

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 15, 2023

## Consolidated Financial Results For the fiscal year ended March 31, 2023 (Under Japanese GAAP)



Company name: MINKABU THE INFONOID, INC.  
 Listing: Growth Market, Tokyo  
 Securities code: 4436  
 URL: <https://minkabu.co.jp/>  
 Representative: Ken Uryu, President and CEO/CFO  
 Inquiries: Junko Yaguchi, Senior Executive Officer  
 Telephone: +81-3-6867-1531  
 Scheduled date for the ordinary general meeting of shareholders: June 30, 2023  
 Scheduled date for payment of dividend: June 16, 2023  
 Scheduled date for submission of annual securities report: June 30, 2023  
 Preparation of supplementary material on annual financial results: Yes  
 Holding of annual financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions unless otherwise noted.)

### 1. Consolidated financial results For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results (cumulative) (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	6,836	24.7	1,019	(33.8)	111	(87.2)	(207)	-	726	4.4
March 31, 2022	5,482	31.8	1,539	20.3	874	15.2	828	12.8	696	23.3

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥755 million [(2.9%)]  
 For the fiscal year ended March 31, 2022: ¥733 million [(17.2%)]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to gross operating income
March 31, 2023	Yen 48.60	Yen 47.90	% 9.6	% (1.6)	% 1.6
March 31, 2022	Yen 47.26	Yen 46.40	% 12.4	% 9.9	% 16.0

Notes:

- The Company acquired MINKABU WEB3 WALLET, Inc., on May 1, 2022, ALIS Co., Ltd. on October 4, and livedoor Co., Ltd. on December 28, 2022, and CWS Brains, LTD. on March 31, respectively, making the companies consolidated subsidiaries. The operating results of CWS Brains, LTD. is not included in the above figures as the acquisition date of March 31, 2023 is the end of fiscal year.
- EBITDA is calculated as 'Operating profit + Depreciation + Amortization of goodwill'

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Million yen	Million yen	%	Yen
March 31, 2023	16,534	7,855	47.0	518.45
March 31, 2022	9,757	7,443	75.2	492.54

Reference: Equity

As of March 31, 2023: ¥7,764 million

As of March 31, 2022: ¥7,342 million

## (3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	772	(5,370)	5,535	4,463
March 31, 2022	1,290	(1,361)	1,750	3,526

## 2. Dividends

	Annual dividends per share					Total dividends for the year	Payout Ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
Fiscal year ended March 31, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
	-	0.00	-	24.00	24.00	357	50.8	6.2
Fiscal year ending March 31, 2023	-	0.00	-	26.00	26.00	389	53.5	5.1
Fiscal year ending March 31, 2023 4 (Forecast)	-	0.00	-	26.00	26.00		43.3	

Notes:

- Breakdown of dividends for the fiscal year ended March 31, 2023: ordinary dividends 26.00 yen.
- Payment of dividends for the fiscal year ended March 31, 2023 to be paid from capital surplus is scheduled to be resolved at the board meeting on May 30, 2023.
- For more details of the forecast of cash dividends for the fiscal year ended March 31, please refer to "1. Qualitative Information on Financial Results (5) Basic Policy of Earnings Distribution and Dividends of Current and Next Fiscal Year" section on page 8 in the attached material.

## 3. Earnings Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	11,000	60.9	2,200	115.8	1,000	795.4	940	-	900	23.9	60.10

Notes: EBITDA is calculated as 'Operating profit + Depreciation + Amortization of goodwill'

## Notes

- (1) Changes in significant subsidiaries during the period (changes in the subsidiary resulting in the change in scope of consolidation): included livedoor Co., Ltd. and excluded Prop Tech plus Inc.
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatement: None

Note: For further information, please refer to “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policy)” and “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Estimates)” in page 17 and 18.

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	14,976,200 shares
As of March 31, 2022	14,907,700 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	23 shares
As of March 31, 2022	23 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended March 31, 2023	14,946,428 shares
Fiscal year ended March 31, 2022	14,725,769 shares

Reference: Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

- (1) Non-consolidated operating results (% indicates changes from the previous corresponding period)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	4,595	6.8	(88)	-	(327)	-	802	21.0
March 31, 2022	4,304	38.7	736	19.8	693	15.8	662	19.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	53.67	52.90
March 31, 2022	45.02	44.20

- (2) Non-consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity ratio	Book value per share
	Million yen	Million yen	%	Yen
March 31, 2023	16,215	8,319	51.3	555.51
March 31, 2022	9,528	7,820	82.1	524.61

Reference: Equity As of March 31, 2023: 8,319 million yen  
As of March 31, 2022: 7,820 million yen

\* Summary of financial results reports are exempt from the audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters:

1. The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For notes on using earnings projections and assumptions for premises thereof, please refer to “(4) Future outlook” under the “1. Overview of Financial Results ” section on page 5.
2. We plan to hold a financial result briefing for institutional investors and analysts on May 15, 2023. Supplementary materials for financial results will be published on our website on the day of the event.

## Table of Contents of Attached Material

1.	Overview of Financial Results-----	2
	(1) Explanation of Results of Operations for the Fiscal Year Ended March 31, 2023-----	2
	(2) Overview of Financial Position as of March 31, 2023-----	3
	(3) Overview of Cashflow for the Fiscal Year Ended March 31, 2023-----	4
	(4) Future Outlook-----	5
	(5) Basic Policy of Earnings Distribution and Dividends of Current and Next Fiscal Year-----	8
2.	Basic Approach to Selection of Accounting Standards-----	8
3.	Consolidated Financial Statements and Principal Notes-----	9
	(1) Consolidated Balance Sheets-----	9
	(2) Consolidated Statements of Income and Comprehensive Income-----	11
	(Consolidated Statements of Income)-----	11
	(Consolidated Statements of Comprehensive Income)-----	12
	(3) Consolidated Statement of Changes in Equity-----	13
	(4) Consolidated Statement of Cash Flows-----	15
	(5) Notes to Consolidated Financial Statements-----	17
	(Notes to Going Concern Assumption)-----	17
	(Changes in Major Subsidiaries during the Period)-----	17
	(Changes in Accounting Policy)-----	17
	(Notes to Significant Changes in the Amount of Shareholders' Equity)-----	17
	(Change in Accounting Estimates)-----	18
	(Additional Information)-----	19
	(Segment Information etc.)-----	20
	(Per Share Information)-----	24
	(Subsequent Event)-----	24
	(Business Combination)-----	25

## 1. Overview of Financial Results for the Fiscal Year ended March 31, 2023

### (1) Explanation of Results of Operations for the Fiscal Year Ended March 31, 2023

On a consolidated basis, MINKABU THE INFONOID, INC. (hereinafter “the Company”) raised 6,836,274 thousand yen in sales (24.7% increase YoY), 111,683 thousand yen in operating profit (87.2% decrease YoY), 207,709 thousand yen in ordinary loss (828,614 thousand yen of ordinary profit for the fiscal year ended March 31, 2022), and 726,380 thousand yen in net income attributable to shareholders of the parent company (4.4% increase YoY) for the fiscal year ended March 31, 2023. The Company also recorded 1,019,420 thousand yen (33.8% decrease YoY) in EBITDA (operating profit + depreciation and amortization + amortization of goodwill,) which is one of the key measurements of the Company’s continuous growth.

For net sales, while media business suffered from downturn trends of advertising market worldwide especially for network advertising, and affiliate advertising revenue was hit by the change of search engine algorithm etc, the Company achieved a record high sale helped by the contribution from the consolidation of livedoor Ltd. as a subsidiary and the continued steady growth of the solutions business.

Operating profit, on the other hand, declined significantly from the previous year due to some short-term periodic profit squeeze factors such as a deteriorating sales mix in the solution business, expansion of human resource to accelerate growth over the medium term, initial development, data and license costs and other upfront investments associated with the launch of new services and service expansion.

In addition, as a result of several M&A deals done, including large-scale ones based on the aggressive M&A strategy for the next step of growth, we incurred syndicated loan origination fees for M&A financing and M&A incidental expenses, which were recorded as non-operating expenses.

As for extraordinary income and loss, as part of the Group's reorganization aimed at strengthening flexible and agile management to promote the Group's business strategy, the Company transferred all of its shares in consolidated subsidiary Prop Tech plus Inc. to TOKYO KANTEI Co.,Ltd. on March 30, 2023, and recorded a gain on sales of subsidiary shares as extraordinary income. On the other hand, the Company also recorded extraordinary losses on the disposal and impairment of fixed assets due to a review of unprofitable services and development projects, as well as valuation losses on certain minority-owned companies. As a result, net income attributable to shareholders of the parent company for the consolidated fiscal year ended March 31, 2023 reached a record high.

