

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

information

technology

Business Plan and Matters to Growth Potential
MINKABU THE INFONOID, Inc
June 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 of 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.
- The Company’s actual future business and its performance would differ from the prospects described in this material.
- The updated information is to be disclosed in late June, and each progress is also disclosed in the supplementary materials for the quarterly financial results.

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

technology

| | | | |
|----------|--|--------------|----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |



PURPOSE

We will realize a new way of providing information through the use of technology, contributing to the creation of a prosperous society.

VISION

We will apply our innovative information technology, which fulfills comprehensiveness, accuracy, and timeliness information, not only to finance and economics but also to various fields.

MISSION

“Providing a mechanism to embody the value of information”.

We will continue to provide information infrastructure to the market that realizes the inherent value of information, by constructing innovative methods that enable to users to obtain information as needed, when needed and where needed.



| | | |
|--------------------|---|---|
| Company Name | MINKABU THE INFONOID, Inc. | |
| Established | July 7, 2006 | |
| Representative | Ken Uryu | |
| Office Locations | Sumitomofudosan Kudan bldg. 14th floor 1-8-10 Kudankita Chiyoda-ku, Tokyo | |
| Main Business | Media Business / Solution Business | |
| Company Philosophy | providing a mechanism to embody the value of information | |
| Employees | 188 as of March 31, 2023 | |
| Listing | Growth Market, Tokyo (4436) | |
| Directors | Chairman of the board (Outside, Independent director) Representative Director & CEO/CFO Executive Vice President Managing Director Director (Part-time) Director (Outside, Independent director) Director (Audit &Supervisory Committee Member, Outside and Independent director) Director (Audit &Supervisory Committee Member, Outside and Independent director) Director (Audit &Supervisory Committee Member, Outside and Independent director) | Makoto Sumita Ken Uryu Masakatsu Saito Naohito Miyamoto Ryutaro Takada Noriko Maki Shinya Hamano Shozo Ishibashi Sadahiko Yoshimura |
| Group Company | livedoor, Co., Ltd., MINKABU SOLUTION SERVICES, Inc., Robot Fund Co., Ltd. MINKABU ASSET PARTNERS, Inc., MINKABU Web3 Wallet, Inc. CWS Brains, LTD., SyncroLife, Inc. | |

※ As of July 1, 2023



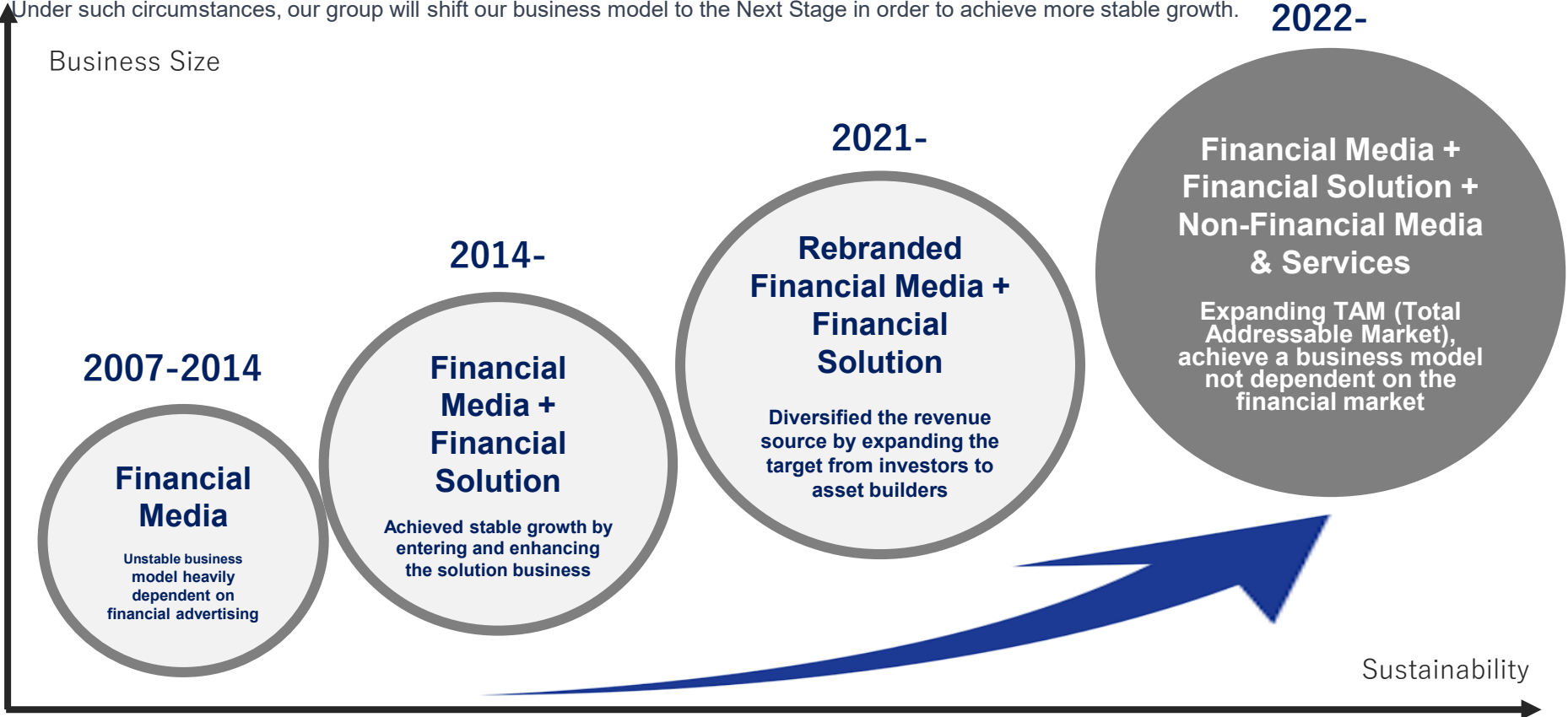
corporate history





transition of business model

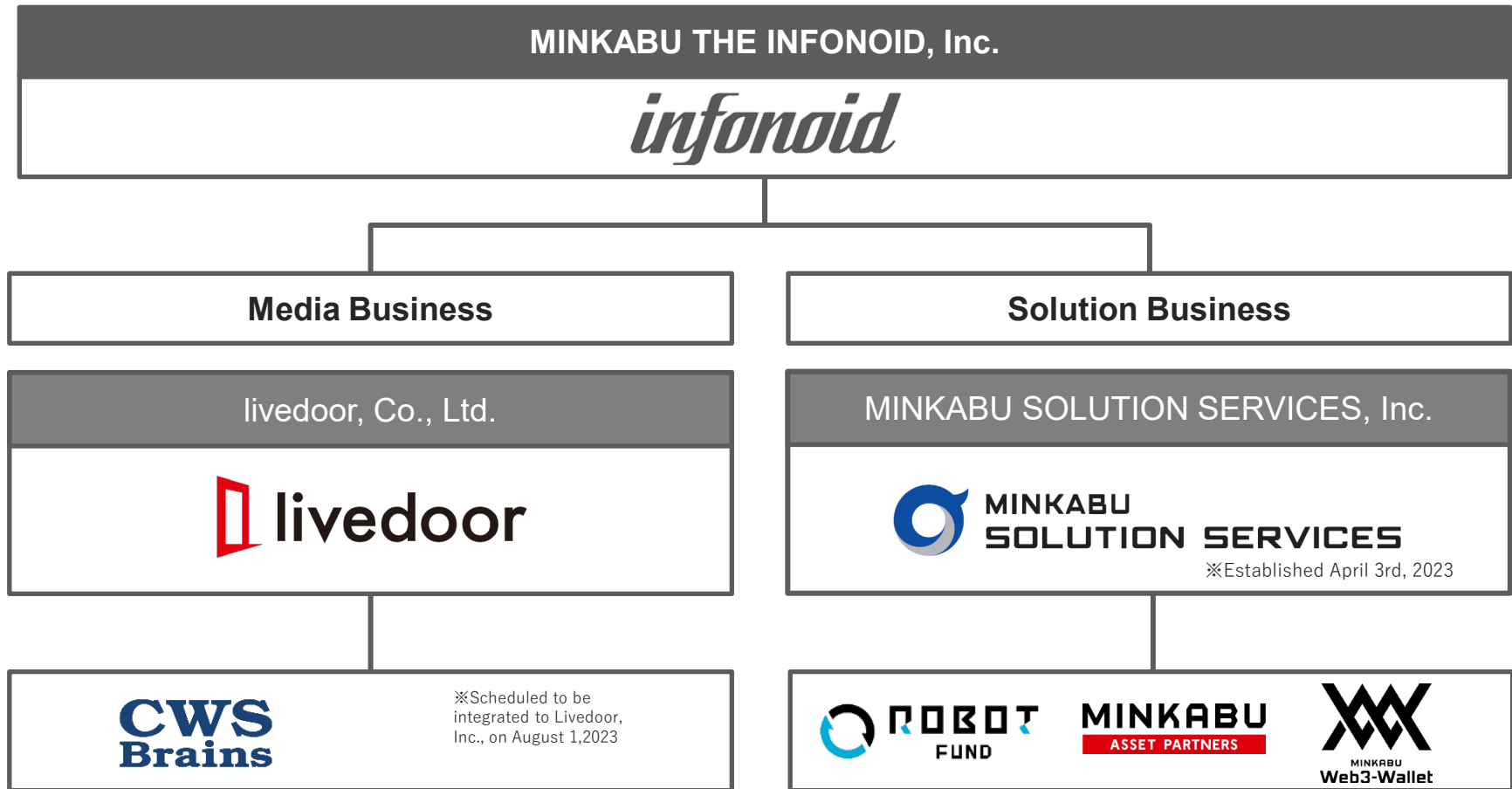
- The Company has regularly carried out business model transformations in order to achieve stable growth.
- The recent financial market is expanding due to the growth of the asset formation layer. Although we are in a position to benefit from this, the profitability of financial institutions is not necessarily proportional to the expansion of the market due to factors such as the elimination of transaction fees. We recognize that this increases our risk related to stable earnings. In addition, we recognize that changes in the social environment, such as population decline, the construction of sustainable societies, and the formation of cultures that value diversity, along with further advancements in technology, are changing the role our group should play.
- Under such circumstances, our group will shift our business model to the Next Stage in order to achieve more stable growth. **2022-**



*TAM=Total Addressable Market



- In order to achieve our mid-term plan, our group has been promoting organizational concentration and delegation of authority to increase agility for promoting group business strategies. The Media business and Solutions business will be developed mainly by their respective operating companies, and Minkabu shifts to a system that oversees these operations.



information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

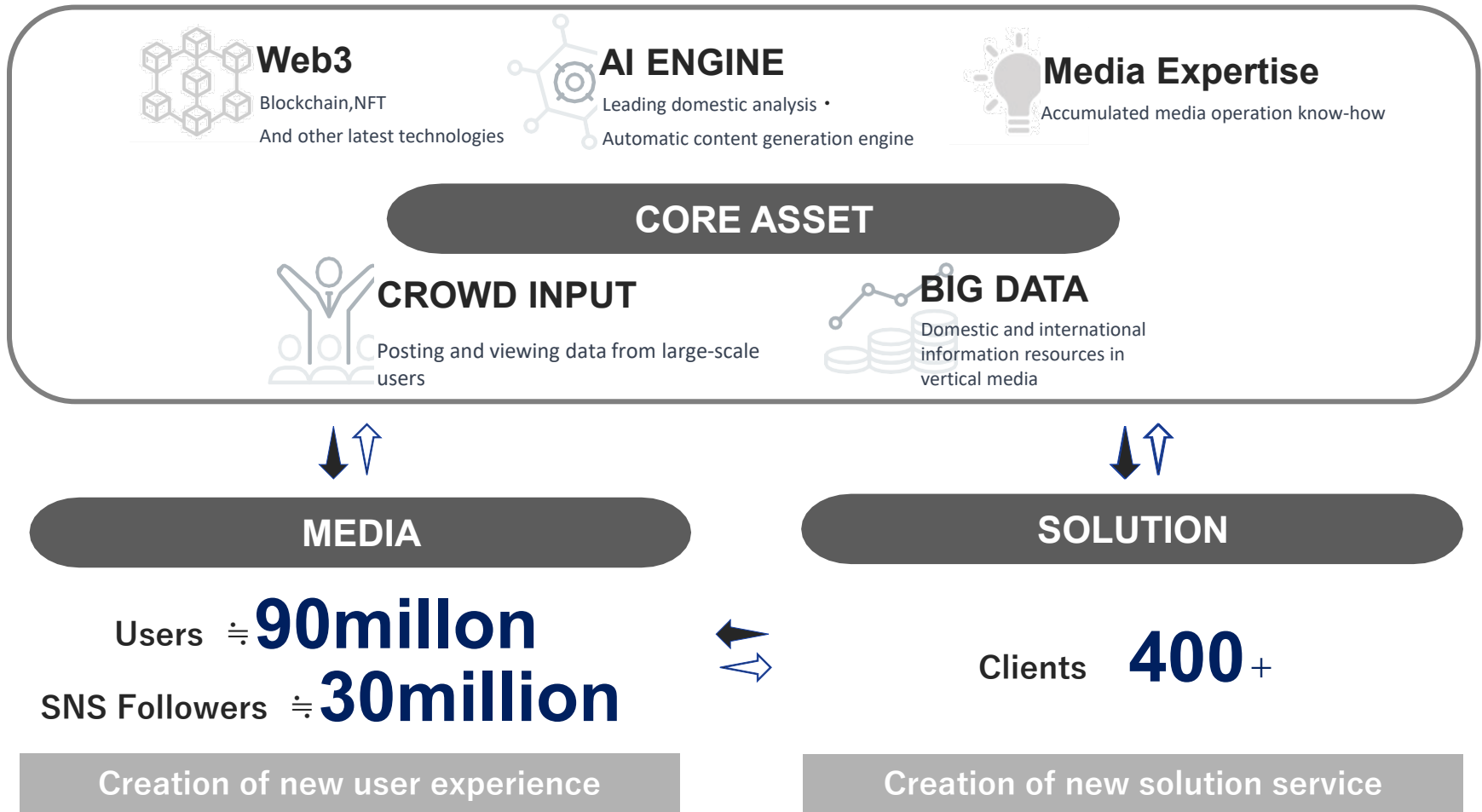
solution

technology

| | | | |
|----------|--|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

multiple business stream on core assets

- Minkabu group operates both the Media business and Solutions business, driven by our long-standing media operation know-how and capabilities. This is based on the use of technologies such as AI and Web3, posting and viewing data from large-scale users, and various domestic and international information deployed in vertical media.

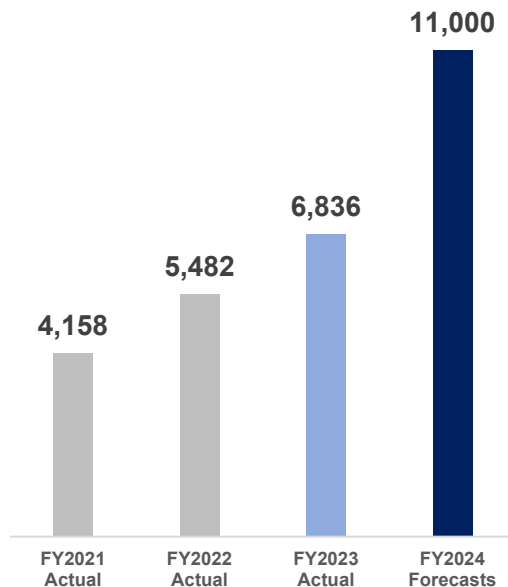


trend of sales revenue and operating profit

- For the fiscal year ended March 2023, despite a significant drop in sales in Affiliate Ads due to the impact of changes in web search engine specifications and the worldwide slowdown in the advertising market, Minkabu group achieved its highest-ever sales thanks to the contribution from the consolidation of livedoor Co., Ltd. and the steady growth of the Solutions business, . However, operating profit saw a significant decline compared to the previous fiscal year due to factors such as a worsening sales mix in the Solutions business, an increase of human resources for accelerating mid-term growth, upfront-investment associated with the introduction and extension of new services, and upfront-investment costs such as data licensing fees, which temporarily pressured profits.
- For the fiscal year ending March 2024, we expect sales to exceed 10 billion yen, backed by the full-year contribution of the livedoor business and steady needs for the Solutions business, leading to an increase in sales. Along with group restructuring, cost control beginning with various rationalization measures, we aim for a V-shaped recovery in operating profit.

