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NOTICE OF THE 16th ANNUAL GENERAL SHAREHOLDERS' MEETING

(Security Code 4436)
June 7, 2022

To Shareholders with Voting Rights:

KEN URYU
President and CEO, Representative Director
MINKABU THE INFONOID, Inc.
1-8-10 Kudankita Chiyoda-ku, Tokyo
102-0073, Japan

Dear Shareholders:

You are hereby notified of the 16th Annual General Meeting of Shareholders ("the Meeting") of MINKABU THE INFONOID, Inc. ("the Company"), to be held as described below.

If you will not attend the Meeting, you may exercise your voting rights via the internet, or in writing by submitting the Voting Rights Exercise Form. Please refer to the documents for the Meeting (described hereinafter) and exercise your voting rights **by JST 17:00, Thursday, June 23, 2022.**

【Please refrain from coming to the venue on the day of the meeting.】

In order to prevent the spread of COVID-19, please consider refraining from attending at the meeting to avoid infection. A shareholder meeting could become an infection cluster for the disease because it is a place where many shareholders gather. The Company recommend exercising your voting rights via the internet more than by mail. If you exercise your voting rights in writing, please return the voting form well in advance of the deadline as there is a possibility that the form may not arrive before the deadline due to the increased of delivery days for regular mail starting in October 2021.

【Disclosure of Notice of Convocation prior to Dispatch】

The contents of this convocation notice have been posted on the Company's website (<https://minkabu.co.jp/ir>) prior to the dispatch in order to provide early information.

1. **Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (JST)
2. **Venue:** Kudan Building, BELLESALLE Kudan (Tokyo, Japan)
3. **Meeting Agenda:**
 - **Matters to be Reported**
 1. Business Report and Consolidated Financial Statements for the 16th Fiscal Year (from April 1, 2021 to March 31, 2022), and the Audit Report for the Consolidated Financial Statements of Independent Auditor and Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 16th Fiscal Year (from April 1, 2021 to March 31, 2022)
 - **Proposals to be Resolved:**
 - Proposal 1: Partial amendment on the Articles of Incorporation
 - Proposal 2: Election of seven (7) Directors of the Board
(excluding directors who are Audit and Supervisory Committee Members)
 - Proposal 3: Election of one (1) Director of the Board who is Audit and Supervisory Committee Member
 - Proposal 4: Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Member
 - Proposal 5: Revision of Amount of Remuneration for Directors of the Board (excluding directors who are Audit and Supervisory Committee Members)

Notes:

- Any amendments to the Business Report, Financial Statements, Consolidated Financial Statements, or Reference Materials for the General Shareholders Meeting will be posted on the Company's website (<https://minkabu.co.jp/ir>).
- Pursuant to provision of laws and regulations as well as Article 14 of the Articles of Incorporation of the Company, the following information is posted on the Company's website (<https://minkabu.co.jp/ir>), it is not included in this Notice of Convocation. Accordingly, this Appendix presents a part of those audited by the Audit and Supervisory Committee Members and Accounting Auditor when they prepared the Audit and Supervisory Committee's Audit Report and Accounting Auditor's Audit Report, respectively.
 - a) Stock Acquisition Rights of the Company (Business Report)
 - b) Consolidated Statement of Changes in Net Assets/Notes (Consolidated Financial Statements)
 - c) Statement of Shareholders' Equity/Notes (Financial Statements)
- After the close of the Meeting, the voting results will be posted on the Company's website (<https://minkabu.co.jp/ir>), in lieu of sending a written notice to shareholders.
- In order to prevent infection and spread of the COVID-19 and to ensure social distance, the number of seats in the meeting room has been reduced. We strongly request shareholders refrain from attending the Meeting in person, and sincerely request to exercise your voting rights via internet, or in writing by submitting the Voting Rights Exercise Form. Shareholders attending the Meeting are requested to confirm the prevalence of the new coronavirus at the time of the Meeting and their physical condition, and to wear masks and to disinfect with alcohol, even if you have been vaccinated against the new coronavirus.
- Thank you for your understanding that there is no souvenir to any attendance to the Meeting.

Invitation to live streaming of the General Meeting of Shareholders

In order to prevent the spread of COVID-19 infection, please consider refraining from coming to this Meeting. However, the Company understands the General Meeting of Shareholders is an important opportunity of contact with shareholders, and therefore the Company will broadcast a live streaming of the Meeting.

The live streaming can be viewed via the "Sharely" which is a virtual shareholder meeting support service. Please note that however, you cannot vote your rights through this live streaming and therefore, shareholders who may file motions or ask questions are requested to attend the meeting.

Please note that you can submit your questions prior to the Meeting through the "Sharely". For the sake of smooth operations, the number of questions will be limited to two (2) per person and will be limited to 5 p.m. on Thursday, June 23, 2022, the day before the Meeting. We will try to answer your questions at the Meeting as many as possible, but please be aware that due to operational constraints, we may not be able to answer all of your questions.

【Streaming web-site】	A virtual shareholder meeting support service "Sharely" https://web.sharely.app/login/minkabu-16
【Date and time of release】	Friday, June 24, 2022, at 10 a.m. *The shareholders' meeting will begin at 10:00 a.m.. You can access the website 30 minutes prior to the start of the meeting.
【Period for accepting questions】	Wednesday, June 8, 2022 at 9 a.m. <u>to Thursday, June 23, 2022 at 5 p.m.</u>
【Help Desk】	03-6416-5287 (Domestic area only) *Office hours: 9:00 a.m. to 11:00 a.m.(JST) on Friday, June 24, 2022.

Reference Material for the Annual Shareholders Meeting

Proposal 1:

Partial amendment on the Articles of Incorporation

1. Reason of the Proposal

- (1) The Company proposes to add items to the Article 2 “Purpose” of the current Article of Incorporation in order to clarify the business contents of the Company and its subsidiaries (correctively referred to as “the Group”) in line with the current status, and to respond to the diversification of business in the future.
- (2) The amended provision stipulated in the supplementary provision of Article 1 of the Act Partial Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022, and in accordance with the electronic provision measures for reference documents for the general meetings of shareholders, the Company proposes that provision of the Article of Incorporation of the Company be amended as follows.
 - (a) Article 14 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 in the proposed amendments will be newly established to stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
 - (b) Article 14 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 in the proposed amendments will be newly established to enable limiting of the scope of the items to be stated in paper-based documents delivered to shareholders who requested the delivery of paper-based documents, among the items of information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. to be provided in electronic format, to the scope stipulated by the regulations of Ministry of Justice.
 - (c) Since the provisions for Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation will no longer be required after the introduction of the system for provision of information materials for the General Meeting of Shareholders in electronic format, it is to be deleted.
 - (i) Supplementary provisions will be provided regarding the effective date, etc. of the aforementioned establishment and deletion of provisions. These supplementary provisions will be deleted after their expiration date.
- (3) In order to reinforce the Company’s management to meet the business expansion of the Group, the Company proposes to increase in the maximum number of directors of the Board (excluding directors who are Audit and Supervisory Committee Members) from five (5) to ten (10), which determined by the Article 17 “Number of Directors” on the current Article of Incorporation.
- (4) As the Company has not determined the effective period of resolution of the Alternative Director of the Board who is Audit and Supervisory Committee Member, it is not matched with the terms of Director who is Audit and Supervisory Committee Member. In order to align the effective period of resolution of the Alternative Director of the Board who is Audit and Supervisory Committee Member with the terms of Director who is Audit and Supervisory Committee Member, the Company proposes to add, paragraph 4 to the Article 19 (Term of Office).

2. Contents of the Amendments

Details of the proposed amendments are as follows:

(Amended parts are underlined.)

