incorporates changes reflected in the budget for the next fiscal year approved by the management, and changes that are likely to persist. Assumptions may be affected by change of the business strategy and change of the market environment. If any change to assumptions is required, there may be a significant impact on the amount of an impairment loss to be recognized.

(Allocation of the acquisition cost of PointsBet Holdings Limited)

The Group acquired 66.4% of the voting rights of PointsBet Holdings Limited on September 22, 2025 and made it a consolidated subsidiary. Please refer to "9. Notes on Business Combinations" for an overview of the business combination and reported amounts, etc.

In the allocation of the acquisition cost, the Group measures the fair value of intangible assets using the cost approach (replacement cost method), the market approach (relief from royalty method), or the income approach (excess earnings method), depending on the type of asset. Measurement of the fair value of intangible assets involves certain assumptions, such as the decline rate of existing customers, the royalty rate, future cash flows to be generated by the asset, and the discount rate. Goodwill is calculated by deducting the identifiable assets and liabilities assumed from the acquisition cost.

If key assumptions are changed due to changes in uncertain economic conditions and other factors, it may be determined that there is indication of impairment, and impairment losses may be recognized based on the results of impairment testing to be required.

4. Notes on Consolidated Balance Sheets

(1) The balances of receivables from contracts with customers

Accounts receivable – trade ¥15,811 million

(2) Accumulated depreciation of property, plant and equipment: ¥10,532 million

(3) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings	¥3,997 million
Land	¥2,698 million
Total	¥6,696 million

2) Secured liabilities

Short-term borrowings	¥1,833 million
Long-term borrowings	¥5,218 million
Total	¥7,051 million

(4) Balance of investment securities pertaining to non-consolidated subsidiaries and affiliates

Investment securities (shares) ¥4,075 million

(5) Balance of contract liabilities included in "Other" under current liabilities: ¥4,757 million

(6) Loan commitment agreement

Chariloto Co., Ltd., a consolidated subsidiary, has entered into a loan commitment agreement with one bank for the efficient procurement of business funds.

The unexecuted balance of the loan under the loan commitment agreement is as follows:

Total amount of loan commitment agreement	¥10,045 million
Executed balance	¥3,000 million
Net balance	¥7,045 million

5. Notes on Consolidated Statements of Income

(Impairment losses)

MIXI Group posted impairment losses on the following assets in the consolidated fiscal year ended March 31, 2026.

Business	Application	Place	Classification	Amount (¥ million)
Sports Business	Business assets	Minamisoma City, Fukushima Prefecture, etc.	Buildings and structures, Tools, furniture and fixtures, etc.	100

Assets are grouped mainly based on business segmentation. Idle assets and assets to be disposed of are grouped by relevant asset.

The Company recognized impairment losses on certain non-current assets held by Chariloto Co., Ltd., a consolidated subsidiary of the Company, as the anticipated revenue can no longer be expected in light of future business plans.

Recoverable value of these assets is calculated by estimating the collectible amount, which amounts to zero due to the fact that no future cash flow can be anticipated.

6. Notes on Consolidated Statements of Changes in Shareholders' Equity

(1) Matters related to the total number of issued shares

Class of shares	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Common shares	73,730,850 shares	- shares	2,400,000 shares	71,330,850 shares

(Summary of causes of changes)

Decrease due to cancellation of treasury shares: 2,400,000 shares

(2) Matters related to dividends of surplus

1) Dividends paid

Resolution	Class of shares	Total amount of dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Board of Directors Meeting on May 14, 2025	Common shares	4,404	65	March 31, 2025	June 11, 2025
Board of Directors Meeting on November 14, 2025	Common shares	3,972	60	September 30, 2025	December 15, 2025

2) Dividends with record dates within the year ended March 31, 2026, but with effective dates in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Board of Directors Meeting on May 15, 2026	Common shares	Retained earnings	3,906	60	March 31, 2026	June 12, 2026

(3) Matters related to the subscription rights to shares as of March 31, 2026

	Class of shares to be issued	Number of shares to be issued
13th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 5, 2016)	Common shares	47,000 shares
14th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 8, 2017)	Common shares	28,500 shares
15th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 9, 2018)	Common shares	95,400 shares
17th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 26, 2019)	Common shares	173,600 shares
19th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 26, 2020)	Common shares	160,600 shares
21st issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 25, 2021)	Common shares	76,500 shares
23rd issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 28, 2022)	Common shares	73,500 shares
24th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on February 27, 2023)	Common shares	67,500 shares

7. Notes on Financial Instruments

(1) Matters related to status of financial instruments

1) Policy on financial instruments

In regard to fund management, the Company's group only invests its funds in highly safe short-term financial assets. The policy on financing for consolidated subsidiaries is to use internal funds and loans from banks and other financial institutions.