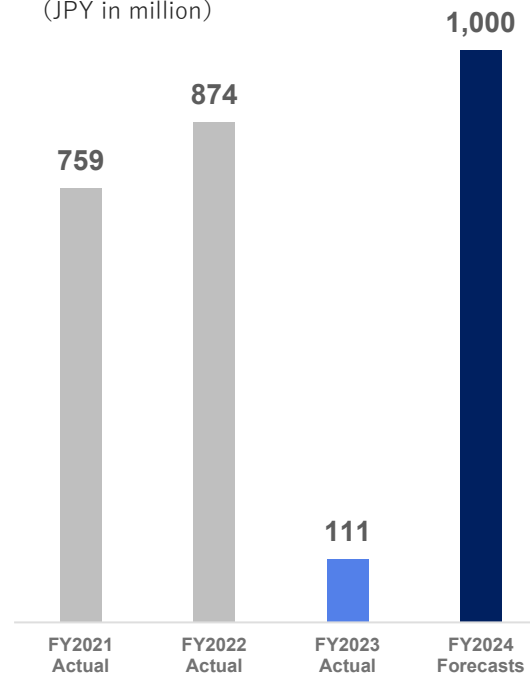
Sales

(JPY in million)



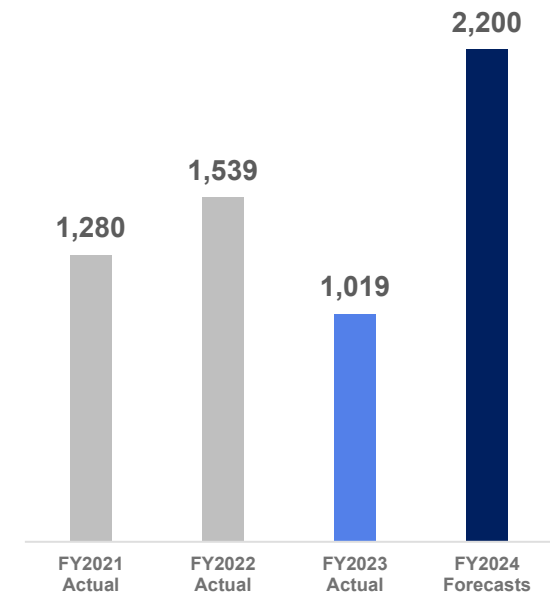
Operating Profit

(JPY in million)



EBITDA

(JPY in million)

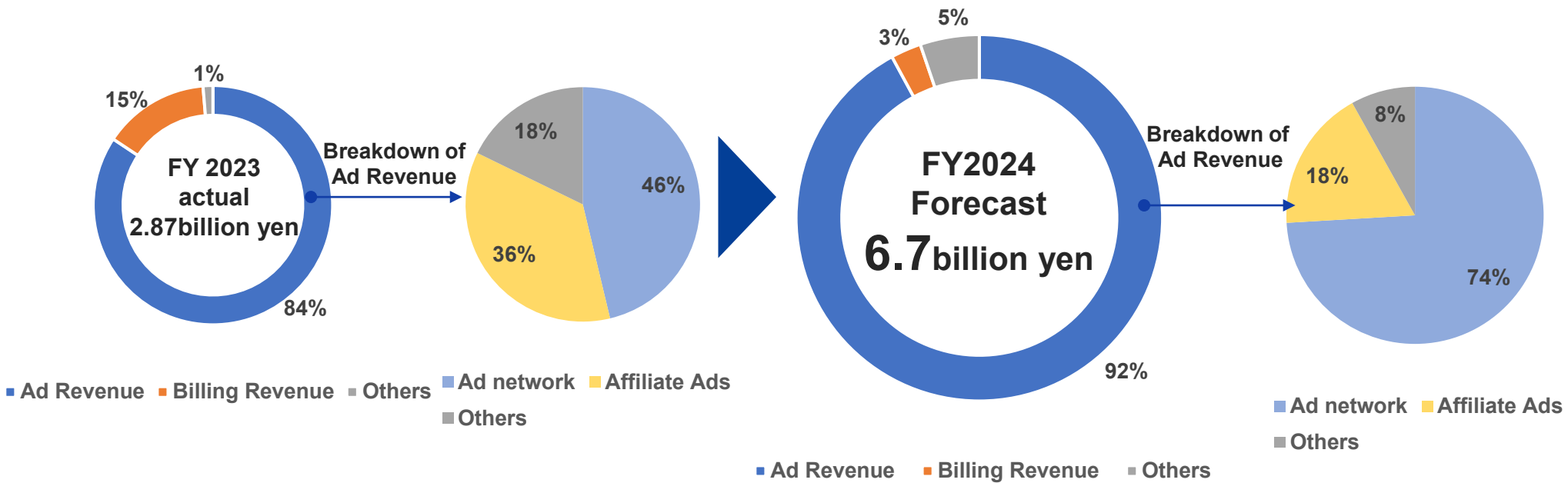




media services – revenue structure

Anticipating Appx. 2.3x Media Sales for FY2024/03 due to Full-Year Contribution of livedoor Business

- Revenue in the Media business is largely divided into advertising revenue and billing revenue. Advertising revenue includes guaranteed revenue which guarantees duration, clicks, and/or impressions in network advertising, performance-based affiliate revenue related to account openings, and pure advertising. Billing revenue, on the other hand, is subscription-based sales from monthly subscription fees. (*)



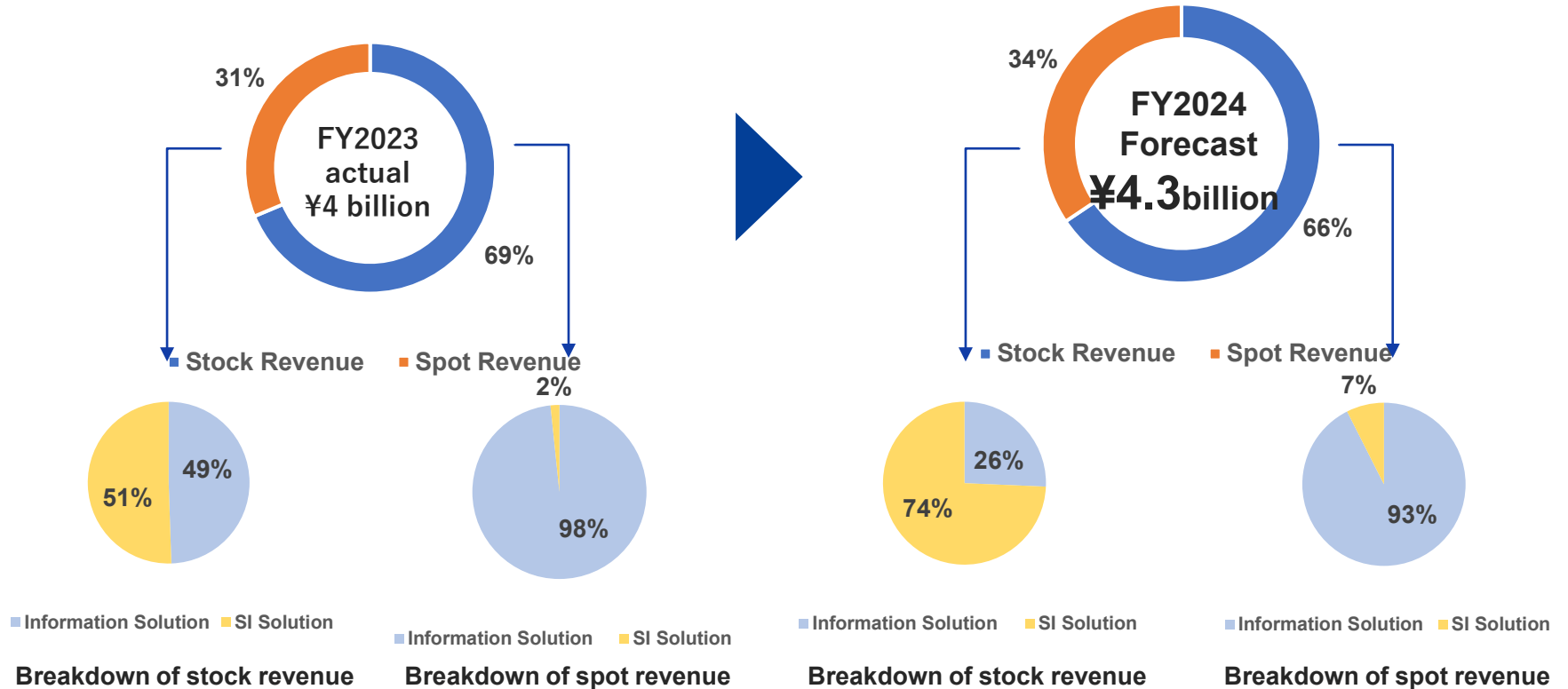
(*) Billing revenue from Kabutan Premium is recorded in the Solution business from this fiscal year ending March 2024, due to the reorganization of the group



solution services – revenue structure

Anticipating Steady Growth in Information Solution aiming Added-value and Significant Growth in System Solution aiming Customer-base Expansion and Deepening the products, in addition to Cost Reduction and Revenue Resource Expansion

- Revenue from the Information Solution is primarily derived from initial installation fees of cloud-based ASPs as spot revenue and maintenance and operation services fees afterwards as stock revenue . Revenue from the System Solution is derived from fees for consultation, planning, and system development tailored to customer requirements as spot revenue, and maintenance and operational services afterwards as stock revenue.










media services – service line up







- Group's Media business has consolidated in livedoor Co., Ltd., which joined the group in December 2022.
- Based on the huge traffic base of 90 million total monthly users of the group media as well as 5 billion monthly SNS impressions, Minkabu group will evolve as a Web3 media by leveraging technology, offering new, high-value user experiences in the future.

① Media Service

| Genre | Service Name | Contents of the Service |
|---------------------------------|---|--|
| Blog Media |  Livedoor Blog | One of Japan's largest blogging service supporting bloggers and creators from various genres |
| News Media |  Livedoor News | News site delivering a wide range of news, from domestic politics and international affairs to subcultures and gourmet topics |
| Sports Information Media |  Ultra World Soccer! | One of Japan's leading soccer information media, boasting the industry's top distribution of soccer-related news |
| Financial Asset Formation Media |  MINKABU | Asset formation information media offering stock information and more for a wide range of asset formation layers |
| |  Kabutan by MINKABU | Stock information specialty media with coverage and features tailored to the needs of more professional individual stock investors |

media services – service line up



① Media Service

| Genre | Service Name | Contents of the Service |
|-----------------------------|---|--|
| Entertainment Media |  Kstyle | Japan's largest Korean entertainment news site offering a variety of content such as articles and videos |
| Information Media for Woman |  Peachy | News site on women's lifestyle, love, culture, gourmet, and fashion and beauty |
| Life Information Media |  MINKABU Choice | Information service covering all aspects of life to enrich lifestyle |
| |  livedoor Choice | |

② Web3 type SNS Apps

| Genre | Service Name | Contents of the Service |
|--------------|--|--|
| Gourmet Apps |  livedoor Gourmet | Eat to earn platform service where the value of posting your own reviews and visiting restaurants is digitized as assets |

③ Paid Service

| Genre | Service Name | Contents of the Service |
|---|---|--|
| Stock Information Service |  Kabutan Premium | Paid version of a stock-focused information site. Three types: Japanese stocks, US stocks, and bundling version |
| Information Service for Asset Formation |  MINKABU ASSET PLANNER | A one-stop service for asset formation including asset management tools (MINKABU ASSET PLANNER), asset formation trend news (Minkabu Magazine), and more |

livedoor

One of Japan's largest user base and top-classed dissemination power domestically.



※As of March 30,2023



media services – livedoor news

Livedoor News

A news media platform that conveys news in an easy-to-understand manner to readers of all generations, including a unique 3-bullets headline summary named “Zakkuri luto (roughly speaking)” .

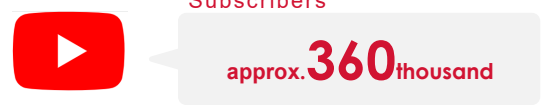
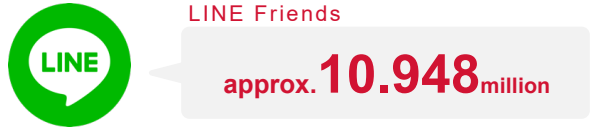
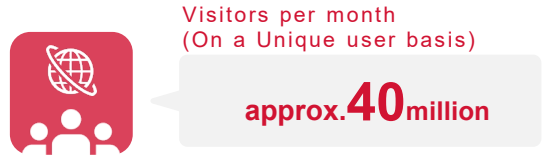
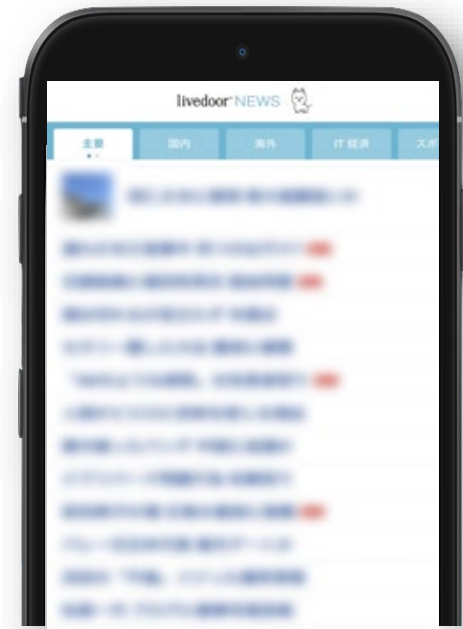
Since its launch in 2004, we have sourced news articles from approximately 250 to 300 content providers, covering a wide range of topics from domestic politics and international affairs to subcultures and gourmet news.

On our YouTube channel, "Livedoor News," programs such as “Game Sampo”, a game commentary content and interviews with “Takanori Horie’s Commentary”, an interview with Mr. Horie discussing news selected by Livedoor News.

livedoor NEWS



<https://news.livedoor.com/>



※As of March,2023



media services – livedoor blog

Livedoor blog

One of the largest blogging service in Japan launched in 2023 supporting bloggers and creators in various fields such as picture diary, local news, parenting, cooking/recipes, lifestyle, and pets.

We offer three types of plans: "Official Blog," "Professional Blogger Plan," and "Local Media Program."



● **Official Blog:**

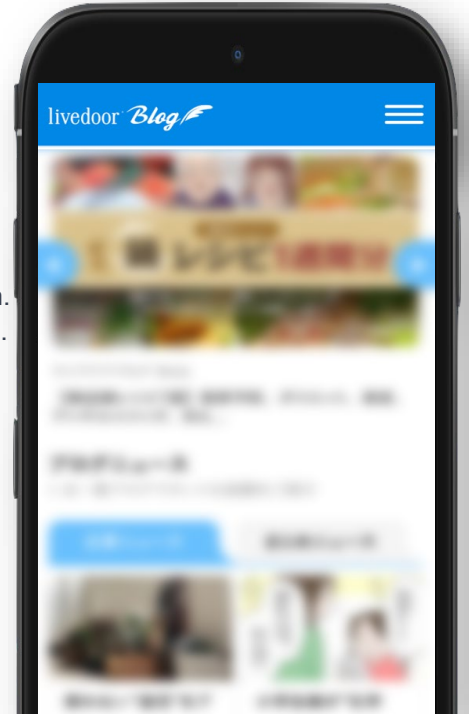
This is a support program for bloggers and creators who write high-quality blogs. The number of participating blogs exceeds 700.

● **Professional Blogger Plan:**

This is a support program aimed at maximizing bloggers' earnings.

● **Local Blogger Program:**

This is a support program for bloggers and local media outlets that disseminate regional information. We have a track record of signing comprehensive collaboration agreements with local governments.



Partner blogs

approx. **810** blogs

(*) Partner blogs indicates the total number of official blogs and blogs joining Local Blogger Program



LINE Friends

approx. **10.028** million

※As of March, 2023

media services – peachy



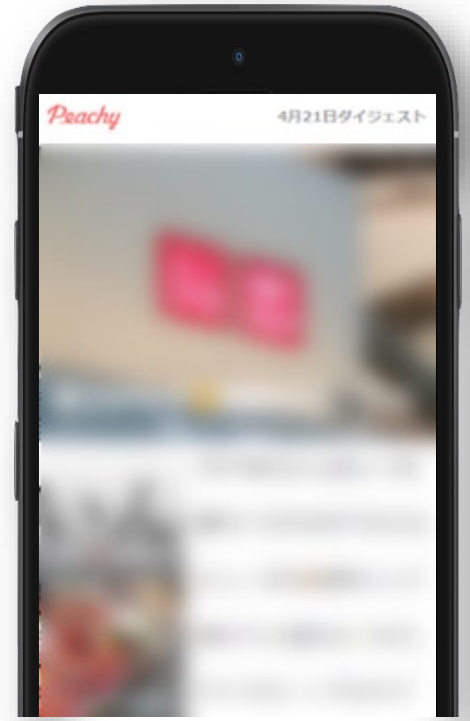
P e a c h y

A news media for women to live a happy life, packed with tips to become "cute and happy" every day.

We provide information in five categories: lifestyle, relationships, culture, gourmet, and fashion & beauty, specifically targeting women in their teens to twenties.



<https://news.livedoor.com/article/category/55/>



PVs per month
approx. **12.3**million



Visitors per month
(On a Unique User basis)
approx. **3.4**million



LINE Friends
approx. **3.9**million

※As of March,2023

media services – Kstyle



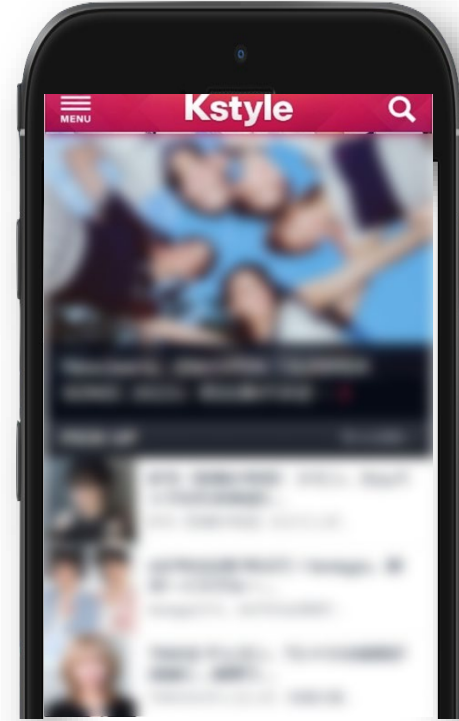
Kstyle

The No. 1 Korean entertainment media in Japan delivering the latest Korean entertainment news.