Results by business segment are as follows. For the fiscal year ended March 31, 2023, the Company acquired MINKABU WEB3 WALLET, Inc. as a consolidated subsidiary on May 1, 2022, acquired ALIS Co., Ltd. as a consolidated subsidiary on October 4, 2022, and acquired livedoor Ltd. (hereinafter “Livedoor”) as a consolidated subsidiary on December 28, 2022, respectively. In addition, as of March 31, 2023, Livedoor acquired all shares of CWS Brains, LTD. from Koei Tecmo Holdings, Inc. and made it a wholly owned subsidiary. Together with the acquisition of KOEI TECMO HOLDINGS CO., LTD., the Company has become one of the leading online media groups in Japan with a user base of 90 million users, including existing users of the Company and Livedoor.

(Media)

The media business, with the Livedoor business which was newly incorporated into the group for the consolidated fiscal year ended March 31, 2023 as a core, consists of the UGC (User Generated Content) media, centered on livedoor Blog, and PGC (Professionally Generated Content) media, centered on livedoor NEWS. In addition, the Company also offers sports information media "Ultra World Soccer! a sports information media, MINKABU, an asset building information media, Kabutan, a stock information media, Peachy, a women's information media, Kstyle, a Korean pop culture media, and other vertical media, MINKABU Choice and livedoor Choice. The Company operates a comprehensive media business with an average monthly number of unique users\* of approximately 90 million. The Company recognizes advertising revenues from the operation of these media sites and billing revenues from paid services as revenues.

For the fiscal year ended March 31, 2023, Livedoor, which became a consolidated subsidiary on December 28, 2022 (deemed acquisition date is December 31, 2022) contributed to consolidated net sales. However, the changes in web search engine specifications, etc. resulted in cannibalization between the two existing major financial sites and experienced a significant drop in search rankings. Accordingly, the high-margin performance-based advertising sales were lower than in the same period of the previous fiscal year. As a countermeasure to eliminate this cannibalization, in December 2022, the Company launched "livedoor Choice," an affiliate site targeting all aspects of lifestyle, and transfer the affiliates of [minkabu.co.jp](http://minkabu.co.jp) to "livedoor Choice". The effect of these measures has already been confirmed. For the subscription-type revenue, monthly fees from paid services showed healthy growth and implementation service revenue for asset building management tool, “MINKABU ASSET PLANNER” for the corporate user is recorded. On the other hand, fixed costs such as human resource costs for mid-term growth, depreciation of software derived from new functionalities like US stock information and server costs pressed the profit. As a result,

consolidated sales for the fiscal year ended March 31, 2023 was 2,871,911 thousand yen (22.0% increase YoY) and segment profit was 223,493 thousand yen (70.1% decrease YoY).

\*Total average users in “livedoor Blog”, “livedoor NEWS”, and “Kstyle” from April 2022 to March 2023. More specifically, for “livedoor Blog”, average figures of daily visitors for the above period, and for “livedoor NEWS” and “Kstyle”, average figures of monthly users fro the above period.

#### (Solution)

The solutions business provides a wide range of information solution services to financial institutions, including a variety of software automatically generated by AI using know-how cultivated mainly in the asset building media and processed crowd input data collected on websites, as well as system solution services that utilize the Company's assets to its clients, mainly financial companies. The information solution services business generates revenue from initial installation and monthly usage fees as ASP services, while the system solution services business generates revenues from consulting, initial installation, and monthly usage fees for subsequent maintenance and other services.

For the fiscal year ended March 31, 2023, in addition to the acquisition of a large-sized projects from existing customers and the expansion of US stock services, large-sized consulting project in system solutions starting from this fiscal year and Prop Tech Plus Inc., a consolidated subsidiary, contributed favorable performance. The profitability, however, temporarily lowered due to worsen sales mix, i.e., while system solution push the total net sales of solution business, its profitability is lower than that of information solution. Information solution revenue was narrowed by the upfront investments such as depreciation of new services including US stock solution, data/license fees and outsourcing expenses, and the delay of service launch to clients than expected due to their performance deterioration. As a result, consolidated sales for the fiscal year ended March 31, 2023 was 4,005,648 thousand yen (27.2% increase YoY) and segment profit was 762,227 thousand yen (3.0% decrease YoY).

## (2) Overview of Financial Position as of March 31, 2023

### Assets, Liabilities, and Net Assets

#### (Assets)

Current assets at the end of the fiscal year were 6,567,672 thousand yen with an increase of 1,741,939 thousand yen from the end of the previous fiscal year. This was due to increases of cash and cash equivalent, account receivables and prepayment and prepaid expenses included in other current assets by 937,788 thousand yen, 119,964 thousand yen, 688,228 thousand yen, respectively.

Total fixed assets was 9,967,214 thousand yen with an increase of 5,035,109 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 2,632,617 thousand yen in goodwill due to the changes in consolidated subsidiaries including acquisition of Livedoor, ALIS Co., Ltd., and CWS Brains, LTD, and disposition of Prop Tech plus, inc., and an increase of 2,950,913 thousand yen of customer related assets derived from the acquisition of Livedoor, partially offset by the decrease in investment securities as a minority by 333,424 thousand yen due to the impairment.

As a result, total assets was 16,534,886 thousand yen, a increase of 6,777,049 thousand yen from 9,757,836 thousand yen at the end of the previous fiscal year.

#### (Liability)

Current liabilities at the end of the fiscal year was 1,926,474 thousand yen with an increase of 984,312 thousand yen compared to the end of the previous fiscal year. This was mainly due to increases of 407,612 thousand yen in current portion of long-term borrowings due to the funding of syndicated loan and 436,427 thousand yen in accounts payables due to the acquisition of livedoor.

Fixed liabilities increased by 5,380,329 thousand yen to 6,752,500 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 5,456,297 thousand yen in long-term debt due to the execution of funding of syndicated loan to acquire livedoor, partially offset by the repayment of the syndicated loan due to the sale of Prop Tech Plus Inc.

As a result, total liabilities amounted to 8,678,974 thousand yen, an increase of 6,364,642 thousand yen from 2,314,332 thousand yen at the end of the previous fiscal year.

#### (Net Assets)

Total equity at the end of the fiscal year of the current fiscal year was 7,855,911 thousand yen, an increase of 412,407 thousand yen from the previous fiscal year at 7,443,504 thousand yen. This was mainly due to the 726,380 of net income attributable to owners of the parent and the increases in share capital and capital surplus amounted to 19,100 thousand yen due to the exercise of share options, partially offset by a decrease in capital surplus by 357,784 thousand yen resulting from the payment of ordinary dividends.

As a result, the equity ratio was 47.0% (75.2% at the end of the previous fiscal year).

(3) Overview of Cash Flow for the Fiscal Year ended March 31, 2023

Cash and cash equivalents at the end of the fiscal year were 4,463,954 thousand yen, an increase of 937,788 thousand yen at the end of the previous fiscal year. The status of each category of cash flow and the main reasons are described below.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was 772,229 thousand yen (provided by 1,290,250 thousand yen for the previous fiscal year). This was mainly due to 1,246,013 thousand yen of profit before income taxes, 760,302 thousand yen of depreciation mainly consisting of depreciation of software investment for our growth, 147,434 thousand yen of amortization of goodwill, 250,385 thousand yen of impairment of fixed assets, 216,360 thousand yen of impairment of investment securities, 733,395 thousand yen of the collection of account receivables, and 272,176 of the increase of other current liabilities, partially offset by 1,935,623 thousand yen of the profit from the sale of a subsidiary, 679,688 thousand yen of the increase of other current assets, 238,637 thousand yen of the payment of income tax and other.

(Cash Flows from Investing Activities)

Net cash used in investing activities was 5,370,270 thousand yen (used in 1,361,562 thousand yen for the previous fiscal year). This was mainly due to 1,050,024 thousand yen of acquisition of intangible assets mainly consisting of investment in software development, 7,457,921 thousand yen of the acquisitions of subsidiaries such as Livedoor, ALIS Co., Ltd. and CWS Brains, LTD. which was offset by the proceeds from the sale of Prop Tech plus Inc. resulting in the 3,032,637 thousand yen of positive cash flow.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was 5,535,830 thousand yen (used in 1,750,436 thousand yen for the previous fiscal year). This was mainly due to 8,222,582 thousand yen of proceeds from the syndicated loan for the acquisition of Livedoor and refinance of the loans for the acquisition of Prop Tech plus Inc. offset by the 2,566,091 thousand yen of repayment of long-term borrowings including the sale of repayment of syndicated loan due to the sale of Prop Tech plus Inc. and 357,253 thousand yen of dividends paid.



