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May 15, 2023

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Notice of Mid-Term Plan

The Company hereby announces formulated a mid-range plan covering the three years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026, as follows.

1. Background of the plan formulation

Since its founding in 2006, the Company implemented business model reforms in response to changes in the business environment to achieve stable corporate growth. Along with the recent expansion of the financial market, we have established a unique position and achieved growth in the financial information media and financial information solutions field. However, while the financial market is expanding, the profitability of financial institutions is unstable due to the introduction of no transaction fees, etc. To continue stable growth, we must expand our reachable market and realize a new business model that is not dependent solely on the financial industry.

In the above environment, in the fiscal year ended March 31, 2023, as part of our transformation process toward the Next Stage, we implemented an aggressive M&A strategy, including livedoor Co., Ltd. and implemented measures to address management issues aimed at sustainable growth, including entry into system solution services, group reorganization, and various rationalization measures to achieve higher profitability. As a result, we are now in a position to almost certainly achieve our commitment of 10 billion yen in annual sales and have formulated this mid-range plan as a milestone for further stage of growth.

2. Summary of the mid-range plan

(1) Period

From the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026

(2) Group's basic strategy

i) Plan for the expansion of the revenue

Diversifying revenue sources with one of the largest user bases in Japan and the latest technology

ii) Plan for the growth of the profit

Cost optimization through system integration/asset liquidation, personnel reallocation, etc. involving aggressive M&A and organizational restructuring.

In addition, we will complete measures during the first half of the fiscal year ending March 31, 2024 to realize a V-shaped recovery and move from the 10 billion scope of annual sales to the next phase of growth, with the earnings deterioration in the fiscal year ending March 31, 2023 as temporary. We will maintain a dividend payout ratio of approximately 50%, and with our business characteristics that generate high free cash flow, we will achieve both high growth through investment in growth and high returns to shareholders.

(3) Details by each business

i) Strategies by each business

[Media business]

- Establishment of a foundation for a media group that stably achieves an operating margin of 20%.
- Achieve No. 1 in vertical media service operations
- Achieve a strong profit structure with a non-advertising revenue ratio of more than 20%

[Solution business]

- Achieve a gross margin of over 40% in the core business of information-based solutions
- Achieve a leading position as a Web3 solutions provider
- Establish a position as a partner of financial institutions to expand the asset-building segment

ii) Consolidated figures of the mid-range plan

	March 31, 2024	March 31, 2025	March 31, 2026
Consolidated net sales	11,000 million yen (60.9% increase)	14,000 million yen (27.3% increase)	17,000 million yen (21.4% increase)
Consolidated operating income	1,000 million yen (795.4% increase)	1,800 million yen (80.0% increase)	3,300 million yen (66.7% increase)
Consolidated operating income ratio	9.1% (7.5% increase)	12.9% (3.8% increase)	17.6% (4.8% increase)
EBITDA	2,200 million yen (115.8% increase)	3,000 million yen (36.4% increase)	4,400 million yen (46.7% increase)
Profit attributable to owners of parent	900 million yen (23.9% increase)	1,000 million yen (11.1% increase)	2,000 million yen (100.0% increase)

*For details of the mid-term plan, please refer to the attached document.

END



Mid-Term Plan (FY2023-FY2025)

May 15, 2023



Disclaimer

- The material in this presentation has been prepared by MINKABU THE INFONOID, Inc. (“Minkabu” or the “Company”) and contains the Company’s business, the industry trend and the forward-looking information based on Minkabu’s current activities and future projections as at the date of this presentation.
- The forward-looking information contained in this presentation is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.
- There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward- looking information.
- The forward-looking information in this presentation has been prepared based on the information available to the Company as of May 15, 2023 and this presentation will not be updated regardless of changes in actual results, performance, achievement, or anticipation.

Moving to the Next Stage of Growth

Plan for revenue expansion

Diversify revenue sources with one of Japan's leading user bases and new technology

Plan for profit increase

Cost optimization through system integration/asset liquidation, personnel reallocation, etc., in conjunction with aggressive M&A and reorganization

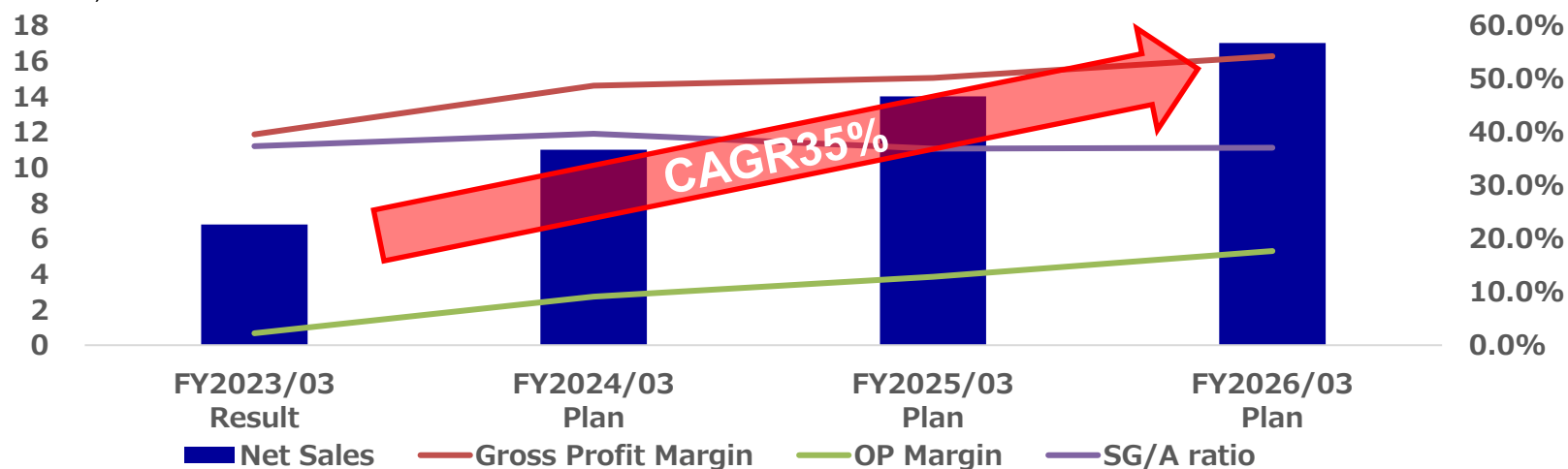
- Complete the measures to make the deterioration in earnings temporary and achieve a **V-shaped recovery in the First Half(April – September)**.
- Moving the stage from annual sales of **10 billion yen so far to the next phase of growth**
- **Keep a dividend payout ratio of approximately 50%**, and realize both high growth through investment in growth and high returns due to business characteristics that generate high FCF.