Features original content with uniqueness through partnership with major entertainment content providers in Korea
Approximately 70 to 100 articles a day with a wide variety of content ranging from release information to columns



<https://www.kstyle.com/>



Followers
approx. **1.138** million



LINE Friends
approx. **2.361** million



PVs per month
approx. **50** million



Visitors per month
(On a Unique User basis)
approx. **6** million

※As of March,2023



media services – ultra world soccer

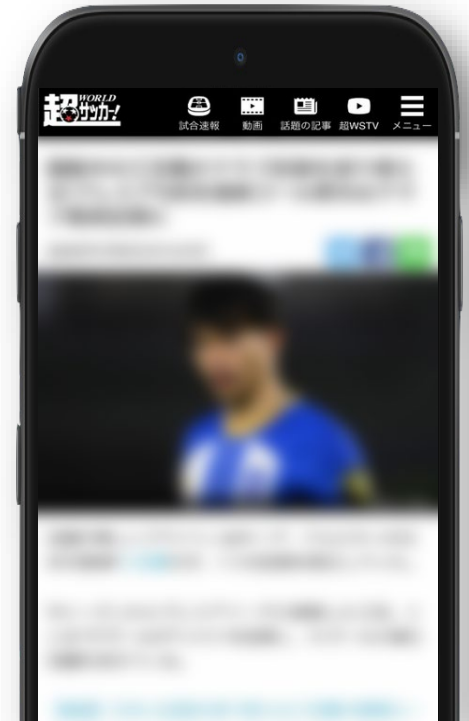
Ultra World soccer !

Comprehensive soccer information media, providing everything from topics of soccer fans to detailed information sought by soccer enthusiasts. Off-the-pitch news and updates are also wealth.

A wide range of users from light to core fans visit the site, focusing on Japan national team, and overseas leagues to J-League during regular seasons. The media is available 24 hours a day and 365 days a year, offering the highest number of articles among soccer media.



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



※As of March,2023



Livedoor Gourmet

A token economy-based gourmet social media platform that incorporates the world's first "Eat to earn" feature, aiming to uncover truly delicious restaurants.



Users can enjoy exploring new restaurants and earn token rewards based on their reviews and scores on the gourmet social media.

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

We provide a fully automated CRM system that enables one-to-one marketing tailored to customer visit information for restaurants.



※As of March,2023



media services – minkabu



MINKABU

One of the largest social media platform for investors in Japan, providing information on various financial products such as stocks, FX, cryptocurrencies, and mutual funds.

The site emphasizes fairness and strives to deliver a greater amount of valuable information to individual investors in a timely manner from a neutral standpoint.

We provide "easy-to-understand" content related to asset formation and offer investment-relevant market information, focusing on providing information that benefits the asset formation community.



<https://minkabu.jp/>





KABUTAN

- "Kabutan" is a stock information site that supports the discovery of stocks with potential.

※Kabutan is operated by MINKABU SOLUTION SERVICES, Inc
It is rich in essential corporate information for investors, such as stock prices, news, business performance, and themes in the market. We provide information with timeliness, comprehensiveness, and accuracy to support stock searching and exploration, as well as mechanisms for rapid investment decision-making.

With our paid service, "Kabutan Premium", you can utilize Kabutan even more beneficially.



<https://kabutan.jp/>



※As of March, 2023



livedoor Choice / Minkabu Choice

“Livedoor Choice” and “MINKABU Choice” are curated websites that provide useful information for daily life.

<https://www.livedoor.com/choice/>



Curated websites to provide information for enriching lifestyle.

Websites for aiming to enrich lifestyle by offering detailed and easy-to-understand explanations of various topics such as beauty, health, diet, and finance.

<https://minkabu.co.jp/choice/>



Websites for providing the best choices and options for asset building and asset management

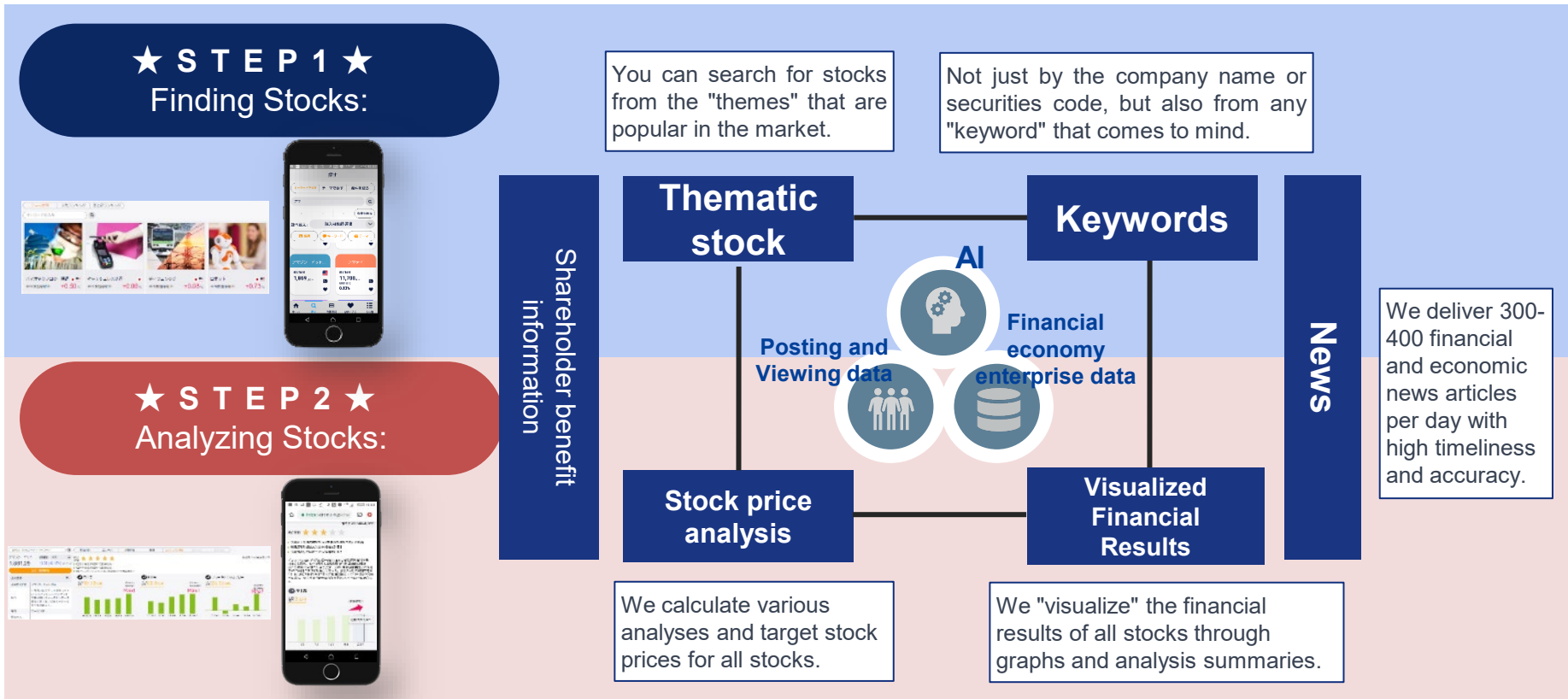
We provide easy-to-understand, accurate, and helpful content on various aspects of "money," including online securities, fx, stock trading, cryptocurrencies, credit cards, and more.



solution services – Information Solution

- As a group, we leverage our core assets ,a crowd input mechanism that aggregates data from user posts and views, and AI that analyses big data and instantaneously generates content. We provide this information as a solution package not only to individual investors but also to more than 400 financial institutions.

Information Solution Lineup:





solution services – Information Solution

- We, the group operating "MINKABU" and "Kabutan," offer high-quality, timely information unique to us. In addition to our patented automatic text generation technology, we meet investors' needs with a publication system that can compete with major news agencies.

PRESS News



【Features:】

- For Japanese stocks, we deliver 300-400 news articles per day.
- For US stocks, we deliver 80-100 news articles per day (in enhancement).

(Other contents)

- AI news that overlooks the stock market using AI.
- AI content providing real-time analytical comments that analyze financial results announcement
- Various rankings and technical analysis.
- *We cover not only large-cap stocks but also small- and medium-cap stocks that attract investors' attention, and provide forward-looking information based on interview for stocks and sectors expected to be active in the future, as well as highlighted industries. We also provide full-lineup of content on weekends.

【Usage/Specifications:】

- News screen can be used on both open and closed sites.
- Information is updated with a 20-minute delay on open sites, while real-time updates run on closed sites, information is updated in real-time.
- Up to six months of viewing is available.
- The screen functions are as follows:
 - News Category (refer to the above)
 - Date Specification
 - News Search (Text Search)

経済 米韓首脳会談、日韓関係の改善と米日韓協力が重要な認識で一致 (2021/02/04 13:18)

時事通信によると、バイデン米大統領は4日、韓国の文在寅大統領と電話会談を行った。元徴用工や元慰安婦問題で悪化が続く日韓関係をめぐり、両首脳は「韓日関係の改善と韓米日協力が地域内の平和と繁栄に重要だ」との認識で一致したという。

solution services – service line up

- Users can search stocks not only by company names or security codes, but also by various keywords. We assist in discovering stocks by enabling stock search from trending keywords, brand names, product names, and participating company names.

Keyword Solution



For instance, entering "Uni" in the search box would display the following search candidates:

| | | |
|------|--------------------------------|--|
| 3258 | Unizo Holdings | |
| 3654 | Hit Communications | |
| 6815 | Uniden Holdings | |
| 8113 | Uni-Charm | |
| 4502 | Takeda Pharmaceutical | Owned Brand |
| 6752 | Panasonic | Owned Brand |
| 7267 | Honda R&D | Owned Brand |
| 6785 | Sony | Subsidiary |
| 9432 | Nippon Telegraph and Telephone | Subsidiary |
| 9983 | Fast Retailing | Subsidiary |
| 3390 | INest | Former Company Name |
| 3645 | Medical Net | Former Company Name |
| 3538 | Will Plus | Affiliation Theme (Imported Car Sales) |
| 7599 | IDOM | Affiliation Theme (Imported Car Sales) |
| 7623 | Sun Aust | Affiliation Theme (Imported Car Sales) |

In addition to searches by company name and security code, we provide "data" that realizes searches by brand, product name, alias, subsidiary name, former company name, theme membership, etc.

solution services – Information Solution

- We provide individual investors with trending themes in the market and information related to stocks in an understandable manner. We also regularly provide selected featured themes.

Thematic Stock Solution



Popularity Ranking

| 順位 | テーマ | 関連銘柄件数 | 株価変動率 |
|----|----------|--------|--------|
| 1 | グローバルニッチ | 44 銘柄 | -0.45% |
| 2 | 半導体 | 87 銘柄 | -0.88% |
| 3 | 電気自動車関連 | 87 銘柄 | +0.03% |

Ranking by number of access for the past 72 hours

Rapidly Rising Ranking

| 順位 | テーマ | 関連銘柄件数 | 株価変動率 |
|----|---------|--------|--------|
| 1 | 半導体 | 87 銘柄 | -0.88% |
| 2 | パワー半導体 | 38 銘柄 | -0.64% |
| 3 | 電気自動車関連 | 87 銘柄 | +0.03% |

Ranking by number of access in 24 hours to the current

Theme List

| | | |
|--------------------------------|-------------------------------|------------------------------|
| IR 平均騰落率 (前日比率) -0.37% | IoT 平均騰落率 (前日比率) -0.56% | ICカード 平均騰落率 (前日比率) -0.85% |
| アイスクリーム 平均騰落率 (前日比率) -1.31% | ITS 平均騰落率 (前日比率) -0.41% | IT関連 平均騰落率 (前日比率) -0.27% |
| IP5細胞 平均騰落率 (前日比率) -1.34% | IP電話 平均騰落率 (前日比率) +0.63% | IPv6 平均騰落率 (前日比率) -0.61% |
| | iPod関連 平均騰落率 (前日比率) -2.93% | |

Holds approximately 1,800 themes.

It is possible to display the list in alphabetical order or in ascending/descending order of price change rate.

solution services – Information Solution

- We automatically generate listed companies' financial results as visualized content and deliver them in a timely manner*. Visualizing performance information enables intuitive understanding.

Visualize Financial Results Solution



*After receiving from TDnet for Japanese stocks and EDGAR for US stocks

Visibility

- We generate visually impactful graphs that are easy to see even on smartphone screens.
- The trend from past performance is immediately clear, achieving "easy-to-understand" content.

Timeliness

- We immediately obtain financial results and deliver them instantly.
- ※ We also respond to performance revision announcements.

Algorithm and Auto-generation

- Financial results evaluation based on our unique evaluation flow
- Automatically generate and instantly deliver comments on financial results announcements.

solution services – Information Solution

- We calculate forecasts based on the three elements of "Analysts' Consensus," "Stock Price Diagnosis," and "Individual Investors' Forecasts." We provide various analyses and target stock prices for all listed stocks.

Stock Price Analysis Solution



Forecast

We utilize our own unique AI technology to provide analysis results from a neutral standpoint.

Analysts' Consensus

This indicates stock price forecast data from professional equity analysts. We add content such as evaluation trends and the number of analysts with a five-tier rating.

Stock Price Diagnosis

Our proprietary AI, trained with the expertise of equity analysts, automatically identifies the drivers to determine the target stock's price through correlation analysis on historical stock prices, business performance, as well as with comparable stocks in the industry or similar market caps, and evaluate the current stock price undervalued, overvalued, or at fair.

Individual Investor's Forecast

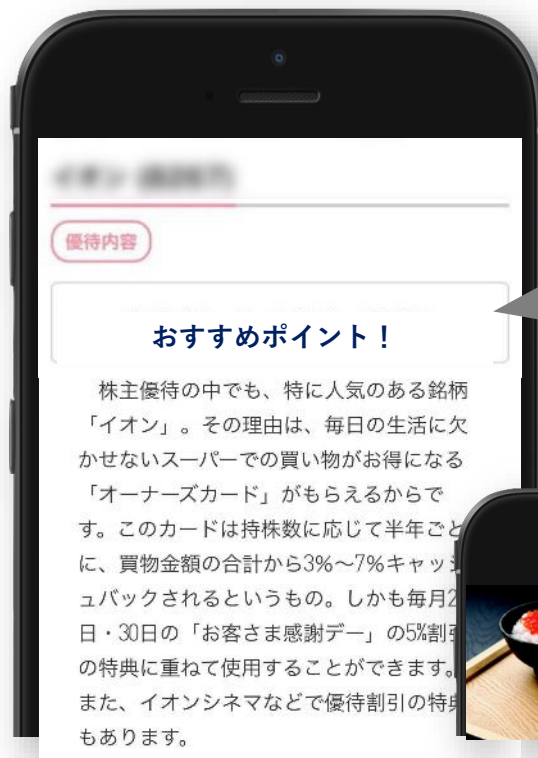
This indicates aggregated view of stock price forecasts from users of "Minkabu," one of the largest stock information media. It reflects the rankings of stocks with a high number of user forecasts and an increasing number of forecasts.

solution services – Information Solution

- We cover all the latest company information which implemented shareholder benefit. With our unique information gathering, we pride ourselves on having the industry's top collection rate* for benefit images, which are considered important in shareholder benefit information.

Shareholder Benefit Data Solution

【Shareholder Benefit Detailed Screen】



Our editorial team creates "Recommended Points" for shareholder benefits.

【Shareholder Benefit Search Screen】

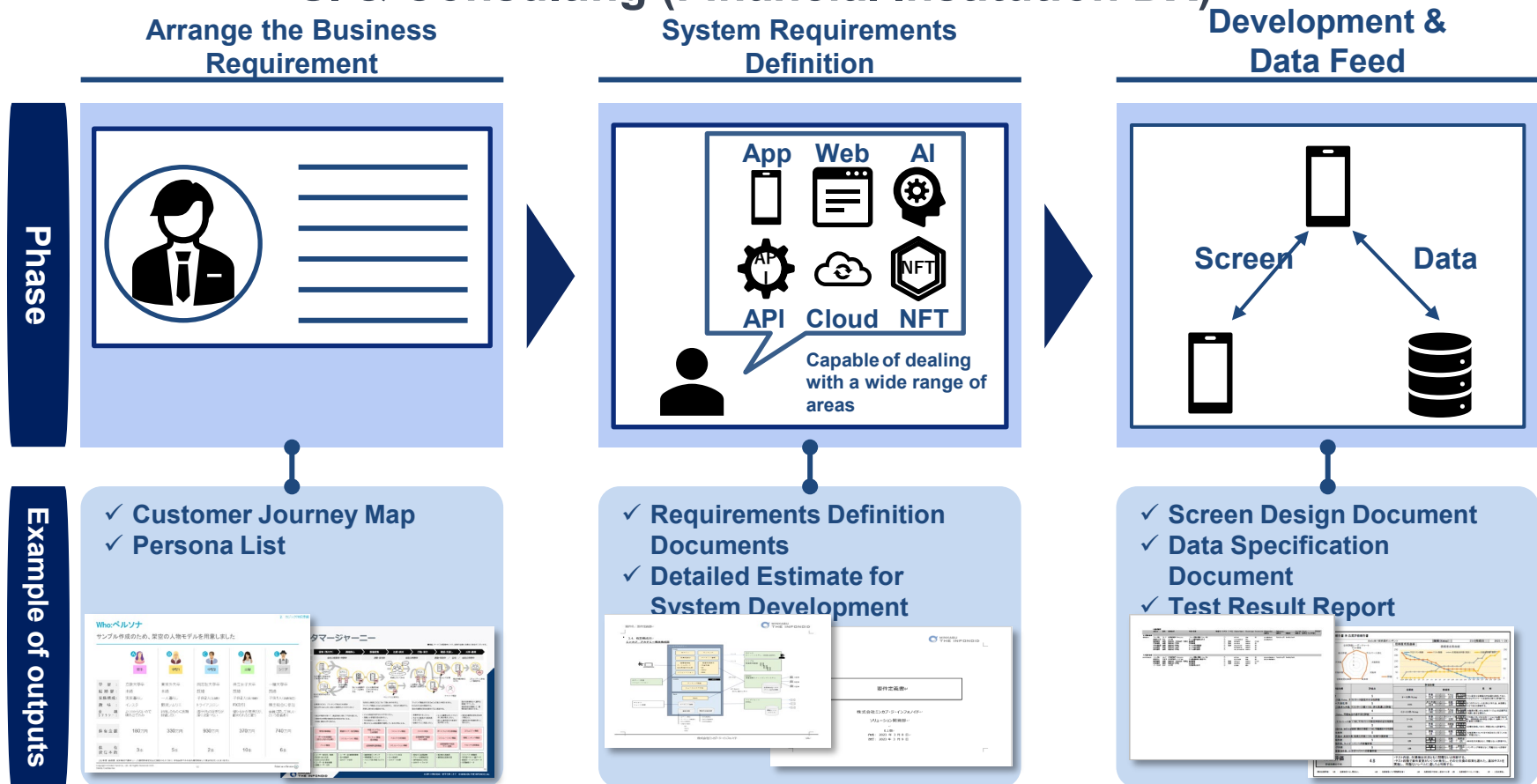


*As of August 2022, we cover all 1,482 companies implementing the latest shareholder benefits and provide content with images officially permitted by 890 of them.

solution services – SI & Consulting

- We provide SI consulting services with the aim of expanding the customer base of financial solutions and deepening solution services through new technologies.
- Through this solution, we are able to meet various needs for promoting DX in financial institutions, supporting everything from requirement definition, design, development, to release in a seamless manner.