Current	Proposed Amendments
Article 2. Purpose The purpose of the Company shall be to engage in the following businesses. (1) Information processing services and information provision services	<Not amended>
(2) Planning, development, design, manufacturing, sales, leasing and import/export of computers, peripheral and related equipment, and software thereof	(2) Planning, development, design, manufacturing, sales, <u>maintenance, operation</u> , leasing and import/export of computers, peripheral and related equipment, and software thereof
(3) Mail order sales and intermediary services	<Not amended>
(4) Sales of information media for advertising	

<p>and promotion</p> <p>(5) Planning, production, and advertising agency services related to advertising, publicity, and videos</p> <p>(6) Planning, production and sales of books, magazines, and other printed and electronic publications</p> <p>(7) Event planning and management services</p> <p>(8) Consulting and research services</p> <p>(9) Acquisition of copyrights, neighboring rights, design rights, trademark rights, and industrial property rights, and their management and operation</p> <p>(10) Investment, holding, purchase and sale of securities, purchase and sale, exchange and lease of real estate, and brokerage, ownership, management, and use of each real estate</p> <p>(11) Businesses related to non-life insurance agency and life insurance solicitation;</p>	
(12) Services related to financial instrument intermediation	(12) <u>Services related to financial instrument intermediation, and financial service intermediation</u>
(13) Businesses related to investment management of financial instruments	(13) <u>Businesses related to investment management of financial instruments</u>
<New>	(14) <u>Business related to investment advisory and agency</u>
<New>	(15) <u>Business related to sales, exchange, and leasing of real properties, as well as mediating as an agent, ownership, management, and use of the property.</u>
<New>	(16) <u>Services related to computer system, and software (blockchain technology, including Non-Fungible Token etc.)</u>
<New>	(17) <u>Business related to telecommunication business</u>
<New >	(18) <u>Services related to electronic settlement agency</u>
(14) Businesses related to worker dispatching and fee-charging job placement	(19) <u>Businesses related to worker dispatching and fee-charging job placement</u>
(15) Businesses related to the operation of call centers, and	<Deleted>
<New >	(20) <u>Services related to outsourcing of various types of business operations of companies, etc.</u>
(16) All businesses incidental and related to each of the preceding items	(21) <u>All businesses incidental and related to each of the preceding items</u>
<p>Article 14. Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.</p> <p>The Company may, in connection with the convocation of a general meeting of shareholders, be deemed to have provided to its shareholders information concerning matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, financial</p>	<Deleted>

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statements and consolidated financial statements by disclosing such information by means of the Internet in accordance with the applicable Ordinance of the Ministry of Justice.	
<New>	<p>Article 14.</p> <p>Measures, etc. for Providing Information in Electronic Format.</p> <p>1. When convening a general meeting of Shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of Shareholders, etc. in electronic format.</p> <p>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the regulations of Ministry of Justice from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</p>
<p>Article 17. Number of Directors</p> <p>1. The Company shall have no less than one (1) and no more than <u>five (5)</u> directors (excluding those who are members of the Audit & Supervisory Committee)</p>	<p>Article 17. Number of Directors</p> <p>The Company shall have no less than one (1) and no more than <u>ten (10)</u> directors (excluding those who are members of the Audit & Supervisory Committee)</p>
<p>2. The Company shall have no more than five (5) directors who are members of the Audit & Supervisory Committee.</p>	<Not amended>
<p>Article 19. Term of Office</p> <p>1. The term of office of directors (excluding those who are members of the Audit & Supervisory Committee) shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.</p>	<Not amended>
<p>2. The term of office of directors who are members of the Audit & Supervisory Committee shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within two (2) year after their election.</p>	<Not amended>
<p>3. The term of office of a director elected to fill the vacancy of a director who retires before the expiration of his/her term of office or by increasing the number of directors shall expire when the term of office of the retiring director or other directors in office expires.</p>	<Not amended>
<New>	<p>4. <u>The effective period of resolution of election of alternative directors who are member of the Audit & Supervisory Committee shall expire at the start of the Annual General Meeting of shareholders for the last business year that ends within two (2) years from the election.</u></p>
<New>	<p><u>(Supplementary Provisions)</u></p> <p><u>Transitional Measures concerning Provision of Information contained in the Reference Documents for the General Meeting of Shareholders and related</u></p>

	<u>documents in Electronic Format</u>
<New>	<p><u>Article 1. The proposed deletion of Article 14 of the pre-amended Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation and the proposed establishment of Article 14 (Measures, etc. for Providing Information in Electronic Format) of the amended Articles on Incorporation shall take effect on and from September a, 2022.</u></p> <p><u>Article 2. Notwithstanding the provision of the preceding paragraph, Article 14 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from the Date of Enforcement.</u></p> <p><u>Article 3. These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from the Date of Enforcement or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 2:

Election of seven (7) Directors of the Board (excluding directors who are Audit and Supervisory Committee Members)

The term of the current five (5) directors expires at the conclusion of this Meeting. In order to strengthen the management system with the aim of expanding the Company's business and creating a foundation of sustainable growth, the Company requests shareholders to re-elect five (5) current directors and to add two (2) outside directors, for a total of seven (7) directors excluding directors serving on the Audit and Supervisory Committee, in accordance with the decision of the Nomination Committee.

This proposal shall take effect subject to the proposal 1 "Partial amendment on the Articles of Incorporation" are approved as proposed, and take effect amendment on the Article of Incorporation.

Audit and Supervisory Committee of the Company has determined all candidates are qualified.

Candidates for director (excluding directors serving on the Audit and Supervisory Committee) are as follows:

	Name (Date of Birth)	Career summary, positions, responsibilities and material concurrent positions	# of Co's shares held
1	Ken Uryu (Oct 30, 1974) (renomination)	Jul 1997 NTT DOCOMO, Inc. Oct 2000 Merrill Lynch (Japan) Jan 2003 Goldman Sachs (Japan) Oct 2005 Advisor, Goldman Sachs (Japan) Jul 2006 Founder, President and Representative Director, Masstune, Inc. (current Company) June 2020 Director, AlpacaJapan Co.,Ltd. (current) Jun 2021 Representative Director & CEO (current) May 2022 Director, MINKABU WEB3 WALLET, Inc. (current)	1,245,000
2	Masakatsu Saito (May 13, 1966) (renomination)	Apr 1989 Nomura System Services Co.,Ltd. Aug 1993 Dai-Ichi Securities Co., Ltd. Oct 1998 ITOCHU Corporation Jun 1999 Japan Online Securities Co., Ltd. Apr 2001 au Kabucom Securities Co., Ltd. (kabu.com Securities Co., Ltd.) May 2002 COO Jun 2003 Representative Executive Officer & COO Jun 2004 President and CEO Jun 2005 Director, President & CEO Dec 2019 Representative Director and President Apr 2021 Adviser May 2021 MINKABU THE INFONOID, Inc.	3,149

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		<p>May 2021 Senior Executive Officer</p> <p>Jun 2021 Senior Executive Vice President &COO (current)</p> <p>Jun 2021 Executive Officers, Japan Association of New Economy (current)</p> <p>Sep 2021 Representative Director, MINKABU ASSET PARTNERS, Inc. (current)</p> <p>Apr 2022 Director, Prop Tech plus, Inc. (current)</p> <p>Apr 2022 Director, Japan Digital Space Economy Federation (current)</p> <p>May 2022 Chairman of the board &CEO, MINKABU WEB3 WALLET, Inc. (current)</p>	
3	Masayuki Ban (Jul 12, 1977) (renomination)	<p>Apr 2001 SCSK Corporation</p> <p>Oct 2005 CSK Securities</p> <p>Apr 2015 MINKABU, Inc. (current Company)</p> <p>Oct 2017 Director (current)</p> <p>Jul 2020 Director, Robot Fund Co., Ltd. (current)</p>	159
4	Ryutaro Takada (Mar 7, 1975) (renomination)	<p>Oct 1998 Hamahira Tax & Accounting Office</p> <p>Jan 2002 Square Co., Ltd</p> <p>Apr 2003 Square-Enix Holding Co., Ltd</p> <p>May2012 GM of Admin & Corporate Planning Division MINKABU, Inc. (current Company)</p> <p>Jun 2013 Director</p> <p>Apr 2016 Senior Executive Vice President</p> <p>Apr 2018 Senior Executive Vice President &CFO (current)</p> <p>Dec 2019 Director, Prop Tech plus Inc.</p> <p>Jul 2020 Director, Robot Fund Co., Ltd.</p>	288,000
5	Kiyoshi Noma (Feb 27, 1962) (renomination)	<p>Apr 1984 Nikkei Inc.</p> <p>Apr 2009 Product Manager, Editorial Bureau of Tokyo head office</p> <p>Apr 2012 Deputy Director, Editorial Bureau of Tokyo head office</p> <p>Apr 2013 Director-General of Americas Editorial office/ Representative Director of Nikkei America Inc.</p> <p>Apr 2016 Head of Group Management Office</p> <p>Mar 2017 Executive Officer, Head of Group Management Office</p> <p>Mar 2019 Managing Executive Officer/ Assistant Director of digital business</p> <p>Mar 2021 Senior Managing Director, QUICK Corp. (current)</p> <p>Jun 2021 Director, MINKABU THE INFONOID (current)</p>	—
6	Makoto Sumita (Jan 6, 1954) (new nomination)	<p>Apr 1980 Nomura Research Institute, Ltd.</p> <p>Jun 1996 Director, INNOTECH CORPORATION</p> <p>Apr 2005 Representative and executive managing Director</p> <p>Apr 2007 President</p> <p>Jun 2011 Outside Auditor, TDK Corporation</p> <p>Apr 2013 Representative chairman of the board, INNOTECH CORPORATION</p> <p>Jun 2013 Outside Director, TDK Corporation</p> <p>Jun 2018 Chairman of the board, INNOTECH CORPORATION</p> <p>Jun 2018 Chairman of the board, TDK Corporation</p> <p>Apr 2021 Director, INNOTECH CORPORATION</p> <p>Apr 2022 Director, TDK Corporation (Will resign in June 2022)</p>	—
7	Noriko Maki (Aug 17, 1964) (new nomination)	<p>Apr 1988 CBC TELEVISION CO., LTD.</p> <p>Apr 1991 TV TOKYO Corporation</p> <p>Feb 2008 Founder, Representative Director, Maki Communication Strategy Co., Ltd. (current)</p>	—