02 Mid-term plan group mid-term projection

Increase efficiency corresponding to the sales growth OP in FY2603 to JPY 3 billion tripled from FY2403(JPY 4 billion or more in EBITDA)

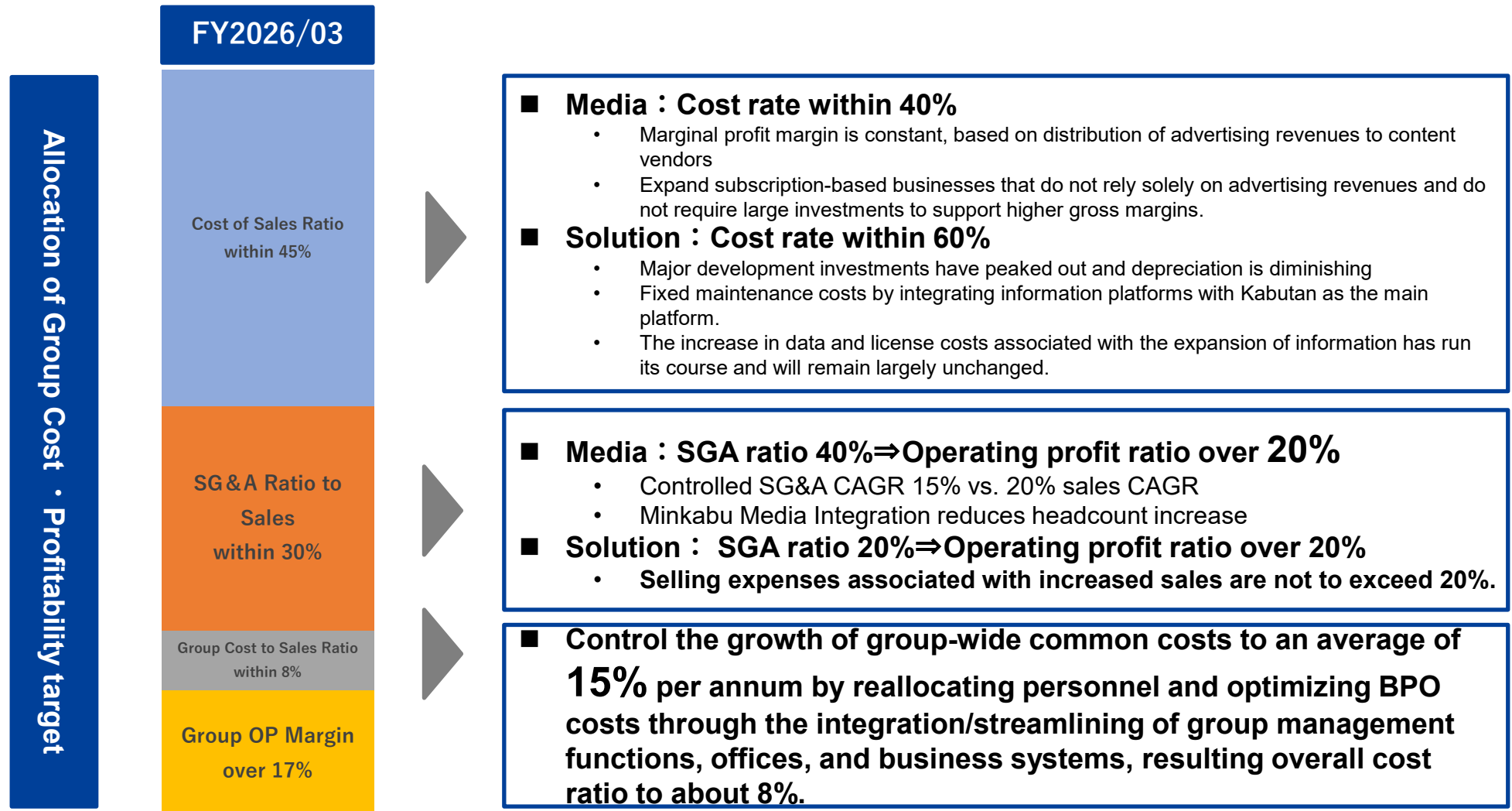
	FY2024/03 Plan	Changes	FY2025/03 Plan	Changes	FY2026/03 Plan	Changes
Net Sales	11,000	60.9%	14,000	27.3%	17,000	21.4%
Operating Profit	1,000	795.4%	1,800	80.0%	3,000	66.7%
OP Margin	9.1%	-	12.9%	-	17.6%	-
E B I T D A	2,200	115.8%	3,000	36.4%	4,400	46.7%
Net Profit Attributable to Parent Company	900	23.9%	1,000	11.1%	2,000	100.0%

For the fiscal year ending March 31, 2024, we expect to record deferred tax assets due to a revaluation of the recoverability of tax goodwill related to the acquisition of Livedoor
(JPY in billion)



