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February 14, 2023

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Listing: Growth Market, Tokyo (4436)  
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## **Determination of Basic Reorganization Policy**

Tokyo, Japan – MINKABU THE INFONOID, Inc., (hereinafter “Minkabu”, Chiyoda-ku, Representative: Ken Uryu, Founder and CEO/CFO) is pleased to announce today that our board of directors has resolved the basic policy regarding the future reorganization of our group at a meeting held today.

Since this is a corporate split in which a wholly-owned subsidiary succeeds to a business division and an absorption-type merger of a wholly-owned subsidiary, some disclosure items and details are omitted from this announcement.

### 1. The purpose of the reorganization

In an environment of continuing uncertainty, including the global economic downturn, soaring consumer prices, and the resulting decline in personal consumption activities, the digital advertising market is also expected to experience a slowdown in growth over the medium term. The effects of higher inflation and rising interest rates are also affecting giant global high-tech companies, which are experiencing a marked trend toward deteriorating business performance and restructuring through drastic cutbacks in personnel. In the financial industry, brokers and other financial companies are experiencing deteriorating business performance due to a decline in the willingness of individual investors to invest due to the global market slump, concerns about economic recession, and the effects of unstable market conditions.

On the other hand, on November 28, 2022, the Council of New Form of Capitalism Realization established in the Cabinet Secretariat compiled a concrete plan for the "Asset Income Doubling Plan," which is expected to make significant progress in household asset formation in Japan, along with the expansion of new asset building layers, mainly through the permanent and drastic expansion of the small investment tax exemption (NISA) system that will encourage the flow from savings to investment. At the same time, the securities and financial industry is expected to move toward eliminating commissions for trading Japanese stocks, diversifying earning power to accommodate this change, and further reducing costs and increasing the efficiency of system

investment and operation. Furthermore, the shift to the so-called "Web3" decentralized Internet using blockchain technology is attracting attention, and a wide range of new internet services are expected to develop in various fields in the future.

Under these circumstances, on December 28, 2022, the Company made livedoor Co., Ltd. (hereinafter "livedoor") a wholly owned subsidiary. livedoor is an online media service that combines UGC (User Generated Content) media centered on "livedoor Blog" and PGC (Professionally Generated Content) media centered on "livedoor NEWS", "Peachy" and "Kstyle". As a result of the merger, the Company's media business became a comprehensive internet media which has 90 million user base and more than 30 million SNS followers, including the sports-related media and gourmet-related media that were announced today. We believe that the enormous traffic and information spreading power will not only have the effect of breaking away from a business model that depends mainly on the financial market and web search engine optimization but could also serve as a business growth platform that creates new added value for the future as a comprehensive media business integrating UGC and PGC in the era of Web3.

At the same time, in the solutions business, in addition to information solution services, we are strengthening our efforts in system solution services for the DX of financial companies. In the current fiscal year, we began by providing consulting services to online securities brokers and banks on the construction of systems utilizing APIs (Application Programming Interface) and then moved on to the development of marketplaces linked to APIs, marketing support for such marketplaces, and digital payment infrastructure systems, and blockchain-based NFT solutions in conjunction with our subsidiary, MINKABU Web3 Wallet Inc. and other services etc., expanding the scope of our system solution services to non-financial area. In December 2022, our subsidiary Minkabu Asset Partners, Inc. completed its registration as a financial instruments intermediary service provider, and in the future, under the "Asset Income Doubling Plan," which is also a government policy, by building partnerships with more than 400 financial institutions that was built up through the information media business and the financial information solution business for the asset building class and investors, the Group plans to provide financial services to its customer base of 90 million individual users, which includes livedoor Co., Ltd. etc.

In the media business, the Group is developing a comprehensive media business that integrates UGC and PGC by utilizing livedoor's user base, its enormous traffic and information spreading power, and its Web3 technology, which creates new added value. In the solutions business, in addition to the further evolution of information solution services and system solution services, we have positioned the development of new financial information solutions to contribute to the expansion of the asset building class as our basic growth strategy for the future.