Note:

1. There are no conflicts of interest between the Company and any of the above candidates.
2. Reason for nomination as a member of the Board of Mr. Ken Uryu is that he has demonstrated strong leadership in driving the growth of the Group with rich experience and insights into overall management and the industry, as the president and representative director since the establishment of the group of the Company, and therefore he is expected continuous contribution to enhance corporate value of the Company.
3. Reason for nomination as a member of the Board of Mr. Masakatsu Saito is that he has demonstrated and played an important role to lead the overall business the growth of the Group as a director from June 2021, with the launch of services for the financial asset builders and expansion of solution business to financial institutions etc., and therefore he is expected continuous contribution to enhance corporate value of the Company.
4. Reason for nomination as a member of the Board of Mr. Masayuki Ban is that he has rich experience at a major company has led sales force and solution business as a director of the Company, and therefore he is expected continuous contribution to enhance corporate value of the Company.
5. Reason for nomination as a member of the Board of Mr. Ryutaro Takada is that he has demonstrated the establishment of the organizational structure of the Group as Senior Executive Vice President and has rich experiences at a major company and extensive knowledge in tax accounting, and therefore he is expected continuous contribution to enhance corporate value of the Company. Mr. Ryutaro Takada, current Senior Executive Vice President &CFO, will change his role to a part-time director with his intention that the time of renewing management member and considering his health.

6. Reason for nomination as a member of the Board of Mr. Kiyoshi Noma is that he is a Senior Managing Director of QUICK Corp., with which the Company has a capital and business alliance, and is expected to contribute to the enhancement of corporate value of the Group as an outside director, not only from a business perspective but also from non-financial information on the back of his knowledge and experience in content production served as deputy general manager of Nikkei Editorial Bureau
7. Reason for nomination as a member of the Board of Mr. Makoto Sumita is that he has rich experience and deep knowledge as an analyst in Nomura Research Institute, Ltd., in addition to he held senior positions including President and Chairman of the board in INNOTECH CORPORATION and Chairman of the board in TDK Corporation. By making use of his many experiences in management and deep knowledge, he expected to contribute to the enhancement of corporate value of the Group as an outside director. Mr. Makoto Sumita will assume the position of Chairman of the Board of Directors upon approval of this resolution.
8. Reason for nomination as a member of the Board of Ms. Noriko Maki is that she has many experiences and knowledge in the media industry, after working as an anchor for an Information program, she currently she become an PR consultant as a business owner. She expected to contribute to the enhancement of corporate value of the Group as an outside director by active proposal about the management of the Company including the promotion of female employees.
9. Ms. Noriko Maki on the census register is Noriko Higuchi.
10. Mr. Kiyoshi Noma, Mr. Makoto Sumita and Ms. Noriko Maki are candidates of outside directors.
11. The Company will designate and register Mr. Makoro Sumita and Ms. Noriko Maki as independent directors stipulated by the Tokyo Stock Exchange, upon approval of this resolution.
12. The Company intends to enter into a limited liability agreement with Mr. Ryutaro Takada, Mr. Makoto Sumita and Ms. Noriko Maki, in accordance with Article 427, Paragraph 1 of Companies Act of Japan, the Company and its outside directors have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of a prefixed amount exceeding JPY one (1) million or the amount set by law, in case the propositions are approved.
13. The Company entered into a directors and officers liability insurance policy with an insurance agency, under Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 21 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.
14. The number of shares of the Company held by each candidate include the stockholding interest of the director in the executive stockholding association.

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Proposal 3:

Election of one (1) Director of the Board who is Audit and Supervisory Committee Member

The term of the current director, Mr. Shozo Ishibashi, member of the Audit and Supervisory Committee, expires at the conclusion of this Meeting. Accordingly, the Company proposes the election of one (1) Director to serve as a member of the Audit and Supervisory Committee, in accordance with the decision of the Nomination Committee

This proposal has been consented to by the Audit and Supervisory Committee of the Company.

The candidate for Director who is member of the Audit and Supervisory Committee is as follows.

	Name (Date of Birth)	Career summary, positions, responsibilities and material concurrent positions	# of Co's shares held
1	Shozo Ishibashi (Jul 5, 1949) (renomination)	Sep 1976 Nomura Reserch Institute, Ltd. Apr 1997 Nomura Securities Co. May 2000 Lehman Brothers Securities Japan, Inc. Oct 2003 the Ishibashi Yanzan Memorial Foundation Representative Director (current) Apr 2004 Tokyo Medical and Dental University, National University, Director Apr 2005 Rissho University School Corporation, Auditor Mar 2007 Kurimoto Gakuen Educational Corporation, Director Sep 2007 Auditor Apr 2008 Keizai Club, Director (current) Jun 2014 Director of EDION Corporation (current) Mar 2017 Director (Audit and Supervisory Committee Member) , MINKABU THE INFONOID, Inc. (current)	41,547

Note:

1. There is no conflict of interest between the Company and Mr. Shozo Ishibashi.
2. Mr. Shozo Ishibashi is candidate for outside director.
3. Mr. Shozo Ishibashi's term of office as an outside director of the Company as a member of the Audit and Supervisory Committee of the Company will be five (5) years and two (2) months at the conclusion of this Meeting.
4. Reason for nomination as an outside director of Mr. Shozo Ishibashi is that he has served as an officer and director of several corporation including listed companies after working for a major securities companies, and has rich experiences in corporate management and organizational management. He is expected to provide various advice and opinions on the Company's management.
5. The Company has entered into a limited liability agreement with Mr. Shozo Ishibashi, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company and its outside directors have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of a prefixed amount exceeding JPY one (1) million or the amount set by law. The Company will renew the same agreement with Mr. Shozo Ishibashi in case the proposition is approved.
6. The Company will designate and register Mr. Shozo Ishibashi as independent director stipulated by the Tokyo Stock Exchange, when he is appointed. Mr. Shozo Ishibashi holds 41,547 stocks of the Company's stock, but his shareholding ratio is only 0.3% based on the number of shares issued as of March 31, 2022., and he has no other personal or capital relationships with the Company, and therefore the Company believes that his independence is censured and no risk that conflict of interest with general shareholders.
7. The number of shares held includes shares in executive stockholding association.
8. The Company entered into a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 21 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.

Proposal 4:**Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Members**

The term of the election of Ms. Satoko Yamada, who was elected as an Alternative Director of the board who is Audit and Supervisory Committee member at the 15th Annual General Meeting of Shareholders held on June 24, 2021, shall be effective until the commencement of this Meeting. The Company requests the election of one (1) Alternative Director to serve as Audit and Supervisory Committee member in advance in accordance with the decision of the Nomination Committee, in case the number of Directors who are members of the Audit and Supervisory Committee falls short as required by law.

This proposal shall take effect subject to the proposal 1 “Partial amendment on the Articles of Incorporation” are approved as proposed, and take effect amendment on the Article of Incorporation.

The Company has received prior consent from the Audit and Supervisory Committee.

The candidate for Alternative Director who serve Audit and Supervisory Committee members is as follows.

Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	# of Co's shares held
Satoko Yamada (Oct 30, 1971)	Apr 1995 NTT DOCOMO, Inc. Apr 2007 Masstune, Inc. (current Company) Feb 2009 Japan Post Bank Co., Ltd. Feb 2010 Masstune, Inc. (current Company)	1,000

Note:

1. There are no conflicts of interest between the Company and Ms. Satoko Yamada.
2. Ms. Satoko Yamada is an employee of the Company.
3. Reason for nomination as an alternative director of the Board as an Audit and Supervisory Committee Member of Ms. Satoko Yamada is that she has been in charge of the Company's internal audit since 2015, and based on her experiences and track record in collaboration with the Audit and Supervisory Committee and the three-pillar audit system (internal audit, auditors' audit, and accounting audit), and therefore she is expected execute the duties appropriately in the event of an unforeseen vacancy in the position of full-time Audit and Supervisory Committee Director.
4. In the event that Ms. Satoko Yamada assumed the position as Directors who are members of the Audit and Supervisory Committee, the Company intends to enter into a limited liability agreement which is in accordance with Article 427, Paragraph 1 of the Companies Act. The agreements limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of YEN one (1) million or the minimum amount set by law.
5. The Company entered into a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 21 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.

<Reference> Management Structure after proposals 2 and 3 are approved as proposed. (planned)

The planned management structure and skill matrix are as follows, upon approval of this resolution. The Company considers the Board of Director should have the skill set of Corporate Strategy and M&A in order to promote continuous high growth, Media, Technology and Financial Industry which are all the business base of the Company, as well as ESG and Risk Management in terms of sustainability, in addition to basic skills that Corporate Operation, Finance, and Internal Control.

Name	Role in the Company			Skills							
	Role	Nomination Committee	Benefit Committee	Corporate Operation/Strategy	Internal Control	ESG	Risk Management	Finance/M&A	Technology	Media Business	Financial Service Business
Makoto Sumita*	Chairman of the board			●	●	●	●		●		
Ken Uryu	Representative Director & CEO	○	○	●	●	●	●	●	●	●	●
Masakatsu Saito	Senior Executive Vice			●		●	●		●		●

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	President & COO										
Masayoshi Ban	Director						•		•		•
Ryutaro Takada	Director			•	•	•	•	•			
Kiyoshi Noma*	Director								•	•	•
Noriko Maki*	Director				•	•	•			•	
Shinya Hamano*	Director Member of Audit &Supervisory Committee	○		•	•	•	•				
Shozo Ishibashi*	Director Member of Audit &Supervisory Committee	○ Chairman	○ Chairman	•	•			•			•
Sadahiko Yoshimura*	Director Member of Audit &Supervisory Committee		○		•		•	•			•

*Outside director

Proposal 5:

Revision of Amount of Remuneration for Directors of the Board (excluding directors who are Audit and Supervisory Committee Members)

The amount of remuneration for directors of the board (excluding directors who are Audit and Supervisory Committee Members) was resolved at the extraordinary general meeting of shareholders held on September 1, 2016, with a maximum annual amount of 200 million yen. Taking into consideration the possibility of an increase the number of directors and various factors in economic situation, the Company requests the annual remuneration to be set at no more than 300 million yen. The Company considers it appropriate level for the responsibilities of directors of the board (excluding directors who are Audit and Supervisory Committee Members) and in the line with the Basic Policy on determining the details of remuneration for Directors described on page 22 of this Notice of Convocation. The remuneration excludes employee salaries to directors who concurrently are employees.

Although, the number of Directors of the Board (excluding directors who are Audit and Supervisory Committee Members) are five (5), including one (1) Directors who is outside director, if proposal 1, “Partial amendment on the Articles of Incorporation”, and proposal 2, “Election of seven (7) Directors of the Board (excluding directors who are Audit and Supervisory Committee Members) ,” are approved as proposed, the number of Directors will be seven (7), including three (3) Directors who are outside directors.

This proposal subject to become effective on the condition that the proposal 1 “Partial amendment on the Articles of Incorporation” being approved as proposed and being affected to amendment to the Article of Incorporation by the resolution.

END

Reference Material for the General Shareholders' Meeting

Business Report for the Fiscal Year ended March 31, 2021

1. Matters related to the current state of the Group

(1) Business Developments and Results

On September 1, 2021, the Company established MINKABU ASSET PARTNERS, Inc., to develop the financial intermediary business for asset builders. As a result, the Group comprises 4 companies: the Company, Prop Tech Plus (a real estate information vendor), Robot Fund Co., Ltd (a SaaS-based investment trust information vendor), and MINKABU ASSET PARTNERS, Inc.,

(i) Business Performance

The Company runs its business by leveraging its core assets consisting of the unique Artificial Intelligence (AI) engine for automatic content generation, crowd input such as user contributions and browsing of our media, and big data such as information on financial, economic, and companies, in Japan and overseas. Currently, the Company is using this core asset in the financial and economic areas and is developing media business and solutions business.

For the fiscal year ended March 31, 2022, the Company released major new services in the media business including "MINKABU" an information site for asset builders rebranded from "Minna no Kabushiki" for investors, the start of the US equity version of "Kabutan", an information media specializing in stocks, and "MINKABU ASSET PLANNER" ("Asepura"), an asset management tool. In the solution business, the Company started providing system solutions whose customers mainly consist of financial institutions and solutions for individuals such as IFA business and a robot advisor, which are added to existing information solutions for corporates.

As a result of the above business development, the Company raised 5,482,410 thousand yen in sales (31.8% increase YoY), and 874,684 thousand yen in operating profit (15.2% increase YoY) for the fiscal year ended March 31, 2022, as a consolidated basis. The Company also raised 1,539,596 thousand yen (20.3% increase YoY) in EBITDA (operating profit + depreciation and amortization + amortization of goodwill,) which is one of the important measurements the Company thinks for its continuous growth.

The Company recorded 60,833 thousand yen of income tax-deferred resulting from the reassessment of the recoverability of deferred tax assets due to the expectation of continuous future taxable profits.

As a result of the above items, the Company recorded 828,614 thousand yen in ordinary profit (12.8% increase YoY), and 696,004 thousand yen in net profit attributable to shareholders of the parent company (23.3% increase YoY), for the fiscal year ended March 31, 2022.

Performance by business segment is as follows.

The media business records advertisement revenue from the information media of "MINKABU," an asset building information media, "Kabutan," a stock information specialized media, and those services which the Company operates through business alliances. The media business also records billing services revenue.

For the fiscal year ended March 31, 2022, as mentioned above, the Company released major new services in the media business such as "MINKABU" an information site for asset builders rebranded from "Minna no Kabushiki" for investors, the start of the US equity version of "Kabutan", an information media specializing in stocks, and "MINKABU ASSET PLANNER" ("Asepura"), an asset management tool. The numbers of total monthly average unique users and visitors of media sites the Group operates remained firm at 8.76 million (decreased by 460 thousand or 5.0% decrease YoY), and 27.51 million (decreased by 380 thousand or 1.4% decrease YoY), respectively, although those are affected by the rapid marked decline in the 4th quarter (January to March 2022).

In advertising revenue, pure advertising with a high rate of profit remained firm and continuous use of listing advertising (advertising promotion) and sales promotion activities with external partners contributed to the expansion of affiliate advertising revenue. As for billing revenue, the Company promoted greater awareness through collaboration with Nikkei Inc. and QUICK Corp. which are capital/business tie-up partners, as well as marketing, in addition to the development of

new functions for full-scale expansion for "Kabutan Premium" U.S. stock version, US-Japan bundling version and Asepura.

As a result, consolidated sales of the fiscal year ended March 31, 2022 was 2,353,927 thousand yen (53.3% increase YoY), and segment profit was 747,487 thousand yen (40.8% increase YoY).

The solution business includes revenues from AI driven software content utilized the know-how of the media business and initial and monthly fee of ASP services providing information based fintech solution content assembled from crowd inputs of media sites the Company operates.

During the fiscal year ended March 31, 2022, in addition to the continued organic growth in recurring revenue such as monthly usage fees, one-time projects also contributed to the increase of the revenue.

As a result, consolidated sales of the fiscal year ended March 31, 2022 was 3,148,641 thousand yen (19.5% increase YoY), and segment profit was 786,129 thousand yen (6.5% increase YoY).

(ii) Capital Investment

The capital investment during the fiscal year ended March 31, 2022 totaled 972,712 thousand yen, which includes intangible assets in addition to property, plant, and equipment.

Business segment	Capital Investment (Thousand yen)	Major items and purpose of the investment
Media	324,666	Software development
Solution	589,813	Software development, network server facilities
Corporate	58,232	Office fixtures, furniture, and equipment
Total	972,712	

(iii) Financing

On May 31, 2021, the Company received funds from QUICK Corp. and Nikkei Inc. for the third-party allotment of new shares to them, with capital and capital reserve increases of 3,449,524 thousand yen in total.

(iv) Transfer of Business, Absorption-type Company Split, or Incorporation-type Company Split
Not applicable.