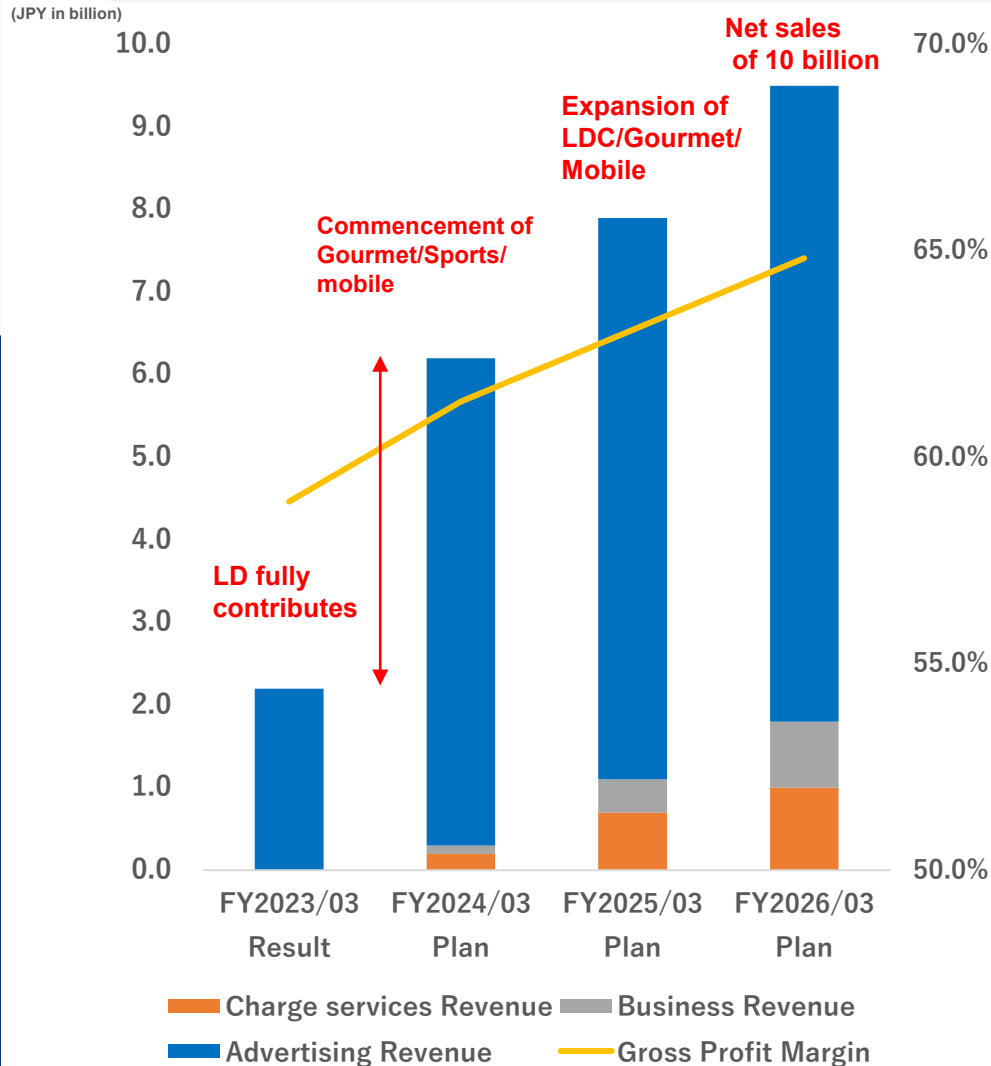
02 Mid-range plan group mid-term projection

To achieve a high-margin structure, making thorough cost control through the promotion of reorganization, efficiency, and optimization



03 Mid-term plan media mid-term projection

Sales and Gross Profit Margin Trends



Mid-term plan summary

- ① Utilizes user contacts of over 90 million UUs per month, the spreading power of Livedoor News, and the management know-how of vertical media
- ② Business development aiming to diversify revenue sources by expanding business sales and billing sales in addition to advertising sales * LDC (livedoor coin) announced in Q3 is being prepared to be offered during FY2403
- ③ By operating multiple categories of media services, we aim to achieve media management that enables stable growth by sharing management know-how and flexibly allocating resources in a way that adapts to the market environment.

03 Mid-term plan Media mid-range plan

Goals of mid-term plan

1. Establish a basis for a media group that can achieve a stable operating profit margin of **20%**.
2. Achievement of No. 1 vertical media service operation
3. Achieve a non-advertising revenue ratio of at least **20%** to build a strong earnings structure