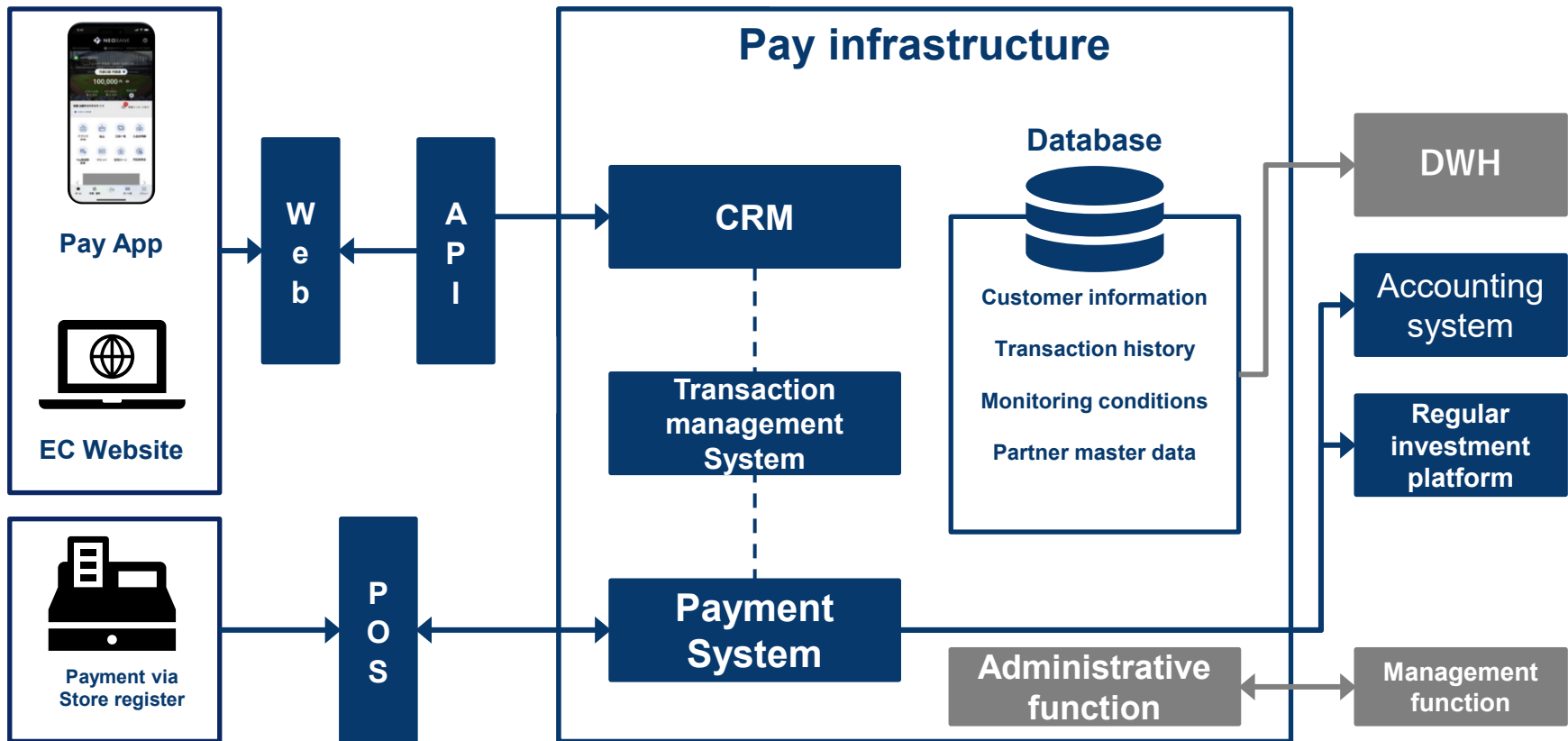
SI & Consulting (Financial Institution DX)



solution services – SI & Consulting

- The in-house payment function integrated with the banking system allows reducing settlement costs while equipping the app with balance confirmation, payment, and fund transfer capabilities.

Examples of Solutions in the In-House Pay Field



solution services – SI & Consulting



- We also provide functions related to mutual funds, such as stock rankings, regular investment diagnostics, and profit and loss evaluations, in a white-label format.

Examples of solutions in mutual funds white labeling:



API

- **Order system**
→ Order execution, deposit and withdrawal, document delivery...
- **Information system**
→ Stock information, contents...

Screen image

✓ Stock ranking

✓ Regular investment diagnosis

✓ Holding stocks

solution services – SI & Consulting

- Minkabu Web3 Wallet, Minkabu’s consolidated subsidiary, has developed a new solution utilizing Web3, a network based on blockchain. By awarding and managing the membership ranks of financial institutions and others via NFTs, we have constructed a system that allows the receipt of reward NFTs (≒coupons) from external companies.

Web3 Type Loyalty Program

Service Introduction

Added digital membership card (management of attribute/benefit NFTs) function on the services of financial institutions and others



App/Web Service

After Service Introduction

Providing benefits from other companies according to membership rank.

(1) Award membership rank as an attribute NFT



(2) Give reward NFTs according to the rank of the attribute NFT from advertisers

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

technology

| | | | |
|----------|---|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

market recognition

Financial Sector Environment ①

Expansion of the asset formation layer

- The "Asset Income Doubling Plan," a concrete plan, was compiled by the New Capitalism Realization Meeting, established in the Cabinet Office on November 28, 2022. It primarily promotes the permanent implementation and substantial expansion of the small investment tax exemption system (NISA), which supports the shift from savings to investment. This initiative is expected to greatly advance household asset formation in our country, along with the expansion of a new asset formation layer. Our company also supports this purpose and plans to develop a digital platform for financial education to facilitate the improvement of financial literacy in households and support asset formation efforts. We plan to start providing functionalities sequentially as an ASP-type service to businesses and economic organizations, etc., from the fiscal year ending March 2024. We believe that the need for new information solution services will increase as the base of the asset formation layer expands.

【Outline of the Asset Income Doubling Plan】

*Excerpt from the "Asset Income Doubling Plan" by the "New Capitalism Realization Meeting" (Cabinet Office) on November 28, 2022.

<Goals>

① Among the goals of the Doubling Asset-based Income Plan, first, we aim to double the number of people with investment experience. Specifically, we aim to double the total number of NISA accounts (ordinary and installment-type accounts) from the current 17 million² to 34 million in five years.

② Second, we aim to double investment. Specifically, we will double the amount of NISA account purchases from the current 28 trillion yen³ to 56 trillion yen in five years. Following that, we aim to double the investment amount (total balance of stocks, investment trusts, bonds, etc.) among households.

<7 Pillars Action >

Pillar 1: Major expansion of and making permanent NISA to shift household financial assets from savings to investment

Pillar 2: Reform of the iDeCo system, such as raising the eligibility age

Pillar 3: Creating a system to encourage the provision of neutral and reliable advice to consumers

Pillar 4: Enhancing asset formation for employees

Pillar 5: Enhancing financial and economic education to spread the importance of stable asset formation

Pillar 6: Realization of an international financial center open to the world

Pillar 7: Ensuring customer-oriented business conduct

market recognition

Financial Sector Environment ②

Completely elimination of domestic stock trading fees

- With increasing movement towards the complete elimination of domestic stock trading fees, primarily among major online securities companies, it is anticipated that competition for customer retention will intensify further. On the other hand, with measures to expand the asset formation layer, such as the permanent implementation of NISA, and as competition for customer acquisition intensifies with the elimination of fees, there is a concern that the deterioration in profitability per customer could lead to a decrease in acquisition costs per customer, which could impact the advertising revenue of our media business, including affiliate ads.
- However, in a sense, the elimination of stock trading fees can be seen as a return of these costs to investors, so it is expected that individual investors' ability to pay charges will expand to some extent. Therefore, we assume that we can redepict a growth strategy for subscription-based services.
- In addition, it is expected that the awareness of cost-effectiveness will increase further, with diversification of profitability by each securities company, and the efficiency of system operation and system construction. We believe that trends for a steady increase in needs in the solution business will continue for the time being, due to the progress in digital transformation for strengthen competitiveness and various initiatives for improving customer experiences.

market recognition

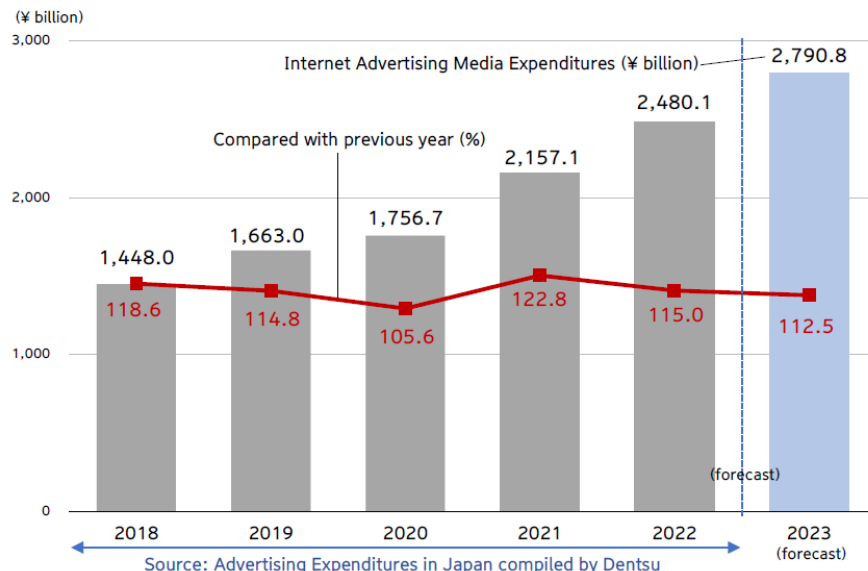
Internet Market Environment ①

Creation of new user experiences in the Web3 era

- Internet advertising expenses are expected to remain solid in 2023, with an overall growth of 112.5% over the previous year, amounting to approximately 2.79 trillion yen. Looking at the types of ads, search-linked ads are projected to grow significantly by 122.2% compared to the previous year. In terms of transaction methods, operational advertising saw a double-digit growth of 115.3% over the previous year.

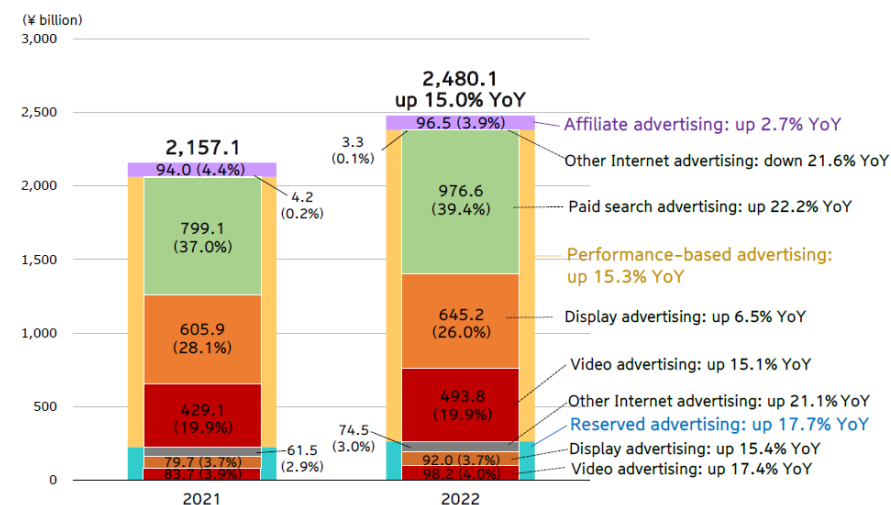
Transition of total internet advertising expenses (forecast)

Graph 5. Total Internet Advertising Media Expenditures (Forecast)



Composition ratio of internet advertising expenses by type and transaction method

Graph 3. Expenditures on Internet Advertising Media: Transaction Method and Advertising Category Cross Tabulation



Source: Excerpted from "Detailed Analysis of Internet Advertising Expenses in Japan 2022", March 2023, by CARTA COMMUNICATIONS Co., Ltd./D2C Inc./Dentsu Inc./Dentsu Digital Inc./Septeni Holdings Ltd.

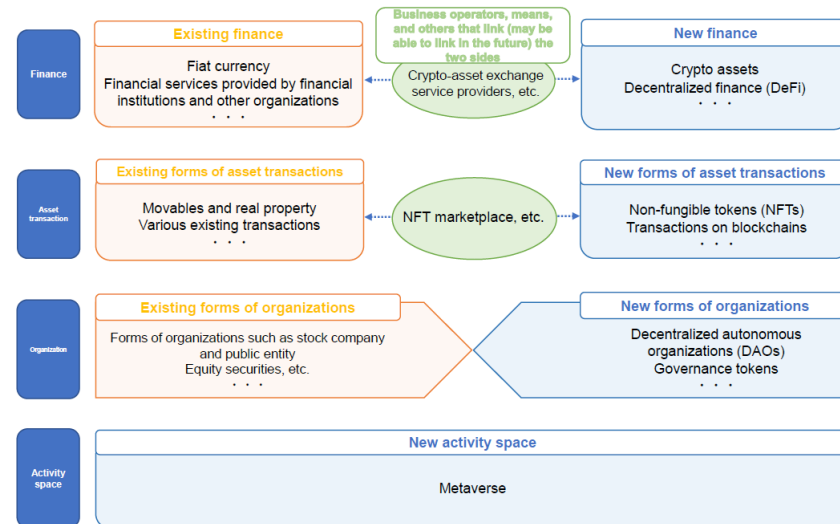
market recognition

Internet Market Environment ②

Creation of new user experiences in the Web3 era

- Amid an environment where the worsening global economic situation, soaring consumer prices, and the accompanying decrease in personal consumption activities continue, and where uncertainty prevails, the digital advertising market is expected to slow down in terms of growth in the medium term. The impacts of rising inflation rates and interest rates are affecting even large global tech companies, with a trend towards worsening performance becoming prominent and substantial layoffs taking place. Meanwhile, attention is being drawn to the shift to the so-called "Web3" - a decentralized internet using blockchain technology, amid an intensifying competitive environment and global expansion of legislation on personal data protection. Going forward, a broad range of new internet services are expected to be developed in various fields.
- The significant improvements in communication and information processing speeds, evolution of digital devices, and penetration of various applications have led to a trend where internet users, who were previously viewers, have become broadcasters as creators, producing value through information dissemination and actions in the digital space. This is known as the creator economy (a digital market where individuals provide goods and services as creators on the internet and earn revenue), and it is rapidly expanding on internet media. Such a creator economy is expected to create a new Web3 economic sphere, where people can acquire cryptocurrency as compensation for actions on the internet, also known as "x to Earn" in the world of Web3.

【 The emergence of new services and tools leveraging Web3 】



Source: "Web3.0 Research Group Report" (Digital Agency), December 2022.

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

technology

| | | | |
|----------|--|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

progress since the last update

Progress from the previous materials (KFS for achieving early sales of 10 billion yen and further growth)

we expect to reach ¥10 billion sales in the fiscal year ending March 2024.

Solution

Consistent growth in Solution Business

- In our existing information solution, we have achieved continuous growth through new customer acquisition, upselling to existing customers, and especially the acquisition of large contracts.
- With the start of the SI consulting business, we have achieved an expansion of the customer base in the solution business area.

Subscription

Expansion of Subscription sales in Media Business

- Adopted proactive promotions including various collaborations, but not well progressed as anticipated affected by factors such as review of household finance due to high prices.
- We anticipate subscription business will be a new growth strategy, starting with cost reduction for investors through the free stock trading fee.

IFA

Start of New Business related to IFA

- The registration of MINKABU ASSET PARTNERS, Inc., as a financial product intermediary was completed in December 2022 (Financial Product Intermediary Business Kanto Finance Bureau Director (Finance Broker) No. 969).
- We will expand services such as digital academy to promote financial economic education, chat BPO using LINE, and financial product intermediation business, leveraging our customer base which is mainly for financial institutions and our group's media business base.

M&A

Execution of capital tie-up & M&A

- With the aim of shifting the growth phase to the next step, we have actively carried out M&A
- In addition to the acquisition of the livedoor which leads the expansion of our group's business scope and scale, we have gained software assets and human resources through the establishment of subsidiary and M&A for the purpose of expanding NFT solutions using Web3 ,a network based on the blockchain.