#### (4) Future Outlook

For the fiscal year ended March 31, 2023, solution business showed stable growth due to the increase of stock revenue from the existing information solutions, the commencement of large size general information solution service, entries of high value added system solution area which expand workscope retaining scales. However, the profitability temporarily lowered due to worsen sales mix, i.e., the profit margin of information solution, which has been enjoyed high rate of margin, was temporarily reduced by the upfront investments such as depreciation of new services including US stock solution, data/license fees and outsourcing expenses, and the delay of service launch to clients, mainly consisting of financial institutions, due to their performance deterioration. Moreover, in the media business, in addition to the slowdown in the growth of the global advertising market, the stable, high-positioning strategy through optimization of web search engines, which had been our main route to acquire users for our affiliate advertising, to be adversely affected by the changes in search engine algorithm. We experienced cannibalization between the two core affiliate sites (minkabu.co.jp and mikabu.jp) which lowered search ranking for both site and affect the performance of high-margin affiliate advertising revenue. In addition, although billing revenues from subscription-type services, such as "Kabutan Premium," remained steady compared to the same period of the previous fiscal year, the sluggish stock market conditions, the global rise in prices of raw materials, fuel, and other commodities has had a negative impact on the domestic market. Accordingly, the various user acquisition measures have not yet produced the initially anticipated results.

The Company has been taking various actions quickly and smoothly to temporarily offset the impact of a series of changes in the business environment, such as strengthening efforts to break away from a business model that relies on financial services.

The Group's recognition of the business environment and its future business strategy for re-growth are as follows.

##### 1. Perceptions of the financial industry

In response to the "Grand Design and Action Plan for a New Form of Capitalism" and the "Basic Policy on Economic and Fiscal Management and Reform 2022" approved by the Cabinet on June 7, 2022, the Council of New Form of Capitalism Realization, established in the Cabinet Secretariat on November 28, 2022, compiled a concrete plan for the "Asset Income Doubling Plan". It is expected that the permanent establishment and fundamental expansion of the small investment tax exemption (NISA), which encourages the shift from savings to investment, will lead to the expansion of a new asset-building class and significant progress in asset building by households in Japan. In support of this objective, The Company has developed a digital platform for financial and economic education with the aim of creating an environment that promotes innovation and growth in the corporate sector, improving financial literacy among households, and supporting asset formation initiatives. The Company believes that the need for new information solution services will increase as the base of asset formation expands.

At the same time, as the major online securities companies accelerate their efforts to waive stock trading fees in Japan, competition is expected to intensify further to lock in customers. On the other hand, in addition to measures to expand the new asset-building segment by making NISA permanent, etc., as competition to acquire customers becomes more intense due to the introduction of no commissions, there are concerns that the deterioration of profitability per customer will lead to lower acquisition costs per customer and impact advertising revenue in our media business, including affiliate advertising. In addition, since the elimination of stock trading fees will, in a sense, return those costs to investors, it is expected that the billing capacity of individual investors will expand to a certain degree. For this reason, the Company assumes that a new growth strategy can be drawn for subscription-type services in the future. In addition, the Company expects that brokers will become more aware of cost-effectiveness in diversifying profitability and improving the efficiency of system operation and system construction, and the Company believes that the trend of steadily expanding needs in the solutions business will continue for the time being.

##### 2. Perceptions of the internet industry

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 rates and rising interest rates are also affecting global giant high-tech companies, which are experiencing a marked trend of deteriorating business performance and restructuring through drastic cutbacks in personnel. On the other hand, in addition to the intensifying competitive environment and expanding global legislation on personal information protection, a shift to the so-called "Web3" decentralized Internet using blockchain technology is attracting attention, and a wide range of new internet services in various fields are expected to develop in the future.

With the increase in the amount of time spent on the internet due to the Covid-19 disaster, there is a noticeable trend for internet users, who were previously viewers, to become creators and senders, creating added value

through information transmission and actions in the digital space. These new economic activities are rapidly expanding on the internet media as the creator economy (a digital market where individuals provide products and services as creators on the Internet and generate revenue). This creator economy is expected to create a new Web 3 economic sphere in the Web 3 world as well, where people earn crypto assets in return for their actions on the internet as "x to Earn" (economic value by doing x).

### 3. Future business strategies of the Group

#### (1) Media business

The Company made Livedoor a wholly owned subsidiary on December 28, 2022, and Livedoor acquired CWS Brains, LTD. which operates sports information media "Ultra WORLD Soccer!" (<https://web.ultra-soccer.jp/>) on March 31, 2023. As a result of the acquisition, together with the asset-building information media "MINKABU" and the stock information media "Kabutan," the Company group became one of the leading online media groups in Japan with 90 million monthly users. Moreover, on April 1, 2023, Livedoor made SyncroLife, Inc., Web3 gourmet SNS business, a wholly owned subsidiary through the acquisition from GINKAN, Inc.

The Group's media business will strengthen various specialty media such as sports information media, "Ultra WORLD Soccer!," asset building information media "MINKABU", asset information media "minkabu", information media for women "Peachy", Korean pop culture media "Kstyle", Web 3 gourmet SNS app "SyncroLife", in addition to UGC (User Generated Content) media centered on "livedoor Blog" and PGC (Professionally Generated Content) media centered on "livedoor NEWS". The Group's basic strategy for its media business is to position livedoor media as the core of the Group's media business, and to deploy both user engagement power of "livedoor Blog" and the content spreading power of "livedoor NEWS" to each of the vertical media and to provide new user experiences and expand added value and profitability.

The Group's media business mainly generates advertising revenues from pure advertising mainly pay-per impression type of posting advertisement and affiliate advertising, which is relatively high unit price but tied to the willingness of individuals to invest in financial institutions trading accounts, etc., and the business model is affected by the number of users acquired through stable, high-positioned advertising through optimization of web search engines. In the livedoor business, advertising revenue is also the main source of revenue with low unit price compared to pure advertising and pay-per impression type of posting advertisement, but it is centered on relatively stable ad network advertising. In addition, since the 90 million TAM (Total Addressable Market) of the livedoor business can be utilized as the Group's media, future advertising revenues from the Company's media business are expected to expand in scale and stabilize profitability by building on the livedoor Business, while at the same time, with aggressive inducement of users within the group media, advertising revenues from the Company's media business will be less affected by the changes of algorithm of web search engines.

In addition, advertising revenue from livedoor's business is smaller per unique user than advertising revenue from the Group's existing media business. The Company believes that this leaves a great deal of room for revenue expansion measures, including the introduction of affiliate advertising. For this reason, the Company launched "livedoor Choice," a comparison site targeting all aspects of lifestyle, in December 2022 as a affiliate advertising business within the Group's media that does not require web search engine optimization measures. The Company will continue to take measures to expand earnings in the livedoor business, including the integration of technology with the Group's existing media business.

Furthermore, the Group will develop a new platform business by introducing creator support programs and high-value-added services through the expansion of high-quality content essential to the creator economy, majoring of information transmitters, and expansion of contact points, etc., by promoting UGC/PGC collaboration and vertical media and utilizing the world-class scale of SNS transmission power, rather than relying solely on advertising revenue. More specifically, the Company will promote the Web 3 business model strategy in each vertical media, such as the introduction of P2P incentives, such as user-to-user incentives for contributors of quality content and digital incentives for sharing distributed news on SNS, etc., and C2B and B2C incentives to activate the creator economy and strengthen the media and creators' stickiness. In addition, we will promote the Web3 business model strategy, such as the activation of the creator economy through C2B and B2C incentives and the enhancement of media and creator stickiness in each vertical media, and develop new businesses such as new subscription-type services with high-value-added premium services.

#### (2) Solution business

In the financial industry, the performance of brokers has been deteriorating due to a decline in the willingness of individual investors to invest due to the global market slump, concerns about the economic recession, and the unstable market environment. On the other hand, it is expected that there will be an increase in moves toward the elimination of commissions on Japanese stock trading, diversification of earning power, further cost reductions, and more efficient system investment and operation. Recognizing this environment, the Company is working to diversify its earning power and further reduce costs and improve operational

efficiency by providing U.S. stock information solutions and introducing comprehensive Japanese stock investment information tools in its information solutions services.