As mentioned above, our media business is moving away from a business environment that is dependent on specific markets. We will shift to a business structure that enables rapid and flexible allocation of resources and streamlining of operations in response to changes in the market environment, while at the same time avoiding the opportunity losses to the greatest extent possible, in order to stabilize performance and achieve sustainable growth. In addition, the Group has individuals with experience as presidents of listed companies or similar companies in the finance and internet media fields, such as Masakatsu Saito, current Senior Executive Vice President & COO of the Company in the financial solutions field, and Naoto Miyamoto, Representative Director and CEO of livedoor Co., Ltd. in the Internet media field. The Group is now restructuring its group structure, integrating organizations and delegating authority to enhance mobility for the promotion of the Group's business

strategies.

(1) Media business

The Company's media business division will be split off by means of a corporate split (absorption-type split) and transferred to livedoor, a wholly owned subsidiary of the Company, and ALIS Co., Ltd., a wholly-owned subsidiary of the Company, will be integrated into livedoor through an absorption-type merger for the purpose of promoting the Web3ization of the Group's media business.

(2) Solution business

In the solutions business, our basic policy is to proceed with the reorganization of the Group, centered on the new preparatory company to be established in the future.

2. The summary of the reorganization

(1) The transfer of the media business division to livedoor through a company split (absorption-type company split) (hereinafter referred to as the "the Company Split").

i) The schedule of the Company Split

Date of the resolution of the board of directors on the basic policy of the Company Split (the Company)

February 14, 2023

Date of the board of directors' resolution and approval (livedoor)

February 14, 2023

Date of conclusion of the absorption-type company split

February 14, 2023

The effective date of the absorption-type company split

March 31, 2023 (Planned)

(Note) The Company Split will satisfy the requirements of Article 784, Paragraph 2 of the Companies Act and Article 796, Paragraph 2 of the Companies Act, respectively, and may be implemented without obtaining approval by a resolution of a general meeting of shareholders as a simplified absorption-type split in accordance with the said Paragraphs.

ii) The method of the Company Split

The Company Split is executed in the way that the Company is the split company and livedoor is the successor company.

iii) Details of the allotment in relation to the Company Split

Since the Company Split is a tax-eligible split with no consideration between the Company and its wholly-owned subsidiary, there will be no allotment of shares or other assets as a result of the Company Split.

iv) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the Company Split

Not applicable

v) Increase/decrease of common stock as a result of the Company Split

There is no change in the common stock

vi) Rights and obligations to be succeeded to by the Succeeding Company

livedoor will succeed to the assets, liabilities, contractual status and other rights and obligations associated with the succeeded business, respectively.

vii) Prospect of the fulfillment of obligations

The Company and livedoor believe that there will be no problems in fulfilling their obligations after the Company Split.

viii) Outline of the companies involved in the Company Split

	Split company		Succession company
(1)Name	MINKABU THE INFONOID, Inc.		livedoor Co., Ltd.
(2)Location	1-8-10 Kudankita Chiyoda-ku, Tokyo		1-8-10 Kudankita Chiyoda-ku, Tokyo
(3)Representatives	President and CEO/CFO Ken Uryu		Representative Director and COO: Naoto Miyamoto
(4)Description of business	Media business/Solution business		Integrated media business
(5)Common Stock	3,514 mil yen		10,000 yen
(6) Date of incorporation	July 7, 2006		October 7, 2022
(7) Number of shares outstanding	14,970,700 shares		100 shares
(8)Balance sheet date	March		March
(9) Major shareholders and their rate of shareholding	Custody Bank of Japan, Ltd. (trust account) 12.45% The Master Trust Bank of Japan ,Ltd. (trust account) 10.47%		MINKABU THE INFONOID, Inc. 100%
(10) Financial position and operating results of the last fiscal year	Net assets	7,443 mil yen	livedoor Co., Ltd. was newly established on October 7, 2022
	Total assets	9,757 mil yen	
	Net assets per share	492.54 yen	
	Net sales	5,482 mil yen	
	Operating profit	874 mil yen	
	Ordinary profit	828 mil yen	
	Net income attributable to parent's shareholders	696 mil yen	
	Net income per share	47.26 yen	