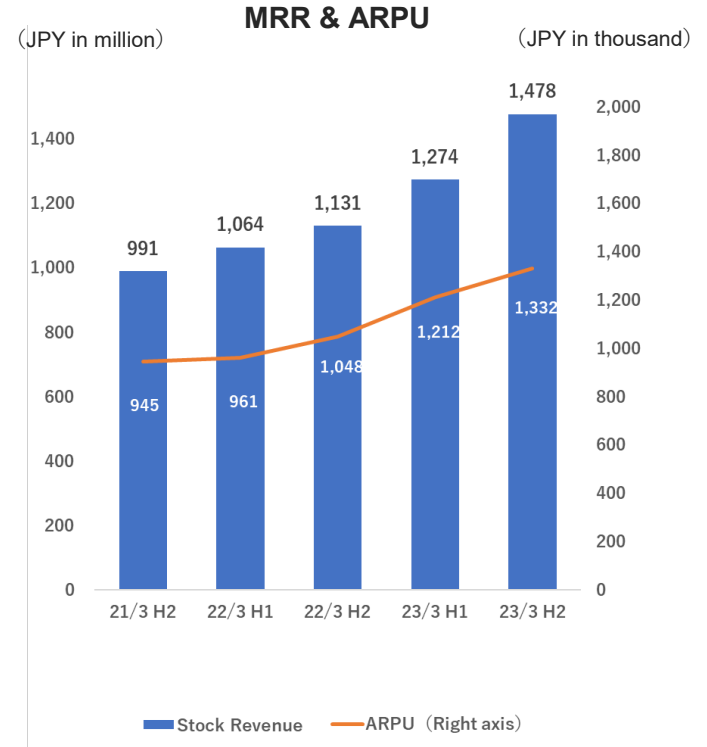
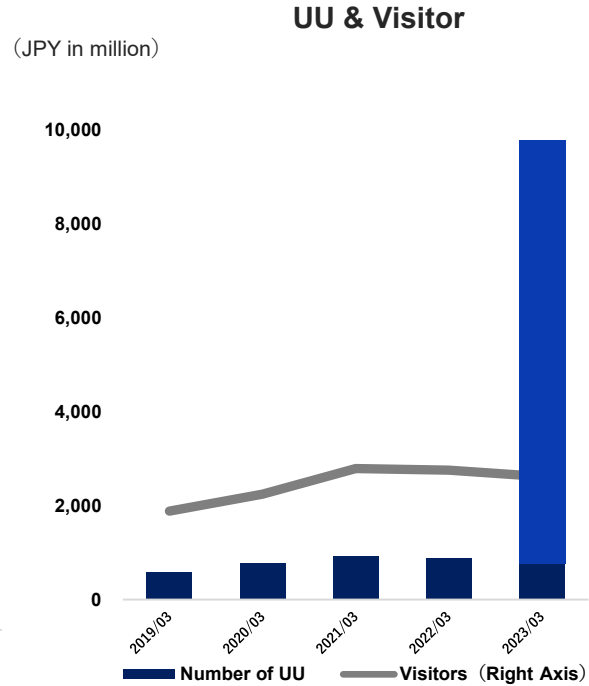
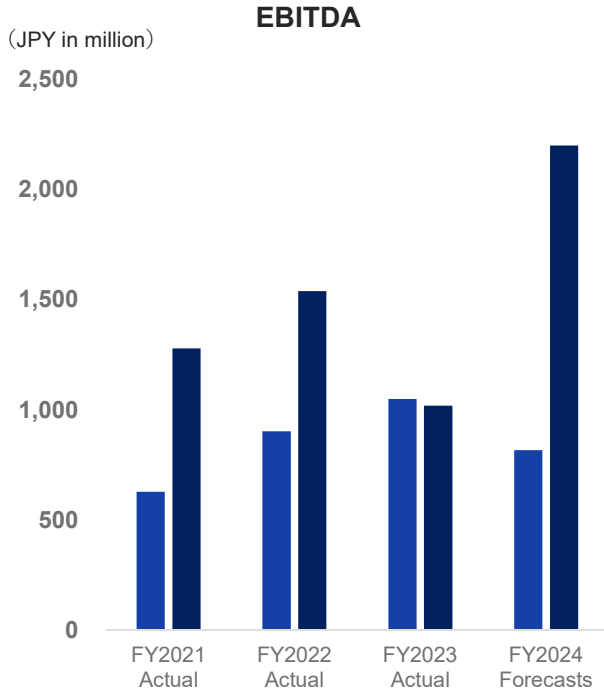
Development & Promotion

Software investment & Promotion enhancement

- We invested aggressively in both the media and solution sectors, to develop new solutions using Web3 technology, in addition to US stock information solutions and comprehensive Japanese stock solutions.
- As for promotions, we plan to execute proactive measures for reaching the expanded TAM through M&A.



Progress of KPIs



※ Regarding the average monthly users and the number of visitors, they have scaled up significantly due to making of Livedoor Co., Ltd. a subsidiary in December 2022, reaching an average monthly user count of 90 million across all media. In future business strategies, while a certain scale is necessary, we aim to improve profitability and profit margins through service value enhancement and diversification of revenue sources. Therefore, while we will manage the average monthly users and the number of visitors as internal indicators, we will not handle them as KPIs.

※ Also, we will manage MRR (Monthly Recurring Revenue) and ARPU (Average Revenue Per User) as internal indicators, since the solution business is diversified and simply integrated MRR and ARPU cannot accurately indicate. Therefore, for the information solutions, we will use the acquisition status of large customers and the transition of gross profit margins as KPIs. For the SI consulting solutions, as the immediate business objective is to acquire new revenue sources by expanding the solution customer base, we will use the customer acquisition status as a KPI. For details, please refer to page 60.

fundamental policy

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.

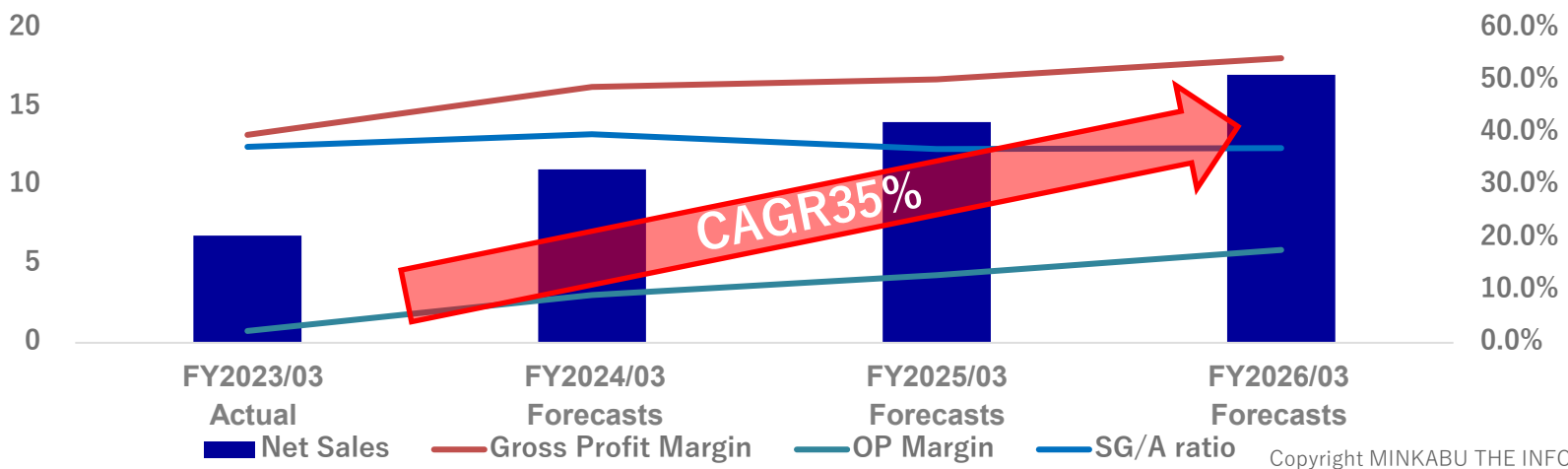


mid-term profit plan

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

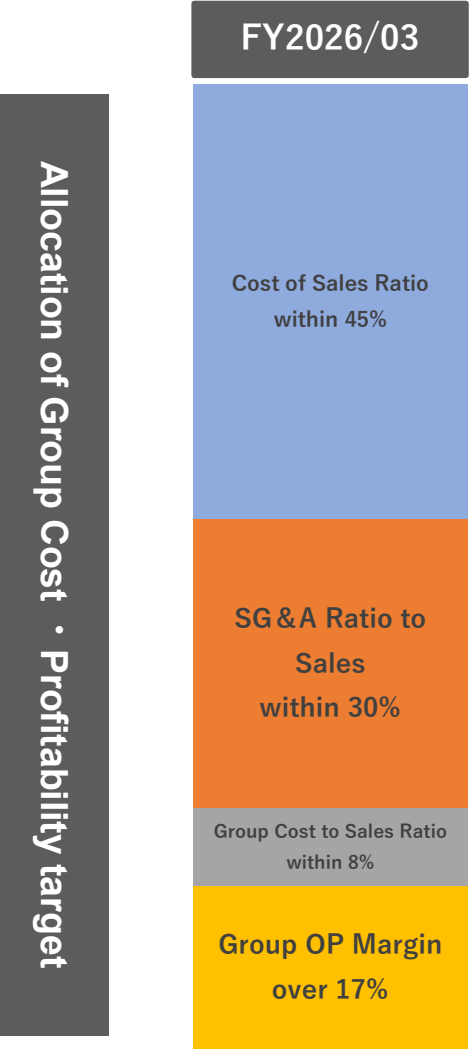
For details of plan and growth strategy FY2024, please refer to financial presentation material disclosed on 15th May,2023.
 For the fiscal year ending March 31, 2024, we expect to record deferred tax assets due to a revaluation of the recoverability of tax goodwill related to the acquisition of Livedoor





mid-term profit margin target

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



Allocation of Group Cost · Profitability target



- **Media : Cost rate within 40%**
 - Marginal profit margin is constant, based on distribution of advertising revenues to content vendors
 - Expand subscription-based businesses that do not rely solely on advertising revenues and do not require large investments to support higher gross margins.
- **Solution : Cost rate within 60%**
 - Major development investments have peaked out and depreciation is diminishing
 - Fixed maintenance costs by integrating information platforms with Kabutan as the main platform.
 - The increase in data and license costs associated with the expansion of information has run its course and will remain largely unchanged.

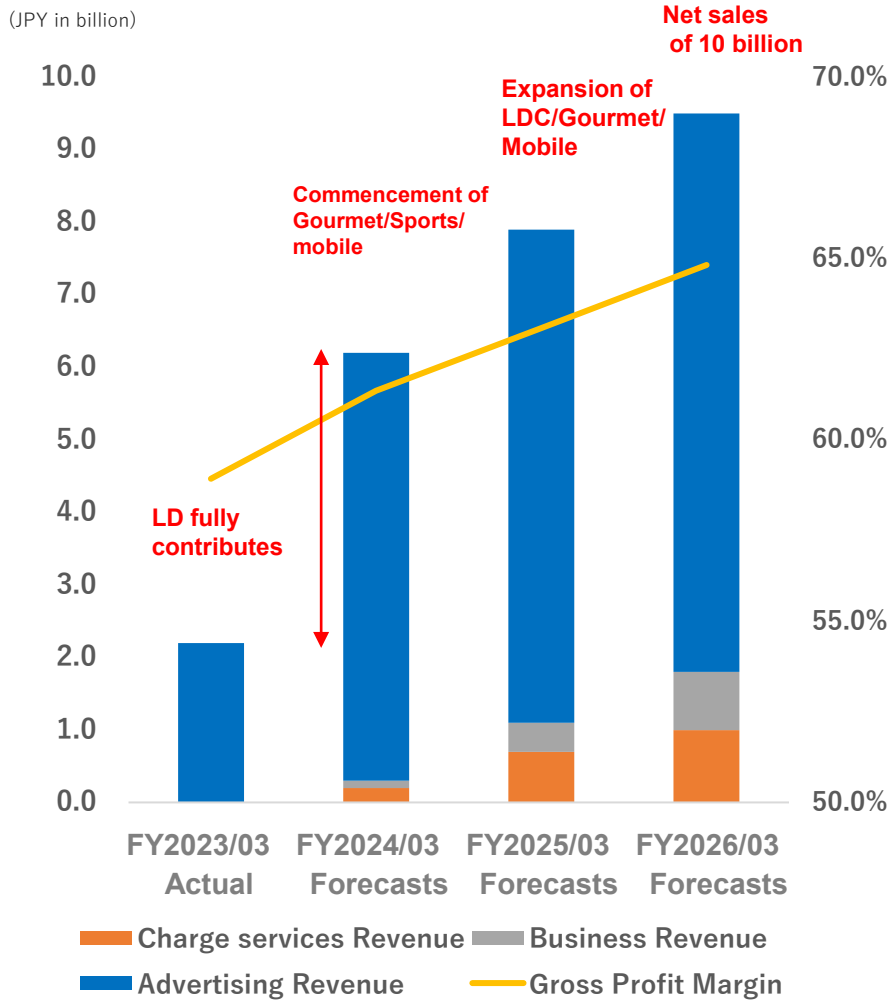
- **Media : SGA ratio 40%⇒Operating profit ratio over 20%**
 - Controlled SG&A CAGR 15% vs. 20% sales CAGR
 - Minkabu Media Integration reduces headcount increase
- **Solution : SGA ratio 20%⇒Operating profit ratio over 20%**
 - Selling expenses associated with increased sales are not to exceed 20%.

- **Control the growth of group-wide common costs to an average of 15% per annum by reallocating personnel and optimizing BPO costs through the integration/streamlining of group management functions, offices, and business systems, resulting overall cost ratio to about 8%.**



Sales and Gross Profit Margin Trends

Mid-term plan summary

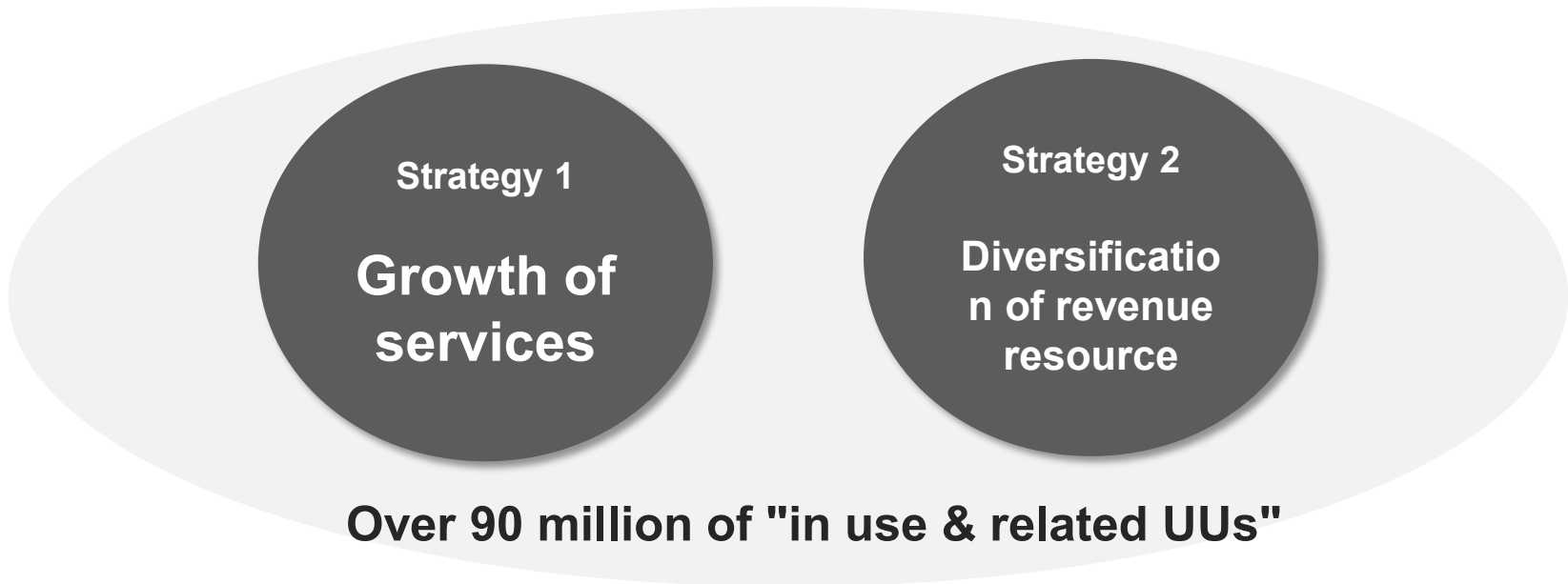


- ① Utilizes user contacts of over 90 million UUs per month, the spreading power of Livedoor News, and the management know-how of vertical media
- ② Business development aiming to diversify revenue sources by expanding business sales and billing sales in addition to advertising sales * LDC (livedoor 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.

fundamental policy

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



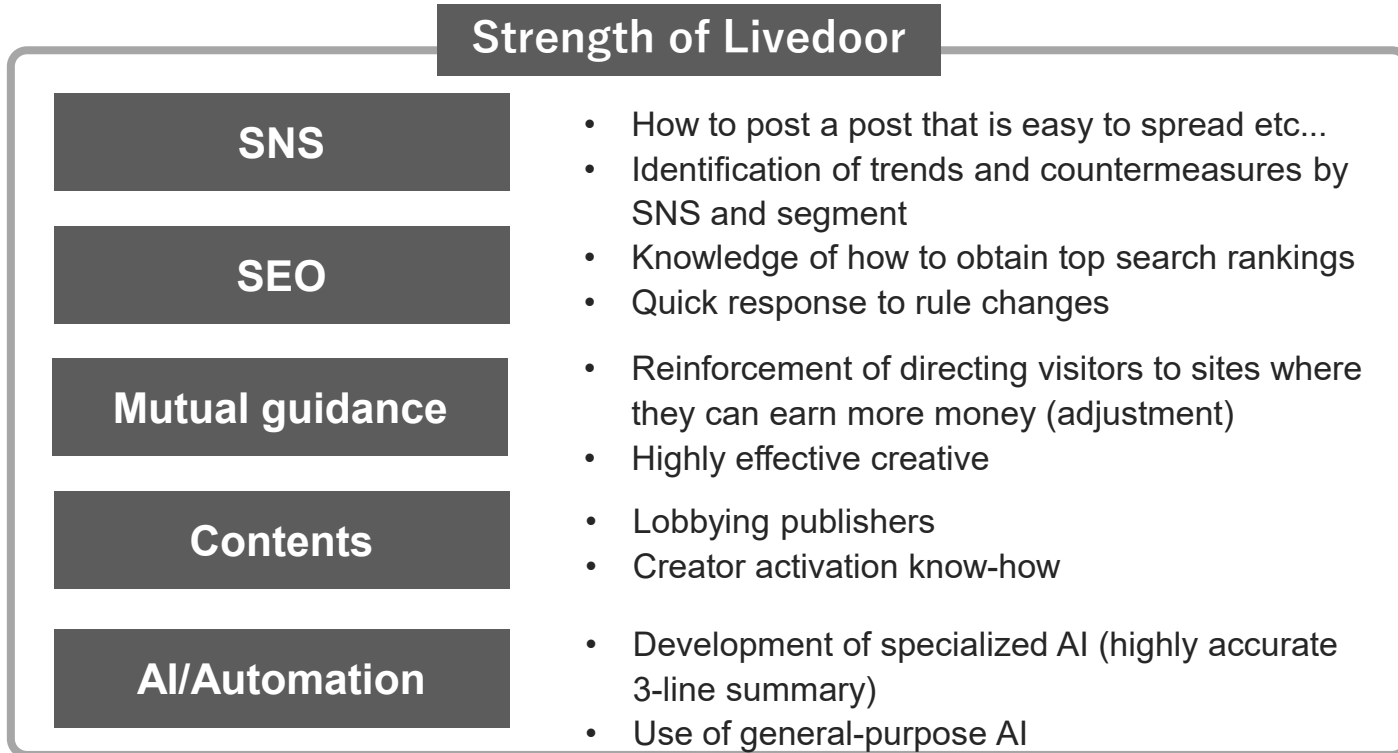


fundamental policy

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...)