(v) Acquisition of Business of Other Companies
Not applicable.

(vi) Succession of Rights and Obligations Concerning the Business of Other Juridical Persons, etc. through an Absorption-Type Merger or Absorption-Type Split
Not applicable.

(vii) Acquisition or Disposition of Shares or Other Equity Interests or Share Options, etc. of Other Companies
Not applicable

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(2) Assets and profit and loss

a) Status of the Group's Assets and Profit and Loss

	13 th fiscal years For the fiscal year ended 2019	14 th fiscal years For the fiscal year ended 2020	15 th Fiscal years For the fiscal year ended 2021	16 th Fiscal years (this fiscal year) For the fiscal year ended 2022
Sales (Thousand yen)	—	2,790,820	4,158,862	5,482,410
Ordinary income (Thousand yen)	—	504,242	734,276	828,614
Net income attributable to owners of the parent (Thousand yen)	—	447,567	564,497	696,004
Net income per share (Yen)	—	34.38	40.97	47.26
Total Asset (Thousand yen)	—	5,866,742	6,989,754	9,757,836
Net Asset (Thousand yen)	—	3,770,197	4,215,321	7,443,504
Book value per share (YEN)	—	255.66	283.42	492.54

Note:

- The Company made Prop Tech plus Inc. a consolidated subsidiary with a deemed acquisition date of December 31, 2019, and the consolidated financial statements have been prepared from the 14th fiscal year.
- Net income per share and net assets per share are indicators related to the outstanding shares with voting rights, respectively.
- Net income per share is calculated based on the average number of shares outstanding during the period.
- The Company has applied the Accounting Standard for Revenue Recognition (ASBJ No.29, March 31, 2020) effective from the beginning of the consolidated fiscal year ended March 31, 2022. Figures for the fiscal year ended March 31, 2022 reflected the adoption of these accounting standards.

b) Assets and profit and loss of the Company

	13 th fiscal years For the fiscal year ended 2019	14 th fiscal years For the fiscal year ended 2020	15 th Fiscal years For the fiscal year ended 2021	16 th Fiscal years For the fiscal year ended 2022
Sales (Thousand yen)	2,032,532	2,490,506	3,104,210	4,304,028
Ordinary income (Thousand yen)	208,434	441,013	598,664	693,046
Net income (Thousand yen)	253,141	431,184	557,340	662,974
Net income per share (Yen)	22.04	33.12	40.45	45.02
Total Asset (Thousand yen)	3,926,779	5,366,108	6,069,246	9,528,929
Net Asset (Thousand yen)	2,686,839	3,497,471	3,893,202	7,820,758
Book value per share (Yen)	207.03	254.47	281.71	524.61

Note:

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

(3) Information on Principal Parent Company and Principal Subsidiaries

a) Principal Parent Company

Not applicable.

b) Principal subsidiaries

Company Name	capital stock	Percentage of voting rights of the Company	Main Business

Prop Tech plus Inc.	100 million yen	90.3%	System development and website construction business for the real estate finance industry, and REIT portal site operation
Robot Fund Co., Ltd.	100 million yen	99.8%	Development and operation of business/marketing efficiency and digitalization solutions for investment trust management companies, sales of investment trusts, brokerage houses and banks
MINKABU ASSET PARTNERS, Inc.	100 million yen	100%	Face-to-face consulting on asset building, financial instruments intermediary, financial service intermediary, etc.

Note: 1. In September, October 2021, and March 2022, the Company acquired additional shares of Prop Tech plus, Inc., the voting ratio increased 90.3%.

2. In March, the Company acquired additional shares of Robot Fund Co., Ltd., the voting right ratio increased 99.8%.

3. On September 1, 2021, the Company established MINKABU ASSET PARTNERS Inc., and made it a consolidated subsidiary.

4. Completion of registration is prerequisite for starting business that requires registration, such as a financial instruments intermediary and financial services intermediary. As of the date of submission of this notice, MINKABU ASSET PARTNERS Inc. is in the process of registration as a financial instruments intermediary.

(4) Issue to be addressed

The Company make contribute to construct the prosperous society through new ways of providing information using technology, and the mission is "to provide a system that embodies the value of information." Currently, the Group operates business mainly in the field offinancial and economic information, and the Company aim to high growth in business and high shareholder returns in parallel, provided dividends from the fiscal year ending March 31, 2020, the second fiscal year from IPO. Based on this policy, the business and financial issues that need to be addressed and the policies for addressing them for the Group to continue to achieve high growth and high shareholder returns in parallel in the future, and sustainable management which contribute to construct the prosperous society, are as follows.

a) Strengthen and expansion of revenue bases

Although sales continue to show steady growth for both media and solution businesses, the Group recognizes that further strengthening of the revenue base is a management issue. In its media business, the Group seeks to create revenue opportunities by utilizing advertising and promoting collaboration with external partners, and increase revenue by expanding recognition of premium paid services. In its solution business, the Group started to provide system solutions in addition to existing information solutions for financial institutions, and also started to provide solutions that contribute to asset building for individuals. The Group will promote the sound development of the financial market, expand both the scale and scope of business, and strengthen revenue base, which is less influence of the market conditions and other facts.

b) Improving quality of services provided and information management

The Group's services are mainly provided through internet. The Group recognizes maintenance and improvement of service quality is essential that stable operation of those system, and providing an environment that enables users to use it anytime and anywhere with no stress, appropriate management of various information assets including user information, and the quickness, completeness, and accuracy of the content provided. To address these issues, the Group pursue technological development by continuing to invest in system development and training of engineers in response to technological innovation as well as parallel invest in maintenance and improvement of information management to maintain and improve the quality of risk management.

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c) Optimal allocation and efficient operation of management resources

The Group conducts cross-organization and utilizes a centralized management system to leverage its limited management resource, in addition to secure staffing along with the business expansion. As a result, there may be situations that can negatively affect its business operations in case some failure in organization management. The Group recognizes the challenge to deal with the various types of business risks under limited management resources. To cope with these challenges, the Group establishes and maintains its internal rules and regulations to seek optimal allocation of management resources and improve operational efficiency.

d) Development of HR

To achieve self-sustained growth, the Group recognizes the importance of recruiting and retaining talented personnel who are sympathetic to our philosophy and highly motivated, as well as the development of such talented personnel. To this end, we will continue to promote the creation of an environment in which employees can work with high motivation, such as the establishment of diverse working styles and the enhancement of welfare and in-house education systems.

e) Strengthening governance and internal control systems

The Group recognizes there needs to be a balance between business execution and governance, and to improve its internal governance structure to properly identify control management risks appropriately in order to achieve sustainable growth. As such, the Group will put efforts into improve its reporting system to outside directors and members of the Audit and Supervisory Committee, promote effective three-way audits by the Audit and Supervisory Committee, the Internal Auditor and the Accounting Auditor. At the same time, we will raise awareness among individuals through compliance training for directors and employees, in addition to conduct periodic audits by the Internal Auditor.

f) Strengthen ESG initiatives

The Group recognizes that the continuous approach and strengthening of ESG initiatives is a management issues that must be addressed in order to achieve sustainable growth. The Company established a Sustainable Committee to determine basic policies and measures for sustainable management including ESG issues. In terms of the environment, the Company expressed support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and implement initiatives such as utilizing the carbon offset system, and will continue to strengthen these efforts in relation to ESG initiatives.

(5) Main Business (as of March 31, 2022)

Business segment	Business
Media	Media service: Operates “MINKABU” an asset building information media which provides comprehensive information on stocks and various other financial instruments, “Kabutan” and “Kabutan U.S. stock” a stock information specialized media. In addition to operate free web site, the Company also offers premium services of subscription type.
Solution	Solution services: In addition to the various software which automatically generates content, etc.using AI based on know-how cultivated in Media business, and the information solutions that process crowd input data collected on the site, the Company newly provides the system solutions. In addition, the Company offer information related solutions which utilize AI and crowd solutions and B2B services which provides financial information content, for internal use at financial institutions and corporations, and solution services to improve the operational efficiency for REIT operators, asset management companies, securities companies and banks.