In addition, existing IT systems have been built for different organizational units and have not been able to utilize data across the entire company, or have been overly customized and complicated. In addition to information solution services, the Company is strengthening its efforts in system solution services to help financial companies achieve DX. In the current fiscal year, the Company began by providing consulting services to online securities firms and online banking financial institutions regarding the construction of systems that utilize APIs (Application Programming Interface), etc. However, the needs of the industry exceeded the Company's expectations, and the Company has already begun providing services for API integration. The Company has already begun providing solutions in the development and operation support phase in addition to consultation, such as marketplace development based on API linkage, marketing support, and digital payment infrastructure system development, thereby expanding the scope of system solution services the Company provides. In addition to consulting services, the Company has begun providing solutions at the development and operation support stage.

In addition, in December 2022, the Company's subsidiary Minkabu Asset Partners Inc. completed its registration as a Financial Instruments Intermediary Service Provider. Under the "Asset Income Doubling Plan," which is also a government policy, the Company plans to develop a financial products intermediary business by leveraging the customer base of over 400 financial institutions, which the Group has built through its information media business and financial information solutions business for asset building individuals and investors, and the user base of 90 million individual users, including livedoor.

As described above, in the solutions business domain, the Company plans to continue to achieve stable growth in information solution services against the backdrop of needs for cost reduction and diversification of profitability, and in system solution services in line with the continuing trend of DX needs, as well as to newly develop B2C solution services to expand the base of asset builders. In addition, the Company will newly develop B2C solution services to expand the base of asset-forming customers.

In May 2022, the Company made MINKABU Web3 Wallet Inc., a consolidated subsidiary for the purpose of developing NFT solutions utilizing Web3, a blockchain based network. In the future, the solutions business will develop business in a wide range of areas not limited to the financial industry, while pursuing synergies between the new media business as a comprehensive media group and the solutions business.

#### 4. Group restructuring, future profit improvement scenarios and mid-term performance targets

In the media business, the Company will develop the business by leveraging a scale, such as overwhelming traffic and SNS spreading power. In the solution business, in addition to the further evolution of information solutions and system solutions, the Company has positioned the development of new financial information solutions services to contribute to the expansion of the asset building segment as a basic growth strategy for the future, and the Company will work to build a group structure to promote this.

In the media business, as of April 1, 2023, the media business of MINKABU THE INFONOID, INC. was integrated into livedoor Co., Ltd. and ALIS Co., Ltd. was merged into livedoor Co., Ltd. In the solutions business, the solutions business of MINKABU THE INFONOID, INC. will be integrated into Minkabu Solution Services Inc. which was established on April 3, 2023, as of July 1, 2023.

For the fiscal year ending March 31, 2024, the Company expects consolidated net sales of 11,000 million yen (up 60.9% YoY) and consolidated operating income of 1,000 million yen (up 795.9% YoY), EBITDA of 2,200 million yen (up 115.8% YoY), and net income attributable to shareholders of the parent company of 900 million yen (up 23.9% YoY). The Company takes upfront investments to expand the earnings base of the web3 gourmet SNS business "SynchroLife", which was transferred to the media business on April 1, 2023, trends in the Internet advertising market, and the consolidated impact of Prop Tech Ltd., which was sold on March 30, 2023, into consideration. For the fiscal year ending March 31, 2024, the Company expects to recognize an income tax deferred resulted from the recoverability of deferred tax assets derived from tax goodwill of livedoor Co., Ltd.

Based on the aforementioned future business strategy, we are announcing the Group's mid-term performance targets as follows.

	March 31, 2025	March 31, 2026
Consolidated net sales	14,000 million yen (27.3% increase)	17,000 million yen (21.4% increase)
Consolidated operating income	1,800 million yen (80.0% increase)	3,000 million yen (66.7% increase)
Consolidated operating income ratio	12.9% (3.8% increase)	17.6% (4.8% increase)
EBITDA	3,000 million yen (36.4% increase)	4,500 million yen (50.0% increase)
Profit attributable to owners of parent	1,000 million yen (11.1% increase)	2,000 million yen (100.0% increase)

#### (5) Basic Policy of Earnings Distribution and Dividends of Current and Next Fiscal Year

As we see the Company is still in growth stage, we mainly focus on the increase of the value of the Company by retaining internal reserve and making growth investment by leveraging the internal reserve, while aiming to the growth and distribution to our shareholders at the same time by providing stable dividend. While the Company was significantly affected by the sluggish advertising market, changes in web search engine specifications, and the worsening financial and economic environment, consolidated net sales reached a record high and net income also reached a record high thanks to the extraordinary income. In addition, by taking various measures to temporarily offset the deterioration of our business performance in the current fiscal year, we aim for profit growth in the next fiscal year and beyond. In view of this situation, to return profits to our shareholders who support us over the medium term, we will increase the dividend by 2 yen from the previous fiscal year to 26 yen per share.

We will determine the dividend for the next fiscal year (ending March 31, 2024) in consideration of business performance trends, progress in investments, and other factors, but at this time we plan to maintain the dividend payment planned for the current fiscal year (ordinary dividend of 26 yen per share). In addition to the short-term recovery of business performance, which is our highest priority, we will aim to increase corporate value by balancing both continued growth and shareholder returns.

## 2. Basic Approach to Selection of Accounting Standards

Since most of our stakeholders comprise of Japanese shareholders, customers and suppliers, and most of our businesses are operated in Japan, we prepare consolidated financial statements based on Japanese Generally Accepted Standards. For the adoption of International Financial Reporting Standards (“IFRS”), we will take suitable actions by considering the development of our business and spread of IFRS in Japan and other countries.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	3,526,165	4,463,954
Account receivables	1,127,845	1,247,809
Work in process	15,218	10,928
Supplies	4,338	6,154
Others	156,836	845,064
Allowance for doubtful accounts	(4,672)	(6,238)
Total current assets	<u>4,825,732</u>	<u>6,567,672</u>
Non-current Assets:		
Tangible assets:		
Facilities attached to buildings	28,762	30,322
Accumulated Depreciation	(1,382)	(12,043)
Facilities attached to buildings, net	<u>27,379</u>	<u>18,278</u>
Tools, furniture and fixtures	176,428	212,382
Accumulated Depreciation	(117,187)	(141,975)
Tools, furniture and fixtures, net	<u>59,241</u>	<u>70,407</u>
Motor vehicle	-	9,251
Accumulated Depreciation	-	(256)
Tools, furniture and fixtures, net	<u>-</u>	<u>8,994</u>
Construction in progress	150	-
Total tangible assets	<u>86,771</u>	<u>97,680</u>
Intangible assets:		
Goodwill	931,751	3,564,368
Clients' asset	432,086	3,382,999
Technology assets	67,647	56,461
Software	1,592,391	1,581,490
Software in progress	387,280	209,350
Others	33,419	29,901
Total intangible assets	<u>3,444,576</u>	<u>8,824,570</u>
Investments and other assets:		
Investment securities	1,107,015	773,591
Guarantee deposits	130,472	129,949
Deferred tax assets	161,411	136,743
Others	6,479	9,299
Allowance for doubtful accounts	(4,621)	(4,621)
Total investment and other assets	<u>1,400,756</u>	<u>1,044,962</u>
Total fixed assets	<u>4,932,104</u>	<u>9,967,214</u>
Total assets	<u>9,757,836</u>	<u>16,534,886</u>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payables	383,890	290,163
Short-term borrowings	-	200,000
Current portion of long-term borrowings	159,816	567,428
Income tax payable	158,368	186,088
Other allowances	21,610	27,891
Others	218,476	654,904
Total current liabilities	942,162	1,926,474
Non-current liabilities:		
Long-term borrowings	1,296,203	6,752,500
Deferred tax liabilities	75,967	-
Total non-current liabilities	1,372,170	6,752,500
Total liabilities	2,314,332	8,678,974
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	3,514,020	3,533,120
Capital surplus	4,533,849	4,194,160
Retained earnings	(745,034)	(18,653)
Treasury shares	(93)	(93)
Total shareholders' equity	7,302,741	7,708,533
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	39,841	55,860
Total accumulated other comprehensive income	39,841	55,860
Non-controlling interests	100,922	91,518
Total net assets	7,443,504	7,855,911
Total liabilities and net assets	9,757,836	16,534,886

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Thousands of yen)