2) Details of financial instruments, related risks, and risk management system

The main financial assets are cash and deposits, accounts receivable – trade, operational investment securities, investment securities and securities. Deposits are mainly composed of ordinary deposits and short-term time deposits, and are exposed to the credit risk of parties holding the deposits but these parties are banks with high creditworthiness. Accounts receivable – trade are exposed to the credit risk of customers but in addition to regular management of the due dates and balance of each client by credit management personnel in accordance with credit management policies, the Company's group also strives for the early detection and mitigation of concerns for recovery due to reasons such as the deterioration of a client's financial situation. Operational investment securities and investment securities are composed mainly of shares in companies with which the Company's group has business relationships and investments in investment partnerships and are exposed to credit risk but the Group monitors the financial situation of issuers and investment partnerships on a regular basis. Securities are foreign currency-denominated MMFs and are highly safe financial products, but are exposed to the risk of exchange rate fluctuations.

Financial liabilities consist mainly of accounts payable – other, income taxes payable, and long-term borrowings (including the current portion of long-term borrowings). Accounts payable – other are mainly due within one month. Long-term borrowings (including the current portion of long-term borrowings) are mainly for investments and loan as well as for financing capital investment of subsidiaries. In regard to liquidity risk whereby financing is no longer possible, the Company has abundant cash reserves and has secured liquidity. For consolidated subsidiaries, the department responsible manages the liquidity risk by preparing and updating the cash management plan in a timely manner.

3) Supplementary explanation concerning matters related to fair value of financial instruments, etc.

The measurement of fair value of financial instruments incorporates variable factors, and the adoption of different assumptions may result in different fair values.

(2) Matters related to fair value, etc. of financial instruments

The amounts recorded in the consolidated balance sheets, fair value and the difference between the two as of March 31, 2026 are as follows. Furthermore, notes on cash and deposits, notes and accounts receivable – trade, securities (MMF), accounts payable – other, income taxes payable and accrued consumption taxes are omitted as they are settled in a short period of time, and therefore their fair values approximate their book values.

(Unit: ¥ million)

	Amount recorded on consolidated balance sheet (*1)	Fair value (*1)	Difference
Operational investment securities	6,570	6,570	−
Investment securities			
Shares of subsidiaries and associates	674	2,270	1,595
Available-for-sale securities	501	501	−
Long-term loans receivable	5,827		
Allowance for doubtful accounts (*2)	(1,027)		
	4,800	4,800	−
Lease and guarantee deposits (*3) (*4)	1,288	1,233	(55)
Total assets	13,835	15,375	1,540
Long-term borrowings (including the current portion of long-term borrowings)	[45,150]	[45,150]	(0)
Long-term accounts payable - other (including the current portion of long-term accounts payable - other)	[160]	[155]	(4)
Total liabilities	[45,310]	[45,306]	(4)

(*1) Items recorded as liabilities are denoted by [ ].

(*2) Allowance for doubtful accounts related to long-term loans receivable has been deducted.

(*3) The unamortized balance of lease and guarantee deposits that are recognized as ultimately unrecoverable (the estimated cost of restoring leasehold buildings) has been deducted.

(*4) ¥500 million in lease and guarantee deposits is not included in “Lease and guarantee deposits” because it is difficult to calculate the fair value as the repayment date is undecided.