(6) Main Office (as of March 31, 2022)

a) The Company

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

b) Subsidiaries

Prop Tech plus Inc.	Chiyoda-ku, Tokyo, JAPAN
Robot Fund Co., Ltd.	Chiyoda-ku, Tokyo, JAPAN
MINKABU ASSET PARTNERS, Inc.	Chiyoda-ku, Tokyo, JAPAN

(7) Employees (as of March 31, 2022)

a) Status of Employees of the Corporate Group

Business Segment	Number of employees	Increase from the end of the previous consolidated fiscal year
Media	29 (16)	+3 (+6)
Solution	130 (14)	+15 (+2)
Corporate	25 (1)	+3 (+1)
Total	184 (31)	+21 (+9)

Note:

The number of temporary employees (including part-timers, part-timers, and temporary employees) is shown in parentheses with the average number of employees per year as an external number.

b) Status of the Company's Employees

Number of employees	YoY Changes	Average Age	Average length of employment
114 (19)	+19 (+9)	41.5 years old	4.9 years

Note:

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

(8) Borrowings outstanding (as of March 31, 2022)

Borrower	Borrowings outstanding (Thousand yen)
MUFG Bank, Limited	451,875
Resona Bank, Limited	282,044
Sumitomo Mitsui Banking Corporation	262,100
Mizuho Bank, Limited	260,000
Japan Finance Corporation	200,000

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

Total amount of commitment line agreement and overdraft limit 1,500 million yen
Executed amount None

(9) Other important matters concerning the current state of the Group

For the purpose to enter the solution business to companies promote Web3 that a network based on decentralized blockchain technology, on April 11, 2022, the Company entered into an investment agreement with BANQ Inc. with respect to BANQ's incorporation-type company split of its NFT division and the Company acquires majority of the total voting rights of shares issued by new company, WEB3 WALLET, Inc. through the underwriting of the third-party allotment of

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new shares. Thereby, on May 1, 2022, the Company acquired 1,050 shares (51.2% of voting rights) of WEB3 WALLET, Inc. and renamed to MINKABU WEB3 WALLET, Inc.

The details of this matter are described in "Significant subsequent events" in the notes to the consolidated financial statements.

2. Business Overview

(1) Shares (as of March 31, 2022)

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

b) Total Number of shares outstanding 14,907,700

Note:

1. Through a third-party allotment with a payment date of May 31, 2021, the total number of shares issued and outstanding increased by 1,080,100 shares.
2. As a result of the exercise of stock acquisition rights, the total number of shares issued and outstanding increased by 75,300 shares.

c) Number of shareholders 8,895

d) Major shareholders (top 10)

Name of shareholder	Number of shares owned	Ownership (%)
Custody Bank of Japan, Ltd. (trust account)	1,856,300	12.45%
The Master Trust Bank of Japan, Ltd. (trust account)	1,560,800	10.47%
Ken Uryu	1,245,000	8.35%
Sony Network Communications Inc.	980,300	6.58%
FinTech Business Innovation ILP.	646,800	4.34%
QUICK Corp.	617,200	4.14%
Nikkei Inc. (political investment account)	462,900	3.11%
Shiko Otsuka	404,000	2.71%
Custody Bank of Japan, Ltd. (security investment trust account 9)	378,200	2.54%
Ryutaro Takada	288,000	1.93%

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

(2) Strategic shareholdings

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

a) Policy of strategic shareholdings

For the purpose of expanding business scope and scale, and from the perspective of strengthening relationships in business operations and business transactions, with strategically important collaborations with high synergy effects, the Company holds shares when it is judged to contribute to the sustainable growth and enhancement of corporate value of the Company in consideration of significance and economic rationality of the holding. The Company does not have shares held crossly meaning that no company of which shares the Company holds, has shares in the Company, and vice versa.

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

The total amount recorded on the balance sheet at the end of the current fiscal year and ratio to total net asset are as follows.

Total net assets (a)	7,820,758*
Total amount recorded on the balance sheet (b)	1,061,623*
Ratio (b/a)	13.57%
Number of companies which the Company owned shares (unlisted shares)	14
Number of companies which the Company owned shares (shares other than unlisted shares)	2

*Amounts have been rounded down to the nearest thousand yen. The number of shares increased by 6 stocks in the current fiscal year, and the total acquisition cost related to the increase in the number of shares was 515,540 thousand yen. The reason for the increase is due to the capital and business alliance.

b) Criteria of exercising the voting rights for strategic shareholdings

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

(3) Board Members

a) Directors (as of March 31, 2022)

Position	Name	Assignments and major concurrent positions
Representative Director & CEO	Ken Uryu	AlpacaJapan Co.,Ltd. Director (part-time)
Senior Executive Vice President & CFO	Ryutaro Takada	Prop Tech plus Inc. Director (part-time) Robot Fund Co., Ltd. Director (part-time)
Senior Executive Vice President & COO	Masakatsu Saito	Japan Association of New Economy Executive Officer MINKABU ASSET PARTNERS, Inc. Representative Director
Director	Masayuki Ban	Robot Fund Co., Ltd. Director (part-time)
Director	Kiyoshi Noma	QUICK Corp. Senior Managing Director
Director (Audit & Supervisory Committee member)	Shinya Hamano	Prop Tech plus Inc. Auditor (part-time) Robot Fund Co., Ltd. Auditor (part-time)
Director (Audit & Supervisory Committee member)	Shozo Ishibashi	Ishibashi Tanzan Memorial Foundation Representative Director Kurimoto Educational Institute Director Keizai Club General Incorporated Association Director EDION Corporation Outside Director
Director (Audit & Supervisory Committee member)	Sadahiko Yoshimura	WACUL INC. Director and full-time audit committee member

Note:

- Mr. Shinya Hamano, Mr. Shozo Ishibashi and Mr. Sadahiko Yoshimura are outside directors as defined in Article 2, Item 15 of the Companies Act.
- The structure of the Audit and Supervisory Committee of the Company is as follows.
Commissioner: Shinya Hamano, Commissioner: Shozo Ishibashi, Commissioner: Sadahiko Yoshimura
Mr. Shinya Hamano is a full-time member of the Audit and Supervisory Committee. The reason for selecting full-time Audit and Supervisory Committee members is that we believe that they will enable us to conduct effective audits.
- Mr. Sadahiko Yoshimura, Director (Audit and Supervisory Committee), is a certified public accountant and has considerable knowledge of finance and accounting.
- Mr. Ken Uryu, Representative Director & CEO, has been appointed as a director of MINKABU WEB3 WALLET, Inc. on May 1, 2022. MINKABU WEB3 WALLET, Inc is a consolidated subsidiary of the Company.
- Senior Executive Vice President & CFO Ryutaro Takada, retired from the position of director (part-

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time) of Prop Tech plus Inc. and Robot Fund Co., Ltd. on March 31, 2022. Prop Tech plus Inc. and Robot Fund Co., Ltd. are consolidated subsidiaries of the Company.

6. Mr. Masakatsu Saito, Senior Executive Vice President & COO, has been appointed as an executive officer of Japan Association of New Economy on June 14, 2021.
7. Mr. Masakatsu Saito, Senior Executive Vice President & COO, has been appointed as a representative director of MINKABU ASSET PARTNERS, Inc. on September 1, 2021. MINKABU ASSET PARTNERS, Inc. is a consolidated subsidiary of the Company.
8. Mr. Masakatsu Saito, Senior Executive Vice President & COO, has been appointed as a Director (part-time) of Prop Tech plus, Inc. on April 14, 2022.
9. Mr. Masakatsu Saito, Senior Executive Vice President & COO, has been appointed as a Director (part-time) of Japan Digital Space Economic Association on April 15, 2022.
10. Mr. Masakatsu Saito, Senior Executive Vice President & COO, has been appointed as a Chairman of the board & CEO of MINKABU WEB3 WALLET, Inc. on May 1, 2022.
11. The Company has designated all of its outside directors as independent directors in accordance with the rules of the Tokyo Stock Exchange, and has notified the Tokyo Stock Exchange of this designation.
12. Representative Director & CEO Ken Uryu, Senior Executive Vice President & CFO Ryutaro Takada, Senior Executive Vice President & COO Masakatsu Saito and Director Masayuki Ban are concurrently serving as Executive Operating Officers of the Company.

b) Summary of agreement on limitation of liability

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

c) Summary of contents of liability insurance policy for directors and officers

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

d) Total amount of compensation for directors

i) Total amount of compensation for directors for this fiscal year

	Number of Directors paid	Compensation (Thousand yen)
Director (excluding Audit and Supervisory Committee member) (outside director)	5 (1)	175,639,119,298 (2,700)
Director (Audit and Supervisory Committee member) (outside director)	3 (3)	22,740 (22,740)
Total (outside director)	8 (4)	198,379 (25,440)

Note:

1. At the extraordinary general meeting of shareholders held on September 1, 2016, it was resolved that the maximum annual remuneration for directors (excluding Audit and Supervisory Committee members) is ¥200 million and the maximum annual remuneration for directors (Audit and Supervisory Committee members) is ¥50 million. The number of Directors (excluding directors who are Audit and Supervisory Committee Members) as of the end of that General Shareholders Meeting was three (3), Directors who were members of the Audit and Supervisory Committee was four (4).
2. The above total amount of remuneration, etc. includes the company's share of the defined contribution pension plan.

ii) Retirement benefit for directors paid in this Fiscal Year

Not applicable.

iii) Amount of Compensation for Outside Directors provided from Parent Company or Subsidiaries

Not applicable.

iv) Basic Policy on determining the details of remuneration for Directors

The Company resolved the determination policy related to individual remuneration for Directors at the Meeting of the Board of Directors held on February 12, 2021.