Strategy 1

**Growth of
services**

Strategy 2

**Diversification
of revenue
resource**

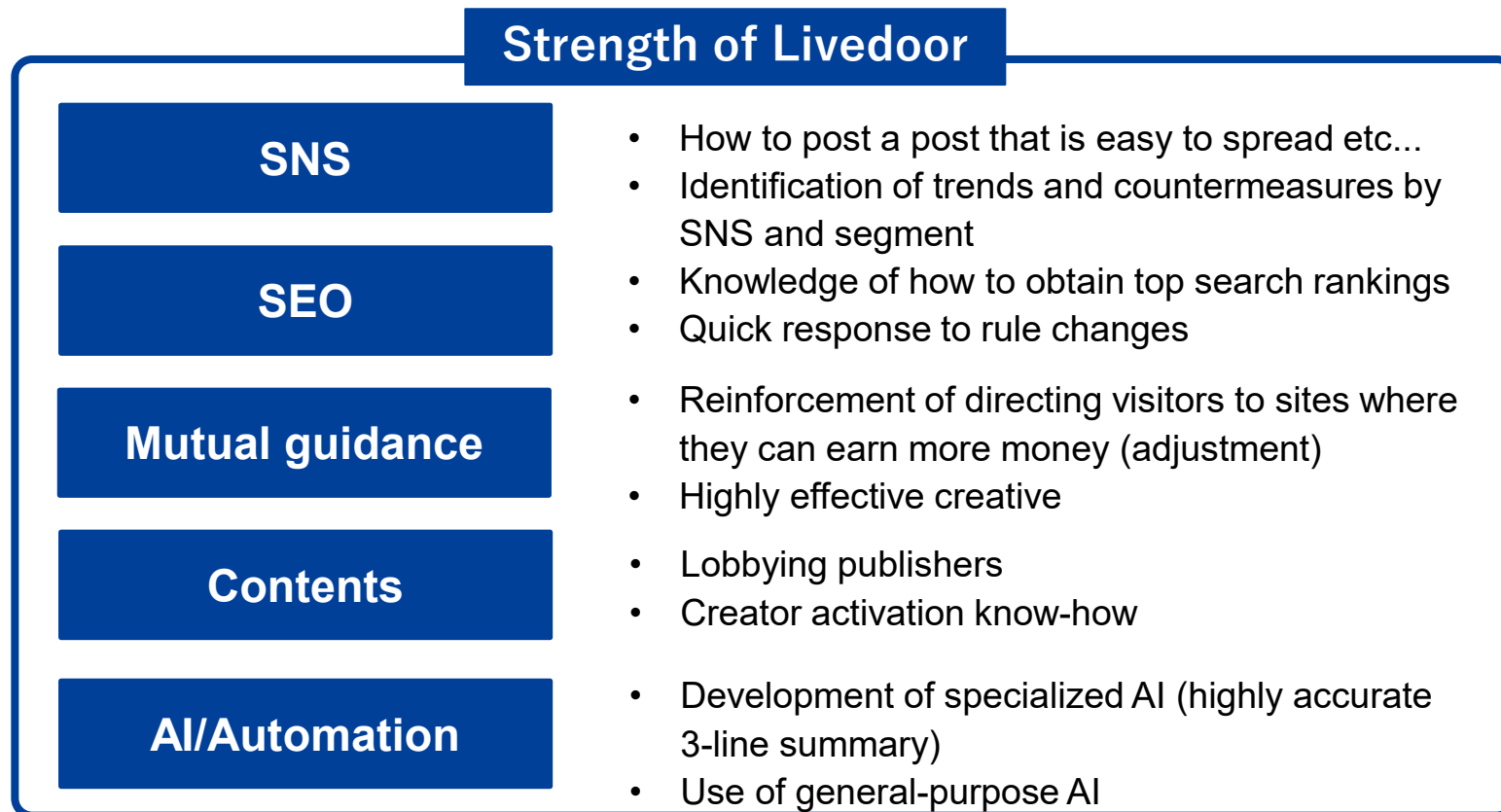
Over 90 million of "in use & related UUs"

03 Mid-term plan media mid-term projection

Strategy 1 Growth of services (leveraging business strength)

Maximize the amount of user contact by expanding vertical media and injecting service operation know-how


1. Maximize the use of our strengths, which are our ability to **recognize potential and media management capabilities**.
2. **Media management** know-how is a strength that is not available outside the gate (ex: how to utilize Twitter with 5 billion imps per month, etc...)



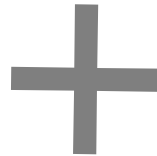
03 Mid-term plan media mid-term projection

Strategy 2 Diversification of revenue (Each service measure)

Current

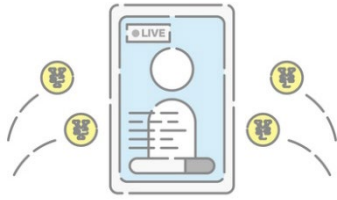


Advertising revenue
(Pure ads, ADNW, Affiliates)




In addition to “90 million UUs per month”x “Quality content”x “Abundant creator contacts”, leveraging vertical media brands to create new revenue models

Future




Fee

Platform-based Sales commission business
(merchant fee / paid articles / throwaways / live commerce)



Billing

Extract high value-added services to premiumize
(Monthly & Pay-as-you-go)



Data marketing

New business in the BtoB domain utilizing user data
(Surveys / Questionnaires / Sampling)

Strategy 2 Diversification of revenue(cross-sectional policy)

Aiming to improve profitability through cross-platform and vertical media initiatives

livedoor[®]NEWS livedoor[®]Blog Kstyle MINKABU Kabutan livedoor 日経 WORLD 超地球! livedoor[®]Choice etc...

Web3 (LDC)

- “Increased revenue” through activation of user behavior
- “Gain from the sale of LDC” through the development of the Livedo economic zone

mobile passport

- MVNO provides a "high profit margin" revenue recovery engine with a small investment
- “Increased revenue” through expansion of optional services

Video Streaming

- “Increased revenue” due to longer video contact x dwell time
- “Cost reduction” through in-house production