(*5) Shares, etc. without market value are not included in “Operational investment securities” or “Investment securities.” The amounts recorded on consolidated balance sheet of such financial assets are as follows:

(Unit: ¥ million)

Category	Amount recorded on consolidated balance sheet
Shares of subsidiaries and associates (non-listed)	3,400
Operational investment securities (non-listed)	12,819
Investment securities (non-listed)	41

(*6) Investments in partnerships and other similar entities for which the amount corresponding to equity interest is recorded on the consolidated balance sheet are omitted. The amount recorded on consolidated balance sheet of such financial assets is as follows:

(Unit: ¥ million)

Category	Amount recorded on consolidated balance sheet
Investments in investment partnerships	12,508

(Note 1) Redemption schedule for monetary receivables after the consolidated balance sheet date

(Unit: ¥ million)

	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and deposits	111,560	–	–	–
Notes and accounts receivable – trade	15,811	–	–	–
Long-term loans receivable (*1)	–	–	–	4,800
Total	127,372	–	–	4,800

(*1) ¥1,027 million is not included because the redemption amount cannot be estimated.

(Note 2) Repayment schedule for long-term borrowings (including the current portion of long-term borrowings) after the consolidated balance sheet date

(Unit: ¥ million)

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
Long-term borrowings (including the current portion of long-term borrowings)	4,927	3,438	3,438	3,503	3,501	26,341

(3) Matters related to the breakdown of fair value of financial instruments, etc. by appropriate category

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using significant unobservable inputs

If multiple inputs that significantly impact the fair value measurement are used, the fair value is categorized in its entirety in the lowest level of priority for fair value measurement to which those inputs belong.

1) Financial instruments recorded on the consolidated balance sheet at fair value

(Unit: ¥ million)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities				
Available-for-sale securities	4,461	−	2,108	6,570
Investment securities				
Available-for-sale securities	501	−	−	501
Total assets	4,962	−	2,108	7,071

2) Financial instruments other than those recorded on the consolidated balance sheet at fair value

(Unit: ¥ million)

Category	Fair value (*1)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Shares of subsidiaries and associates	2,270	−	−	2,270
Long-term loans receivable	−	4,800	−	4,800
Leasehold and guarantee deposits	−	1,233	−	1,233
Total assets	2,270	6,033	−	8,304
Long-term borrowings (including the current portion of long-term borrowings)	−	[45,150]	−	[45,150]
Long-term accounts payable - other (including the current portion of long-term accounts payable - other)	−	[155]	−	[155]
Total liabilities	−	[45,306]	−	[45,306]

(*1) Items recorded as liabilities are denoted by [ ].

(Note 1) Explanation of the valuation techniques and inputs used in the fair value measurements

Operational investment securities and investment securities

Listed shares are measured using stock exchange prices. As listed shares are traded in active markets, their fair values are classified as Level 1. If a quoted price is not available, the fair value is measured using a valuation method such as the discounted present value method based on future cash flows. If the fair value is measured using significant unobservable inputs, it is classified as Level 3.

Long-term loans receivable

The fair value of long-term loans receivable with floating interest rates is stated at the relevant book value, as they reflect market interest rates in a short period of time and their fair value approximates their book value unless the credit status of the borrower has changed significantly since the loan was made.

However, the fair value of receivables at risk of becoming bad debt is stated at the amount on the consolidated balance sheet as of the consolidated settlement date less current estimated bad debts, as such amount approximates the fair value.

The fair value of long-term loans receivable is therefore classified as Level 2.

Leasehold and guarantee deposits

The fair value of leasehold and guarantee deposits is measured at the present value of future cash flow discounted at the rate based on appropriate indicators including JGB yields, and is classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is measured at the present value of the total amount of principal and interest discounted at the interest rate that would be expected if a new similar loan were made, and is classified as Level 2. The current portion of long-term borrowings (on the consolidated balance sheet, ¥4,927 million is included in "short-term borrowings" under current liabilities) is included in long-term borrowings.

Long-term accounts payable – other

The fair value of long-term accounts payable – other is measured at the present value of future scheduled payments discounted at an appropriate interest rate such as JGB yields, and is classified as Level 2. The current portion of long-term accounts payable – other (on the consolidated balance sheet, ¥46 million is included in "accounts payable – other" under current liabilities) is included in long-term accounts payable – other.

(Note 2) Information about Level 3 fair value of financial instruments recorded on consolidated balance sheet at fair value

(1) Reconciliation of the beginning balances and the ending balances

(Unit: ¥ million)

	Operational investment securities and investment securities
Balance at beginning of period	2,777
Recorded in profit or loss (*1)	(94)
Recorded in other comprehensive income (*2)	59
Purchase, sales, issuance and settlement, etc.	(633)
Balance at end of period	2,108
Loss (gain) on valuation of financial assets and financial liabilities held on the consolidated balance sheet date, out of the amount recorded in profit or loss (*1)	(94)

(*1) The amount is included in "Cost of sales" in the consolidated statements of income.

