



# **FY2023 Q3 Financial Results**

**February 14, 2023**



## Disclaimer

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**+18.6% YoY in Sales**, promoting measures for sustainable growth  
 OP decreased due to an increase of fixed costs for upfront investments  
 and a deterioration in the advertisement market

(JPY in million)	FY2021	FY2022	FY2023	
	Q3	Q3	Q3	Changes
	(Consolidated)	(Consolidated)	(Consolidated)	
Net sales	2,754	3,614	4,285	+18.6%
Operating profit	389	409	167	-59.2%
OP margin	14.2%	11.3%	3.9%	-7.4pts
Ordinary profit	371	367	-113	—
Profit attributable to Parent Company	182	203	-234	—
EBITDA	759	897	740	-17.4%

## 01

FY2023 Q3 Financial Results  
earnings results

(JPY in million)	Media Business			Solution Business			SUBSIDIARIES			
	FY2022 Q3 (Consolidated)	FY2023 Q3 (Consolidated)	Increase And Decrease	FY2022 Q3 (Consolidated)	FY2023 Q3 (Consolidated)	Increase And Decrease	FY2022 Q3 (Consolidated)	FY2023 Q3 (Consolidated)	Increase And Decrease	
Net Sales	1,548	1,485	-62	2,079	2,832	753				
Cost of Sales	671	745	74	1,324	1,952	627				
Gross Profit	877	740	-137	755	880	125				
Gross Profit Margin	56.7%	49.8%	-6.8%	36.3%	31.1%	-5.2%				
							Gross Profit	1,629	1,604	-25
							SGA	1,220	1,437	217
							Operating Profit	409	167	-242
							Operating Profit Margin	11.3%	3.9%	-7.4%

(a)

(b)

(c)

**a. Decreased in revenue esp. in affiliate ads, increased in fixed costs (depreciation, cloud services, etc.)**

- Due to the change in the algorithm of search engines, we saw cannibalization in our sites (minkabu.co.jp and minkabu.jp) and a big drop in search ranking, resulting in the largely under-budget in the media business.
- In addition, the weak ads market condition and worsening financial institutions' performance compressed ads revenue.

**b. Increased in revenue for both SI and information solution business. Upfront investment was a burden in the information solution business due to delays in acquiring some projects**

- Upfront investments continued in software depreciation of new services such as US stocks solution, data fees for US stocks, license fees, and subcontractor costs. But the introduction of the services was slow due to the weak operating results of financial.
- Strong results in SI solutions could not cover the weak information solution since the sales mix deteriorated during the period due to lower gross profit margins compared to information-related solutions, resulting in a temporary decline in profit margins.

**c. Increased in expenses for enhanced ads for rebranding, headcount growth and activated sales activities to acquire future demand along with the lift of self-restraint for Covid-19**

## Significant increase in balance sheet size as a result of livedoor merger

(million yen)

	FY2023 Q2	FY2023 Q3	Diff
Current assets	4,306	4,964	658
Tangible fixed assets	107	113	7
Intangible fixed assets	3,753	8,217	4,464
Investment and other	1,444	3,532	2,088
Total assets	9,609	16,826	7,217
Current liabilities	748	1,694	946
Fixed liabilities	1,600	8,115	6,515
Net assets	7,262	7,017	-245
Liabilities and net assets	9,609	16,826	7,217

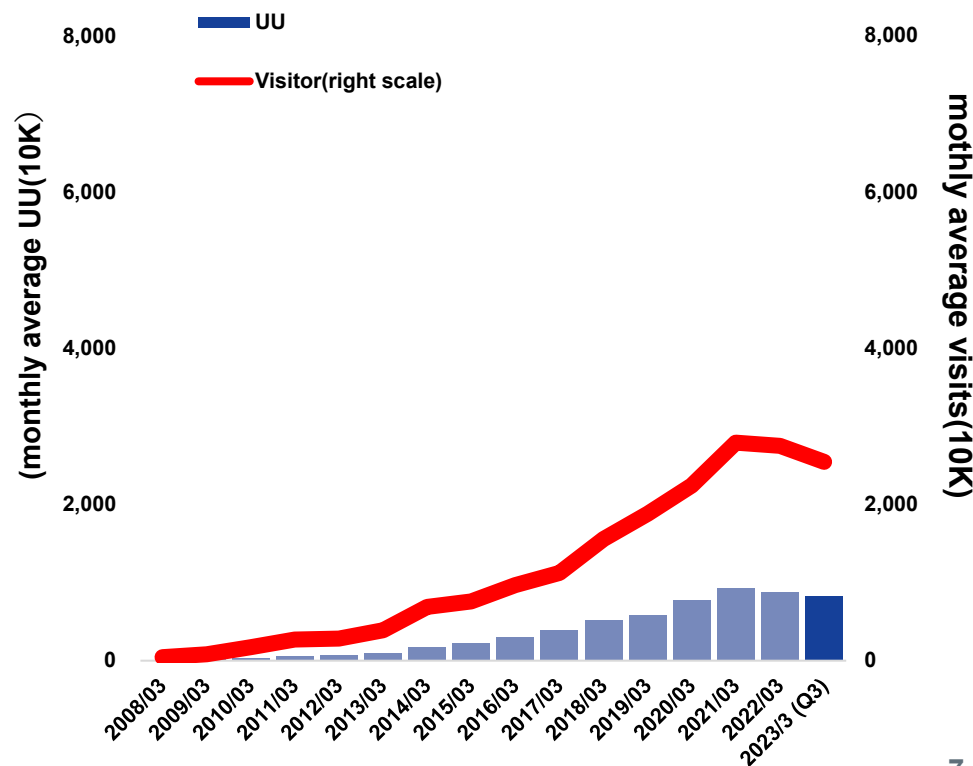
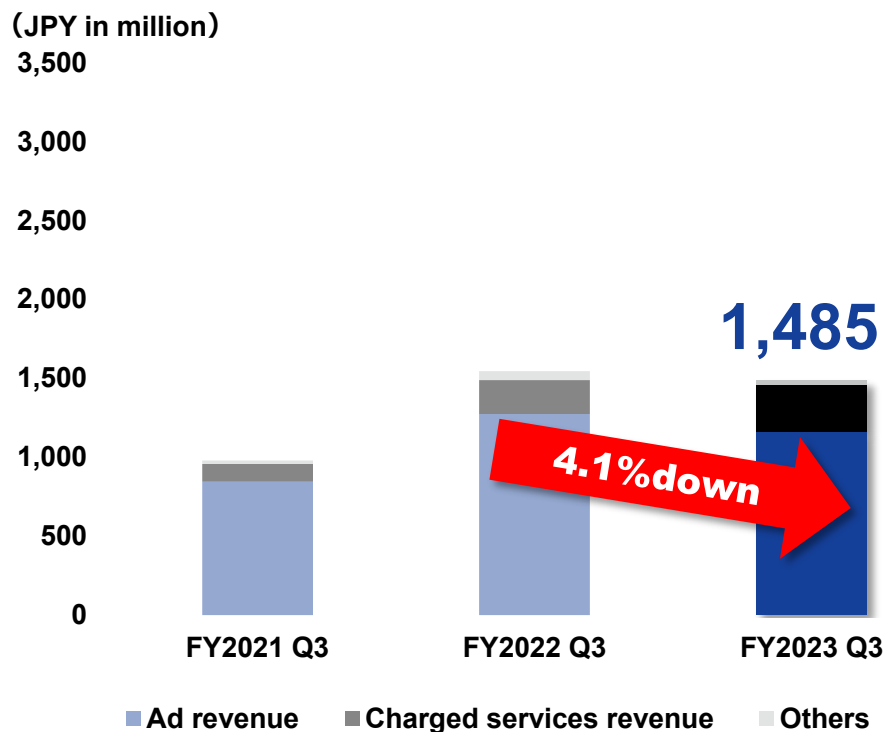
- ① Increase of goodwill by 4,429 million yen mainly due to the acquisition of livedoor, which is assumed to be amortized for 15-18 years
- ② 2,271 million yen of deferred tax assets derived from the tax effect of asset adjustment account of tax ineligible company split of livedoor
- ③ 6,748 million yen increase in long-term borrowings derived from the syndicated loan to fund livedoor merger

# MEDIA

## Advertising revenue decreased

due to the change in algorithm and the weak market condition

- Pure- and affiliate-ad revenue were affected by weak market conditions and the change of search engine algorithm, respectively.
- Subscription revenue increased steadily.
- User traffic went down due to weak market conditions, but as expected.

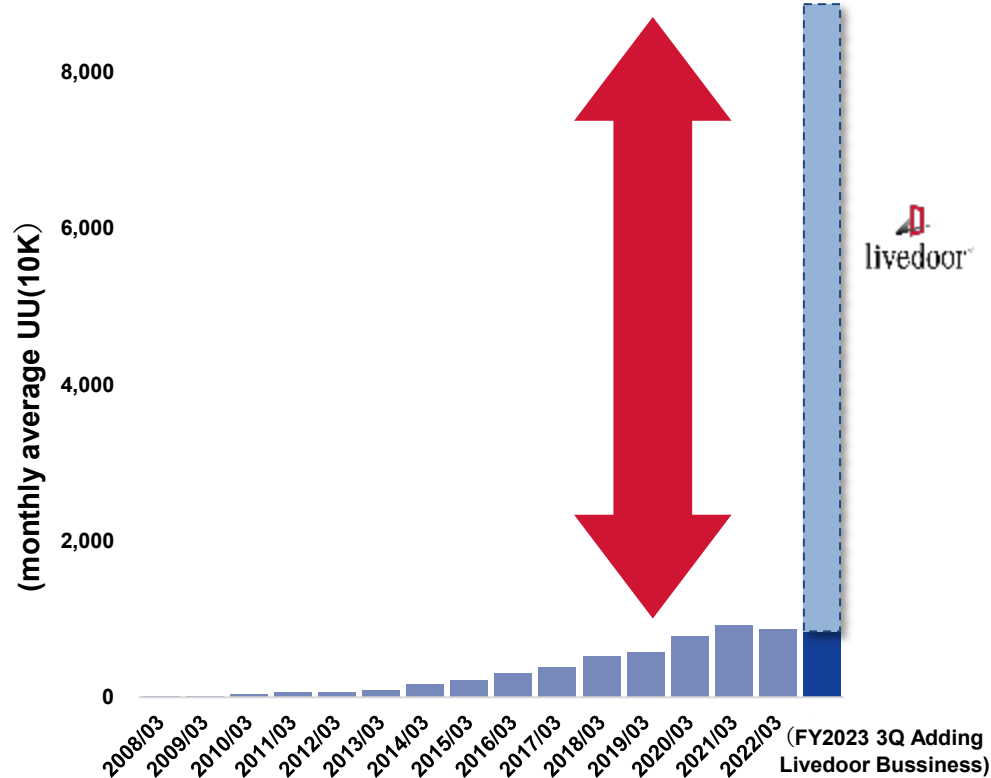
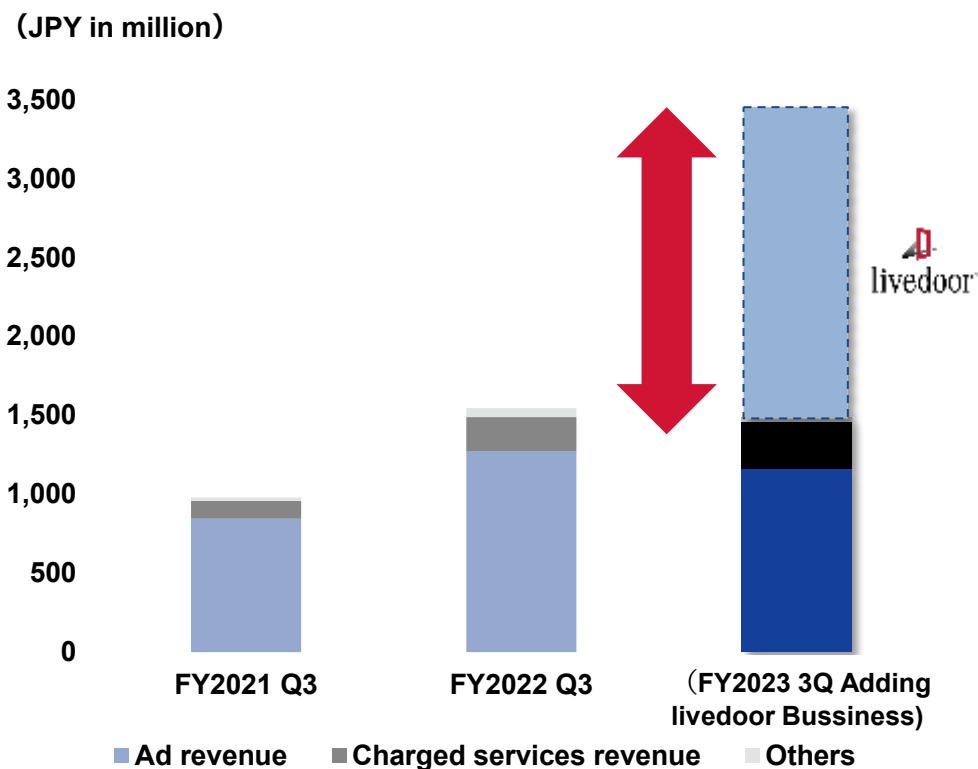