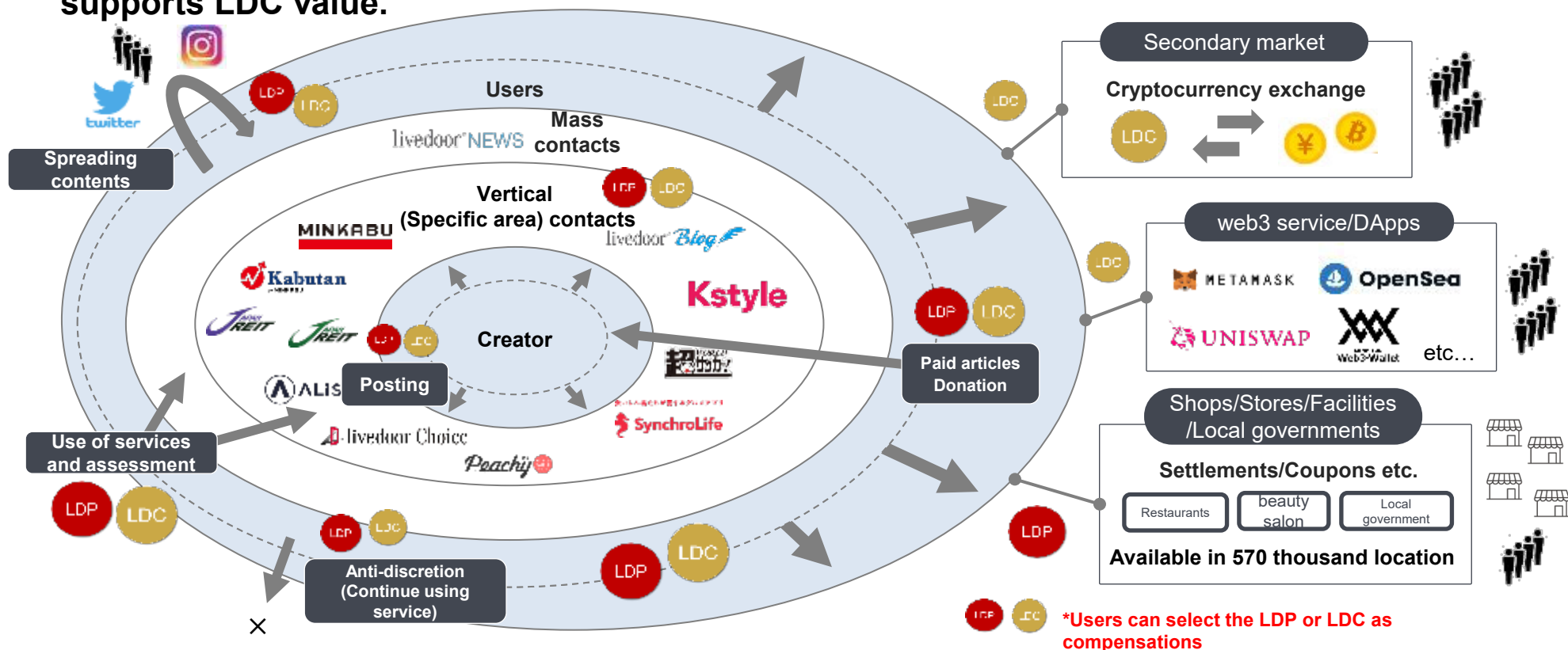
*We recognize that LDCs require careful confirmation and consideration in terms of compliance with various legal systems, necessary permits and approvals, accounting audits and tax treatment, etc.

03

Mid-term plan media mid-term projection

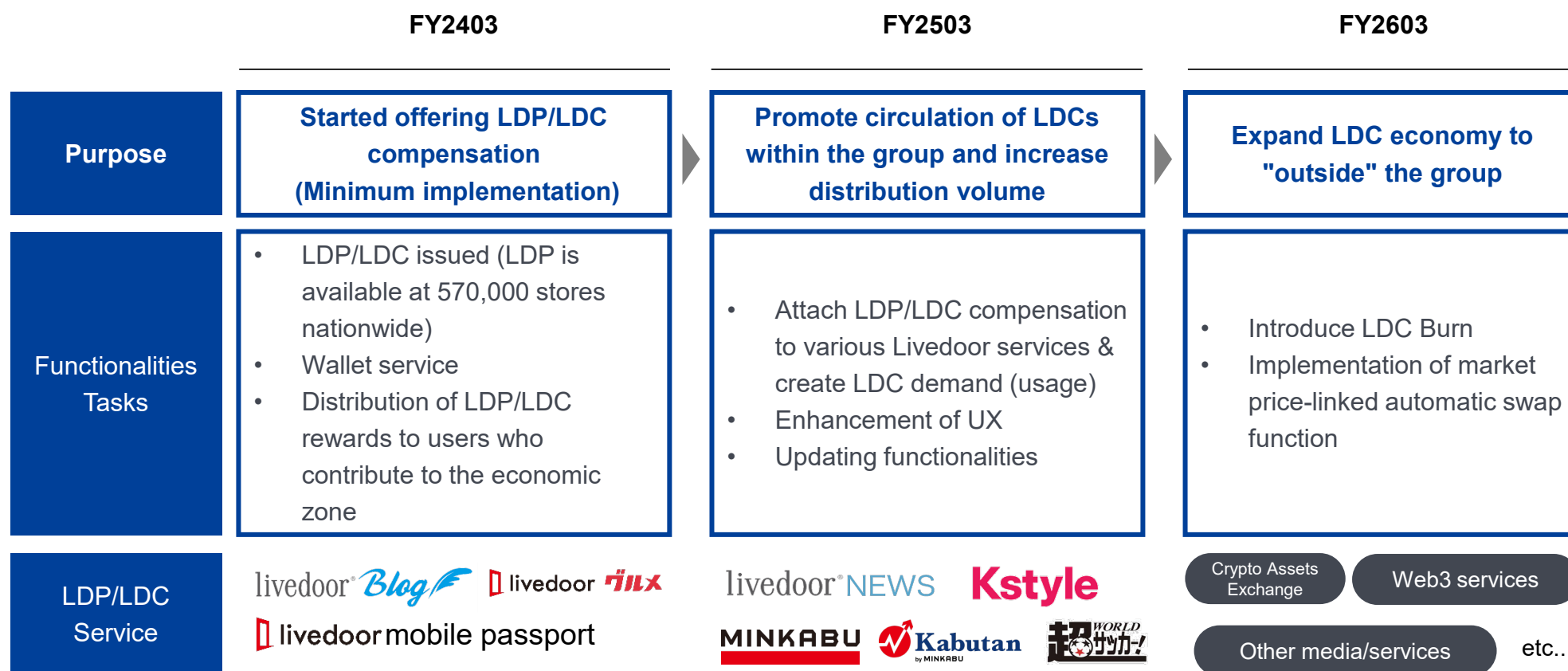
90 million UUs per month service to promote LDC/LDP circulation

- Distribute rewards to those who contribute to the LDC/LDP economy by creating (posting), using (contracting), evaluating, spreading, etc.
- The ability to internally create a circulation around the operating media is a key feature that supports LDC value.



*Users can select the LDP or LDC as compensations

Crete LDC circulation with 90 million UUs of internal services then, expand the economic zone to the outside



Mobile(MVNO)services to be launched by the end of 2023 aiming to increase user loyalty and substantially charge for non-paid services



Benefit 1 Limited Options

Save on paid services:
Minkabu, kabutan etc.