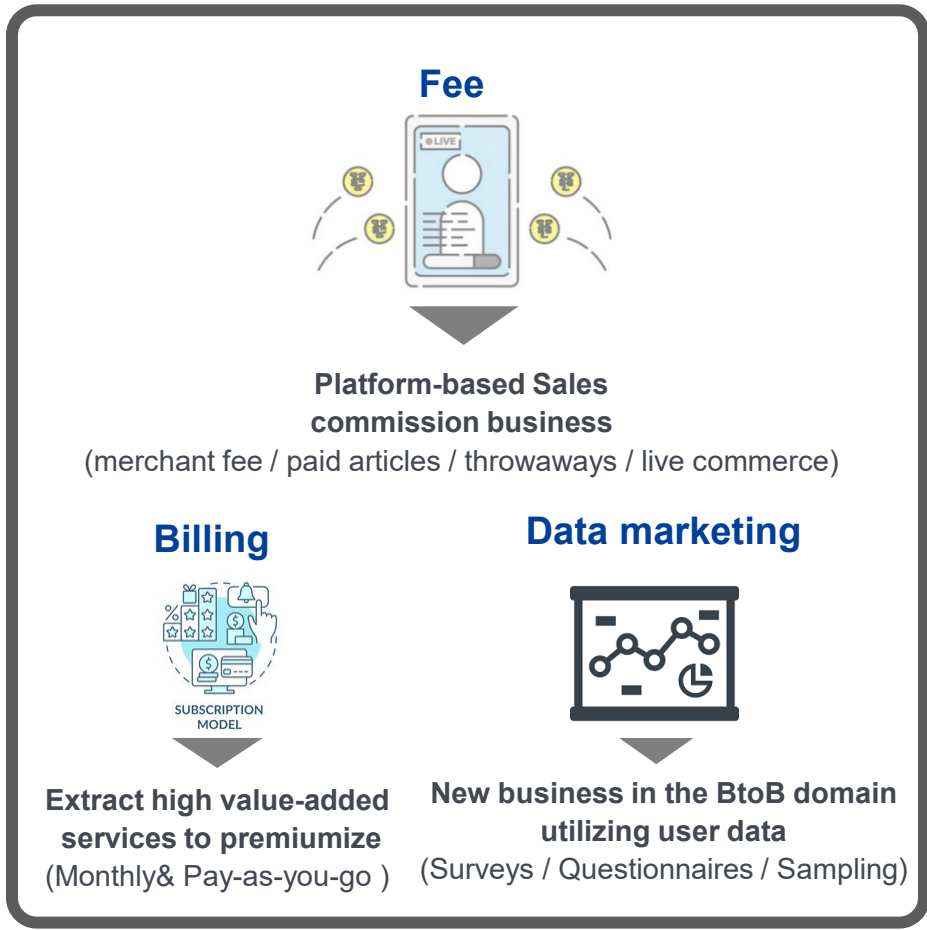
**Strategy 2 Diversification of revenue
 (Each service measure)**

Current

Future



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

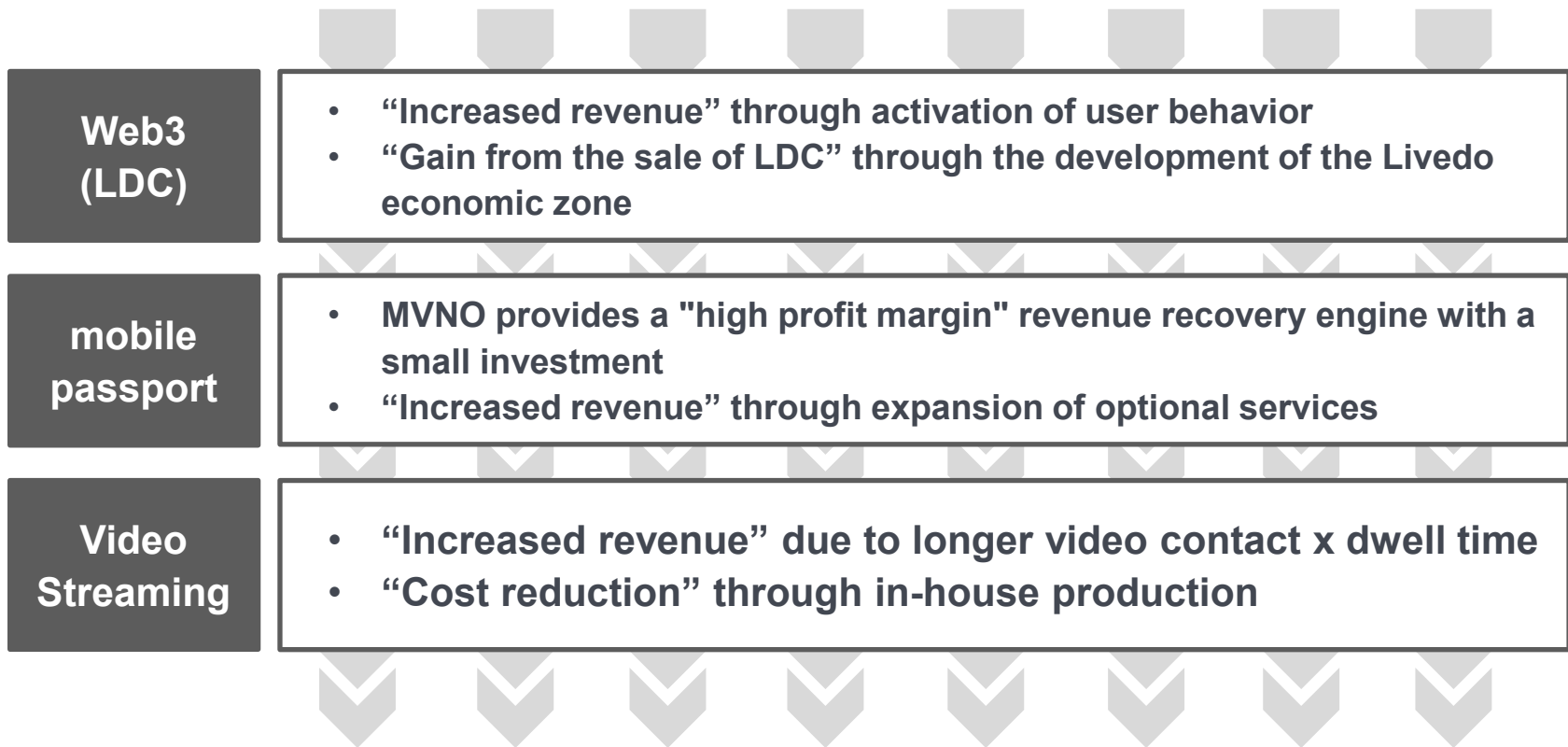




fundamental policy

Strategy 2 Diversification of revenue(cross-sectional policy)

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

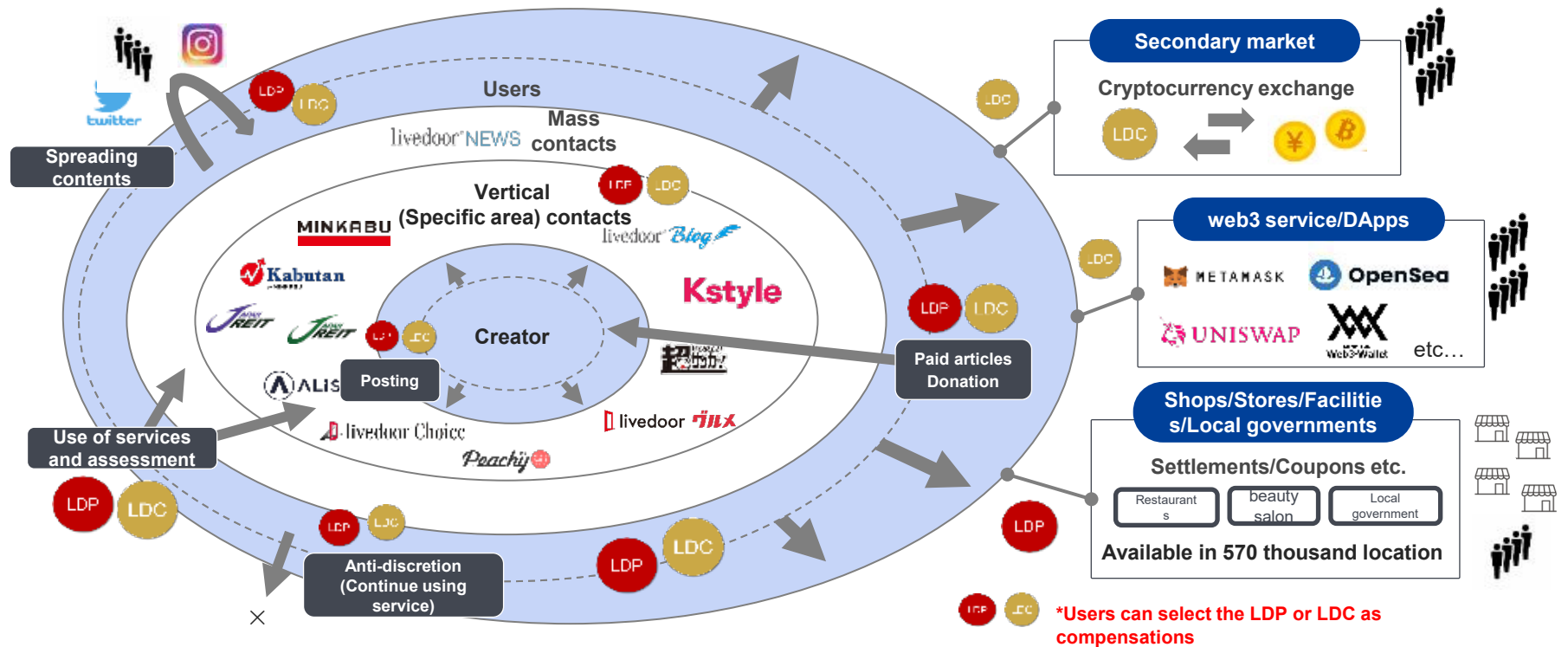


*We recognize that LDCs require careful confirmation and consideration in terms of compliance with various legal systems, necessary permits and approvals, accounting audits and tax treatment, etc.



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

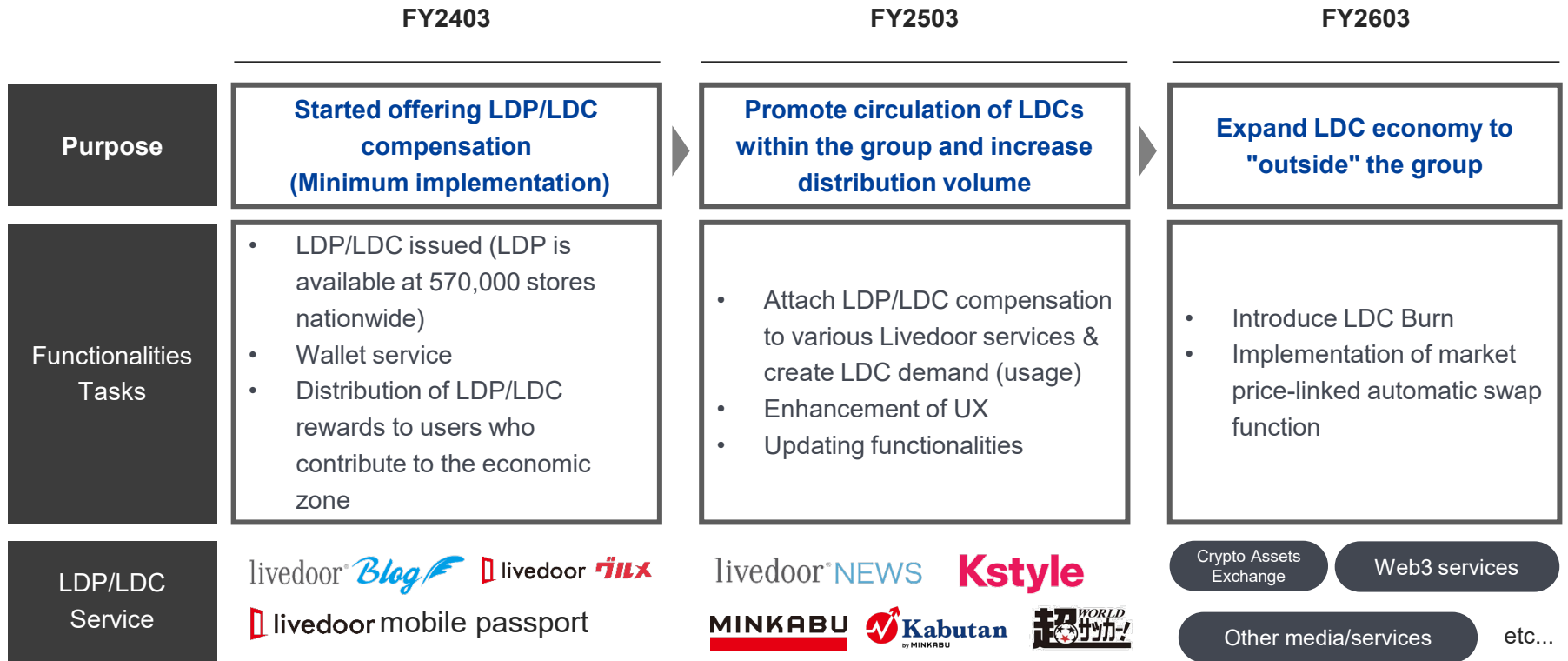
- Distribute rewards to those who contribute to the LDC/LDP economy by creating (posting), using (contracting), evaluating, spreading, etc.
- The ability to internally create a circulation around the operating media is a key feature that supports LDC value.





fundamental policy

Crear 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!

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...