(Note) Figures related to livedoor results on the page are Minkabu's estimates.

(Reference information) media business with livedoor business

- Revenue of media business is expected to expand largely thanks to an advertising revenue increase on the back of enormous livedoor's website traffic

- Monthly UU is expected to reach 80 million, a ten times increase
- In addition to the strengthening of advertising revenue basis, aggressive intra-group induction and introducing our unique Web3 media by utilizing enormous traffic (under - mentioned)



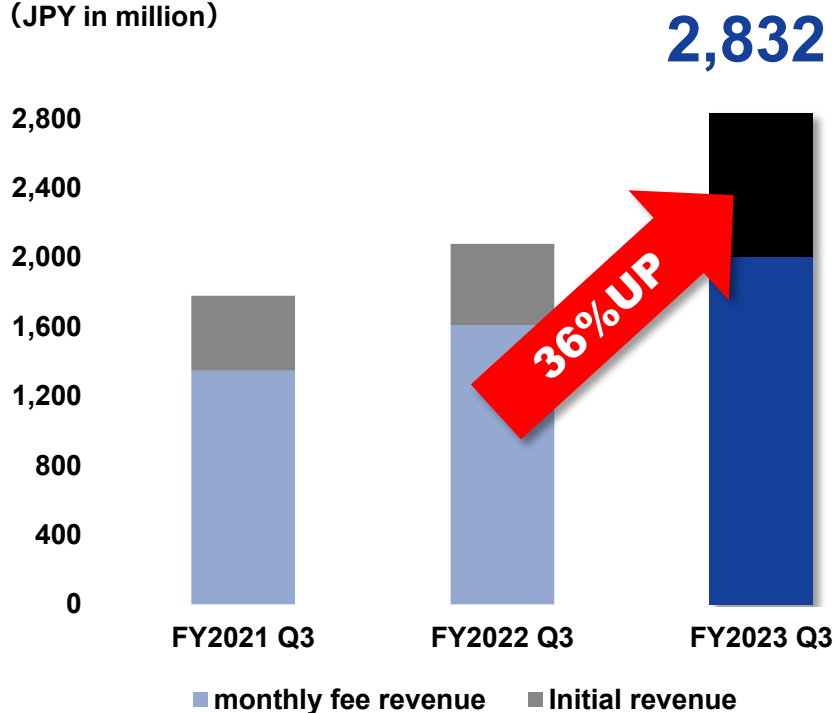


## SOLUTION

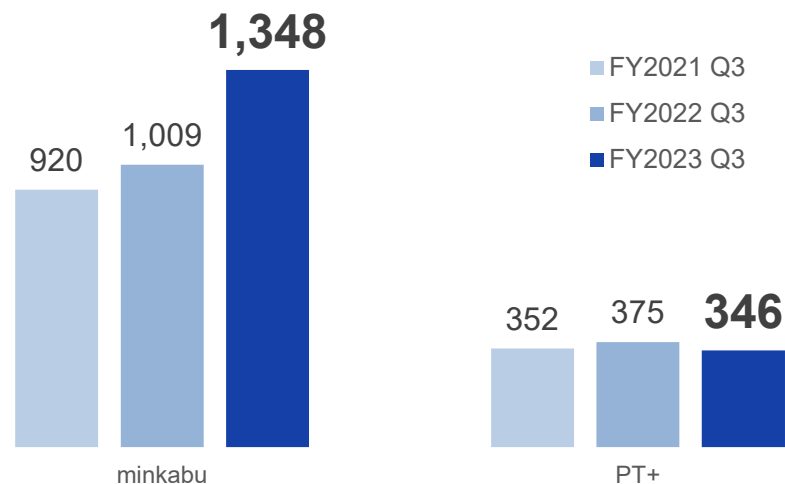
Revenue growth was roughly in line with the plan  
acquired large-sized projects and favorable trends in new SI business

- Recurring revenue increased thanks to large-sized projects. System implementation projects which lead recurring revenue onward showed a healthy increase.
- SI solution, a start-up business, continued to perform well
- Minkabu ARPU significantly increased thanks to large-sized recurring contracts
- Profit in information solution was temporarily compressed by upfront investment in US stock information

(JPY in million)



(JPY in thousand / month)



# 01 FY2023 Q3 Financial Results activities – operating profit

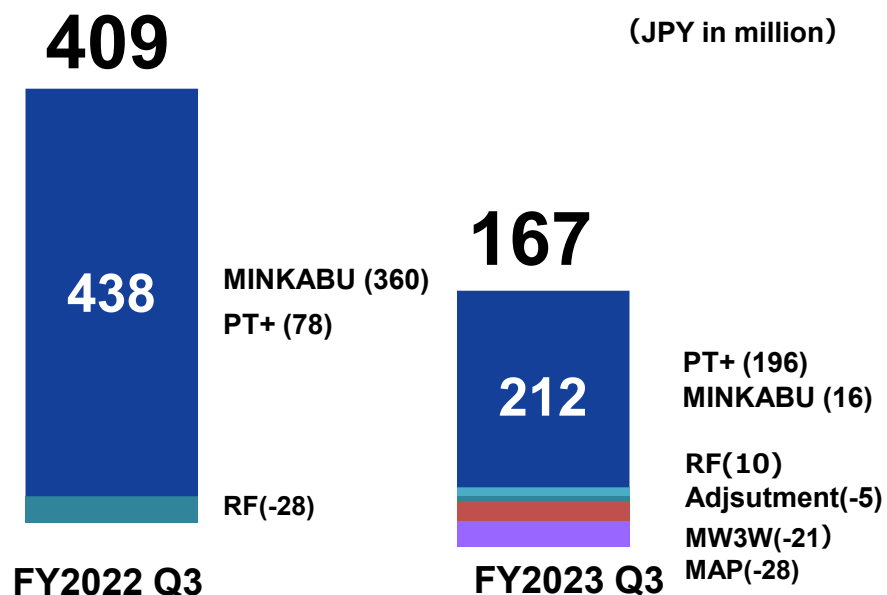
## Details of subsidiaries' operating profits

### Prop Tech plus Inc. showed a stable contribution Newly added consolidated subsidiaries started full operation

Note: Goodwill amortization and customer assets are deducted from OP of each subsidiary (Consolidation adjustment for Q3 FY2022 was omitted because of materiality).

[Abbreviation of subsidiaries]

MINKABU THE INFONOID, Inc.: Minkabu, Prop Tech plus Inc.: PT+  
Robot Fund Co., Ltd.: RF, MINKABU ASSET PARTNERS, Inc.: MAP  
MINKABU WEB3 WALLET, Inc. : MW3W

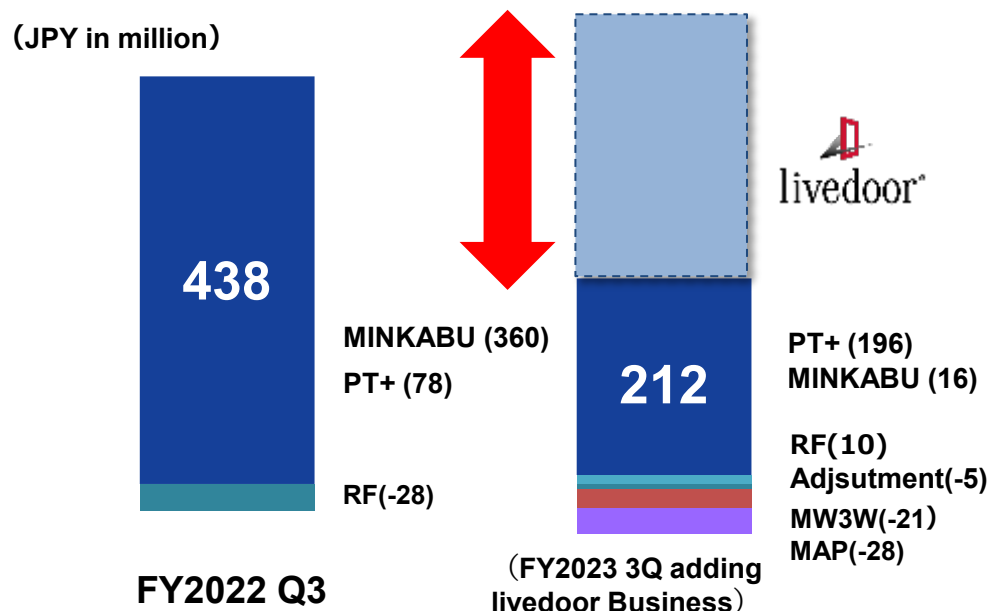


- Prop Tech Plus Inc. covers Minkabu's upfront investment. Robot Fund Co., Ltd. reaches the break-even point.
- For newly consolidated subsidiaries, MINKABU ASSET PARTNERS, Inc. ("MAP") and MINKABU Web3 Wallet Inc. ("MW3W"), MAP starts its business as it was registered as a financial instruments intermediary service provider and MW3W starts customer acquisition from the 4th quarter, respectively.

