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## Notice of Revision of Consolidated Earnings Forecast

MINKABU THE INFONOID, Inc., (hereinafter “Minkabu”, Chiyoda-ku, Representative: Ken Uryu, Founder and CEO/CFO) announces its consolidated earnings forecast for the fiscal year ending March 31, 2023, which was undisclosed in our "Notice of Revision of Consolidated Earnings Forecasts" dated February 14, 2023, as follows. Consolidated net sales and net income attributable to owners of the parent are expected to reach record highs.

### 1. Revision of consolidated earnings forecast for the fiscal year ending March 31, 2023

	Net sales	EBITDA	Operating profit	Ordinary profit (loss)	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (Disclosed on February 14, 2023)	—	—	—	—	—	—
Revised forecast (B)	6,800 to 7,000	900 to 1,000	100 to 200	(300) to (200)	800 to 850	53.66 to 57.01
Change (B) – (A)	—	—	—	—	—	—
Percentage change (%)	—	—	—	—	—	—
(Reference) Actual result (Fiscal year ended March 31, 2022)	5,482	1,539	874	828	696	47.26

## 2. The reason for the revision

As stated in the Financial Results Announcement for the third quarter dated February 14, 2023, in the media business for the fiscal year ending March 31, 2023, high-margin, affiliate advertising sales were adversely affected by cannibalization of the two main affiliate sites (minkabu.co.jp and minkabu.jp) has resulted in a significant drop in search rankings for both sites in addition to the slowdown in the global advertising market. In terms of subscription-type services such as "Kabutan Premium" Minkabu had expected to expand its revenues through aggressive user acquisition measures but has not met the expectation under the situation of the historical price hikes in Japan caused by the global rise in raw material and fuel costs, and the slump in the stock market. On the other hand, on December 28, 2022, Minkabu made livedoor Ltd. ("Livedoor") a consolidated subsidiary and incorporated it into the consolidated financial results with December 31, 2022 as a deemed acquisition date.

The solutions business expanded steadily with the solid performance of information solution services and the contribution to earnings from system solution services, launched in the fiscal year ending March 31, 2023. On the other hand, the performance of information-related solutions service was weak with upfront investments being continued, such as depreciation, data purchase and license fees, and increased outsourcing costs associated with the launch of new services such as U.S. stock solutions, while the introduction of these services to customers was delayed more than expected due to the deteriorating performance of client financial institutions. Although the impact of this delay was compensated for by an increase in revenue from system solutions, the gross profit margin of system solutions was lower than that of information solutions, resulting in a deterioration of the sales mix during the period and a temporary decline in profit margins.

Under these circumstances, Minkabu expects a record high for consolidated net sales for the fiscal year ending March 31, 2023 with the inclusion of Livedoor in the consolidated results, as well as the solid performance of information-related solution services and new revenue contribution from system-related solution services. Moreover, as announced today in the "Notice of Transfer of Shares resulting in Change of Consolidated Subsidiary and Recording of Extraordinary Income ", Minkabu has decided to transfer all shares held by its consolidated subsidiary Prop Tech plus Inc. ("PT+") as part of measures related to the reorganization of the group, and extraordinary profit is expected to be recorded, likely resulting in the record-high for net income attributable to owners of the parent, too.

The consolidated operating income and ordinary income are, however, expected to fall far short of the forecasts announced at the beginning of the fiscal year due to a decrease in affiliate advertising revenue in the media business, a temporary decline in profit margins in the solutions business due to a worsening sales mix, and expenses incurred in connection with aggressive M&A activities, etc. However the same time in the current consolidated fiscal year, Minkabu took measures to make this deterioration in business performance temporary and shift the growth phase to the Next Stage. Specifically, in the media business, Minkabu has more than tripled the scale of sales by making Livedoor a member of the Minkabu group, and Minkabu is building a business model that can break away from a revenue structure dependent on affiliate advertising, reduce the impact of changes in web search engine algorithms, and break away from a business structure highly dependent on the financial market. In the solutions business, against a backdrop of robust demand, Minkabu has improved the

profitability of its information solution services and built a structure that can expand the scale of its system solution services. In the future, Minkabu will further develop group reorganization in both the media and the solution business to enhance its agility for further growth of the group.

In the fourth quarter of the fiscal year ending March 31, 2023, to ensure a V-shaped recovery of the business performance from the next fiscal year onward, Minkabu is taking prompt actions to cope with the temporary effects of changes in the business environment, such as eliminating cannibalization of affiliate sites, breaking away from dependence on the financial market by becoming a comprehensive media group, and strengthening various services, in addition to reducing expenses by utilizing the expanding group assets. Specifically, in the next fiscal year and beyond, Minkabu will implement significant cost reductions by reallocating human resources across the group and optimizing various aspects of the group based on the group's basic reorganization policy. In the financial media business, Minkabu will immediately execute drastic cost reduction measures such as curbing future personnel increases by reallocating human resources within the group, reducing advertising costs by leveraging the group's 90 million-person media power to develop intra-group marketing and promotions, reducing data and license costs and depreciation by integrating and reorganizing group assets, including the solutions business.

On the background above, Minkabu discloses net sales forecast in a range format due to the seasonal fluctuation specific to the end of the fiscal year. Minkabu plans to reorganize the group organization, dispose of property, plant, and equipment and intangible assets, and revaluation of minority investments as part of the group reorganization to respond to the risk of future performance fluctuation, to achieve a V-shaped performance recovery and shift to the growth phase in the next fiscal year and beyond. Accordingly, for operating income, ordinary income, and net income attributable to owners of the parent, Minkabu also discloses them in a range format since it will take a certain amount of time to finalize the above measures and to confirm the accounting treatment of these measures.

Since Minkabu expects net income attributable to owners of the parent to exceed its initial plan due to the aforementioned extraordinary gains, it plans to increase its year-end dividend forecast for the fiscal year ending March 31, 2023 (24 yen per share) to 26 yen per share. Please refer to the " Notice of Revision to Dividend Forecast" released today.

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