information
cloud input
big data
media
Web3.0
artificial intelligence
solution
technology
information

FY2024 Q3 Financial Results

MINKABU THE INFONOID, Inc

February 13, 2024

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- 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.

- Furthermore, the statements regarding future prospects in this document are made by the Company based on information available as of February 13, 2024, and these descriptions about the future outlook are subject to various risks and uncertainties. Therefore, actual results may differ significantly from the assumptions.

big data

media

index

artificial intelligence

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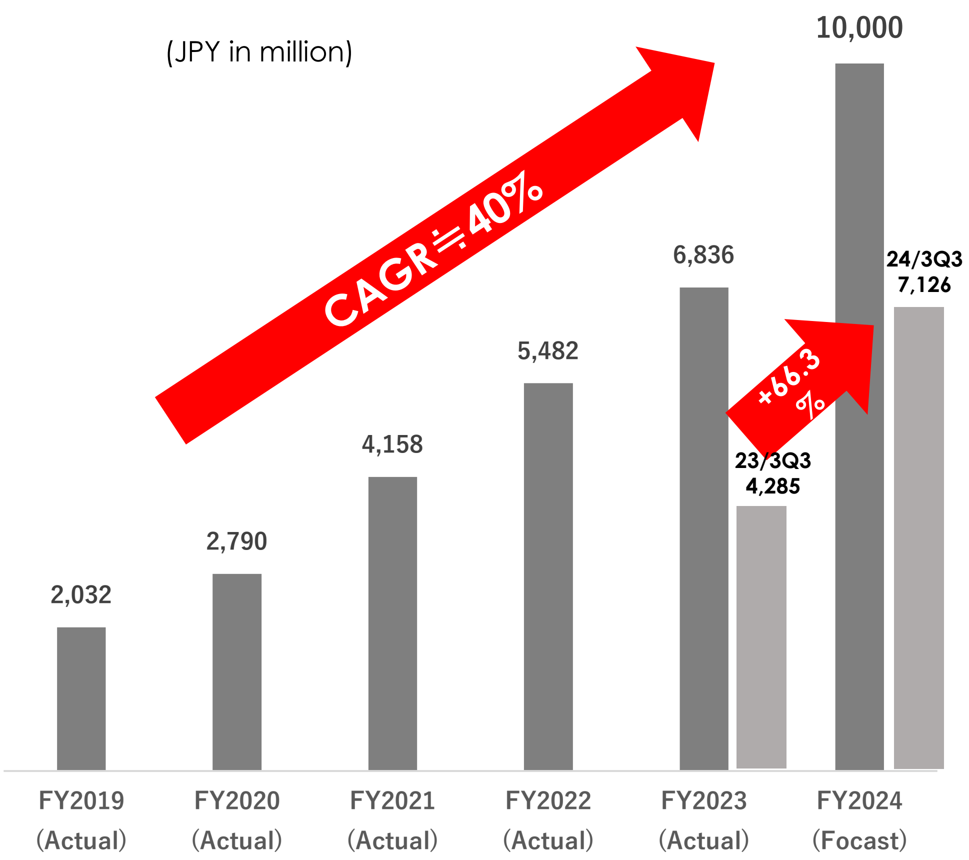
information

Achieving the ¥10 billion sales, the target set since the listing

Q3 saw **66.3% Up** in Sales YoY thanks to a significant increase from media business, confirmed the bottoming out trends

The **revenue diversification and efficiency measures,** pillars of the medium-term plan, are **achieving ahead of schedule**

Sales grew 5 times from ¥2 billion at the time of listing



Game change started, with revenue diversification and efficiency measures being materialized ahead of schedule

a. **The evolution of the business independent from financial and advertising market conditions is materialized ahead of schedule** through the diversification of revenue, a pillar of the medium-term plan,

b. Despite the existing business revenue fell short mainly due to external factors such as advertising market conditions and the new NISA, as a result of early realization of revenue diversification, **upswing in affiliate sales and an increase in non-advertising income including charged service to individuals covers a certain portion of the shortfall in existing sales**. It is expected to achieve the target revenue of 10 billion yen since listing