(Reference information) Operating Profit/EBITDA adding livedoor business

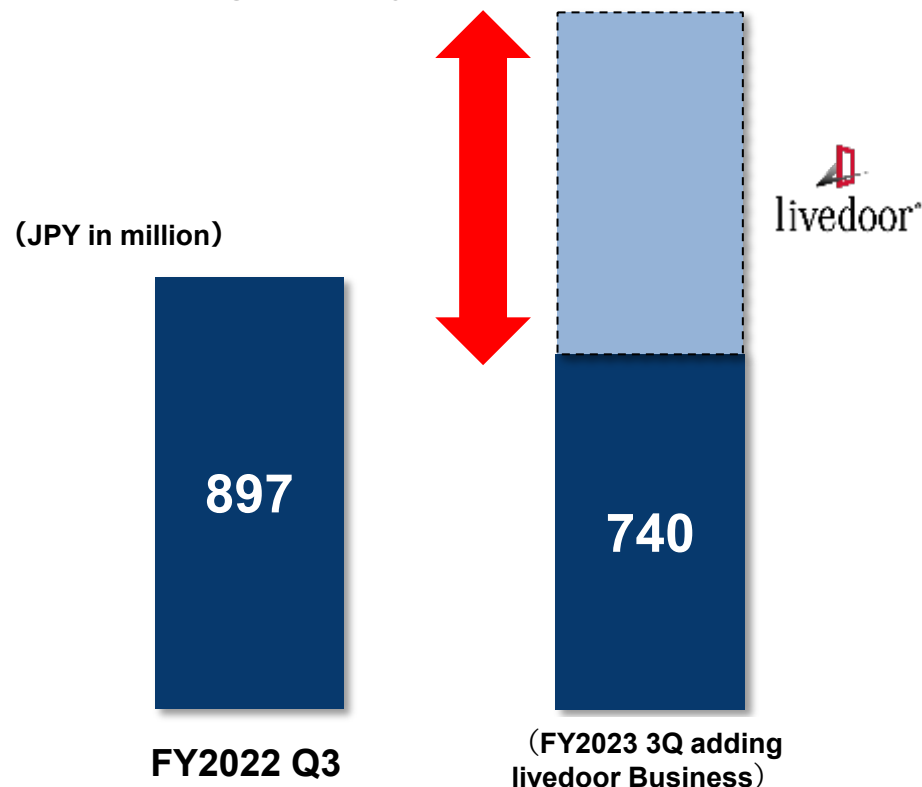
Operating Profit

- Jump in operating profit mainly in ad revenue brought by the large-scale traffic of livedoor.
- Acquire earning power which surpasses the fluctuations due to seasonal factors and financial market conditions.



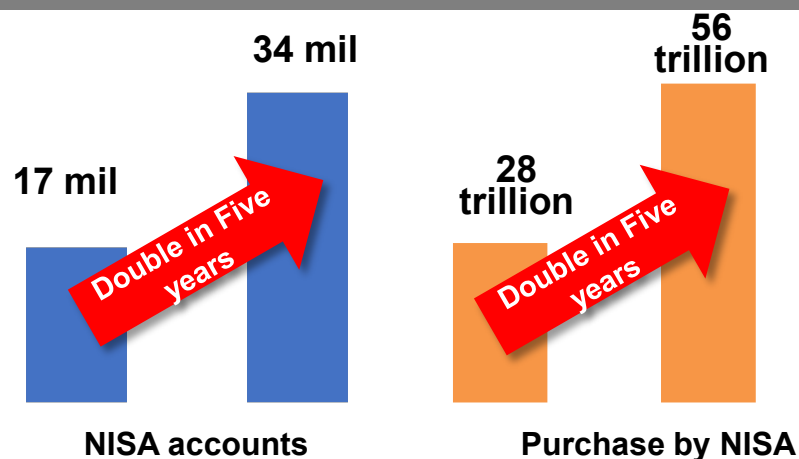
EBITDA

- EBITDA, i.e., earnings after deduction of amortization of goodwill and the intangible assets significantly increase



**FINANCIAL INDUSTRY-** The business environment gets more severe with structural changes including no transaction fees. Benefit of *Doubling Asset-based Incomes Plan* is limited, too.

**Doubling Asset-based Incomes Plan**



- Promotion of providing advice such as investment advisory
- Strengthen the asset building support for employees and financial education etc.

**【Media business】**

- Increase of brokerage accounts expected, while revenue per customer decreases due to low price accumulation

**【Solution business】**

- Growth in the business opportunity of new solution services

**Unpredictable environment**

- Deterioration of financing environment due to worldwide tightening credit
- Continuous sluggish trends in equity transactions
- Movement of commission free for Japanese stock trades
- Deterioration in brokerage houses' performance

Expect the increase of DX investment for further cost reduction and streamlining



**【Media business】**

- With unpredictable LTV per account, financial institutions to narrow ad budget

**【Solution business】**

- Continuous growth in the business opportunity of SI solution services for changing business model.

## **INTERNET INDUSTRY-** rapid deterioration of market with covid-19, slowdown in growth for existing e-commerce and ad market, while Web3ization is progressing

### Weak market

- Weak economic conditions worldwide
- Slowdown in demand due to inflation and covid
- Slowdown in consumer consumption activities, resulting corporates' advertisement spending
- Significant downturn in the operating results of global IT companies



#### **【Media business】**

- Increasing the need to seek growing business domain and revenue opportunities shifted from financial media business with a strong presence in the market

### Activities to Web3ization

- Concern about the personal information management by specific big companies
- Development of blockchain technologies, popularization of cryptocurrencies and NFT
- Emerging of a new business model of exchanging values (X to Earn)



#### **【Media business】**

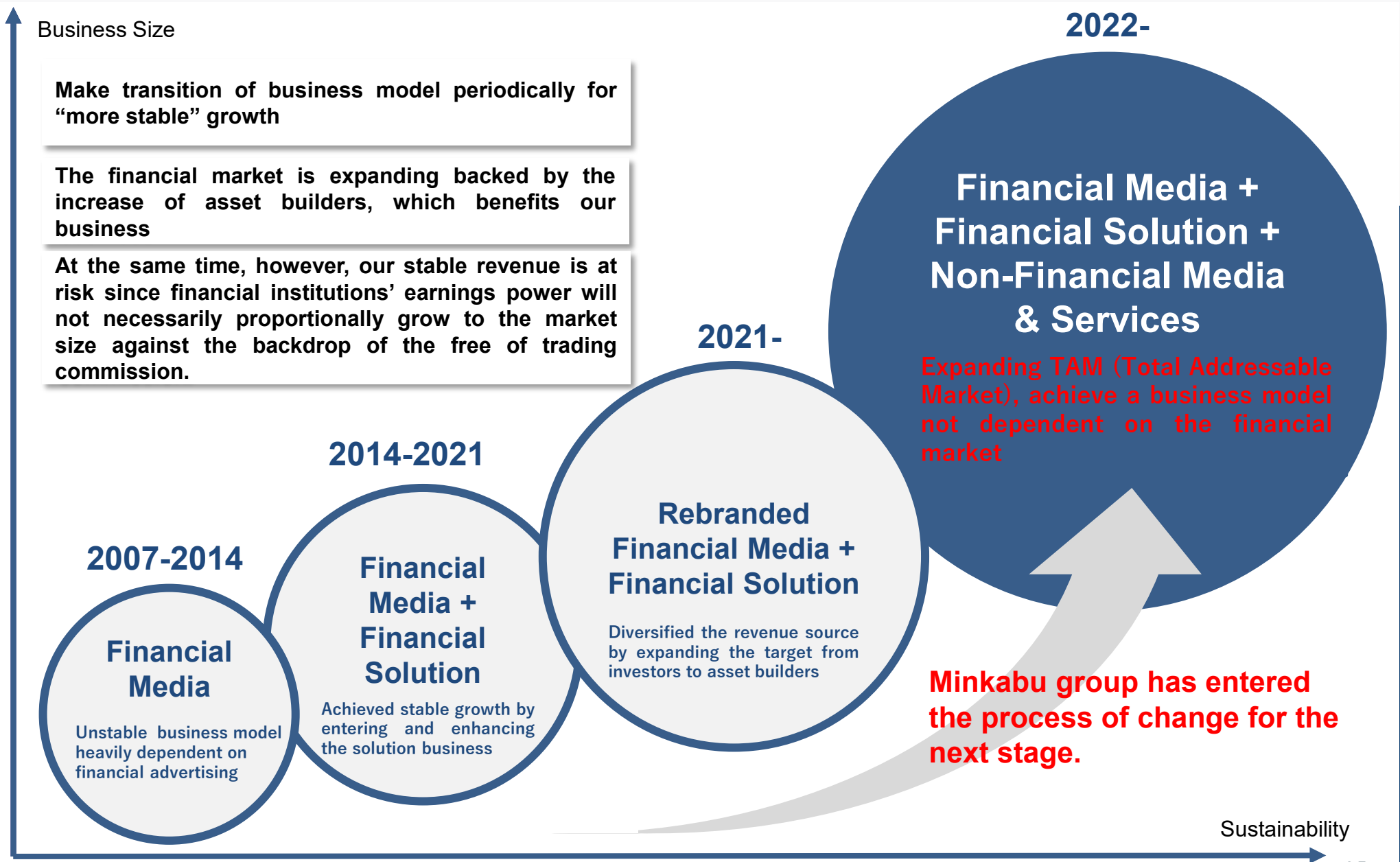
- Create a new user ecosystem utilizing livedoor and ALIS
- #### **【Solution business】**
- Expand SI solution business not limited to the brokerage industry by utilizing MW3W

## Consolidated forecast for FY2023/03 is not disclosed

JPY in million	NetSales	EBITDA	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of the Parent
Before the Adjustment	7,500	2,150	1,250	1,100	750
After the Adjustment	-	-	-	-	-