(*2) The amount is included in "Valuation difference on available-for-sale securities" under "Accumulated other comprehensive income" in the consolidated balance sheets.

(2) Explanation of valuation processes used for fair value measurements

The department of the Group in charge of preparing financial statements has established policies and procedures for measuring fair value, as well as procedures related to the specifications of a fair value valuation model. MIXI verifies whether valid valuation techniques and inputs are used for the fair value obtained and level classification.

In measuring fair value, the fair value of financial instruments which have not been held for a specified period of time is measured using the most recent transaction price.

8. Notes on Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

(Unit: ¥ million)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Digital Entertain-ment Business	Sports Business	Lifestyle Business	Investment Business	Total		
Net sales							
Revenue from contracts with customers (Note 3)	83,889	65,848	17,159	−	166,898	31	166,929
Other revenue	−	−	−	4,440	4,440	−	4,440
Net sales to external customers	83,889	65,848	17,159	4,440	171,338	31	171,369
Inter-segment net sales or transfers	−	−	0	−	0	(0)	−
Total	83,889	65,848	17,159	4,440	171,338	31	171,369
Segment profit	43,050	5,088	876	1,001	50,017	(27,761)	22,256
Other							
Depreciation	203	5,693	197	0	6,094	804	6,899
Amortization of goodwill	−	1,679	341	−	2,021	−	2,021
Impairment loss	0	103	−	−	104	−	104

(Notes) 1. The segment profit adjustment of ¥(27,761) million includes depreciation of ¥(6,094) million, amortization of goodwill of ¥(2,021) million, company-wide net sales of ¥31 million, and company-wide expenses of ¥(19,676) million not allocated to each reportable segment. Company-wide items comprise mainly those relating to MIXI's administrative departments not belonging to any reportable segment.

2. Segment profit is adjusted with operating income in the consolidated statements of income.

3. Net sales of MIXI Group mainly consists of Monster Strike, a game for smart devices in the Digital Entertainment Business.

(2) Basic information for understanding revenue

Please refer to "1. Notes on Important Matters That Form the Basis of Preparing Consolidated Financial Statements, (5) Matters related to accounting policies."

(3) Information for understanding revenue for the fiscal year ended March 31, 2026 and subsequent fiscal years

- Balances of contract assets and contract liabilities

(Unit: ¥ million)

	Amount
Receivables from contracts with customers (beginning of period)	15,812
Receivables from contracts with customers (end of period)	15,811
Contract liabilities (beginning of period)	4,180
Contract liabilities (end of period)	4,757

Revenue recognized in the fiscal year ended March 31, 2026 that was included in the contract liability balance at the beginning of the period was ¥4,180 million.

- Transaction prices allocated to the remaining performance obligations

The Group has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not include contracts with an original expected duration of one year or less in the notes.

9. Notes on Business Combinations

(Business combinations through acquisition)

PointsBet Holdings Limited

(1) Summary of business combination

1) Name of the acquired entity and description of the acquired business

Name: PointsBet Holdings Limited and its six subsidiaries

Description of the acquired business: Sports betting business in Australia and Canada

2) Reason for the business combination

To further expand the Company's social betting service in overseas markets, we have determined that the best course of action is to pursue synergies by leveraging the business platform of PointsBet Holdings Limited to improve and expand our betting systems and operations and combining our expertise and strengths in social features gained through our domestic business.

3) Date of the business combination

September 22, 2025 (The stock acquisition date)

4) Legal form of the business combination

Acquisition of shares

5) Name of the entity after the business combination

PointsBet Holdings Limited

6) Ratio of voting rights acquired

66.4%

7) Primary ground for determining the acquiring company

Due to the acquisition of shares of PointsBet Holdings Limited by MIXI Australia Pty Ltd, a consolidated subsidiary of the Company.