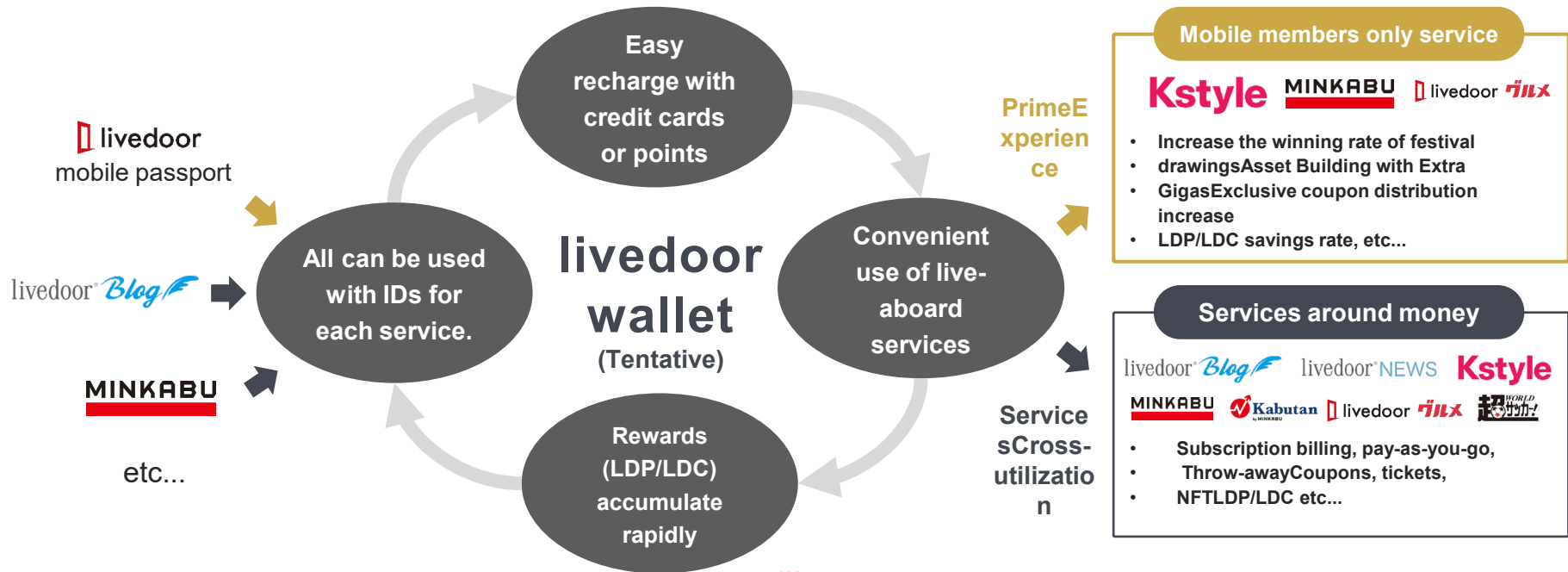
Benefit 3 Incentive boost

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)



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



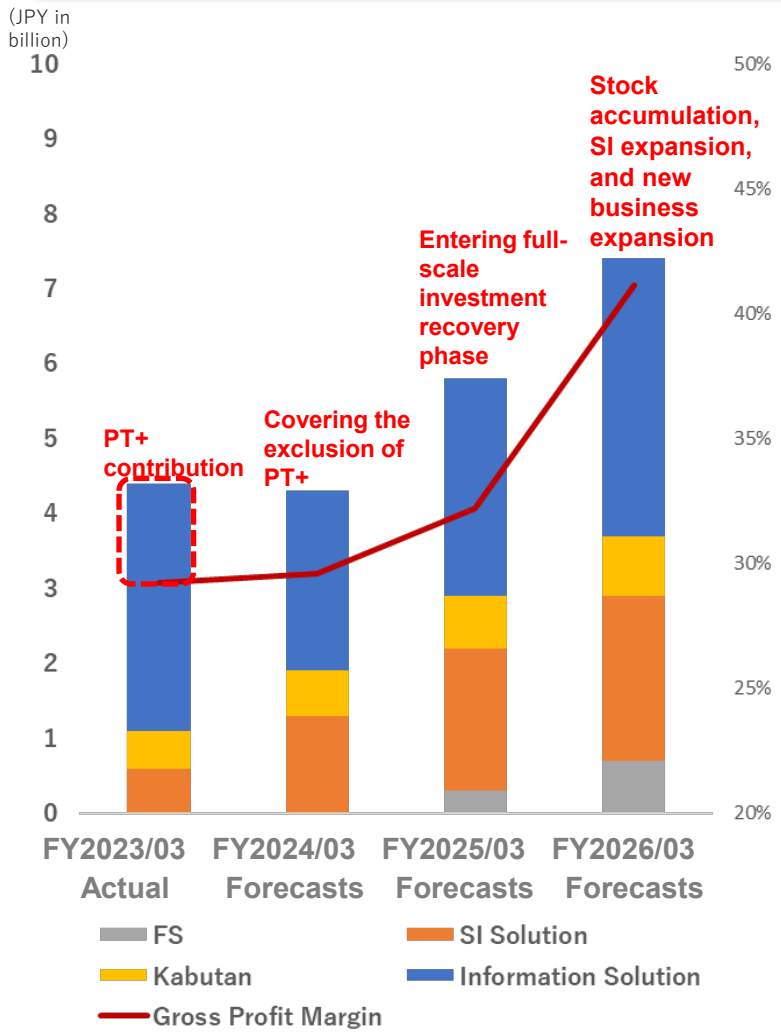
※ LDC is closely intertwined, but not a "wallet" with a crypto asset premise

04 Medium-term Plan and Business Deployment Policy

fundamental policy



Sales and Gross Profit Margin Trends



Mid-term plan Outline

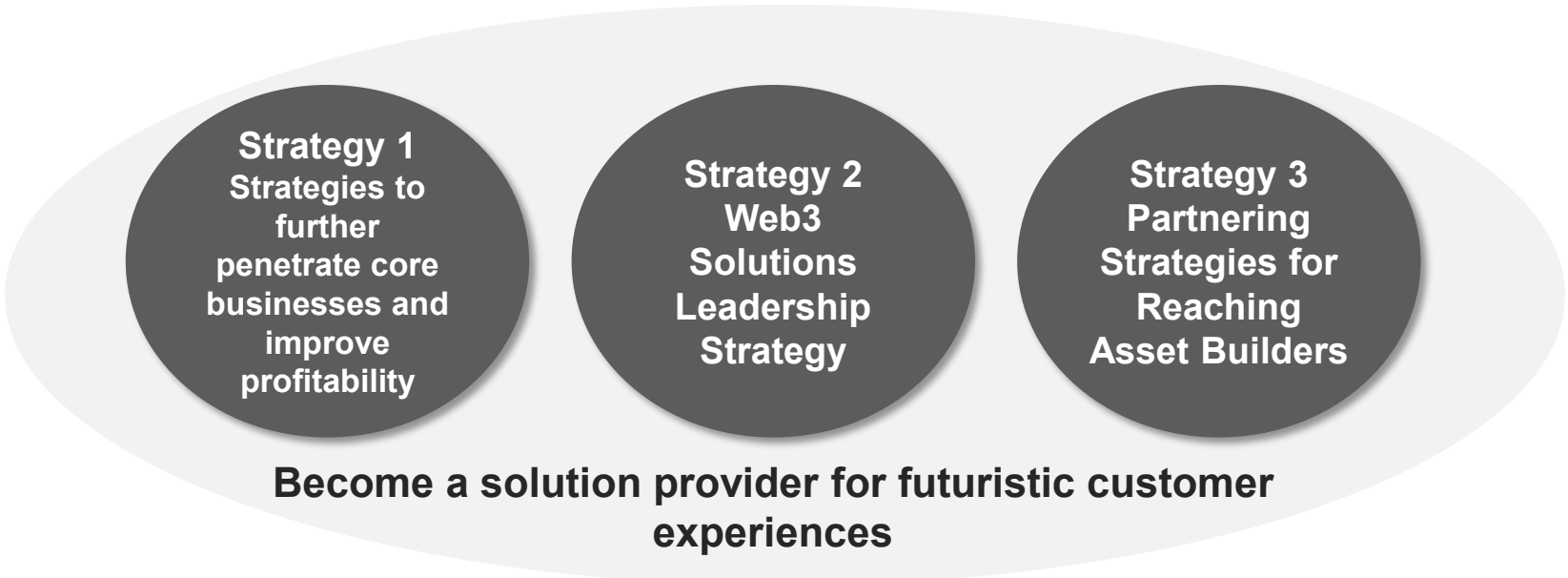
1. In information-related solutions, the decrease in PT+ was fully covered in FY2403. Profitability of Japanese and U.S. stocks will improve from FY25/3 onward due to the completion of major development investments, asset liquidation and maintenance streamlining against the backdrop of software asset 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.



fundamental policy

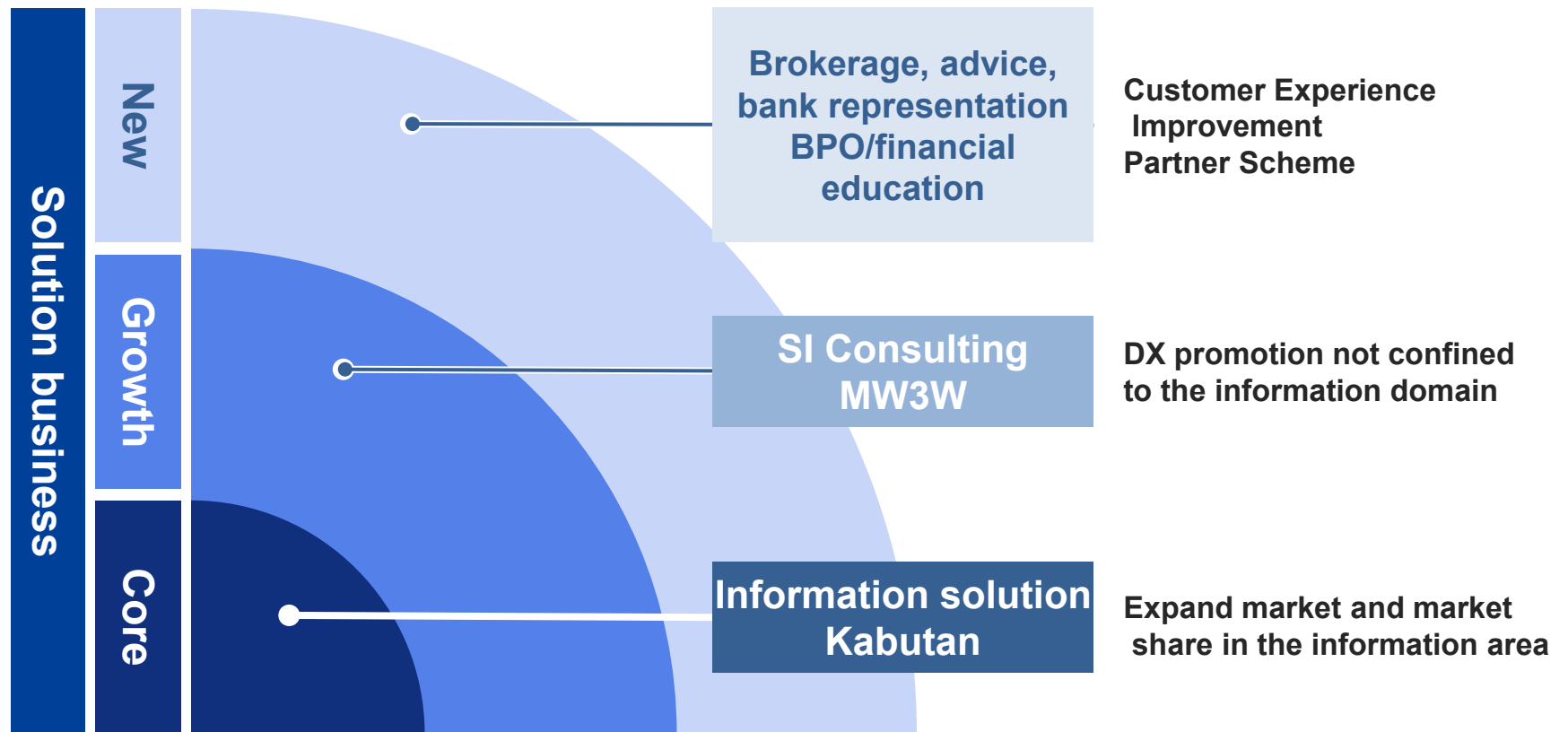
Goals of mid-term plan

- 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



fundamental policy

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





fundamental policy

Strategy 1: Growth of services (KPI)

March 2023

March 2026

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

| | |
|-----------------------------------|---|
| 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 |

Core
Information solutions

Growth
SI consulting · MW3W

New
Brokerage, advice, bank representation
BPO/financial education



fundamental policy

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.

| | Growth of information (Core) | Expansion of SI consulting (growth)/New business |
|--|--|--|
| 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 | <p>(in addition to the above)</p> <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 | <p>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</p> | <p>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.</p> |



fundamental policy

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 | <ul style="list-style-type: none">• 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 | <ul style="list-style-type: none">• From business strategy planning to information-based solutions• Participate from the planning stage to increase the probability of project execution. |
| Improve profitability | <ul style="list-style-type: none">• Upfront investment in building new services is largely complete.• Streamlining/streamlining of system function integration and asset consolidation, etc. |



fundamental policy

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



March 2026

Expansion of business scale and solutions offered

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

- 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



fundamental policy

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

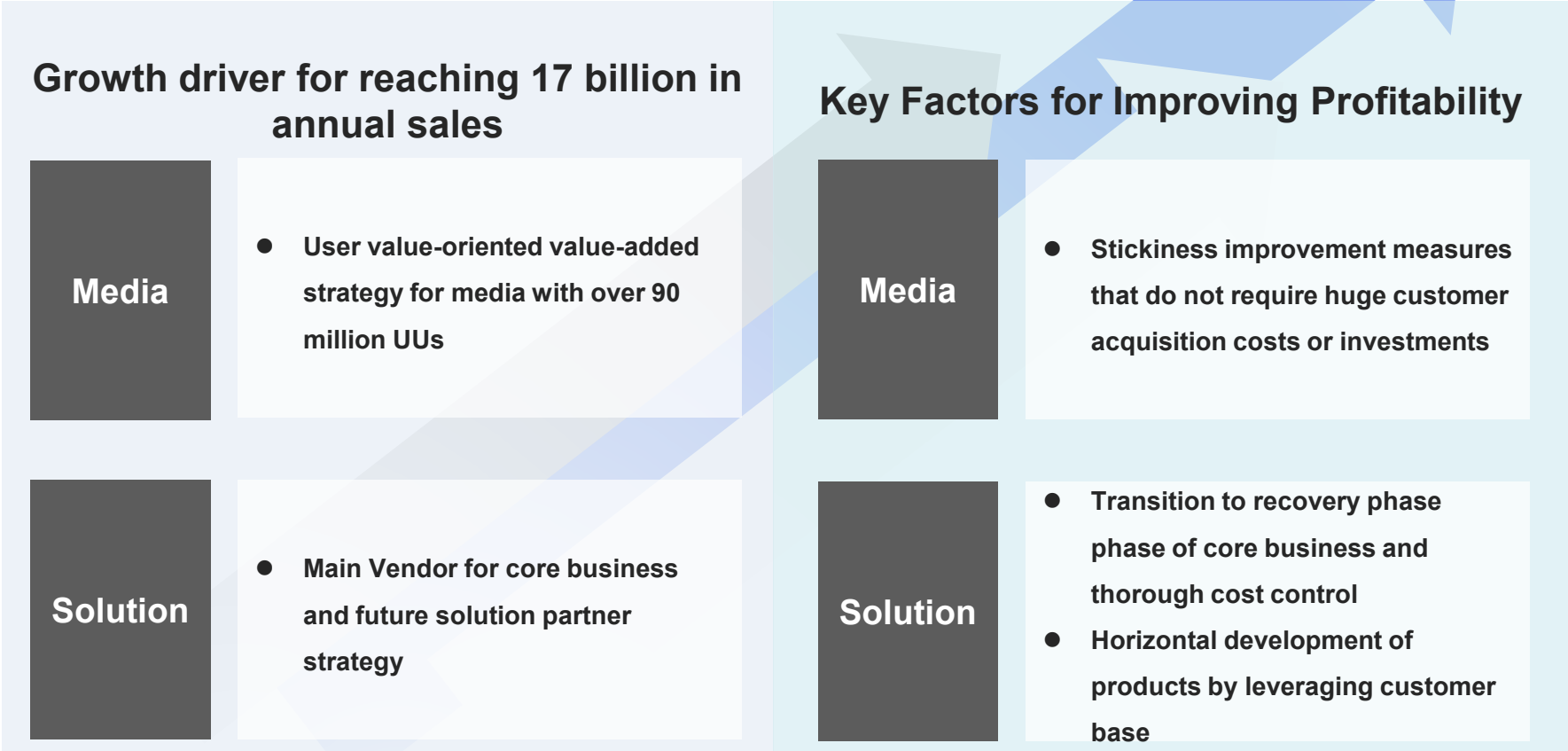
- Financial Education Business**
Provide services for employees and individuals that contribute to the realization of the "Asset Income Doubling Plan"
- Chat BPO Services**
BPO using LINE manned chat and providing solutions utilizing the LINE notification function