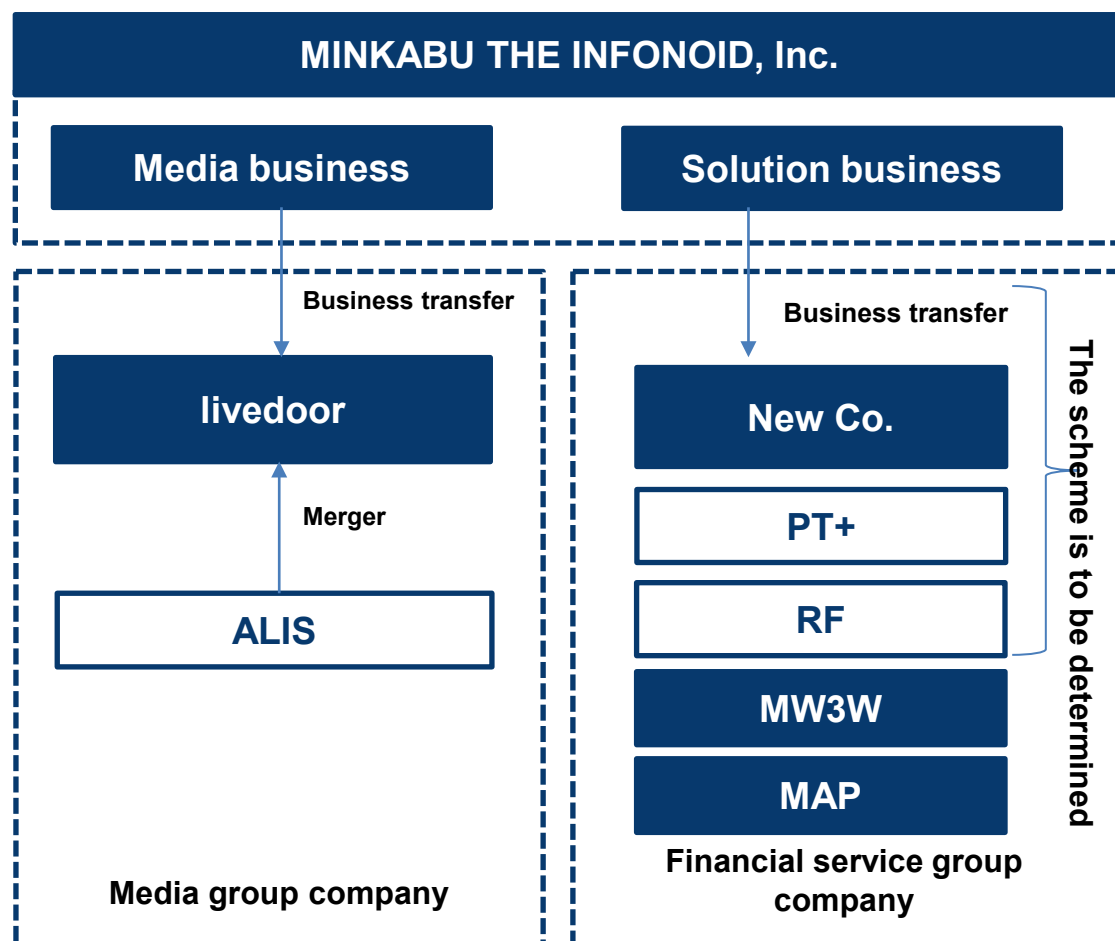
- **Considering the trends so far in this FY2023.Q3, the business environment has slowed sharply, mainly in the highly profitable media business. On the other hand, we also consider and determine the effect of various countermeasures including that for cannibalization, seasonal factors, reorganization costs and relevant accounting treatment. Accordingly, we are not disclosing the results of the current fiscal year at this time but will disclose them by late March.**
- **The contribution of livedoor Ltd. for the fiscal year ending March 2023 is forecasted to be 940 million yen of sales with 70 million of consolidated operating profit (after amortization of goodwill)**
- **No change in dividend for FY2023/03 (24 yen per share)**

# 02 Hot topics transition of business model



## The basic concept of reorganization

~establish a new business promotion structure for Next Stage~



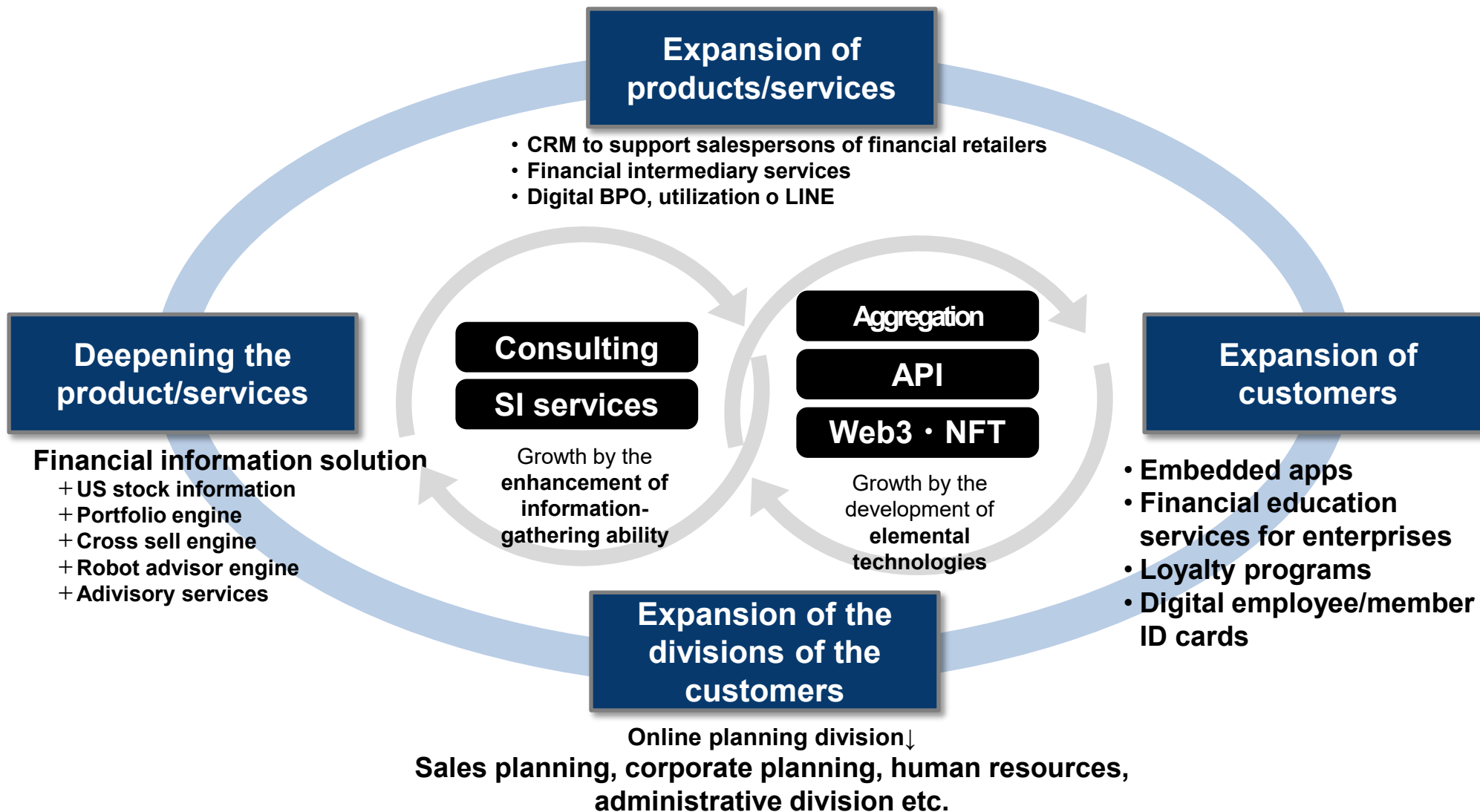
- **Media business :** Expanding business by making use of enormous traffic and spreading power of SNS. As a comprehensive media group, flexible resource allocation can be made to correspond to market changes.
- **Solution business :** In addition to the evolution of information solutions and SI solutions, enhance the services such as providing financial services to contribute to asset building people.



## Profit recovery for FY2024 onward

<p><b>Net sales increase</b></p>	<ul style="list-style-type: none"> <li>● Full-year contribution of livedoor</li> <li>● Elimination of cannibalization of affiliate sites (later discussion)</li> <li>● Increase of the revenue in SI solution business</li> <li>● Full-year contribution of the large-sized project in information solutions</li> </ul>	<p>➔</p> <p>+ 800mil~ incl. livedoor + 500mil~ Net sales +4,000mil~</p>
<p><b>Cost reduction</b></p>	<ul style="list-style-type: none"> <li>● <b>Improvement of the profitability of financial media</b> <ul style="list-style-type: none"> <li>• 30% cut of advertising costs by leading within the group</li> <li>• 50% cut in HR cost in the financial media business, control personnel cost increase through the reallocation mainly to livedoor and new subsidiaries</li> <li>• 40% cut in investment in financial media and to the slim future depreciation cost</li> <li>• Restructuring of fixed assets from a group viewpoint, considering the change in the business environment etc.</li> </ul> </li> </ul>	<p>➔</p> <p>+300~400mil</p>
	<ul style="list-style-type: none"> <li>● <b>Improve the profitability of information solution business</b> <ul style="list-style-type: none"> <li>• Optimization of data/license costs</li> <li>• Restructuring of fixed assets by integration of functionalities etc.</li> </ul> </li> </ul>	<p>➔</p> <p>+100~200mil</p>
<p><b>Non-operating exp.</b></p>	<ul style="list-style-type: none"> <li>● <b>Financing costs and M&amp;A costs in FY2023</b></li> </ul>	<p>➔</p> <p>+300mil</p>

## Synergy cycle to expand the business field starting from deepening the solution for financial institutions



## Continuous growth as financial information vendor

Expand the business unit of existing customer of “firm customers’ basis” through “deepened products/services” such as US stocks, portfolio engines, and robot advisor

### Favorable growth in monthly net sales and customers

※ 1 Estimates in FY2023	Monthly sales at the end of FY2023	Customers at the end of FY2023
Compared between FY2021 and FY2023※1 <u>Growth in 3 years</u>	157%	151%

### Room for growth potential in business with brokerage houses, the major customer segment

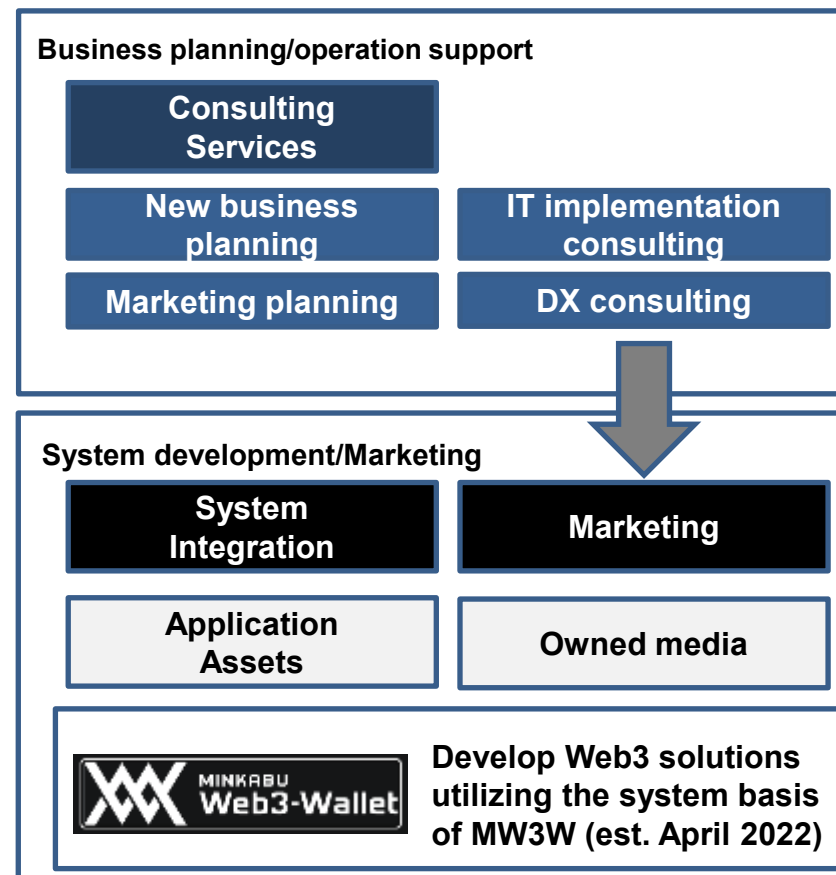
※ 2 Minkabu’s viewpoint ※ 3 Estimated figures for this fiscal year	Companies ※2	Providers ※3	Main Vendors	Policies / Room for growth
Net brokers	14	11	3	Main vendor / Room for growth◎
General brokers	19	12	0	Achieve major brokerage companies / Room for growth◎
Face to face brokers	45	9	2	Achieve services for face to face sales / Room for growth○

## Orders increased in SI solutions

Orders continuously increased in one-stop services from business consulting to SI and marketing  
Expanded client basis from brokerages to banks and non-financials by providing API/NFT solutions