(2) Period of business performance of the acquired company which is included in the consolidated financial statements

From October 1, 2025 to March 31, 2026

(3) Acquisition cost of the acquired company and its breakdown by type of consideration

(Unit: ¥ million)

Consideration for the acquisition	Cash	28,174
Acquisition cost		28,174

(4) Details and amounts of major acquisition-related expenses

Advisory fees and research cost: ¥1,773 million

(5) Amount of goodwill arising from business combination, reason for recognizing it, and method and period of amortization

1) Amount of goodwill arising from business combination

¥16,533 million

2) Reason for recognizing goodwill

Goodwill was generated due to the difference between the value of equity interest held by the acquiring company in the acquired company and the acquisition cost.

3) Method and period of amortization

Goodwill is amortized using the straight-line method over a period of 12 years.

(6) Amount of assets accepted and liabilities assumed on the date of the business combination and major breakdown thereof

(Unit: ¥ million)

Current assets	3,390
Non-current assets	29,309
Total assets	32,699
Current liabilities	7,018
Non-current liabilities	8,182
Total liabilities	15,201

(7) Amounts allocated to intangible assets other than goodwill and the breakdown of the primary components thereof, and weighted average period for amortization overall and for each primary component

Component	Amount	Weighted average period for amortization
Software	¥11,433 million	4 years
Trademark right	¥5,552 million	19 years
Customer-related assets	¥9,702 million	11 years
Total	¥26,688 million	10 years

(8) Approximate amount of impact on the consolidated statements of income for the fiscal year ended March 31, 2026, and the calculation method thereof, assuming that the business combination was completed on the commencement date of the fiscal year

	(Unit: ¥ million)
Net sales	13,449
Operating loss	(4,775)
Loss before income taxes	(4,778)
Loss attributable to owners of parent	(3,011)

(Calculation method of approximate amount of impact)

The approximate amount of impact is the difference between net sales and income/loss information calculated assuming that the business combination was completed on the commencement date of the fiscal year and net sales and income/loss information in the consolidated statements of income of the acquiring company. The approximate amount of impact was calculated by adjusting the amount of amortization of goodwill and other assets recognized in the business combination, assuming that the goodwill and other assets had arisen on the commencement date of the fiscal year. This note has not received audit certification.

10. Notes on Per Share Information

(1) Net assets per share: ¥2,787.63

(2) Profit per share: ¥260.72

11. Notes on Significant Subsequent Events

(Cancellation of own shares)

At the Board of Directors meeting held on May 15, 2026, MIXI resolved matters relating to cancellation of own shares based on provisions of Article 178 of the Companies Act.

(1) Overview of the matters relating to the cancellation

1) Class of shares to be cancelled: Common shares of MIXI

2) Total number of shares to be cancelled: 2,800,000 shares

(3.93% of the total outstanding shares prior to cancellation)

3) Scheduled date of cancellation: May 29, 2026

4) Total number of outstanding shares after cancellation: 68,530,850 shares

Non-consolidated Financial Statements

Balance Sheets

(As of March 31, 2026)

(Unit: ¥ million)

Description	Amount	Description	Amount
Assets		**Liabilities**	
Current assets	**126,050**	**Current liabilities**	**22,173**
Cash and deposits	83,754	Current portion of long-term borrowings	2,790
Notes and accounts receivable – trade	10,310	Accounts payable – other	9,157
Operational investment securities	19,403	Accrued expenses	10
Securities	2,853	Contract liabilities	2,356
Merchandise	600	Income taxes payable	2,771
Advance payments – trade	197	Accrued consumption taxes	499
Prepaid expenses	2,460	Deposits received	2,773
Short-term loans receivable	937	Provision for bonuses	1,708
Other	6,327	Provision for point card certificates	29
Allowance for doubtful accounts	(795)	Other	77
Non-current assets	**99,404**	**Non-current liabilities**	**25,225**
Property, plant and equipment	**4,700**	Long-term borrowings	25,110
Buildings	3,393	Long-term accounts payable	113
Tools, furniture & fixtures	1,290	Lease obligations	1
Construction in progress	12	**Total liabilities**	**47,398**
Other	3	**Net Assets**	
Intangible assets	**492**	**Shareholders' equity**	**174,628**
Software	126	**Paid-in capital**	**9,698**
Other	366	**Capital surplus**	**9,668**
Investments and other assets	**94,211**	Capital reserve	9,668
Investment securities	178	**Retained earnings**	**174,321**
Shares of subsidiaries and associates	57,006	Other retained earnings	174,321
Investments in capital	112	Reserve for open innovation incentive	2,344
Investments in capital of subsidiaries and associates	10,463	Retained earnings brought forward	171,976
Long-term loans receivable	22,103	**Treasury shares**	**(19,060)**
Claims provable in bankruptcy, claims provable in rehabilitation and other	3	**Valuation and translation adjustments**	**2,531**
Long-term prepaid expenses	1,055	**Valuation difference on available-for-sale securities**	**2,531**
Lease and guarantee deposits	3,076	**Subscription rights to shares**	**896**
Deferred tax assets	3,029		
Allowance for doubtful accounts	(2,817)	**Total net assets**	**178,056**
Total assets	**225,455**	**Total liabilities and net assets**	**225,455**