Members only! Very Rare!
Win autographs and NFTs of your
choice!



Performer
Player
NFT

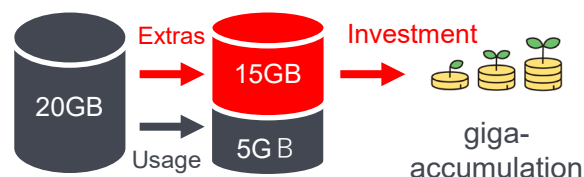
Also a certificate of participation for
real y events.(We also plan to hold
members-only festivals)



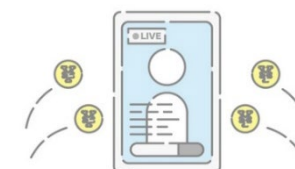
etc...

Benefit 2 Effective use of giga

Asset building with extra gigs!



Throw money to artists and creators with giga!



etc...

Benefit 3 Incentive boost

LDP

LDC

Earn LDP (points) / LDC (coins)

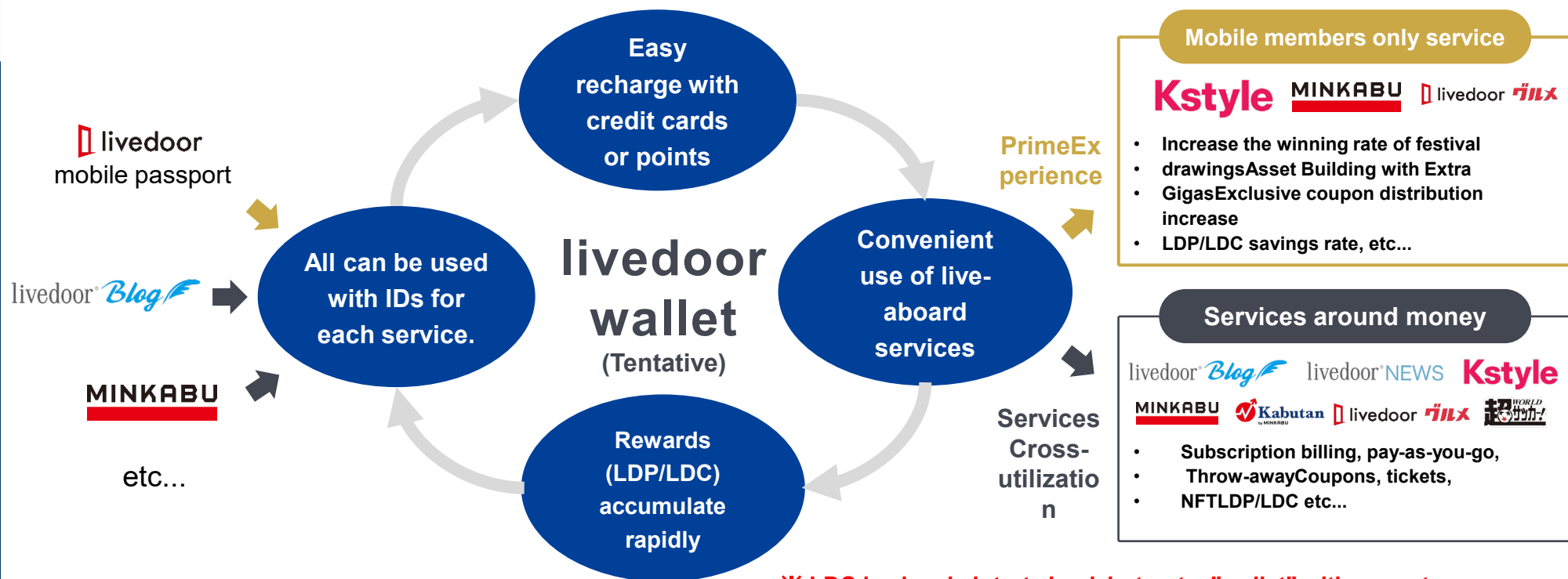
- Get LDP/LDC depending on the number of extra gigs you have.
- LDP/LDC bonus based on the number of months of continuous service (the more months of continuous service, the higher the reward)

03

Mid-term plan media mid-term projection

Introducing a wallet feature that enables cross-functional use of services around money that promotes diversification of revenue sources

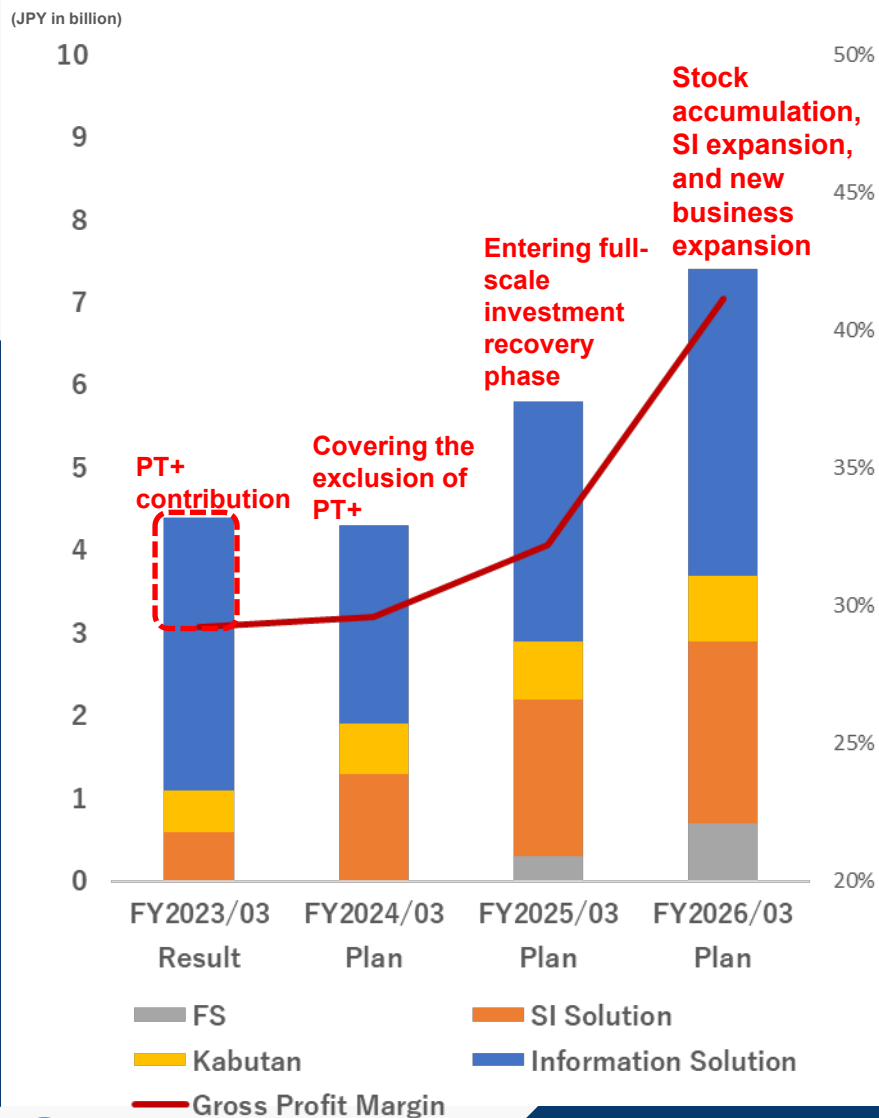
Identify prime users, such as mobile members, in the wallet and also provide high value-added services