Industry	API	SI consulting	Total
Broker	64%	15%	39%
Bank	2%	63%	20%
Others	34%	22%	41%

- ※Others : Financial/non-financial companies other than brokers and banks such as FX companies

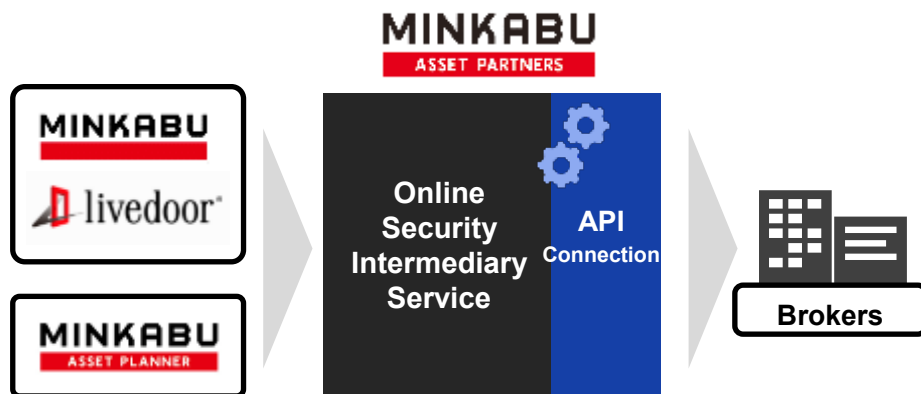


## Starting full operation of financial service, as a digital platformer to support asset building of people

### MINKABU ASSET PARTNERS

Online intermediary services

- All processes are completed online (supported by chat)
- Implemented the functionalities to manage and order from multiple accounts
- Providing investment information and analysis tools



- ✓ Completed the registration of financial instruments introducing brokerage business in December 2022
- ✓ Contract in progress with online and general brokers
- ✓ Applying investment advisory services

### MINKABU ACADEMY

Platform to support doubling asset-based incomes plan

- Manage company DC, NISA, iDeco, and public pension
- Classify assets by asset class and analyze risks and returns
- Implemented the functionalities of financial education and chat



- ✓ Service release in June/July 2023, changing the concept from for individuals to for enterprises
- ✓ Initiated tie-up discussions with major brokers, trust banks and major communication carriers, and major Sler
- ✓ Promote the spread of policies provided by both Financial Services Agency (NISA etc) and Ministry of Health, Labour and Welfare (pension plan)

## Actions of post acquisition of livedoor business – Part 1 Establishing a comprehensive affiliate site, “livedoor Choice”



- Launched a general affiliate site, “livedoor Choice” in December 2022 which expands affiliate business from the financial to non-financial fields.
- By the transfer of Minkabu Choice (minkabu.co.jp) to livedoor Choice (livedoor.com), cannibalization between the two minkabu domains was eliminated which was a major factor in the downturn of media revenue this fiscal year. As expected, with the progress of the indexing of livedoor Choice, the search ranking of both minkabu.jp and livedoor Choice (former Minkabu Choice) started the upward trend
- Utilizing livedoor’s enormous traffic, direct users to the Minkabu group, growing out of SEO dependent attracting customers, controlling the Impact of algorithm changes

## Actions of post acquisition of livedoor business – Part 2

### Takafumi Horie as an executive advisor



- Join as an executive advisor on business/service planning of livedoor
- Collaboration in livedoor services also starts
  - YouTube channel collaboration in “Game Sampo/livedoor NEWS vs Takafumi Horie Horiemon”
  - Mr. Horie becomes the commentator of livedoor NEWS and will comment on the daily news. Mr Horie provides a comprehensive explanation of topical news picked up by the editorial staff of livedoor NEWS, with his unique perspective. The comments are uploaded to official YouTube channel of livedoor NEWS.

## Actions of post acquisition of livedoor business – Part 3 Enhancement of user interface and experience

### Utilization of AI



- 200 thousand of “Zakkuri iuto” are automatically generated by AI
- Automation of movie dictation and posting Twitter movies

### Expanding movie contents



- News comments by **Takafumi Horie** on YouTube
- Manga content on blogs is **animated**
- Strengthen **short movies** such as Tiktok and Youtube

### Expansion of creator economy



- Expansion of the book digitalization business created by bloggers
- Implemented fee functionalities by monthly, by contents, donations etc.
- **Challenge to web3 areas like token economy**

### Enhancement of apps



- Updating news apps and launching **comprehensive information apps**, integrating NEWS/blog contents
- Established a **personalized list** by making use of 1st Party Data



## Actions of post acquisition of livedoor business – Part 4 Expansion of vertical media: acquisition of sports information media



<https://web.ultra-soccer.jp/>

On 14<sup>th</sup> February, the basic agreement was concluded that Livedoor to acquire all shares of CWS Brains, LTD. which operates major soccer information media “Ultra WORLD soccer!” and make it Livedoor’s wholly owned subsidiary.

- A major soccer information specialized media with one of the top-ranked soccer-related news distributions in number in the industry and 10 million monthly unique users.
- In addition to the spreading power of livedoor NEWS, promote a new customer experience and improvement of user loyalty in the field of sports, by utilizing the token economy and web3 optimization.

Company	CWS Brains, LTD.
Acquisition Method	Livedoor to acquire all shares issued of CWS Brains, Ltd. held by KOEI TECMO HOLDINGS CO., LTD.
Closing date	by March 31 <sup>st</sup> 2023 (Planned)

## Actions of post acquisition of livedoor business – Part 5 Expansion of vertical media: Acquisition of gourmet SNS media

おいしいん坊たちが愛するグルメアプリ



<https://www.synchrolife.io/>

On 14th February, the basic agreement was concluded that Livedoor to acquire the web3 gourmet business “Synchrolife” operated by GINKAN, Inc.



(Per the website of GINKAN, Inc.)

- “Eat to earn” platform where users can earn points by visiting member restaurants and earn digital assets by posting reviews
- Points earned can be used in 570 thousands of member restaurants
- By providing member restaurants with customer analysis tools (CRM) on a pay-per-performance basis, promoting member restaurants to improve customers’ loyalty, PR, and digital transformation of visitor promotion
- Making use of the power of spreading information about livedoor, an increase in users is expected as well as an increase in high-quality mouth-to-mouth advertising by many bloggers.
- Together with ALIS Co., Ltd., take on the role of token economy, the core of web3 development in the media business.

<b>Company</b>	GINKAN, Inc.
<b>Acquisition Method</b>	Livedoor to acquire all shares issued of a company which GINKAN, Inc. transfer its business in the form of company split
<b>Closing date</b>	by March 31 <sup>st</sup> 2023 (Planned)

## Actions of post acquisition of livedoor business – Part 6

### Basic concept of how to promote media business

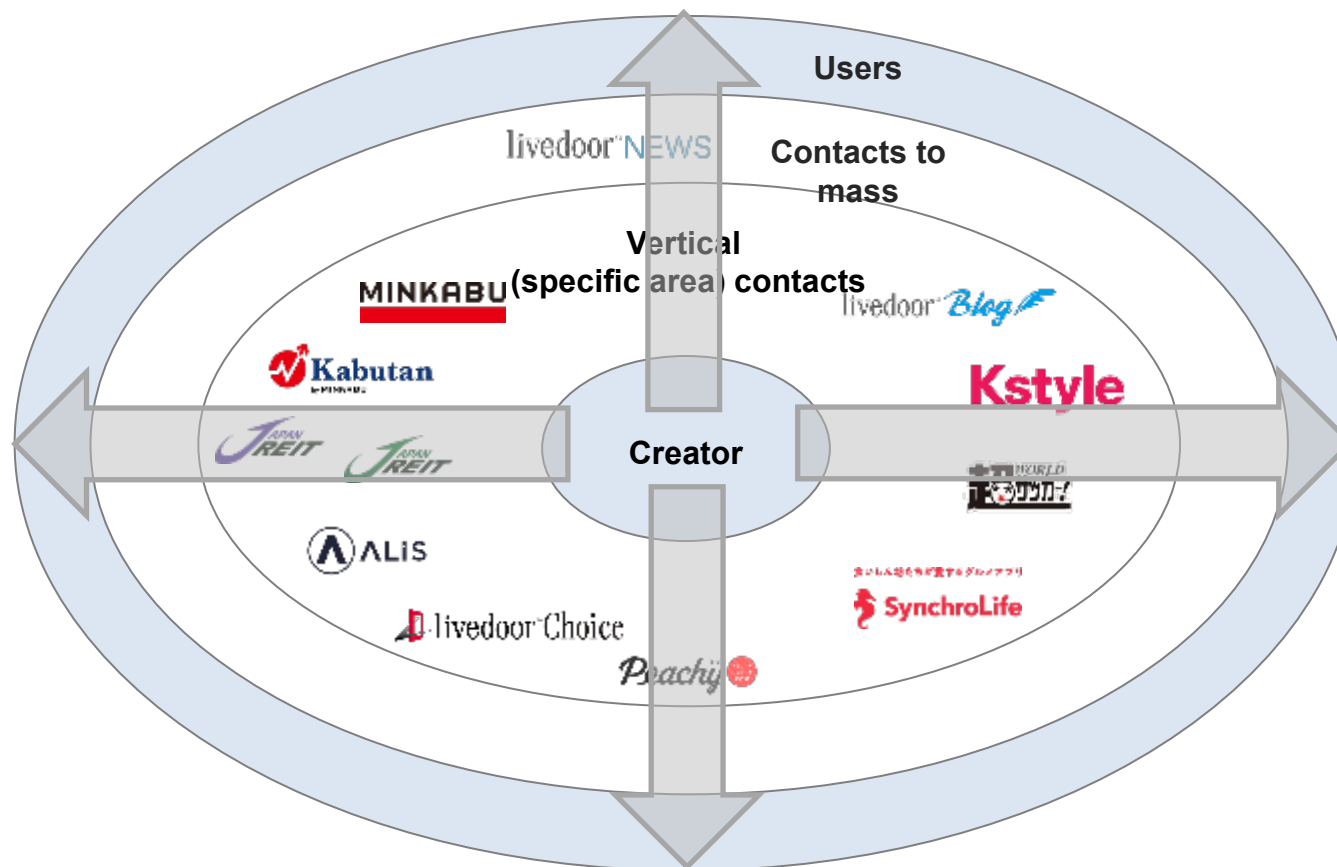
90 million of monthly users  
One of the largest contacts  
with active users