	From April 1, 2021 to March 31, 2022	From April 1, 2022 to March 31, 2023
Net Sales	5,482,410	6,836,274
Cost of Sales	2,908,096	4,204,271
Gross Profit	2,574,314	2,632,003
Selling, general and administrative expenses	1,699,630	2,520,319
Operating profit	874,684	111,683
Non-operating income		
Interest income	35	53
Dividend income	905	6,190
Gain on investments in investment partnerships	538	-
Reversal of allowance for doubtful accounts	3	1,787
Others	119	2,920
Total non-operating income	1,601	10,952
Non-operating expenses		
Interest expense	10,864	25,318
Guarantee paid	6,698	4,019
Financing expenses	25,729	207,417
Merger related costs	-	85,975
Foreign exchange losses	221	370
Others	4,157	7,243
Total non-operating expenses	47,670	330,344
Ordinary profit	828,614	(207,709)
Extraordinary gains		
Gain on sale of non-current assets	-	10,187
Gain on sale of investment securities	1,350	2,746
Gain on sale of subsidiary's stock	-	1,935,623
Total extraordinary gains	1,350	1,948,557
Extraordinary losses		
Settlement payment	-	28,000
Loss on disposal of non-current assets	779	88
Loss on impairment of investment securities	-	216,360
Loss on impairment of fixed assets	140	250,385
Total extraordinary losses	920	494,834
Profit before income taxes	829,044	1,246,013
Income taxes - current	166,003	358,514
Income taxes - refund	(140)	-
Income taxes - deferred	(60,833)	148,369
Total income taxes	105,029	506,883
Net income	724,014	739,129
Profit attributable to non-controlling interests	28,010	12,749
Profit attributable to owners of parent	696,004	726,380

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	From April 1, 2021 to March 31, 2022	From April 1, 2022 to March 31, 2023
Profit	724,014	739,129
Other comprehensive income		
Valuation difference on available-for-sale securities	9,926	16,018
Total other comprehensive income	9,926	16,018
Comprehensive income	733,941	755,148
Comprehensive income attributable to;		
Owners of parent	705,931	742,399
Non-controlling interests	28,010	12,749



## (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	1,762,268	3,565,598	(1,441,038)	-	3,886,827
Changes during period					
Issuance of new shares	1,751,752	1,751,752			3,503,504
Dividends of surplus		(248,754)			(248,754)
Profit attributable to owners of parent			696,004		696,004
Purchase of treasury shares				(93)	(93)
Change in ownership interest of parent due to transactions with non-controlling interests		(534,747)			(534,747)
Net changes in items other than shareholders' equity					
Total changes during period	1,751,752	968,250	696,004	(93)	3,415,913
Balance at end of period	3,514,020	4,533,849	(745,034)	(93)	7,302,741

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	29,914	29,914	298,579	4,215,321
Changes during period				
Issuance of new shares				3,503,504
Dividends of surplus				(248,754)
Profit attributable to owners of parent				696,004
Purchase of treasury shares				(93)
Change in ownership interest of parent due to transactions with non-controlling interests				(534,747)
Net changes in items other than shareholders' equity	9,926	9,926	(197,657)	(187,730)
Total changes during period	9,926	9,926	(197,657)	3,228,182
Balance at end of period	39,841	39,841	100,922	7,443,504

Fiscal year ended March 31, 2021 (From April 1, 2022 to March 31, 2023)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury share	Total shareholders' equity
Balance at beginning of period	3,514,020	4,533,849	(745,034)	(93)	7,302,741
Changes during period					
Issuance of new shares	19,100	19,100			38,200
Dividends of surplus		(357,784)			(357,784)
Profit attributable to owners of parent			726,380		726,380
Purchase of treasury shares				-	-
Change in ownership interest of parent due to transactions with non-controlling interests		(1,003)			(1,003)
Net changes in items other than shareholders' equity				-	
Total changes during period	19,100	(339,688)	726,380		405,792
Balance at end of period	3,533,120	4,194,160	(18,653)	(93)	7,708,533

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	39,841	39,841	100,922	7,443,504
Changes during period				
Issuance of new shares				38,200
Dividends of surplus				(357,784)
Profit attributable to owners of parent				726,380
Purchase of treasury shares				-
Change in ownership interest of parent due to transactions with non-controlling interests				(1,003)
Net changes in items other than shareholders' equity	16,018	16,018	(9,404)	6,614
Total changes during period	16,018	16,018	(9,404)	412,407
Balance at end of period	55,860	55,860	91,518	7,855,911

## (4) Consolidated Statement of Cash Flows

	From April 1, 2021 to March 31, 2022	From April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Profit before income taxes	829,044	1,246,013
Depreciation	574,325	760,302
Impairment losses	140	250,385
Amortization of goodwill	90,587	147,434
Increase in allowance for doubtful accounts	1,019	1,512
Increase in other provisions	5,444	7,171
Interest and dividend income	(940)	(6,243)
Interest expense	10,864	25,318
Share issuance costs	437	604
Financing expenses	25,729	207,417
Settlement paid	-	28,000
Gain on sale of non-current assets	779	(10,098)
Gain on sale of securities	(1,350)	(2,746)
Impairment loss on investment securities	-	216,360
Gain on sale of subsidiary's stock	-	(1,935,623)
Increase (decrease) in trade receivables	(254,253)	733,395
Increase in inventories	(1,984)	(14,480)
Decrease in guarantee deposits	544	-
Increase in other current assets	(65,966)	(679,688)
Increase in trade payables	158,865	(198,749)
Increase in other current liabilities	22,173	272,176
Others	2,668	8,524
Subtotal	1,398,129	1,056,983
Interest and dividends received	940	6,243
Interest paid	(10,747)	(24,360)
Income taxes paid	(98,071)	(238,637)
Settlement paid	-	(28,000)
Cash flows from operating activities	1,290,250	772,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(65,336)	(63,928)
Purchase of intangible assets	(907,376)	(1,050,024)
Proceeds from the sale of intangible assets	-	21,600
Purchase of investment securities	(501,283)	(50,000)
Proceeds from sale of investment securities	140,444	187,400
Payments of leasehold and guarantee deposits	(28,100)	(199)
Proceeds from refund of leasehold deposits	90	165
Paid from the purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(7,457,921)
Proceeds from the purchase of shares of subsidiaries resulting in change in scope of consolidation	-	10,000
Proceeds from the sale of shares of subsidiaries resulting in change in scope of consolidation	-	3,032,637
Cash flows from investing activities	(1,361,562)	(5,370,270)

	From April 1, 2021 to March 31, 2022	From April 1, 2022 to March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing	(500,000)	200,000
Proceeds from long-term borrowing	-	8,222,582
Repayments of long-term borrowings	(198,188)	(2,566,091)
Redemption of bonds	(20,000)	-
Proceeds from issuance of shares	3,477,337	37,595
Purchase of treasury shares	(93)	-
Dividends paid	(248,205)	(357,253)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(760,414)	(1,003)
Cash flows from financing activities	1,750,436	5,535,830
Net increase in cash and cash equivalents	1,679,124	937,788
Cash and cash equivalents at beginning of period	1,847,041	3,526,165
Cash and cash equivalents at end of period	3,526,165	4,463,954

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Changes in Major Subsidiaries during the Period)

On December 28, 2022 livedoor Co., Ltd. was included in the scope of consolidation since it became a subsidiary through the acquisition of shares. This company is classified as a specified subsidiary of the Company.

On March 30, 2023, Prop Tech plus Inc. was excluded from the scope of consolidation due to the sale of all shares of the company. The company was a specified subsidiary of the Company.

In addition, although not classified as specified subsidiaries, the Company acquired MINKABU WEB3 WALLET, Inc., on May 1, 2022, ALIS Co., Ltd. on October 4, and CWS Brains, LTD. on March 31, 2023 respectively, making the companies consolidated subsidiaries.

(Changes in Accounting Policy)

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan Guidance No.31, June 17, 2021, hereinafter “Guidance for the Standard for Fair Value Measurement”) since the beginning of the first quarter of the current fiscal year. Following the transitional measures specified in Paragraph 27-2 of the Guidance for the Standard for Fair Value Measurement, the Company has decided to apply the new accounting policy stipulated by the Guidance on the Standard for Fair Value Measurement prospectively.

The adoption of the accounting standards has no impact on the consolidated financial statements.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

I. Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

1. Dividend payment amount

Resolutions	Type of shares	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 21, 2021	Common stock	248,754	18	31 March 2021	June 8, 2021	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

On May 31, 2021, the Company received payment from QUICK Corp. and Nikkei Inc. for the third-party allotment of new shares to them, with capital and capital reserve increases of 1,749,762 thousand yen respectively. In addition, capital surplus decreased by 534,747 thousand yen during the fiscal year ended March 31, 2022 due to additional acquisitions of shares of Prop Tech plus Co., Ltd. and Robot Fund Co., Ltd., consolidated subsidiaries, through a transaction with a non-controlling interest shareholder.