※ LDC is closely intertwined, but not a "wallet" with a crypto asset premise

04 Mid-term plan solution mid-term projection

Sales and Gross Profit Margin Trends



Mid-term plan Outline

1. In information-related solutions, the decrease in PT+ was fully covered in FY2403. Profitability of Japanese and U.S. stocks will improve from FY25/3 onward due to the completion of major development investments, asset liquidation and maintenance streamlining against the backdrop of software asset integration centered on Kabutan, etc.
2. SI solutions will enter a phase of full-scale expansion, including Web3 solutions.
3. New financial services for asset builders to be launched in earnest from FY2403 onward, centered on Minkabu Asset Partners, which has completed registration as a brokerage firm.

Goals of mid-term plan

1. Achieve a gross profit margin of over **40%** in the core business of information-related solutions
2. Achieve leading position as a Web3 solution provider
3. Establish a position as a partner of financial institutions to expand the asset-building segment

Strategy 1
Strategies to further penetrate core businesses and improve profitability

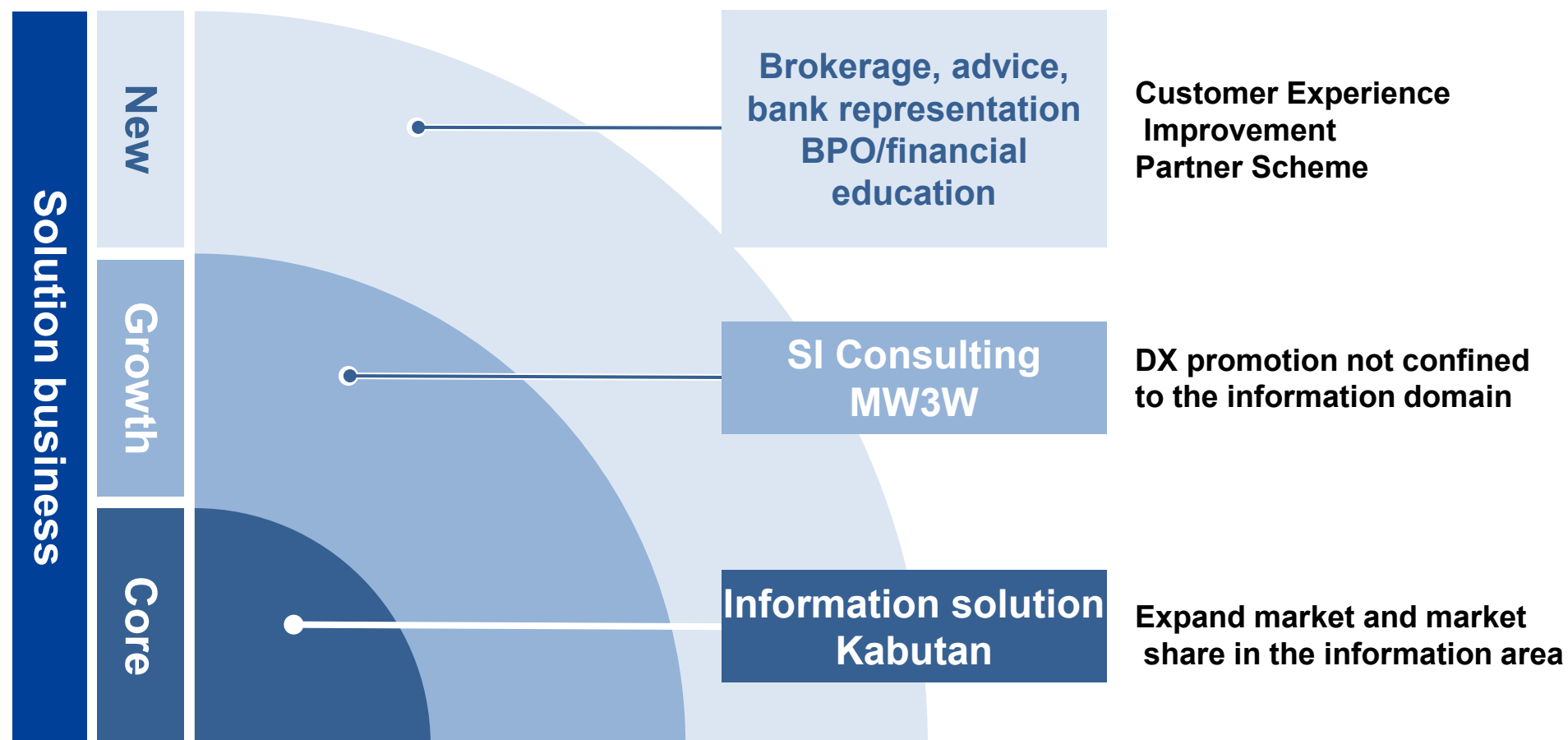
Strategy 2
Web3 Solutions Leadership Strategy