×

Spreading contents with mass  
contacts that livedoor NEWS  
has

×

Providing the stages for  
creators with vertical media  
contacts

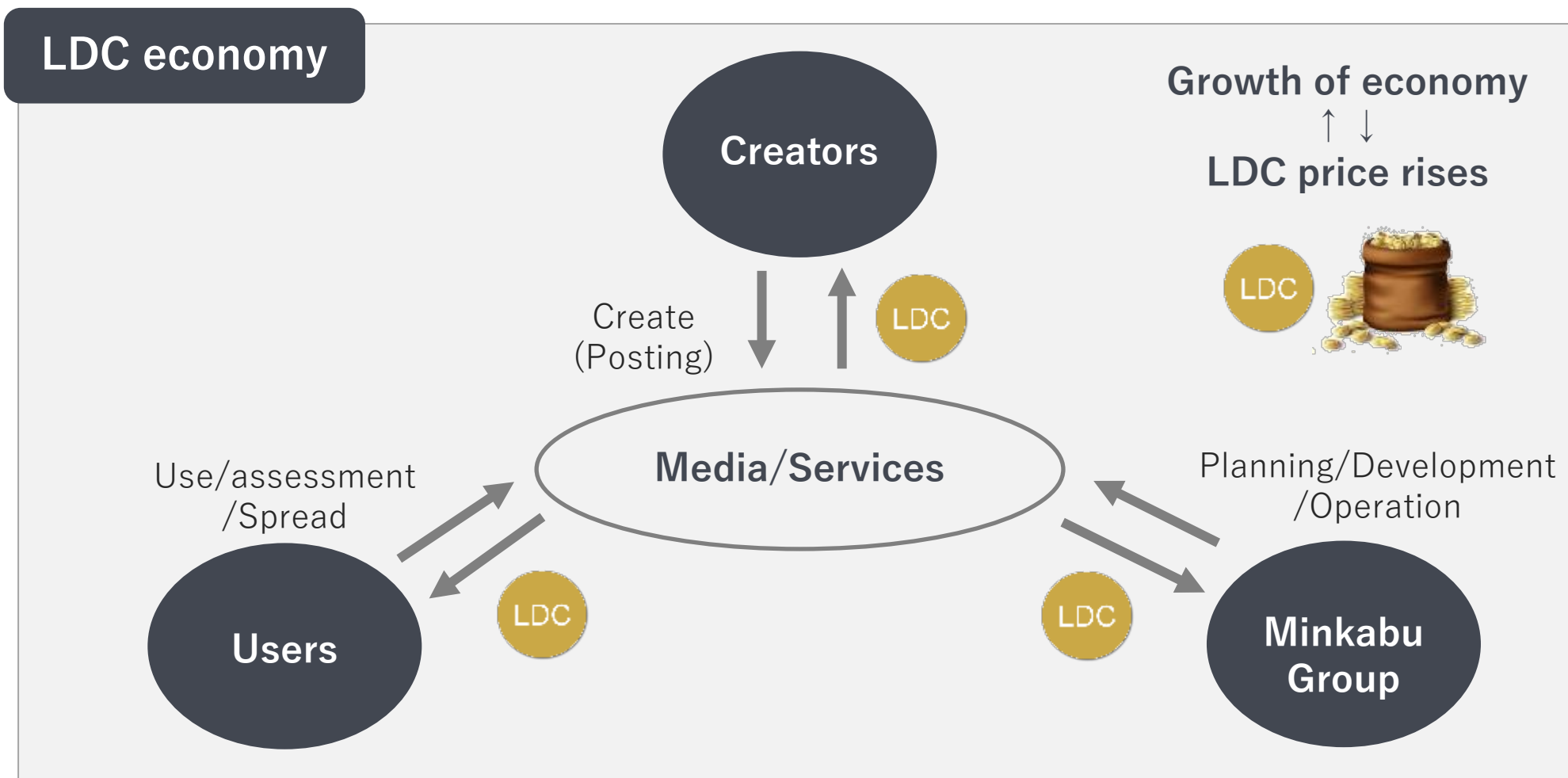


# 03 · Future business strategies Web3 strategy in media business

## Core Concepts

establish a common incentive where everyone is on the same boat

LDC (livedoor coin) = Common incentive, everyone to grow together, save together, enjoyed the profit together



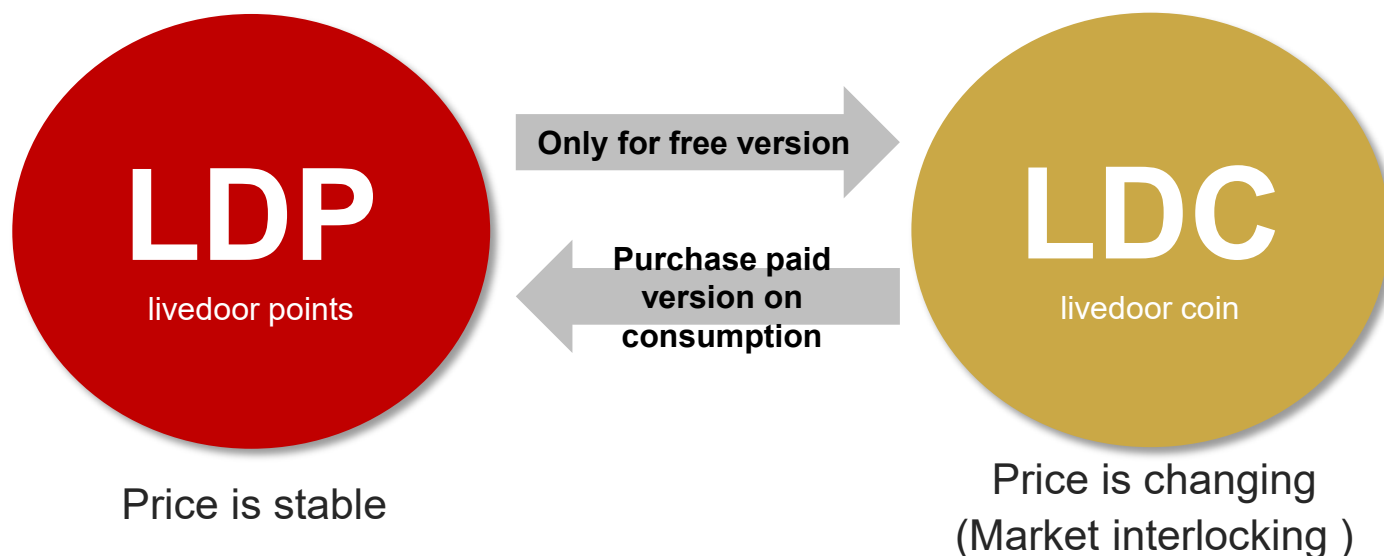
## Core of Economy

**the compensation structure is easy to understand and easy to use for everyone**

- The economy has **stable LDP and unstable LDC**. The exchange measures between the two will be prepared gradually.
  - LDP is clearly divided into paid version and free version. Paid version is positioned as prepaid payment means in accordance with the regulation
- By the coexistence of LDP and LDC, **increase the alternatives of realization of the LDC value**, different from crypto assets with no/scarce evidence of the value.
  - Those who believe in the future of LDC gather LDC expecting future price rise and aim for large return
  - Those who want to enjoy the benefit immediately use LDP in 570 thousand of real-world contacts\*

\*Increasing

### Point Coin Exchange = Dual Incentives Model

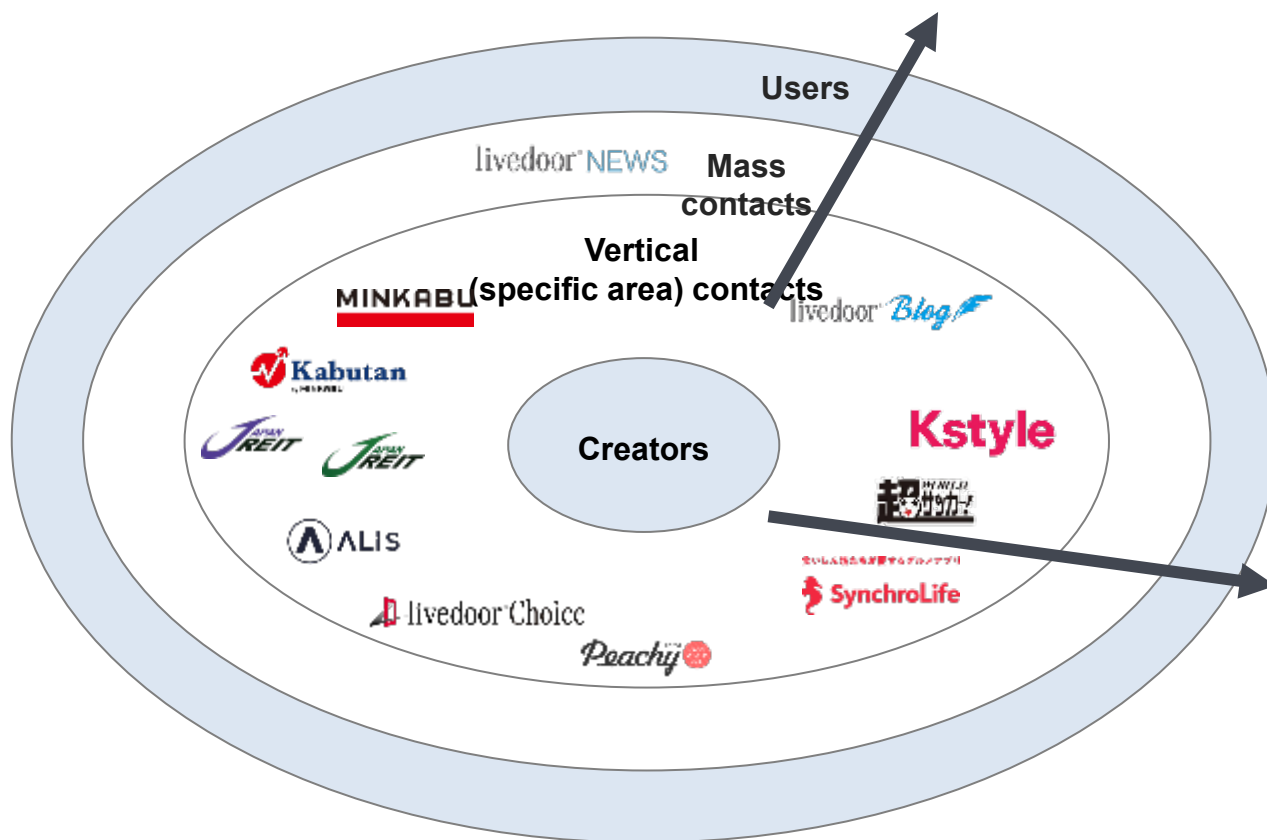


# 03

## Future business strategies Web3 strategy in media business

### Strength in a one-stop structure to support creators' activities

Business structure to support creators by both of spreading the power of livedoor NEWS and the expertise of vertical media