As a result, as of the end of the fiscal year, capital stock was 3,514,020 thousand yen and capital surplus was 4,533,849 thousand yen.

II. For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Dividend payment amount

Resolutions	Type of stock	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 20, 2022	Common stock	357,784	24	March 31, 2022	June 8, 2022	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

None

(Change in Accounting Estimates)

The Company's Board of Directors passed a resolution on March 10, 2023 regarding the relocation plan of the Company's head office. As a result, the Company has shortened the useful lives of fixed assets that will no longer be available due to the relocation of its head office and has changed the useful lives of such assets effective from the current fiscal year so that depreciation will be completed by the scheduled relocation date. As a result of this change, operating profit, ordinary profit, and income before income taxes for the consolidated fiscal year ended March 2023 decreased by 11,080 thousand yen, respectively.

(Additional Information)

(Business Combinations through the acquisition of shares)

livedoor Co., Ltd, (hereinafter "Livedoor"; head office: Chiyoda-ku, Tokyo; President and COO: Naoto Miyamoto), a wholly owned subsidiary of the Company, acquired SynchronoLife, a web3 gourmet application business operated by GINKAN Corporation (head office: Chiyoda-ku, Tokyo; President and CEO: Tomoie Kamiya) Ltd. by carving out of the SynchronoLife business through a corporate split, and Livedoor acquired all of the shares of SynchronoLife, making it a wholly owned subsidiary of Livedoor.

1. Overview of the business combination

(1) Name of the acquired company and its business

Name: SyncroLife, Inc.

Business: Web3 token economy based social restaurant review app business

(2) The main reason for the business combination

Livedoor Media, with 80 million monthly users, is positioned as the core of the Group's media business and is based on the information transmission power of livedoor Blog, a UGC (User Generated Content) media, and the content diffusion power of livedoor NEWS, a PGC (Professionally Generated Content) media, with over 30 million SNS followers. The basic strategy of the Group's media business is to develop specialized media such as entertainment, sports, asset building, and gourmet foods as vertical media.

On March 31, 2023, the Company expanded the number of monthly users to 90 million through the acquisition of CWS Brains, LTD., a sports-specialized web media management company. The Company establishes a training process for majoring information transmitters, which is essential for the creator economy, and develop the business as a creator platform by utilizing UGC/PGC collaboration and SNS transmission capabilities that do not depend solely on advertising revenue. SynchronoLife is an "eat to earn" type platform where the value of information provided by users through their own review posts and store visits is converted into digital assets. While almost all gourmet food websites are currently developing business models to promote store visits, this business model is unique in that it provides a customer analysis tool (CRM) linked to the application for end users on a pay-for-performance basis and supports DX such as customer loyalty, PR, and store visitation promotion.

As part of our group strategy described above, Livedoor will incorporate the SynchronoLife business to expand vertical media services in the field of gourmet information, and at the same time, through the diffusion power of livedoor NEWS and collaboration with other vertical media including livedoor Blog, the Company aims to increase the number of SynchronoLife users. In addition, through the incorporation of SynchronoLife, which has already realized a world view similar to that of the Group's future web3ification strategy for all Group media, such as providing new customer experiences and increasing user loyalty through the use of the token economy, the Group intends to further enhance its web3ification strategy for the Group's media business. The Company will further accelerate the "Web3-ization" strategy for the Group's media business.

(3) Date of the business combination

April 1, 2023

(4) The legal form of the business combination

Acquisition with a cash consideration

(5) Name of the subsidiary after the business combination

Not changed

(6) Rate of voting rights acquired

100%

(7) The basis for determining the acquiring business

This is due to the acquisition of shares by Livedoor in consideration of cash.

2. Acquisition cost of the business and breakdown by type of consideration

Not disclosed due to an agreement with the counterparty

3. Details of major acquisition-related costs

Advisory fee etc. 12,397 thousand yen

4. Goodwill recognized by acquisition, reason, amortization method, and period

Not determined

5. Amounts of assets received, and liabilities assumed on the date of business combination and their breakdown

Not determined

(Segment Information)

1. Overview of reportable segment

(1) Determination of reportable segments

Reportable segment of the Group is constituent units for which separate financial information is available and for which Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The reportable segment of the Group consists of “Media Business” and “Solution Business” and the item in each business is as follows.

(2) The item in each business

(i) Media Business

The media business records advertisement revenue and billing services revenue from information media the Company operates. The media business, with the Livedoor business as a core, consists of the UGC (User Generated Content) media, centered on livedoor Blog, and PGC (Professionally Generated Content) media, centered on livedoor NEWS, and more, offers sports information media "Ultra World Soccer! a sports information media, MINKABU, an asset building information media, Kabutan, a stock information media, Peachy, a women's information media, Kstyle, a Korean pop culture media, and other vertical media, MINKABU Choice and livedoor Choice.

(ii) Solution Business

The solutions business provides a wide range of information solution services to financial institutions, including a variety of software automatically generated by AI using know-how cultivated mainly in the financial information media and processed crowd input data collected on websites, as well as system solution services that utilize the Company's assets to its clients, mainly financial companies. The information solution services business generates revenue from initial installation and monthly usage fees as ASP services, while the system solution services business generates revenues from consulting, initial installation, and monthly usage fees for subsequent maintenance and other services.

2. Calculation method for revenue, profit or loss, assets, and other items for each reportable segment

The accounting method used for reportable business segments are generally the same as those described in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements”. Segment profit for reportable business segments is based on operating profit (after amortization of goodwill). Inter-segment revenue is based on prices used for third-party transactions.



3. Information regarding net sales and operating profit or loss by the reportable segments  
For the Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media Business	Solution Business	Total		
Net sales					
Advertising	1,929,070	-	1,929,070	-	1,929,070
Subscription	298,660	-	298,660	-	298,660
Media and others	126,196	-	126,196	-	126,196
Recurring revenue	-	2,175,338	2,175,338	-	2,175,338
Initial/one-time revenue	-	953,144	953,144	-	953,144
Revenue from contracts with customers	2,353,927	3,128,483	5,482,410	-	5,482,410
Other revenue	-	-	-	-	-
Net sales to external customers	2,353,927	3,128,483	5,482,410	-	5,482,410
Intersegment net sales and transfer	-	20,157	20,157	(20,157)	-
Total	2,353,927	3,148,641	5,502,568	(20,157)	5,482,410
Segment profit	747,487	786,129	1,533,617	(658,933)	874,684
Segment assets	1,319,677	4,257,660	5,577,338	4,180,498	9,757,836
Segment liabilities	181,108	887,998	1,069,106	1,245,225	2,314,332
Other items					
Depreciation	174,128	318,857	492,985	81,339	574,325
Amortization of goodwill	3,698	86,888	90,587	-	90,587
Increase in tangible and intangible assets	324,666	589,813	914,479	58,232	972,712

Notes:

1. Segment profit adjustment of (658,933) thousand yen includes corporate expenses that are not allocated to each reporting segment which are mainly general and administrative expenses that do not belong to the reporting segment.
2. Segment profit is adjusted with operating income (after adjustment of amortization of goodwill) on the consolidated income statement.
3. Segment assets adjustment of 4,180,498 thousand yen mainly consists of company-wide assets and back-office assets which are not allocated to reported segments.
4. Depreciation adjustments mainly relates to company-wide and back-office assets.
5. Adjustment of increase in tangible and intangible assets mainly relates to company-wide and back-office assets.