The remuneration for directors, only basic remuneration as fixed amount is paid under the current system,

The remuneration for directors, only basic remuneration as fixed amount is paid under the current system, based on the basic policy that the individual remuneration should be at an appropriate level with the responsibilities of each position and the incentive for continuous improvement of corporate value. The policy is considered a flexible remuneration system including stock-based compensation, depending on future circumstances.

The amount of basic remuneration (monetary remuneration) shall be fixed monthly amount and shall be determined by Compensation Committee delegated by the Board of Directors. Compensation Committee is a voluntary established committee including outside directors, and determine individual compensation comprehensively taking account into the position, responsibilities, business performance and value of shareholders, contribution on the enhancement of corporate value with sustainability consideration, and the level of other companies.

v) Method of determining each individual director's remuneration

In order to ensure fairness, objectivity, and transparency in the remuneration policy, allocation and operation, the voluntary established Compensation Committee decides the details of individual remuneration of all directors under delegation from the Board of Directors. The members of the Compensation Committee as well as the chairman of the Compensation Committee are appointed by resolution of the Board of Directors, and half or more of the members are independent outside directors.

(v) Matters concerning outside directors

i) Relationship between significant officers concurrently held and the company

- Mr. Kiyoshi Noma, who is a director, is also serves as a Senior Managing Director of the QUICK, Corp. There is business relationship of capital and business alliance between QUICK Corp. and the Company.
- Mr. Shinya Hamano, who is a director (member of the Audit and Supervisory Committee), is also serves as an Audit & Supervisory Board Member of the Group companies, but he does not have any other material concurrent positions.
- Mr. Shozo Ishibashi, who is a director (member of the Audit and Supervisory Committee), is a representative director of the Tanzan Ishibashi Memorial Foundation, a director of Kurimoto Gakuen, a director of Keizai Club, a general incorporated association, and an outside director of EDION Corporation. There is no capitalrelationship or business relationship between the Company and the companies in which he holds positions.
- Mr. Sadahiko Yoshimura, a director (Audit and Supervisory Committee member), is a director and full-time Audit and Supervisory Committee member of WACUL Corporation. There is no capital relationship or business relationship between the Company and the companies in which he holds positions.

ii) Major Activities

Position	Name	Attendance of the meetings
Director	Kiyoshi Noma	He attended all 14 meetings of the the Board of Directors after he appointed on June 24, 2021. At the meetings of the Board of Directors in which he has attended, has held senior positions at operating companies, and based on his extensive experience and high level of knowledge as a content creator and manager, and has made comments as appropriate from a wide range of perspectives, not only from a business perspective but also from non-financial information.
Director (Audit and Supervisory Committee member)	Shinya Hamano	He attended all 19 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he

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	has attended, he has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge as a former member of the senior management team of an operating company. In addition, as a member of the Nominating Committee, he has made comments as appropriate in connection with decisions on candidates for Directors.
Director (Audit and Supervisory Committee member) Shozo Ishibashi	The Company attended all 19 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, including listed companies, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge. In addition, as chairman of the Compensation Committee and the Nominating Committee, he has made comments at each committee as appropriate in connection with decisions on candidates for Directors and director compensation.
Director (Audit and Supervisory Committee member) Sadahiko Yoshimura	The Company attended all 19 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge. In addition, as a member of the Compensation Committee, he has made comments as appropriate in connection with decisions on director compensation.

Note:

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

(4) Accounting Auditor

a) Designation of Accounting Auditor Ernst & Young ShinNihon LLC

b) Amount of remuneration

	Amount of remuneration
Accounting Auditor's Compensation for the fiscal year ended March 31, 2022	YEN 35 million
Total of cash and other profits payable by the Company to Accounting Auditor	YEN 35 million

Note:

1. In the audit contract between the Company and the accounting auditor, the amount of remuneration, etc. for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act are not clearly separated and cannot be practically separated, so the amount of remuneration, etc. for the accounting auditor for the fiscal year under review is the total of these amounts.
2. The Audit and Supervisory Committee decided to agree on the amount of remuneration, etc. for the

accounting auditor after conducting the necessary verification of whether the content of the audit plan, the status of the performance of the accounting auditor's duties and the basis for calculating the estimated remuneration of the accounting auditor are appropriate.

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

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

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

3. System to ensure proper business execution and Activities

(1) System to ensure proper business execution

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

- a) System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation
 - i) In order to ensure compliance with laws and regulations, corporate ethics, and internal rules in business activities, we have established a "Basic Compliance Policy" that sets out the basic matters to be complied with, and make them known to the officers and employees of our group.
 - ii) The Company shall establish a Compliance Committee to ensure that specific matters to be complied with in the execution of duties, such as laws and regulations, the Articles of Incorporation, internal regulations, and the Code of Conduct, are disseminated and firmly established, and a system to prevent compliance violations shall be established.
 - iii) Periodically conduct internal audits to ensure that the execution of their respective duties is in compliance with laws and regulations and the Articles of Incorporation.
 - iv) Respond to the Whistleblower Protection Act in accordance with the "Whistleblower Handling Rules," and strengthen the consultation function for compliance by utilizing the reporting window.
- b) System for the storage and management of information related to the execution of duties by Directors

The Company shall properly record information related to the execution of duties by directors, including records related to decision-making at important meetings including the Board of Directors and documents approved by each director in accordance with the "Rules on Administrative Authority," and shall retain such information for a specified period in accordance with laws and regulations and the "Rules on Document Management" and "Rules for the Prevention of Correction and Deletion of Electronic Transaction Data."
- c) Risk of loss ("Risk") Rules and other systems related to the management of Risk
 - i) Established the Sustainability Committee to identify and select risks at the overall company management level and formulate measures to address them.
 - ii) The Company shall respond to various risks that have a significant impact on management by preparing appropriate countermeasures in advance, etc., depending on the size of the risk and the likelihood of its occurrence, in order to minimize the risk.
 - iii) For the purpose of preventing risks and minimizing corporate losses, the Company shall establish "Risk Management Regulations" and establish a risk management system in accordance with these regulations. In the event of an unforeseen situation, the Company shall establish a task force headed by the President and Representative Director to take prompt action and put in place a system to prevent and minimize the spread of damage.

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

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

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

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

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

- i) System to eliminate anti-social forces
 - i) The Company and its subsidiaries shall work to block relations with antisocial forces in accordance with the "Basic Compliance Policy".
 - ii) The Company shall cooperate sufficiently with law enforcement agencies, the Federation for the Prevention of Special Measures against Violence, legal advisors, and other

external specialized organizations to share information and develop a system to eliminate antisocial forces.

(2) Corporate governance activities during this Fiscal Year

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

a) Execution of Duties by Directors

During the fiscal year under review, the Board of Directors met 19 times to make management decisions. In addition, we have established internal regulations such as the regulations of the Board of Directors to ensure that the directors act in accordance with laws and regulations and the Articles of Incorporation.

b) Execution of duties by Audit and Supervisory Committee members

During the fiscal year under review, the Audit and Supervisory Committee met 14 times, and the Audit and Supervisory Committee members exchanged opinions with each other. In addition to attending important meetings, including those of the Board of Directors, the Audit and Supervisory Committee members audit the execution of duties by directors by exchanging information with the accounting auditor and those in charge of internal audit as appropriate.

c) Risk management and compliance

In order to mitigate and prevent risks, the Company is working to strengthen its risk management system and ensure compliance through the establishment of risk management regulations and meetings of the Compliance Committee.

(3) Basic Items Concerning Corporate Governance

The basic concept of corporate governance of the Company is that it is essential to establish sound management, legal compliance, and transparency in order to build relationships of trust with all stakeholders and achieve sustainable growth and development. In order to achieve these goals, we will make prompt and appropriate management decisions, exercise independent auditing functions, establish an effective internal control system, and promote timely and appropriate information disclosure, while ensuring that all officers and employees are aware of their social responsibilities.