90 million of monthly users  
One of the largest user contacts

×

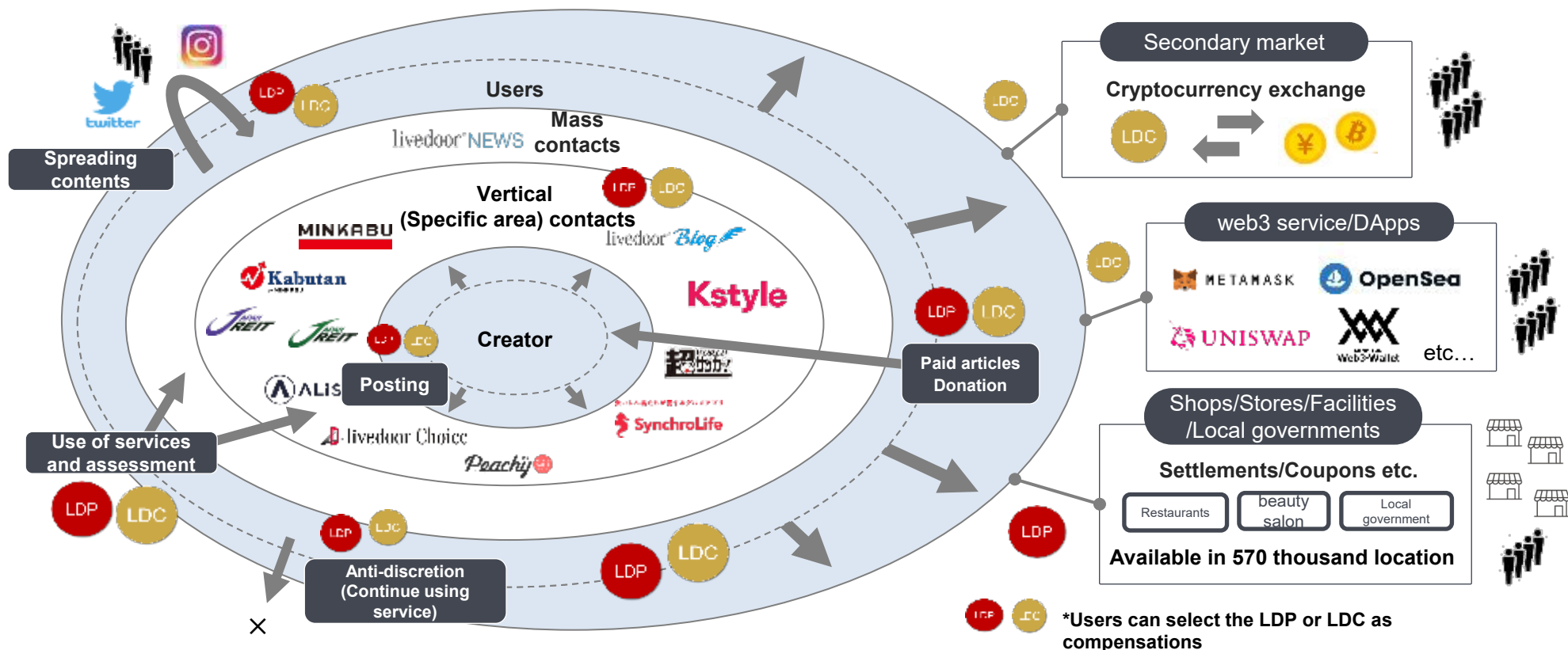
Spreading contents with mass contacts that livedoor NEWS has

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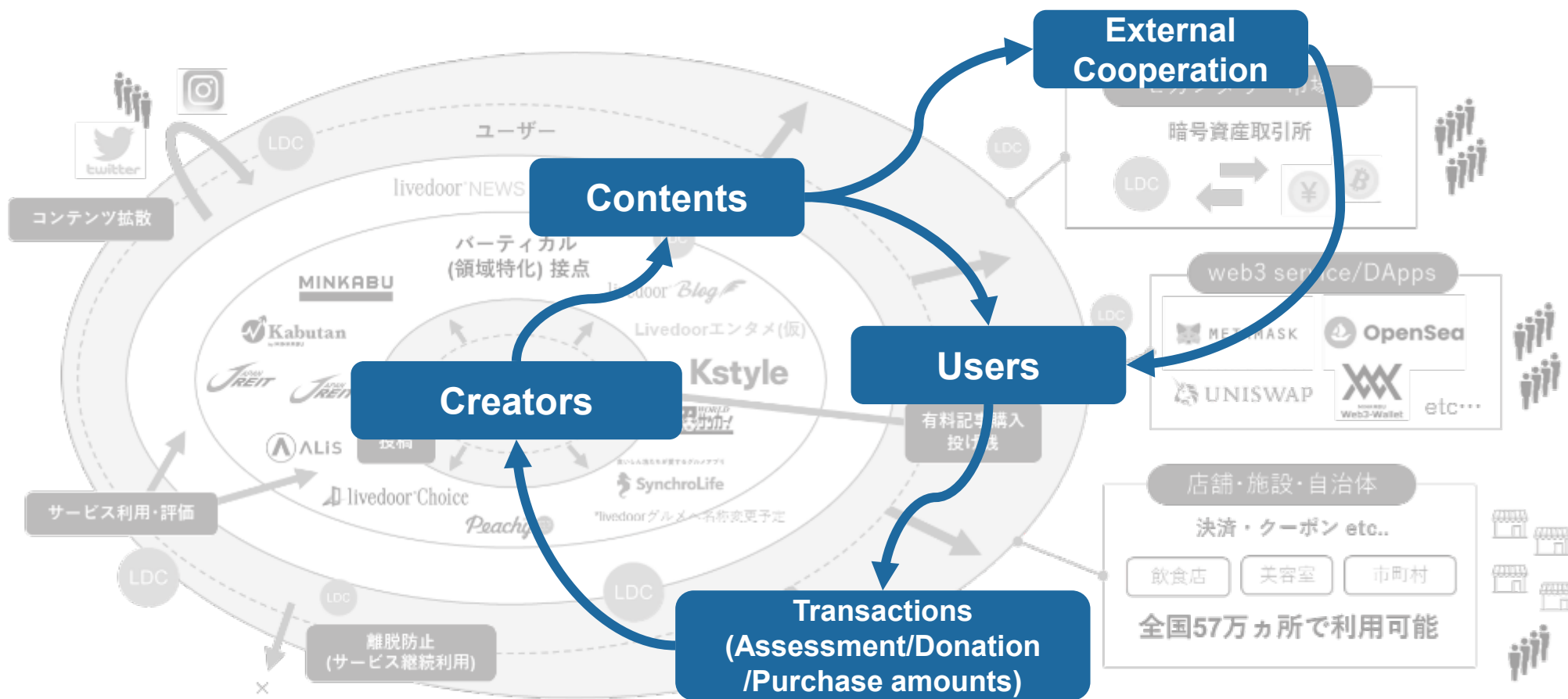
Providing the stages by vertical media contacts

# 03 Future business strategies Web3 strategy in media business

Promote the activities of creators and users using LDC/LDP compensation as a hook. Expand the economy's external cooperation with LDC/LDP

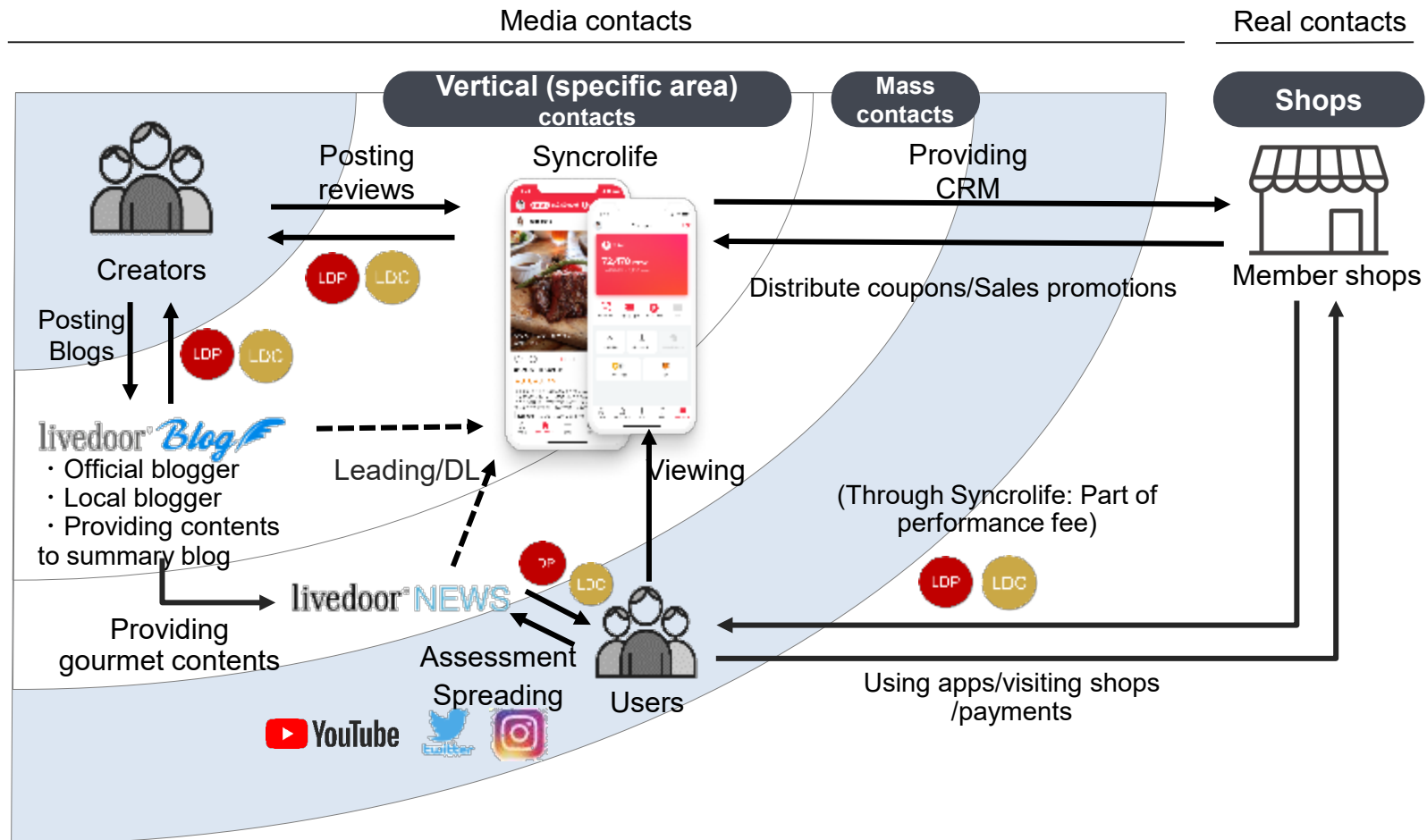


## Growth and expansion cycle of LDC economy





# An example of LDC economy: Syncrolife



## Introduce Burn model to control the supply volume of LDC

- **Crypto assets such as ETH and BNB which keep value rising for a relatively long term introduce the Burn model**
- **Minkabu group is to take a regular Burn to control LDC supply which subjects to the LDC returned in exchange for the paid LDP. This regular Burn controls the inflation risk and contributes to the realization of the economics where the development of the LDC economy leads price rising of LDC.**

### BNB (Binance)

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- **Burned (≡wrote off) about 91 billion yen of BNB on 17<sup>th</sup> January 2022.**
- **Introduced a mechanism of determining the amount of BNB to be burned in accordance with the transaction in Binance exchange. Introduced auto Burn corresponding to gas price in the BNB chain in December 2022.**

### ETH (Ethereum)

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- **Base fee in transaction fee is eliminated from the market (Part of gas price is Burned) on the transaction.**
- **By decreasing the distribution amount corresponding to transactions, results in the rise of ETH value based on demand and supply.**

## The structure where LDC value rises as LDC economy develops

By giving utilities within/out of the group and Burn model, establish connections between the LDC economy and LDC price