For the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media Business	Solution Business	Total		
Net sales					
Advertising	2,420,850	-	2,420,850	-	2,420,850
Subscription	412,397	-	412,397	-	412,397
Media and others	38,662	-	38,662	-	38,662
Recurring revenue	-	2,737,918	2,737,918	-	2,737,918
Initial/one-time revenue	-	1,226,445	1,226,445	-	1,226,445
Revenue from contracts with customers	2,871,911	3,964,363	6,836,274	-	6,836,274
Other revenue	-	-	-	-	-
Net sales to external customers	2,871,911	3,964,363	6,836,274	-	6,836,274
Intersegment net sales and transfer	-	41,284	41,284	(41,284)	-
Total	2,871,911	4,005,648	6,877,559	(41,284)	6,836,274
Segment profit	230,051	755,668	985,720	(874,037)	111,683
Segment assets	9,941,908	2,186,081	12,127,989	4,406,896	16,534,886
Segment liabilities	536,875	639,737	1,176,612	7,502,362	8,678,974
Other items					
Depreciation	296,844	427,991	724,836	35,465	760,302
Amortization of goodwill	52,015	95,419	147,434	-	147,434
Increase in tangible and intangible assets	460,027	621,649	1,081,677	33,971	1,115,648

Notes:

1. Segment profit adjustment of (874,037) thousand yen includes corporate expenses that are not allocated to each reporting segment which are mainly general and administrative expenses that do not belong to the reporting segment.
2. Segment profit is adjusted with operating income (after adjustment of amortization of goodwill) on the consolidated income statement.
3. Segment assets adjustment of 4,406,896 thousand yen mainly consists of company-wide assets and back-office assets which are not allocated to reported segments.
4. Depreciation adjustments mainly relates to company-wide and back-office assets.
5. Adjustment of increase in tangible and intangible assets mainly relates to company-wide and back-office assets.

[Information of impairment loss on fixed assets by reporting segment]

For the Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(thousand yen)

	Media business	Solution business	Company-wide/ Elimination	Amount of consolidated financial statements
Impairment loss	-	0	140	140

For the Fiscal year ended March 31, 2022 (From April 1, 2022 to March 31, 2023)

(thousand yen)

	Media business	Solution business	Company-wide/ Elimination	Amount of consolidated financial statements
Impairment loss	46,699	203,686	-	250,385

[Information of amortization and unamortized amount of goodwill by reporting segment]

For the Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(thousand yen)

	Media business	Solution business	Company-wide/ Elimination	Amount of consolidated financial statements
Amortization costs	3,698	86,888	-	90,587
Unamortized amount	9,247	922,503	-	931,751

For the Fiscal year ended March 31, 2022 (From April 1, 2022 to March 31, 2023)

(thousand yen)

	Media business	Solution business	Company-wide/ Elimination	Amount of consolidated financial statements
Amortization costs	52,015	95,419	-	147,434
Unamortized amount	3,275,663	288,704	-	3,564,368

[Information of negative goodwill by reporting segment]

For the Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

None

For the Fiscal year ended March 31, 2022 (From April 1, 2022 to March 31, 2023)

None

## (Per Share Information)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	492.54 yen	518.45 yen
Basic earnings per share	47.26 yen	48.60 yen
Diluted earnings per share	46.40 yen	47.90 yen

Notes 1. The basis for the calculation of net assets per share is as follows

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Total net assets (thousands of yen)	7,443,504	7,855,911
Amount deducted from total net assets (thousands of yen)	100,922	91,518
(Of which non-controlling interests) (thousands of yen)	(100,922)	(91,518)
Net assets attributable to common stock (thousands of yen)	7,342,582	7,764,393
The number of common stock at end of fiscal year used for the calculation of net assets per share.	14,907,677	14,976,177

2. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Basic earnings per share		
Net income attributable to owners of parents (thousands of yen)	696,004	726,380
Amount not attributable to common shareholders (thousands of yen)	-	-
Net income attributable to owners of parents' common stock (thousands of yen)	696,004	726,380
Average number of common stock during the fiscal year (shares)	14,725,769	14,946,428
Diluted earnings per share		
Net income attributable to owners of parents' adjustment (thousands of yen)	-	-
Increase in number of common shares (shares)	273,411	219,261
(Of which subscription rights to shares)	(273,411)	(219,261)
Summary of diluted shares not included in the calculation of diluted earnings per share as it does not have dilutive effect.	-	-

## (Subsequent Event)

None

(Business Combinations)

(Business Combinations through the acquisition of shares)

I. MINKABU WEB3 WALLET, Inc.

On April 11, the Company entered into an investment agreement with BANQ Inc. (Head office: Minato-ku, Tokyo; Representative: Munetaka Takahashi, hereinafter "BANQ") concerning BANQ's incorporation-type company split off its NFT division, and the Company acquires majority of the total voting rights of shares issued by the new company, WEB3 WALLET, Inc. through the underwriting of the third-party allotment of new shares, thereby making the company as a consolidated subsidiary. And WEB3 WALLET, Inc. was renamed MINKABU WEB3 WALLET, Inc. following the resolution of the shareholders' meeting of WEB3 WALLET on May 1, 2022.

1. Overview of the business combination

(1) Name of the acquired company and its business

Company Name: WEB3 WALLET, Inc.

Business: NFT Marketplace Business, ABC (Activity Based Certificates)

(2) The main reason for the business combination

Web3 is a network based on decentralized blockchain technology. Unlike Web 2.0, where information was centralized in a specific company or government, ownership of information belongs to individuals. User information that was previously limited to specific companies will be converted to NFT and managed by users in their wallets, enabling a UX where users can receive various benefits not limited to specific companies. In addition, user information can be smoothly utilized in the fields of metaverse and e-sports by linking user information.

As companies adapt to Web3, information on loyal customers which used to be tied to specific companies and organizations can now belong to individuals and be utilized across companies and organizational boundaries. This makes it possible to develop services based on information on loyal customers shared among multiple companies and organizations.

Based on the Company's mission of "providing a mechanism that embodies the value of information," we will help companies, organizations, and public institutions respond to the Web3 by uncovering information assets that have been buried within certain companies and creating new value. We made MINKABU WEB3 WALLET, Inc. a consolidated subsidiary to expand our business by leveraging Web3.

(3) Date of the business combination

May 1, 2022

(4) The legal form of the business combination

Acquisition with a cash consideration

(5) Name of the subsidiary after the business combination

MINKABU WEB3 WALLET, Inc.

(6) Rate of voting rights acquired

51.2%

(7) The basis for determining the acquiring company

Acquisition of an equity stake through a cash consideration.

2. Period of business results of the acquired company in the consolidated statements of income for the six months ended September 30, 2022

From May 1, 2022 to March 31, 2023

3. Acquisition cost of the acquired company and breakdown by type of consideration

Payment for the acquisition (Cash): 199,999 thousand yen

Acquisition cost: 199,999 thousand yen

4. Details of major acquisition-related costs

Remuneration and fee paid to M&A advisor: 896 thousand yen

5. Goodwill recognized by acquisition, reason, amortization method, and period

(1) Goodwill recognized

93,065 thousand yen.

While the amount of the goodwill was tentative as of June 2022 because the purchase price allocation was not completed, it was fixed as of September 30, 2022 without any change of figure.

(2) The reason for the recognition

Excess earning power to be expected in the future development of the business

(3) Amortization method and period

Straight line method with a period of 10 years

6. Amounts of assets received and liabilities assumed on the date of business combination and their breakdown

Current assets	209,999 thousand yen
Total assets	209,999 thousand yen
Current liabilities	1,225 thousand yen
Total liabilities	1,225 thousand yen

7. Estimated amount and calculation method of the effect of the business combination on the consolidated income statement for the consolidated fiscal year ended March 2023 as if the business combination had been completed on the first day of the consolidated fiscal year

Not stated as it is difficult to calculate the estimated amount for the consolidated fiscal year ended March 31, 2023.

## II. livedoor Co., Ltd.

The Company and LINE Corporation (hereinafter “LINE”, President and Representative Director: Takeshi Idezawa) reached an agreement in which the Company acquires “livedoor Blog”, “livedoor NEWS” and “Kstyle” (hereinafter “livedoor Business”) operated by LINE. The acquisition was executed with the process that LINE established livedoor Co., Ltd., a fully owned subsidiary, and transferred its livedoor Business to livedoor Co., Ltd. by absorption-type company split, and then the Company purchased all shares of livedoor Co., Ltd. The two companies signed the Share Transfer Agreement dated September 28th, 2022 and the Company acquired all shares of Livedoor and made Livedoor a consolidated subsidiary.

### 1. Overview of the business combination

(1) Name of the acquired company and its business

Company Name: livedoor Co., Ltd.

Business: Operation of blogging platforms and news sites etc.

(2) The main reason for the business combination

Livedoor has more than 70 million sizes monthly user base, so as a result of the business combination, the Company becomes a leading internet media group with an 80 million sizes user base along with “MINKABU,” an asset building information media and “Kabutan,” stock information specialized media. the Company believes the business combination of the Company and livedoor Co., Ltd. is a strong synergy in the expansion of the user basis from individual investors to ordinary citizens, strengthening the power of the acquisition of new users, expanding of contents for both companies, etc. Synergies are also expected for the effective use of resources such as having a common basis of advertisement marketing, sharing the expertise of internet media operation, content auto generation engine and NFT technology.