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

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

In addition, with regard to the consideration of appointing female directors and outside directors who are not the members of the Audit and Supervisory Committee with diversity of the Board of Directors and the balance of knowledge and experience, which was recognized as a medium-long term issue in the previous fiscal year and last fiscal year, the Company expected to strengthen the diversity and the number of outside directors subject to approvals at this Meeting. Mr. Makoto Sumita, former chairman of the board TDK Corporation and Ms. Noriko Maki, a former newscaster in TV TOKYO Corporations will be appointed as outside directors. The Company confirmed that further strengthening of its governance structure is an ongoing issue for consideration with a view to optimizing the overall balance of the Company.

On the other hand, in anticipation of the acceleration of digitalization and the rapid expansion and diversification of the Group's business, there were also comments on the importance of ensuring mobility to secure business opportunities while maintaining and strengthening a governance system centered on risk management as well as the importance of strengthening deliberations on medium-long term growth strategies as last fiscal year. Based on these opinions, the Company's Board of Directors has confirmed that it is effective to promote initiatives for digital transformation and to examine how the Board of Directors should operate in order to promote agenda setting and efficient deliberations through appropriate delegation from the Board of Directors to the management team.

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

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4. Basic Policy on Control of the Company

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

5. Policy on the determination of dividends from surplus, etc.

The Company considers the return of profits to shareholders to be one of its most important management issues. Recognizing that the Company is in a period of continued growth and so top priority is to increase our corporate value by enhancing and using its internal reserves for the investment of growth, the Company is also to provide stable dividends as one of the measures to return profits to shareholders, to aim of achieving both growth and profit. Based on this policy, the Company achieved record profits in the fiscal year, despite continues uncertainty in the market environment. In addition, the Company aims for continuous profitable growth in the next fiscal year, the Company increases an ordinary dividend per share by 6 yen from the previous fiscal year to 24 yen, as announced on May 14, 2021, in order to return profits to our shareholders who support us over medium term.. The dividend for the fiscal year ending March 31, 2023 will be determined in consideration of business performance trends and the progress of investments, but at this point the Company plans to maintain the ordinary dividend at 24 yen per share, the same as this fiscal year. The Company aims to enhance the corporate value by achieving sustainable growth in business performance which is the top priority, and shareholder returns in parallel.

Consolidated Balance Sheets

As of March 31, 2022

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		LIABILITIES	
Current Assets:	4,825,732	Current liabilities:	942,162
Cash and cash equivalents	3,526,165	Accounts payables	383,890
Account receivables	1,127,845	Current portion of long-term borrowings	159,816
Work in process	15,218	Income tax payable	158,368
Supplies	4,338	Other allowances	21,610
Others	156,836	Others	218,476
Allowance for doubtful accounts	(4,672)	Fixed liabilities:	1,372,170
Fixed Asset:	4,932,104	Long-term borrowings	1,296,203
Tangible Asset	86,771	Deferred tax liabilities	75,967
Facilities attached to buildings	28,762	Total liabilities	2,314,332
Accumulated Depreciation	(1,382)	NET ASSETS	
Facilities attached to buildings (Net)	27,379	Shareholders' equity	7,302,741
Equipment and fixtures	176,428	Share capital	3,514,020
Accumulated Depreciation	(117,187)	Capital surplus	4,533,849
Equipment and fixtures (Net)	59,241	Retained earnings:	(745,034)
Construction in progress	150	Treasury shares	(93)
Intangible fixed assets:	3,444,576	Accumulated other comprehensive income	39,841
Goodwill	931,751	Valuation difference on available-for-sale securities	39,841
Client assets	432,086	Non-controlling interests	100,922
Technology assets	67,647	Total net assets	7,443,504
Software	1,592,391	Total liabilities and equity	9,757,836
Software in progress	387,280		
Others	33,419		
Investments and other assets:	1,400,756		
Investments in securities	1,107,015		
Guarantee deposits	130,472		
Deferred tax assets	161,411		
Others	6,479		
Allowance for doubtful accounts	(4,621)		
Total assets	9,757,836		

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

Consolidated Statements of Income

From April 1, 2021 to March 31, 2022

(Thousands of yen)

Accounts	Amount	
Net sales		5,482,410
Cost of sales		2,908,096
Gross profit		2,574,314
Selling, general and administrative expenses		1,699,630
Operating profit		874,684
Non-operating income		
Interest income	35	
Dividend income	905	
Gain on investments in investment partnerships	538	
Reversal of allowance for doubtful accounts	3	
Others	119	1,601
Non-operating expenses		
Interest expense	10,864	
Guarantee commission	6,698	
Financing expenses	25,729	
Foreign exchange losses	221	
Others	4,157	47,670
Ordinary income		828,614
Extraordinary profit		
Gain on sales of investment securities	1,350	1,350
Extraordinary loss		
Loss on retirement of non-current assets	779	
Impairment losses	140	920
Income before income taxes		829,044
Income taxes (Corporate, residential, enterprise taxes)	166,003	
Income taxes - refund	(140)	
Income taxes - deferred	(60,833)	105,029
Net income		724,014
Net income attributable to noncontrolling interests		28,010
Net income attributable to owners of the parent		696,004

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

Balance Sheets

As of March 31, 2021

(Thousands of yen)

Accounts	Amount	Accounts	Amount
ASSETS		LIABILITIES	
Current assets:	3,805,448	Current liabilities:	811,968
Cash and cash equivalents	2,724,387	Accounts payables	360,836
Account receivables	930,752	Current portion of long-term debt	149,816
Work in process	6,043	Accrued expense	72,392
Supplies	4,338	Income tax payable	116,128
Prepaid expenses	135,726	Accrued business office taxes	2,632
Others	8,876	Accrued consumption taxes	37,893
Allowance for doubtful accounts	(4,676)	Deposit	24,813
Fixed Asset:	5,723,481	Deferred revenues	24,293
Tangible fixed asset:	78,373	Product warranty reserve	2,410
Facilities attached to buildings	28,762	Provision for shareholder benefits	19,200
Accumulated depreciation	(1,382)	Others	1,550
Equipment and fixtures	155,760	Fixed liabilities:	896,203
Accumulated depreciation	(104,916)	Long-term borrowings	896,203
Construction in progress	150	Total liabilities	1,708,171
Intangible fixed assets:	1,839,806	NET ASSETS	
Goodwill	23,505	Equity	7,780,916
Trademark	26,586	Capital stock	3,514,020
Client asset	140,536	Capital surplus	5,068,596
Technology assets	67,647	Capital reserve	2,714,020
Software	1,230,559	Other capital reserves	2,354,576
Software in progress	344,497	Retained earnings:	(801,605)
Others	6,472	Other retained earnings	(801,605)
Investments and other assets:	3,805,301	Retained earnings carried forward	(801,605)
Investments in securities	1,107,015	Treasury Shares	(93)
Investment in affiliates	2,404,915	Valuation and translation adjustments	39,841
Bankruptcy claims	4,621	Valuation difference on available-for-sale securities	39,841
Long-term prepaid expenses	1,626	Total net assets	7,820,758
Deferred tax assets	161,271	Total liabilities and equity	9,528,929
Guarantee deposits	130,472		
Allowance for doubtful accounts	(4,621)		
Total assets	9,528,929		

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

Statements of Income

From April 1, 2021 to March 31, 2022

(Thousands of yen)

Accounts	Amount	
Net sales		4,304,028
Cost of sales		2,148,653
Gross profit		2,155,374
Selling, general and administrative expenses		1,419,118
Operating profit		736,256
Non-operating income		
Interest income	28	
Dividend income	905	
Gain on investments in investment partnerships	538	
Exchange income	44	
Others	105	1,620
Non-operating expenses		
Interest expense	8,246	
Guarantee commission	6,698	
Stock issuance expenses	437	
Costs for the transfer of the office	3,720	
Financing expenses	25,729	44,831
Ordinary income		693,046
Extraordinary profit		
Gain on sales of investment securities	1,350	1,350
Extraordinary loss		
Loss on disposal of fixed assets	779	
Loss on impairment	140	920
Income before income taxes		693,476
Income taxes (Corporate, residential, enterprise taxes)	100,077	
Income tax-deferred	(69,575)	30,502
Net income		662,974

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

The Company received the Independent Auditor's Report and the Audit Report by the Audit and Supervisory Committee for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022) pursuant to the Companies Act of Japan. These are provided only in Japanese.

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