### Merit 1

**Within the group**

Promote circulation of LDC through services with 90 million UU

Strengthen the stickiness of users and creators



### Merit 2

**Outside of the group**

LDP is available in 570 thousand of real contacts

Expansion and retention of network effects



### Merit 3

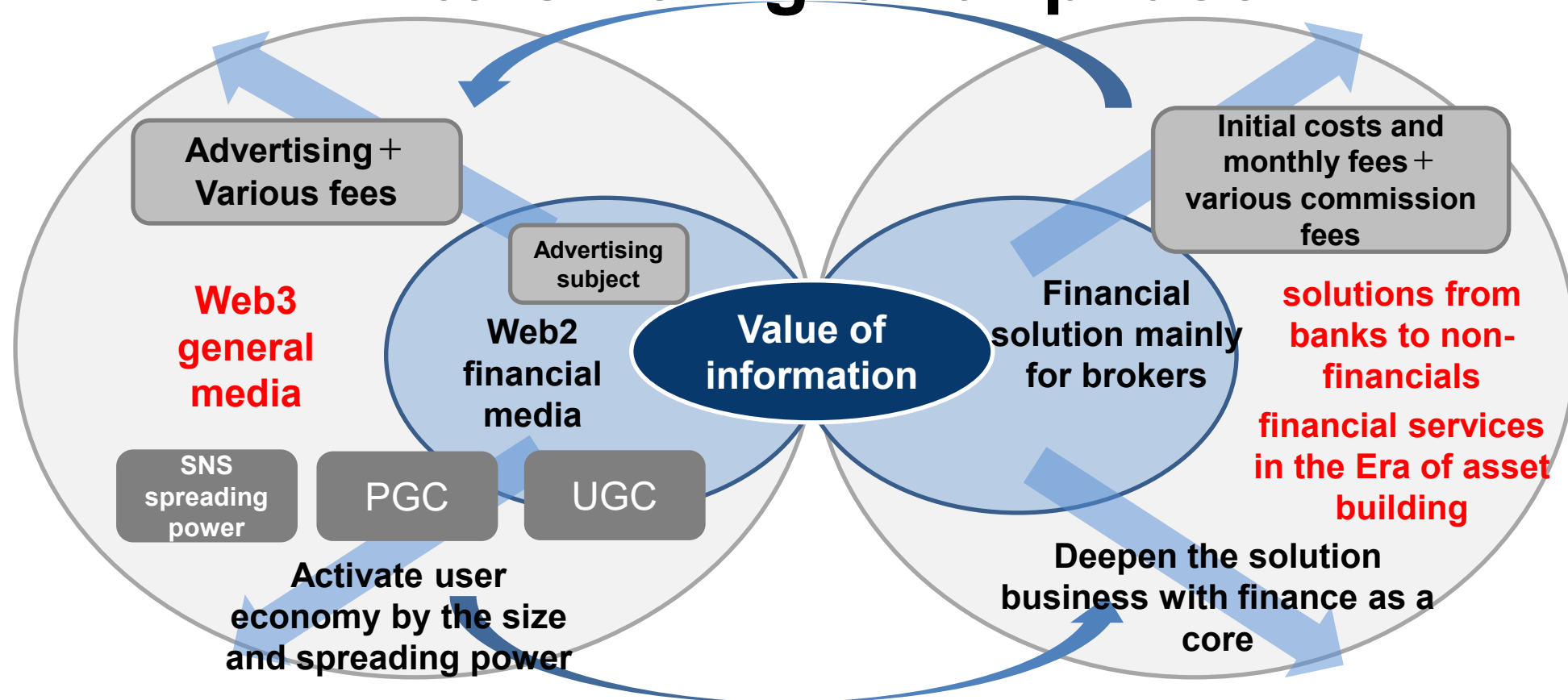
Control the supply of LDC by KPI-linked Burn model

Designed as everyone enjoys as the service is prevailing

# 03 · Future business strategies group strategy – next stage

By strengthening the group structure and responding quickly to the business environment changes, 5 years after the IPO with JPY 2 billion of net sales in March 2019, Minkabu

## Assures over JPY 10 billion of net sales, and Enters new growth phase



# 04 · APPENDIX income statement

(JPY in million)

	Fiscal Year ended March 31, 2021		Fiscal Year ended March 31, 2022		Consolidated Financial Forecasts Fiscal Year ending March 31, 2023		FY2022 Q3		FY2023 Q3	
	Consolidated	Consolidated	Changes	Consolidated	Changes	Consolidated	Consolidated	Changes		
<b>Net Sales</b>	<b>4,158</b>	<b>5,482</b>	<b>+31.8%</b>	<b>7,500</b>	<b>+36.8%</b>	<b>3,614</b>	<b>4,285</b>	<b>+18.6%</b>		
MEDIA	1,535	2,353	+53.3%	3,100	+31.7%	1,548	1,485	-4.1%		
SOLUTION	2,635	3,148	+19.5%	4,400	+39.7%	2,079	2,832	+36.2%		
Adjustment (1.)	-11	-20	-	-	-	-13	-32	-		
<b>Operating Profit</b>	<b>759</b>	<b>874</b>	<b>+15.2%</b>	<b>1,250</b>	<b>+42.9%</b>	<b>409</b>	<b>167</b>	<b>-59.2%</b>		
MEDIA	530	747	+40.8%	1,100	+47.2%	474	197	-58.4%		
SOLUTION	738	786	+6.5%	950	+20.8%	409	552	+35.1%		
Adjustment (2.)	-509	-658	-	-800	-	-473	-583	-		
<b>Ordinary Profit</b>	<b>734</b>	<b>828</b>	<b>+12.8%</b>	<b>1,120</b>	<b>+35.2%</b>	<b>367</b>	<b>-113</b>	<b>-</b>		
<b>Profit attributable to Parent Company</b>	<b>564</b>	<b>696</b>	<b>+23.3%</b>	<b>750</b>	<b>+7.8%</b>	<b>203</b>	<b>-234</b>	<b>-</b>		
<b>EBITDA (3.)</b>	<b>1,280</b>	<b>1,539</b>	<b>+20.3%</b>	<b>2,150</b>	<b>+39.6%</b>	<b>897</b>	<b>740</b>	<b>-17.4%</b>		

1. Re-allocation of inter-segment sales
2. Elimination of inter-segment and unallocable operating expenses
3. Calculation formula of EBITDA is Operating income+depreciation+amortization of goodwill
4. Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
5. The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
6. The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
7. Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
8. Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
9. Figures are all in Japanese Yen and rounded down to the nearest million yen.

# 04 · APPENDIX balance sheet items

(JPY in million)

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022	Fiscal Year ended December 31, 2022	
	Consolidated	Consolidated	Consolidated	Changes
Current assets	2,875	4,825	4,964	+2.9%
(Cash and deposit)	1,847	3,526	2,974	-15.7%
Non - current assets	4,114	4,932	11,861	+140.5%
<b>Assets</b>	<b>6,989</b>	<b>9,757</b>	<b>16,825</b>	<b>+72.4%</b>
Current Liabilities	1,251	942	1,694	+79.8%
Non-Current Liabilities	1,523	1,372	8,114	+491.4%
<b>Liabilities</b>	<b>2,774</b>	<b>2,314</b>	<b>9,808</b>	<b>+323.8%</b>
Capital stock	1,762	3,514	3,531	+0.5%
Capital surplus	3,565	4,533	4,192	-7.5%
Retained earnings	-1,441	-745	-979	-
Others	29	39	61	+55.0%
Non-controlling interests	298	100	211	+109.2%
<b>Net assets</b>	<b>4,215</b>	<b>7,443</b>	<b>7,017</b>	<b>-5.7%</b>

1. Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
2. The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
3. The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
4. Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
5. Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
6. Figures are all in Japanese Yen and rounded down to the nearest million yen.

# 04 · APPENDIX sales by segment

(JPY in million)

	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022		Consolidated Financial Forecasts Fiscal Year ending March 31, 2023		FY2022 Q3	FY2023 Q3	
	Consolidated	Consolidated	Changes	Consolidated	Changes	Consolidated	Consolidated	Changes
<b>MEDIA</b>	<b>1,535</b>	<b>2,353</b>	<b>+53.3%</b>	<b>3,100</b>	<b>+31.7%</b>	<b>1,548</b>	<b>1,485</b>	<b>-4.1%</b>
Ad revenue	1,335	1,929	+44.5%	2,400	+24.4%	1,274	1,162	-8.8%
Subscription revenue (5.)	166	392	+136.1%	700	+78.3%	251	298	+18.6%
Others	33	32	-3.2%	–	–	22	25	+13.3%
<b>SOLUTION</b>	<b>2,635</b>	<b>3,148</b>	<b>+19.5%</b>	<b>4,400</b>	<b>+39.7%</b>	<b>2,079</b>	<b>2,832</b>	<b>+36.2%</b>
Subscription revenue	1,859	2,195	+18.0%	3,100	+41.2%	1,610	2,006	+24.6%
Initial revenue	775	953	+22.9%	1,300	+36.4%	469	826	+75.9%
Adjustment (1.)	-11	-20	–	–	–	-13	-32	–
<b>Net Sales</b>	<b>4,158</b>	<b>5,482</b>	<b>+31.8%</b>	<b>7,500</b>	<b>+36.8%</b>	<b>3,614</b>	<b>4,285</b>	<b>+18.6%</b>

1. Re-allocation of inter-segment sales
2. Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
3. The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
4. The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
5. Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
6. Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
7. Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
8. Figures are all in Japanese Yen and rounded down to the nearest million yen.

# 04 · APPENDIX fixed expenses

(JPY in million)

	Fiscal Year ended March 31, 2021		Fiscal Year ended March 31, 2022		Consolidated Financial Forecasts Fiscal Year ending March 31, 2023		FY2022 Q3		FY2023 Q3	
	Consolidated		Consolidated		Consolidated		Consolidated		Consolidated	
				Changes		Changes				Changes
<b>Non-Consolidated</b>	<b>1,236</b>	<b>1,573</b>	<b>336</b>		<b>2,030</b>	<b>457</b>	<b>1,136</b>	<b>1,331</b>	<b>195</b>	
Personnel expenses	666	837	171		1,180	342	626	769	142	
Office · Tax and public dues · others	177	205	27		260	54	150	174	23	
Depreciation (Cost of Sales + SGA)	351	489	137		549	60	328	357	29	
Depreciation (Amortization related to M&A)	40	40	–		40	–	30	30	–	
<b>Consolidated subsidiary</b>	<b>954</b>	<b>1,041</b>	<b>86</b>		<b>1,557</b>	<b>516</b>	<b>796</b>	<b>978</b>	<b>181</b>	
Depreciation	32	31	0		206	175	51	101	50	
Depreciation (Amortization related to M&A)	96	103	6		103	–	77	83	6	
Other fixed costs	825	905	80		1,247	341	667	792	124	
<b>Consolidated total</b>	<b>2,190</b>	<b>2,614</b>	<b>423</b>		<b>3,588</b>	<b>973</b>	<b>1,933</b>	<b>2,309</b>	<b>376</b>	

- Personnel expenses include payroll related expenses including salary, legal welfare expenses, retirement benefit costs, recruiting costs and travel/transportation costs.
- Depreciation (Amortization related to M&A) includes depreciation goodwill, customer-related intangible assets and technological assets.
- Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in Q1 FY2021, and the contribution to the P/L started in Q2 FY2021.
- The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
- The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
- Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- Figures are all in Japanese Yen and rounded down to the nearest million yen.





## **MINKABU THE INFONOID**

The material in this presentation has been prepared by MINKABU THE INFONOID, Inc. (“Minkabu” or “Company”) and contains the Company’s business, the industry trend and the forward –looking information based on Minkabu’s current activities and future projections as at the date of this presentation. The forward-looking information contained in this presentation is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward-looking information. The forward-looking information in this presentation in this presentation has been prepared based on the information available to the Company as of February 14, 2023 and this presentation will not be updated regardless of changes in actual results, performance, achievement, or anticipation.