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



fundamental policy

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



information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

technology

| | | | |
|----------|--|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

| Risk Outline | Terms | Probabilities | Impact | Impact and Correspondence Policy |
|---|-------|---------------|---------|---|
| <p>Trends in the Advertising Market</p> <p>The decline in advertising market conditions due to economic slowdown and deterioration of corporate performance</p> | Mid | Medium | Serious | <p>The Company strives for revenue stabilization by the implementation of diversified revenue models including billing models</p> <p>However, if there is a rapid and substantial slowdown in economic conditions or market volatility, it may affect the financial condition and operating performance of the Group.</p> |
| <p>Trends in the Financial Market</p> <p>Decline in individual investment desire due to economic slowdown and drastic market changes, slowdown in business activities such as advertisements by financial institutions and investments in solution products</p> | Mid | Medium | Serious | <p>The Company strives for revenue stabilization through measures such as expanding the range of products, expanding sales channels, diversifying revenue models, and expanding the Total Addressable Market (TAM).</p> <p>However, if there are drastic and substantial changes, it may affect the financial condition and operating performance of the Group.</p> |
| <p>Competitors</p> <p>Decline in competitive advantage due to emergence of competitors in the service areas provided by the Group, or the obstacles for the Group to enter new services</p> | Mid | Low | Medium | <p>In existing businesses, the Group strive to eliminate competing factors and maintain a strong position by utilizing core asset, and at the same time, for enter new services, the Group will promote differentiation from other services.</p> <p>However, if the differentiation is not sufficiently realized, it may affect the financial condition and business performance of the Group.</p> |
| <p>Technology Innovation</p> <p>Decline in appeal to users due to obsolescence of the Group technologies and services.</p> | Mid | Low | Medium | <p>In addition to responding to the latest technologies, the Group is striving to build barriers to entry that is not limited to technology by combined with crowd input from continuously expanding large investor user base</p> <p>However, if the differentiation is not sufficiently realized, it may affect the financial condition and business performance of the Group</p> |
| <p>System and Service Failures</p> <p>Risk of opportunity loss or loss of profit for customers due to system or services defect. In addition, there is the risk of claims for damages, significant falling credibility etc.</p> | Short | Low | Low | <p>The Group's business mainly provides services from computer systems centered on cloud servers to customers via the internet, and the Group has taken measures to ensure stable operation such as system redundancy etc..</p> <p>However, if the event of gross negligence due to our responsibility, it may affect the financial condition and business performance of the Group by claims for damages and falling credibility.</p> |
| <p>Soundness of Website Operation</p> <p>Loss of trust as a website operator, when the Company is not possible to adequately respond to inappropriate posts by users.</p> | Short | Low | Low | <p>The Company strive to encourage appropriate use of the services with clearly state the terms of use of the site and strive to maintain sound site operation with constant respond to violations of the rules through human and mechanical monitoring.</p> <p>However, if the Groups lose trust as website operator, it may affect the business development, financial condition and business performance of the Groups.</p> |
| <p>Changes to Search Engine Specifications</p> <p>A decrease in user acquisition due to delays in responding to specification changes of search engines, including Google LLC.</p> | Short | Medium | Medium | <p>Based on providing high-quality content that benefits users, The Company has established a system for investigating and analyzing search trends and strive to respond to user's search needs, aiming for a good website placement. In addition, The Company is taking measures to diversify user acquisition routes by leveraging group media.</p> <p>However, if such specification changes exceed the Group's assumptions and are significantly and rapidly occurring, and the Group's analysis and response are not sufficient or appropriate, it could impact our group's financial status and business performance.</p> |

| Risk Outline | Terms | Probabilities | Impact | Impact and Correspondence Policy |
|--|--------|---------------|---------|---|
| <p>User Retention Rate</p> <p>Decline in media power and crowd input value due to user withdrawal in media business.</p> | Mid | Low | Serious | <p>Trying to maintain and improve the retention rate through measures such as improvement of usability and expansion of contents, etc.</p> <p>However, if the retention rate continues to fall far below expectation due to misjudgments of measures, it may affect the financial condition and business performance of the Groups.</p> |
| <p>Contract Continuation</p> <p>Risk of contract termination or significant changes in trading conditions for various news, stock price data, and company information acquired from third parties.</p> | Mid | Low | Serious | <p>Trying to maintain and improve the retention rate through measures such as improvement of usability and expansion of contents, etc.</p> <p>However, if the retention rate continues to fall far below expectation due to misjudgments of measures, it may affect the financial condition and business performance of the Groups.</p> |
| <p>Legal Regulations, etc.</p> <p>Risks that our business cannot continue due to the enactment, revision, or amendment of laws, regulations, or self-regulations in the business domain, or changes in the understanding of existing laws caused by changes in social conditions, etc.</p> | Mid | Low | Medium | <p>The Company tries to gather information and implement countermeasures as soon as possible in response to the enactment, revision, or amendment of laws, regulations, or self-regulations in the business domain, or changes in the understanding of existing laws caused by changes in social conditions, etc.</p> <p>However, if the sufficient preparations for these changes are not made, it may affect the business development and business performance of the Group.</p> |
| <p>Intellectual Property Right</p> <p>Risk of infringing on the intellectual property rights of third parties.</p> | Mid | Low | Serious | <p>The Group strives for internal education of intellectual property rights with management for avoidance of infringement of rights and strengthening awareness for protection of intellectual property rights.</p> <p>However, there is a possibility of compensation for damages or injunction claims because of the Group's unawareness of others' established intellectual property rights, it may affect the financial condition, business performance and falling credibility.</p> |
| <p>Information Management Systems</p> <p>Risk of receiving claims for damages and loss of credit by leakage of user information etc..</p> | Short | Low | Serious | <p>In addition to proper management of access rights, the Group is actively working to protect personal information through thorough internal education etc., and .</p> <p>However, in case of the leak of information due to unauthorized access from the outside or human errors it may affect the financial condition and business performance by loss of social credibility.</p> |
| <p>Risks Related to Customized Development</p> <p>Risks of delivery or the service are not provided as originally planned due to changes in requirements or quality improvement requests during development caused by customer needs, or development delays etc..</p> | Short | Low | Medium | <p>The Group established management system for development project, and regularly check the progress and validity, and strive to prevent deviation from original plan.</p> <p>However, if the correspondence is not sufficient, it may affect the financial condition and business performance of the Groups.</p> |
| <p>Risks Related to Mergers and Acquisitions, Strategic Alliance, etc.</p> <p>Risks of Irrecoverable of Invested Funds</p> | Medium | Low | Medium | <p>When implementing a corporate acquisition etc., the Company carefully examines market trends and needs, the finance, legal affairs, business etc. of the target company and the results of risk analysis of normal profitability before implementing such acquisitions.</p> <p>However, if the risks become apparent due to significant changes in the market environment after acquisition, or the situation that could not be assessed in preliminary survey, it may affect the business development and business performance of the groups.</p> |

For other risks, please refer to "Business Risks" in the annual securities report.

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

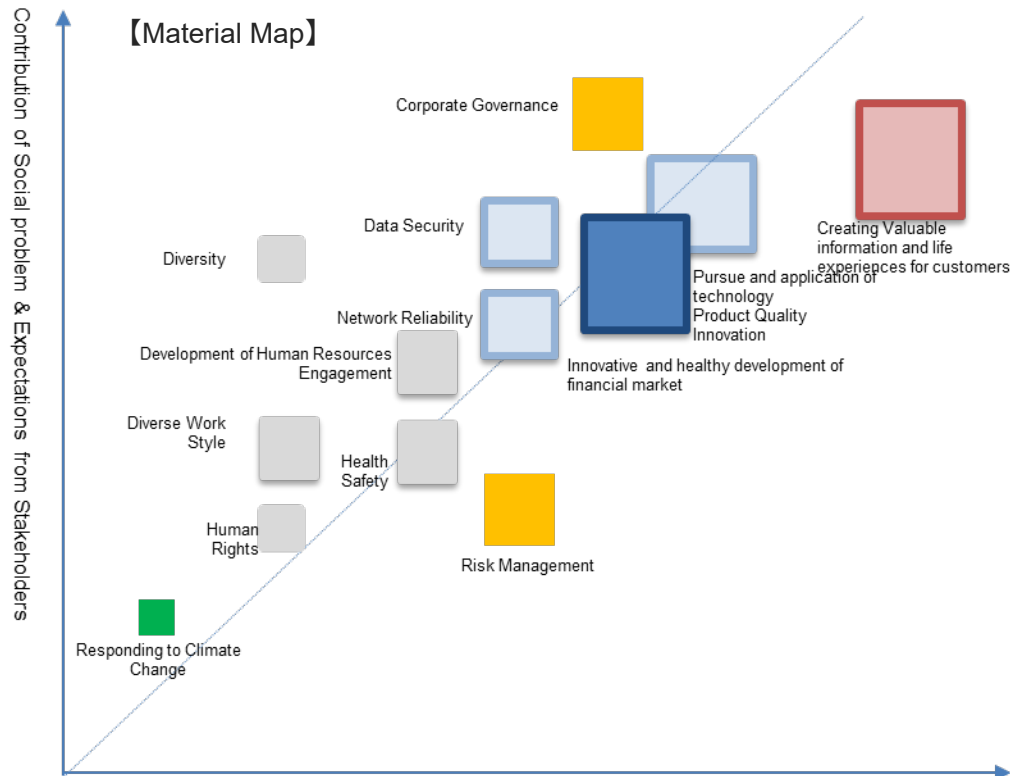
technology

| | | | |
|----------|--|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

sustainability



Promote the Sustainability Management



Contribution to our long-term growth or impact of business growth

| | |
|--|--|
| | Pursue and application of technology |
| | Innovative and healthy development of financial market |
| | Creating valuable information and life experiences for customers |
| | Promoting of development of human resources and diverse work style |
| | Strengthen governance with fairness and transparency |
| | Responding to climate change |

Promotion Structure

We have established a Sustainability Committee, composed of senior executives (including those serving concurrently as directors), chaired by our President and CEO/CFO. The Sustainability Committee is responsible for deciding and promoting sustainability management policies and initiatives, and is committed to reporting progress biannually to the Board of Directors. This structure allows us to make strategic decisions with a sense of urgency.

Review of Materials

Following the acquisition of Livedoor Co., Ltd. in the fiscal year ending March 2023, the business scope of our group has significantly expanded from a focus on investor to the general public, and from primarily financial and economic information to a broad range of information fields.

In light of this, we have added "Creating valuable information and life experiences for consumers" (mainly through our media business) to our materiality. Additionally, considering the innovative and healthy development of the financial market (primarily through our solutions business) and the pursue and application of technology, and taking into account the increasing expectations of stakeholders based on product recognition and bringing the release of services into shape, we will reconsider the positioning of our materiality.

information

cloud input

big data

media

Web3.0

infonyoid

artificial intelligence

solution

technology

| | | | |
|----------|--|-------|-----------|
| 1 | Company Overview | • • • | 4 |
| 2 | Business Model | • • • | 10 |
| 3 | Market Environment Recognition | • • • | 38 |
| 4 | Medium-term Plan and Business Deployment Policy | • • • | 43 |
| 5 | Risk Information | • • • | 67 |
| 6 | Sustainability | • • • | 70 |
| 7 | APPENDIX | • • • | 72 |

Income statement

(JPY in million)

| | Fiscal Year ended March 31, 2021 | Fiscal Year ended March 31, 2022 | Fiscal Year ended March 31, 2023 | | Consolidated Financial Forecasts Fiscal Year ending March 31, 2024 | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---------------|---|----------------|
| | Consolidated | Consolidated | Consolidated | Changes | Consolidated | Changes |
| Net Sales | 4,158 | 5,482 | 6,836 | +24.7% | 11,000 | +60.9% |
| MEDIA | 1,535 | 2,353 | 2,871 | +22.0% | 6,700 | +133.3% |
| SOLUTION | 2,635 | 3,148 | 4,005 | +27.2% | 4,300 | +7.3% |
| Adjustment (1.) | -11 | -20 | -41 | - | - | - |
| Operating Profit | 759 | 874 | 111 | -87.2% | 1,000 | +795.4% |
| MEDIA | 530 | 747 | 223 | -70.1% | 850 | +280.3% |
| SOLUTION | 738 | 786 | 762 | -3.0% | 1,050 | +37.8% |
| Adjustment (2.) | -509 | -658 | -874 | - | -900 | - |
| Ordinary Profit | 734 | 828 | -207 | - | 940 | - |
| Profit attributable to Parent Company | 564 | 696 | 726 | +4.4% | 900 | +23.9% |
| EBITDA (3.) | 1,280 | 1,539 | 1,019 | -33.8% | 2,200 | +115.8% |

- 1 Re-allocation of inter-segment sales
- 2 Elimination of inter-segment and unallocable operating expenses
- 3 Calculation formula of EBITDA is Operating income+depreciation+amortization of goodwill
- 4 Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
- 5 The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
- 6 The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
- 7 Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 8 Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 9 Acquired CWS Brains, Ltd. on March 31, 2023 and made CWS Brains, Ltd. a consolidated subsidiary. Since the acquisition date of March 31, 2023, only the balance sheet was consolidated as of March 31, 2023.
- 10 Figures are all in Japanese Yen and rounded down to the nearest million yen.

balance sheet items

(JPY in million)

| | Fiscal Year ended March | Fiscal Year ended March | Fiscal Year ended March 31, 2023 | |
|---------------------------|-------------------------|-------------------------|----------------------------------|----------------|
| | 31, 2021 | 31, 2022 | Consolidated | Changes |
| | Consolidated | Consolidated | | |
| Current assets | 2,875 | 4,825 | 6,567 | +36.1% |
| (Cash and deposit) | 1,847 | 3,526 | 4,463 | +26.6% |
| Non - current assets | 4,114 | 4,932 | 9,967 | +102.1% |
| Assets | 6,989 | 9,757 | 16,534 | +69.5% |
| Current Liabilities | 1,251 | 942 | 1,926 | +104.5% |
| Non-Current Liabilities | 1,523 | 1,372 | 6,752 | +392.1% |
| Liabilities | 2,774 | 2,314 | 8,678 | +275.0% |
| Capital stock | 1,762 | 3,514 | 3,533 | +0.5% |
| Capital surplus | 3,565 | 4,533 | 4,194 | -7.5% |
| Retained earnings | -1,441 | -745 | -18 | - |
| Others | 29 | 39 | 55 | +40.3% |
| Non-controlling interests | 298 | 100 | 91 | -9.3% |
| Net assets | 4,215 | 7,443 | 7,855 | +5.5% |

- 1 Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
- 2 The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
- 3 The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
- 4 Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 5 Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 6 Acquired CWS Brains, Ltd. on March 31, 2023 and made CWS Brains, Ltd. a consolidated subsidiary. Since the acquisition date of March 31, 2023, only the balance sheet was consolidated as of March 31, 2023.
- 7 Figures are all in Japanese Yen and rounded down to the nearest million yen.

sales by segment



(JPY in million)

| | Fiscal Year ended March 31, 2021 | Fiscal Year ended March 31, 2022 | Fiscal Year ended March 31, 2023 | | Consolidated Financial Forecasts Fiscal Year ending March 31, 2024 | |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------|---|----------------|
| | Consolidated | Consolidated | Consolidated | Changes | Consolidated | Changes |
| MEDIA | 1,535 | 2,353 | 2,871 | +22.0% | 6,700 | +133.3% |
| Ad revenue | 1,335 | 1,929 | 2,420 | +25.5% | 6,170 | +154.9% |
| Subscription revenue (5.) (6) | 166 | 392 | 412 | +5.0% | 180 | -56.4% |
| Others | 33 | 32 | 38 | +20.1% | 350 | +805.3% |
| SOLUTION | 2,635 | 3,148 | 4,005 | +27.2% | 4,300 | +7.3% |
| Subscription revenue (6) | 1,859 | 2,195 | 2,751 | +25.3% | 2,820 | +2.5% |
| (Billing revenue) (6) | – | – | – | – | 410 | – |
| Initial revenue | 775 | 953 | 1,254 | +31.6% | 1,480 | +18.0% |
| Adjustment (1.) | -11 | -20 | -41 | – | – | – |
| Net Sales | 4,158 | 5,482 | 6,836 | +24.7% | 11,000 | +60.9% |

- 1 Re-allocation of inter-segment sales
- 2 Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in FY2021Q1, and the contribution to the P/L started in FY2021Q2.
- 3 The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
- 4 The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
- 5 Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
- 6 Allocation of billing revenue for Kabutan Premium in media business will be altered to Solution Business revenue from FY2024/03
- 7 Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 8 Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 9 Acquired CWS Brains, Ltd. on March 31, 2023 and made CWS Brains, Ltd. a consolidated subsidiary. Since the acquisition date of March 31, 2023, only the balance sheet was consolidated as of March 31, 2023.
- 10 Figures are all in Japanese Yen and rounded down to the nearest million yen.

fixed expenses



(JPY in million)

| | Fiscal Year ended March 31, 2022 | Fiscal Year ended March 31, 2022 | | Fiscal Year ended March 31, 2023 | |
|--|-------------------------------------|----------------------------------|------------|----------------------------------|--------------|
| | Consolidated | Consolidated | Changes | Consolidated | Changes |
| Non-Consolidated | 1,236 | 1,573 | 336 | 1,840 | 260 |
| Personnel expenses | 666 | 837 | 171 | 1,018 | 136 |
| Office · Tax and public dues · others | 177 | 205 | 27 | 271 | 84 |
| Depreciation (Cost of Sales + SGA) | 351 | 489 | 137 | 509 | 39 |
| Depreciation (Amortization related to M&A) | 40 | 40 | – | 40 | – |
| Consolidated subsidiary | 954 | 1,041 | 86 | 2,019 | 868 |
| Depreciation | 32 | 31 | 0 | 140 | 51 |
| Depreciation (Amortization related to M&A) | 96 | 103 | 6 | 217 | 129 |
| Other fixed costs | 825 | 905 | 80 | 1,661 | 688 |
| Consolidated total | 2,190 | 2,614 | 423 | 3,859 | 1,128 |

- 1 Personnel expenses include payroll related expenses including salary, legal welfare expenses, retirement benefit costs, recruiting costs and travel/transportation costs.
- 2 Depreciation (Amortization related to M&A) includes depreciation goodwill, customer-related intangible assets and technological assets.
- 3 Acquired Robot Fund Co., Ltd on June 30, 2020. Therefore, the impact of the acquisition was only reflected in the B/S in Q1 FY2021, and the contribution to the P/L started in Q2 FY2021.
- 4 The Company established MINKABU ASSET PARTNERS, Inc. on September 1, 2021, as a consolidated subsidiary.
- 5 The Company acquired Minkabu Web3 Wallet, Inc. on May 1, 2022, and made it a consolidated subsidiary.
- 6 Acquired ALIS Co., Ltd on October 4, 2022 and made ALIS Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 7 Acquired livedoor Co., Ltd on December 28, 2022 and made livedoor Co., Ltd a consolidated subsidiary. Since deemed acquisition date of December 31, 2022 is applied, only the balance sheet was consolidated as of December 31, 2022.
- 9 Acquired CWS Brains, Ltd. on March 31, 2023 and made CWS Brains, Ltd. a consolidated subsidiary. Since the acquisition date of March 31, 2023, only the balance sheet was consolidated as of March 31, 2023.
9. Since the classification of the appreciation of the each group company will be altered due to the reorganization from FY2024/03, we don't mention the above the comparison between FY2023/03 and FY2024/03.
- 10 Figures are all in Japanese Yen and rounded down to the nearest million yen.



The information contained in this document, excluding historical facts, includes information regarding future forecasts. Information on future forecasts is based on predictions, expectations, assumptions, plans, evaluations, etc. at this point, based on the information currently available to us, and it includes risks and uncertainties. We cannot guarantee that the assumptions, expectations, predictions, evaluations, and other information used in the descriptions of future forecasts are accurate or will come to fruition. The information contained in this document was created on the date indicated in the document, reflecting our views at that point in time, and therefore, please be aware that it should be considered in light of the circumstances at that time.