Note: Figures have been rounded down to the nearest million yen.

Statements of Income

(April 1, 2025 to March 31, 2026)

(Unit: ¥ million)

Description	Amount	
Net sales		**113,925**
Cost of sales		**25,017**
Gross profit		**88,907**
SG&A expenses		**66,120**
Operating income		**22,787**
Non-operating income		
Interest income	327	
Dividend income	123	
Foreign exchange gains	434	
Settlement income	225	
Other	207	**1,316**
Non-operating expenses		
Interest expenses	268	
Loss on investments in investment partnerships	186	
Commission expenses	378	
Other	130	**963**
Ordinary income		**23,140**
Extraordinary income		
Gain on sales of non-current assets	8	
Gain on sale of shares of subsidiaries and associates	259	
Reversal of allowance for doubtful accounts	158	
Other	10	**437**
Extraordinary losses		
Loss on sales and retirement of non-current assets	6	
Impairment losses	0	
Loss on valuation of shares of subsidiaries and associates	35	
Other	0	**43**
Income before income taxes		**23,535**
Income taxes - current	6,349	
Income taxes - deferred	533	**6,883**
Period net income		**16,652**

Note: Figures have been rounded down to the nearest million yen.

Statements of Changes in Shareholders' Equity

(April 1, 2025 to March 31, 2026)

(Unit: ¥ million)

	Shareholders' equity						
	Paid-in capital	Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for open innovation incentive	Retained earnings brought forward	
Balance on April 1, 2025	9,698	9,668	−	9,668	2,823	170,511	173,334
Changes of items during period							
Dividends of surplus						(8,377)	(8,377)
Period net income						16,652	16,652
Purchase of treasury shares							
Disposal of treasury shares			(227)	(227)			
Cancellation of treasury shares			(7,061)	(7,061)			
Provision and reversal of reserve for open innovation incentive					(478)	478	−
Transfer to capital surplus from retained earnings			7,288	7,288	−	(7,288)	(7,288)
Net changes of items other than shareholders' equity							
Total changes of items during period	−	−	−	−	(478)	1,465	986
Balance on March 31, 2026	9,698	9,668	−	9,668	2,344	171,976	174,321

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance on April 1, 2025	(17,491)	175,210	2,926	2,926	1,082	179,219
Changes of items during period						
Dividends of surplus		(8,377)				(8,377)
Period net income		16,652				16,652
Purchase of treasury shares	(9,499)	(9,499)				(9,499)
Disposal of treasury shares	870	643				643
Cancellation of treasury shares	7,061	–				–
Provision and reversal of reserve for open innovation incentive		–				–
Transfer to capital surplus from retained earnings		–				–
Net changes of items other than shareholders' equity		–	(395)	(395)	(186)	(581)
Total changes of items during period	(1,568)	(581)	(395)	(395)	(186)	(1,163)
Balance on March 31, 2026	(19,060)	174,628	2,531	2,531	896	178,056

Note: Figures have been rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

1. Notes on Matters Related to Significant Accounting Policies

(1) Valuation standards and valuation methods of securities

1) Shares of subsidiaries and associates and investments in capital of subsidiaries and associates:

Stated at cost using the moving-average method.

2) Available-for-sale securities (including operational investment securities)
Securities other than shares, etc. without market value:

Stated at fair value based on market price as of the balance-sheet date (valuation differences are included directly in net assets and cost of sales is measured using the moving average method).

Shares, etc. without market value:

Stated at cost using the moving-average method.
Investments in investment partnerships, etc. are based on the financial statements for the most recent balance sheet date using the net amount proportionate to the MIXI's ownership interests.