ix) Outline of business to be split

- Description of the business division to be split: Media business
- Operating results of the business division to be split: Net sale for the fiscal year ended March 2022 is 2,353 million yen
- Items and amounts of assets and liabilities to be split: In principle, livedoor will succeed all assets, liabilities and other rights and obligations of the business division to be split, but the details will be determined by the effective date of the Company Split upon negotiation between the parties after the conclusion of the agreement.

x) Situation after the Company Split

There will be no change in the Company's and livedoor's names, locations, representative titles and names, business activities, common stock, or balance sheet date as a result of the Company Split.

(2) Merger of ALIS by livedoor (hereinafter referred to as the "the Merger").

i) The schedule of the Company Split

Date of the resolution of the board of directors on the basic policy of the Merger (livedoor)

February 14, 2023

Date of shareholder's resolution to approve merger (ALIS)

February 14, 2023

Date of conclusion of the merger

February 14, 2023

The effective date of the merger

April 1, 2023 (Planned)

ii) The method of the Company Split

In the Merger, livedoor will be the surviving company and ALIS will be the absorbed company.

iii) Details of the allotment in relation to the Merger

Since the Merger is an absorption-type merger between wholly owned subsidiaries of the Company, there will be no issuance of new shares, increase in capital or payment of merger subsidy

iv) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the Company Split

Not applicable

xi) Outline of the companies involved in the Merger

	Surviving company in the Merger	Absorbed company in the Merger	
(1)Name	livedoor Co., Ltd.	ALIS Co., Ltd.	
(2)Location	1-8-10 Kudankita Chiyoda-ku, Tokyo	1-8-10 Kudankita Chiyoda-ku, Tokyo	
(3)Representatives	Representative Director and COO: Naoto Miyamoto	Co-founder/CMO, Takashi Mizusawa Co-founder/CTO Sota Ishii	
(4) Description of business	Integrated media business	Blockchain media business	
(5)Common Stock	10,000 yen	1 million yen	
(6) Date of incorporation	October 7, 2022	April 8, 2016	
(7) Number of shares outstanding	100 shares	1,000 shares	
(8) Balance sheet date	March	March	
(9) Major shareholders and their rate of shareholding	MINKABU THE INFONOID, Inc. 100%	MINKABU THE INFONOID, Inc. 100%	
(10) Operating results and financial	Livedoor Co., Ltd. is newly established on October 7, 2022 and became a consolidated	Net assets	186 million yen
		Total assets	194 million yen

positions for the latest fiscal year	subsidiary on December 28, 2022	Net sales	8 million yen
		Operating loss	43 million yen
		Ordinary loss	17 million yen
		Net loss	17 million yen

(3) Preparatory company for reorganization of solutions business

i) Outline of preparatory company

(1) Trade name	Minkabu Solution Services Inc.
(2) Location	1-8-10 Kudankita Chiyoda-ku, Tokyo
(3) Representative	President : Masakatsu Saito
(4) Description of business	Information solution business
(5) Common stock	10 million yen (At the date of incorporation)
(6) Planned date of incorporation	April 1, 2023
(7) Planned number of shares to be issued	100 shares (At the date of incorporation)
(8) Balance sheet date	March
(9) Major shareholders and their rate of shareholding	MINKABU THE INFONOID, Inc. 100%

With regard to the reorganization of the solutions business, we plan to separately disclose a specific reorganization plan that includes all group companies, centered on a new preparatory company to be established in the future.

3. Forecast

Minkabu estimates the impact on the consolidated results for the fiscal year ending March 31, 2023 resulting from this acquisition will be minimal.

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