(3) Date of the business combination

December 28, 2022

(4) The legal form of the business combination

Acquisition with a cash consideration

(5) Name of the subsidiary after the business combination

livedoor Co., Ltd.

(6) Rate of voting rights acquired

100%

(7) The basis for determining the acquiring company

Acquisition of an equity stake through a cash consideration.

### 2. Period of business results of the acquired company in the consolidated statements of income for the fiscal year ended March 31, 2023

From January 1, 2023 to March 31, 2023

### 3. Acquisition cost of the acquired company and breakdown by type of consideration

Payment for the acquisition (Cash): 7,100,000 thousand yen

Acquisition cost: 7,100,000 thousand yen

### 4. Details of major acquisition-related costs

Advisory fee etc. 32,520 thousand yen

### 5. Goodwill recognized by acquisition, reason, amortization method, and period

(1) Goodwill recognized on acquisition 3,166,934 thousand yen

The amount of goodwill was tentatively calculated as the allocation of acquisition cost had not been completed in the third quarter of the fiscal year but was completion at the end of the fiscal year ended March 31, 2023. This completion reflected a significant revision of the current allocation of acquisition costs, with 3,317,000 thousand yen allocated mainly to customer-related assets under intangible assets and 1,147,350 thousand yen allocated to deferred tax liabilities, resulting in a 1,156,896 thousand yen decrease in the amount of goodwill from 4,323,830 thousand yen, the amount before finalization, to 3,166,934 thousand yen.

(2) The reason for the recognition

Excess earning power to be expected in the future development of the business

(3) Amortization method and period

Straight line method with a period of 18 years.

6. Amounts of assets received and liabilities assumed on the date of business combination and their breakdown

Current assets	1,121,543 thousand yen
Fixed assets	1,274,610 thousand yen
Total assets	2,396,153 thousand yen
Current liabilities	632,737 thousand yen
Total liabilities	632,737 thousand yen

7. Amount allocated to intangible assets other than goodwill, breakdown by major type and weighted average amortization period

Item	Amount	Amortization period
Customer-related assets (Blog)	2,169,000 thousand yen	14 years
Customer-related assets (NEWS)	1,148,000 thousand yen	16 years

8. Estimated amount and calculation method of the effect of the business combination on the consolidated income statement for the consolidated fiscal year ended March 2023 as if the business combination had been completed on the first day of the consolidated fiscal year

Not stated as it is difficult to calculate the estimated amount for the consolidated fiscal year ended March 31, 2023.



### III. ALIS Co., Ltd.

On October 4, the Company purchased all shares of ALIS Co., Ltd. (hereinafter “ALIS”, Minato-ku, Co-founder/CMO, Takashi Mizusawa, and Co-founder/CTO, Sota Ishii) and made ALIS a fully owned subsidiary.

#### 1. Overview of the business combination

(1) Name of the acquired company and its business

Company Name: ALIS Co., Ltd.

Business: Operation of social media platforms etc.

(2) The main reason for the business combination

ALIS has expertise in advanced technology such as blockchain. Moreover, ALIS’s operational know-how of the token economy including boosting user communications and incubating paid content is proven in “ALIS.to”, social media platform using blockchain technology. As described in “1. Overview of Financial Results (4) Future Outlook” in the development of livedoor business, the Company seeks to create new user experiences of internet media in the Web-3-era by utilizing ALIS’s expertise in token issuance and the operation of the token economy. The expected new user experiences will be providing incentives between users for good posting contributors, including, social function featured asset building information media, “MINKABU”, introducing digital incentives when users share the news delivered with SNS, making posted content as NFT in alliance with MINKABU Web3 Wallet Inc. acquired by the Company in May 2022, deploying a marketplace in social media based on the NFT., and so on.

(3) Date of the business combination

October 4, 2022

(4) The legal form of the business combination

Acquisition with a cash consideration

(5) Name of the subsidiary after the business combination

ALIS Co., Ltd.

(6) Rate of voting rights acquired

100%

(7) The basis for determining the acquiring company

Acquisition of an equity stake through a cash consideration.

#### 2. Period of business results of the acquired company in the consolidated statements of income for the fiscal year ended March 31, 2023

From January 1, 2023 to March 31, 2023

#### 3. Acquisition cost of the acquired company and breakdown by type of consideration

Payment for the acquisition (Cash): 240,000 thousand yen

Acquisition cost: 240,000 thousand yen

#### 4. Details of major acquisition-related costs

Advisory fee etc. 28,373 thousand yen

#### 5. Goodwill recognized by acquisition, reason, amortization method, and period

(1) Goodwill recognized on acquisition 86,620 thousand yen

The amount of goodwill was tentatively calculated as the allocation of acquisition cost had not been completed in the third quarter of the fiscal year but was completion at the end of the current fiscal year.

(2) The reason for the recognition

Excess earning power to be expected in the future development of the business.

(3) Amortization method and period

Straight line method with a period of 5 years.

#### 6. Amounts of assets received and liabilities assumed on the date of business combination and their breakdown

Current assets	161,049 thousand yen
Total assets	161,049 thousand yen
Current liabilities	7,669 thousand yen
Total liabilities	7,669 thousand yen

#### 7. Estimated amount and calculation method of the effect of the business combination on the consolidated income statement for the consolidated fiscal year ended March 2023 as if the business combination had been completed on the first day of the consolidated fiscal year

Not stated as it is difficult to calculate the estimated amount for the consolidated fiscal year ended March 31, 2023.

## CWS Brains, LTD.

On March 31, 2023 the Company's wholly owned subsidiary, livedoor Co., Ltd., acquired all shares of CWS Brains, LTD. (hereinafter "CWS", Chiyoda-ku, Representative: Kazumi Fujita, President) held by KOEI TECMO HOLDINGS CO., LTD. (hereinafter "KT", Yokohama, Representative: Yoichi Erikawa, President & CEO) and made it a wholly owned subsidiary of Livedoor.

### 1. Overview of the business combination

#### (1) Name of the acquired company

Company Name: CWS Brains, LTD.

Business: Operation of sports information media sites etc.

#### (2) The main reason for the business combination

Minkabu made livedoor a wholly owned subsidiary on December 28, 2022, resulting Minkabu Group one of the largest internet media groups with an 80 million sizes monthly user base together with asset building media, "MINKABU" and "Kabutan". Livedoor integrally operates UGC (User Generated Content) media mainly consisting of "livedoor Blog" and PGC (Professionally Generated Content) media such as "livedoor NEWS", "Peachy", and "Kstyle", and has over 30 million SNS followers. Minkabu expects synergy in growth strategies of media business through this integrated media service combined UGC/ PGC media with the spreading power of SNS, and therefore, will place Livedoor media as the core of Minkabu group's media business, and specialty media such as asset building, entertainment, gourmet, sports etc., as vertical media and expanding the spreading power of "livedoor NEWS" to each vertical media, which will be the basic strategy of Minkabu group's media business from now on.

livedoor, as a part of Minkabu's group strategy above, reached a basic agreement to acquire CWS as a consolidated subsidiary, which operates, "Ultra WORLD soccer!" (<https://web.ultra-soccer.jp/>), a major soccer information specialized media with one of top ranked soccer-related news distributions in number in the industry and 8.6 million monthly unique users. With this business combination, monthly users of media sites Minkabu Group operates has reached 90 million in size.

#### (3) Date of the business combination

March 31, 2023

#### (4) The legal form of the business combination

Acquisition with a cash consideration

#### (5) Name of the subsidiary after the business combination

Not changed

#### (6) Rate of voting rights acquired

100%

#### (7) The basis for determining the acquiring company

This is due to the acquisition of shares by the Company in consideration of cash.

### 2. Period of business results of the acquired company in the consolidated statements of income for the fiscal year ended March 31, 2023

Since the acquisition date is March 31, 2023, the operating results was not included in the consolidated income statement

### 3. Details of major acquisition-related costs

Not disclosed due to an agreement with transferor

### 4. Goodwill recognized by acquisition, reason, amortization method, and period

Not determined

### 5. Amounts of assets received, and liabilities assumed on the date of business combination and their breakdown

#### (1) Goodwill recognized on acquisition 64,876 thousand yen

The amount of goodwill was tentatively calculated as the allocation of acquisition cost had not been completed in the third quarter of the fiscal year but was completion at the end of the current fiscal year.

#### (2) The reason for the recognition

Excess earning power to be expected in the future development of the business.

#### (3) Amortization method and period

Not determined yet