(2) Valuation standards and valuation methods of inventories

Merchandise:

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).

(3) Depreciation and amortization methods of non-current assets

1) Property, plant and equipment (excluding leased assets):

The declining balance method is primarily applied.
However, the straight-line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.
The principle useful lives are as follows:

Buildings: 8 to 50 years
Tools, furniture and fixtures: 2 to 15 years

2) Intangible assets (excluding leased assets):

The straight-line method is applied.
However, the amortization period for software for internal use is based on the period available for internal use (5 years).

3) Leased assets:

Leased assets pertaining to finance leases not involving the transfer of ownership
The straight-line method, substituting the lease term for the useful life, assuming no residual value.

(4) Accounting standards for allowances and provisions

1) Allowance for doubtful accounts:

In order to provide for losses due to bad debt, including on notes and accounts receivable – trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

2) Provision for bonuses:

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the fiscal year under review is recorded.

(5) Accounting standards for revenue and expenses

MIXI recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

a. Operation of services for smart device games such as “Monster Strike”

MIXI operates services for smart device games such as “Monster Strike.” MIXI determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, MIXI recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency “orbs,” etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, MIXI determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when “orbs” are consumed.
Under the Revenue Recognition Standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

b. Operation of services for a sports betting service “TIPSTAR”

MIXI provides online voting systems to users through the use of “TIPSTAR,” a sports betting service. Revenue related to the service is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

c. Operation of services for “FamilyAlbum”

MIXI provides a monthly service “FamilyAlbum Premium” that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of “FamilyAlbum.” Revenue related to “FamilyAlbum Premium” is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, MIXI determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

d. Operation of services for the New Year Cards app “FamilyAlbum New Year Cards”

MIXI provides a service of creating New Year’s cards for printing through the use of the New Year Cards app “FamilyAlbum New Year Cards.” With respect to this service, while performance obligations are deemed to be satisfied by manufacturing New Year’s cards for printing according to the order received

from a user and delivering them to the user, MIXI determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

e. Operation of services for a beauty staff direct appointment app "minimo"
MIXI provides a salon reservation support service to users through the use of a beauty staff direct appointment app "minimo." Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

2. Notes on Changes in Presentation Method
(Statements of income)

"Interest expenses," which was included in "Other" under "Non-operating expenses" in the fiscal year ended March 31, 2025, has increased in monetary importance and is therefore reported separately from the fiscal year ended March 31, 2026.

3. Notes on Accounting Estimates
(Impairment of operational investment securities, investment securities, and shares of subsidiaries and associates)

Operational investment securities, investment securities, and shares of subsidiaries and associates stood at ¥19,403 million, ¥178 million, and ¥57,006 million, respectively, as of March 31, 2026. Of these, non-listed shares, etc. account for ¥3,879 million of operational investment securities, ¥28 million of investment securities, and ¥55,445 million of shares of subsidiaries and associates, and the Group assesses impairment as described below.

In the valuation of non-listed shares, etc., if the net asset value or market values of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such non-listed shares of a company were purchased at a price higher than the net asset value per share, which can be obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or unrecoverability of the book value may arise owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

4. Notes on Balance Sheets

(1) Accumulated depreciation of property, plant and equipment: ¥5,997 million

(2) Monetary receivables and payables in relation to subsidiaries and associates
Short-term monetary receivables: ¥4,225 million
Long-term monetary receivables: ¥21,472 million
Short-term monetary payables: ¥5,257 million

(3) Guarantee obligation
Commitment to guarantee for borrowings from financial institutions
Chariloto Co., Ltd. ¥14,490 million
Joint and several guarantees on contracts with local governments
Chariloto Co., Ltd. (Note) ¥500 million
Joint and several guarantees on trade payables
SFIDANTE Inc. (Note) ¥1,930 million
(Note) The total amount of joint and several guarantees is stated.

In addition to the above, MIXI has concluded a guarantee contract with a government authority that promises to maintain the bank guarantee for an affiliated company at a specified level in MIXI's overseas business.