Strategy 3
Partnering Strategies for Reaching Asset Builders

Become a solution provider for futuristic customer experiences

04 Mid-term plan solution mid-term projection

Business growth through development of SI consulting business in addition to the core information-related business, New business development through partner schemes with financial institutions



04 · Mid-term plan solution mid-term projection

Strategy 1: Growth of services (KPI)

March 2023

March 2026

Core Information solutions

Increase in the number of customers for which we serve as a major information vendor

Net brokers : 3
General brokers : 0
Face to face brokers(incl.IFA) : 2
Member of kabutan premium: 13K ID

Net brokers : 5
General brokers : 2
Face to face brokers(incl.IFA) : 10
Member of kabutan premium : 18K ID

Improved gross profit margin through cost efficiencies due to completion of major investments

Gross profit : 30%

Gross profit : 40%

Depreciation : Balance between new investments and depreciated assets to fix depreciation
Data acquisition cost : Fixing of data ratios other than ID linkage because major data has already been acquired.
Maintenance costs : Shared system with SI business, fixed maintenance costs as a percentage of sales

Increase in number of key SI customers and MW3W implementation customers by strengthening consulting services

SI key customers(Over 1 oku yen) : 2
MW3W customer : 1

SI key customers(Over 1 oku yen) : 8
MW3W customer : 10

Expansion into new business areas based on a partnership strategy with financial institutions

New
Brokerage, advice, bank
representation
BPO/financial education

Brokerage/Advisory/Banking Agency
Number of active accounts : 0
Chat BPO : 0
Financial education academy : 0

Brokerage/Advisory/Banking Agency
Number of active accounts : 15K
Chat BPO : 9
Financial education academy : 16

Developing new business based on the needs of individual investors caught by the synergy between information-based solutions and Kabutan, and the services required by financial institutions.

	<u>Growth of information (Core)</u>	<u>Expansion of SI consulting (growth)/New business</u>
Customer	Securities & Banking	Securities & Banking & Others
Industry environment (Major Customers)	<ul style="list-style-type: none"> ✓ Zero commissions on securities transactions ✓ Rise of asset-building interests 	(in addition to the above) <ul style="list-style-type: none"> ✓ Changes in the Bank's Profit Structure ✓ Expansion of new entrants and cross-industry collaborations
customer needs	<ul style="list-style-type: none"> ✓ Cutting costs due to declining revenues ✓ Expand information for competitive differentiation 	<ul style="list-style-type: none"> ✓ DX Promotion ✓ Enhance customer experience using API etc,
Future Outlook	In addition to expansion in data provision & information terminals, catch individual investor needs through collaboration between Kabutan and information solutions business and return to new business	SI consulting, brokerage, advisory, BPO, etc. Aiming to expand business by strengthening our position as a partner of financial institutions by providing services such as SI consulting, brokerage, advice, and BPO.

04 · Mid-term plan solution mid-term projection

Strategy 1 (Core)

In core areas where upfront investments have been completed, fixed cost increases are limited, and the profit margin improvement phase is underway.

Expansion of Customers

- To be the main information vendor not only for online securities, but also for general securities
- Expand sales of the comprehensive information platform already introduced at Matsui Securities to other companies
- Extension and integration of Kabutan Professional (formerly Sales-Cue)

Synergies with SI business

- From business strategy planning to information-based solutions
- Participate from the planning stage to increase the probability of project execution.

Improve profitability

- Upfront investment in building new services is largely complete.
- Streamlining/streamlining of system function integration and asset consolidation, etc.

04 Mid-term plan solution mid-term projection

Strategy 2 (Growth)

Expanding SI consulting and MW3W business results and know-how horizontally and moving into an expansion phase

March 2023

Launch of SI consulting business

- Acquisition of projects from the business study phase
- Obtaining deals from companies that have no transaction history, such as online banks



March 2026

Expansion of business scale and solutions offered

- Reaching out to banks and other financial institutions where information solution needs were thin.
- Provide high gross margin services through active use of offshore (China, Vietnam, etc.)
- Promote ABC (Activity Based Certificate: personal information asset base) business

Strategy 3(New)

Businesses in which the Company itself becomes a financial service provider or leverages core business assets to develop business with non-financial customers

Creation of a business from a financial information vendor to a financial service provider

Financial Instruments Brokerage

Asset building support through partnerships with various financial institutions

Investment Advisory Business*

Credit robo-advisory connection with multiple securities firms that have APIs. Development and operational support for new NISA-compliant products.

Banking agency*

Collaboration with our group service settlement, sports lotteries, small-scale external e-commerce sites, etc.

Create businesses that leverage core business assets and expand into new areas, including non-financial customers

Financial Education Business

Provide services for employees and individuals that contribute to the realization of the "Asset Income Doubling Plan"

Chat BPO Services

BPO using LINE manned chat and providing solutions utilizing the LINE notification function

*Various permits and registrations are required to open a business.

Aim to establish a foundation for stable growth and steadily improve profitability toward JPY 17 billion yen in sales, JPY 3 billion in operating income, and JPY 2 billion yen in net income

Growth driver for reaching 17 billion in annual sales

Media

- User value-oriented value-added strategy for media with over 90 million UUs

Solution

- Main Vendor for core business and future solution partner strategy

Key Factors for Improving Profitability

Media

- Stickiness improvement measures that do not require huge customer acquisition costs or investments

Solution

- Transition to recovery phase phase of core business and thorough cost control
- Horizontal development of products by leveraging customer base



MINKABU THE INFONOID

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