5. Notes on Statements of Income

Transaction volume with subsidiaries and associates

Transaction volume of operating transactions

Operating revenue: ¥12,306 million

Operating expenses: ¥4,583 million

Transaction volume of non-operating transactions (income): ¥296 million

Transaction volume of non-operating transactions (expenditure): ¥7 million

6. Notes on Statements of Changes in Shareholders' Equity

Class and number of treasury shares at the end of the year ended March 31, 2026

Common shares: 6,224,404 shares

7. Notes on Tax Effect Accounting

Breakdown by main causes of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Software	¥2,775 million
Operational investment securities	2,254 million
Shares of subsidiaries and associates	2,418 million
Allowance for doubtful accounts	1,138 million
Provision for bonuses	538 million
Accounts payable – other	195 million
Enterprise tax payable	175 million
Asset retirement obligations	101 million
Subscription rights to shares	272 million
Share-based payment expenses	239 million
Contract liabilities	298 million
Loss on valuation of goods	87 million
Other	172 million
Subtotal of deferred tax assets	10,668 million
Valuation allowance	(6,474) million
Total deferred tax assets	4,193 million
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(1,164) million
Total deferred tax liabilities	(1,164) million
Net deferred tax assets	3,029 million

8. Notes to Related Party Transactions

Subsidiaries and associates

Type	Company name	Location	Capital or investment	Business line	Voting rights	Relationship with related party	Details of transactions	Amount of transaction (¥million)	Account	Balance at year-end (¥million)
Subsidiary	Chariloto Co., Ltd.	Shibuya Ward, Tokyo	¥110 million	Online sales of keirin and auto race betting tickets	Direct ownership 100.0%	Provision of loans Undertaking of services	Undertaking of services	12,101	Accounts receivable – trade	2,113
									Accounts payable – other	2,612
							CMS *1	-	Deposits received	635
							Provision of loans *2	-	Short-term loans receivable	527
							Receipt of interest	24	-	-
							Commitment to guarantee *3	14,490	-	-
Subsidiary	MIXI Global Investments, Inc.	Shibuya Ward, Tokyo	¥15 million	Investment-related business	Direct ownership 100.0%	Provision of loans	Provision of loans *2	780	Long-term loans receivable *4	2,297
							Receipt of interest	17	Accrued interest	9
Subsidiary	MIXI Australia Pty Ltd	Victoria, Australia	AUD 264 million	Holding company for overseas betting business	Direct ownership 100.0%	Provision of loans	Provision of loans *2	9,627	Long-term loans receivable	9,627
							Receipt of interest	98	Accrued interest	98
Subsidiary	TOKYO-BAY Arena Management, Inc.	Shibuya Ward, Tokyo	¥50 million	Event management and operation of multi-purpose arena	Direct ownership 66.0%	Provision of loans	Provision of loans *2	-	Long-term loans receivable	2,310
							Receipt of interest	22	-	-
Associate	TOKYO-BAY Arena, Inc.	Chuo Ward, Tokyo	¥100 million	Rental business of multi-purpose arena	Direct ownership 40.0%	Provision of loans	Collection of loans	1,000	Long-term loans receivable	4,800
							Receipt of interest	53	-	-

Transaction terms and conditions and policy on determining the transaction terms and conditions

(Notes) 1. Cash management system (CMS) agreement has been arranged whereby interest rate is determined reasonably in consideration of market rate. As lending and borrowing of funds are conducted repetitively, amounts of transactions are omitted. No collateral has been received.

2. The interest rate on loans is determined reasonably in consideration of the market rate. No collateral has been received.

3. Commitment to guarantee was entered into concerning borrowings of ¥14,490 million from Sumitomo Mitsui Banking Corporation.

4. Allowance for doubtful accounts of ¥182 million was recorded against long-term loans receivable from MIXI Global Investments, Inc. In addition, provision of allowance for doubtful accounts of ¥75 million was recorded during the consolidated fiscal year ended March 31, 2026.

9. Notes on Revenue recognition

Please refer to “1. Notes on Matters Related to Significant Accounting Policies, (5) Accounting standards for revenue and expenses” in the notes to non-consolidated financial statements.

10. Notes on Per Share Information

(1) Net assets per share: ¥2,721.08

(2) Net income per share: ¥251.39

11. Notes on Significant Subsequent Events

As the same information is provided in the “11. Notes on Significant Subsequent Events” in the notes to consolidated financial statements, the information is omitted here.