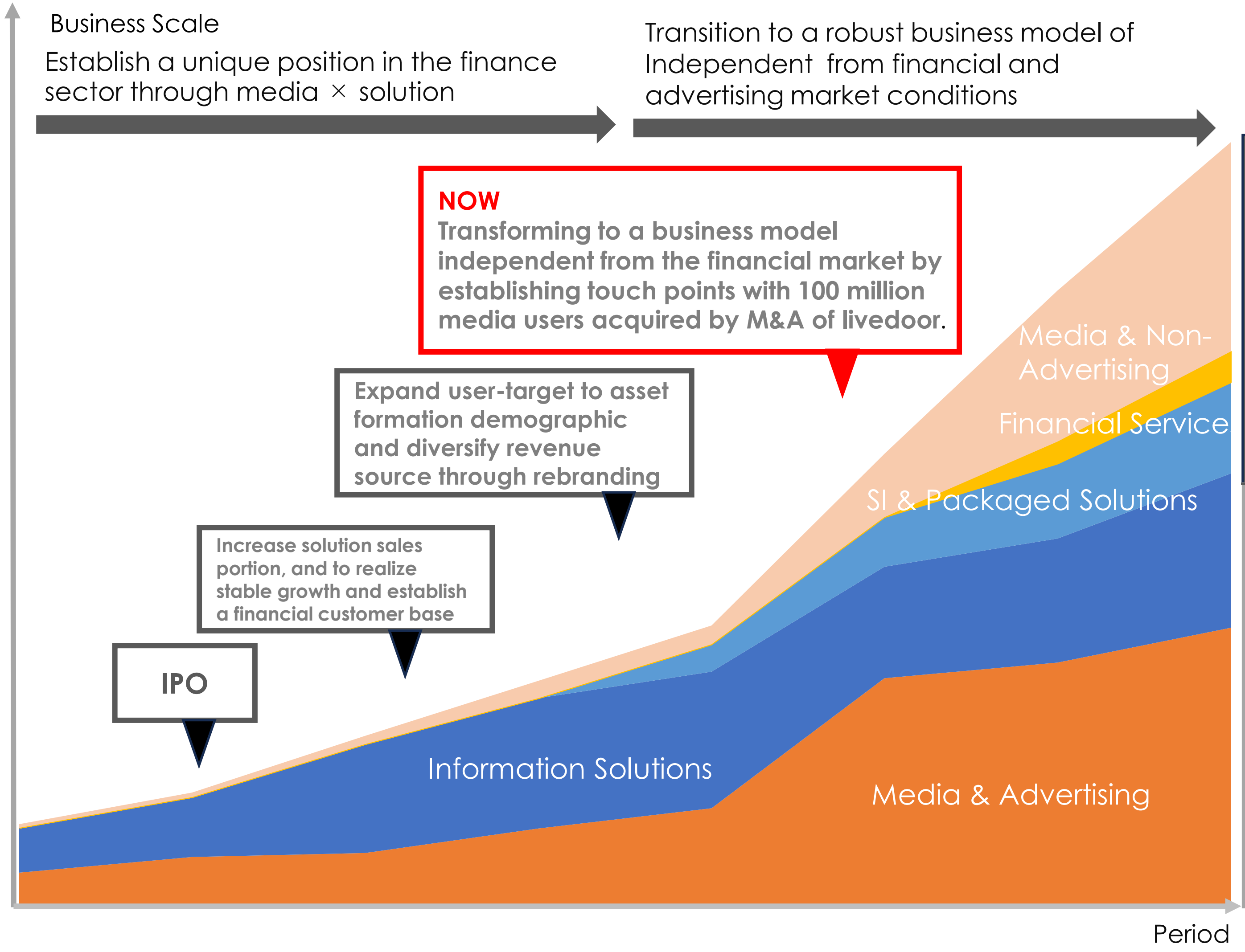
c. However, as a result of the revenue diversification taking shape ahead of schedule, from Q3, we prioritize **upfront investments to acquire growth opportunities.** Combined with the shortfall in existing business revenue due to external factors, it became a temporary profit compression factor

d. From the situation where results are emerging ahead of schedule for measures for growth and revenue improvement, **it is expected that catching up with the medium-term plan is possible, so shareholder returns will continue.**

Adding new business groups to drive next-stage growth

alongside the growth of existing businesses through the utilization of technology

Building a robust business structure independent of financial and advertising market conditions



New growth areas

- livedoor MOBILE
- livedoor ショッピング
- livedoor Bank
- MINKABU ASSET PARTNERS

Sustainable growth areas

- Expansion of media revenue through the synergy between PGC and UGC media, **the use of generative AI, and the proliferation of high-ARPU apps**
- Expansion of solution revenue due to **financial institutions' differentiated responses** in the era of commission-free stock trading and **the increasing needs for digital transformation (DX)**

*The commencement of services will require authorization, registration, etc., by the relevant authorities

02 Opportunities for Growth(Areas for Aggressive Investment)

Commenced full-scale utilization of generative AI, achieving both content enrichment and operational efficiency

The engine developed using generative AI is not only for in-house use but also provided as an external solution for B2B and B2C markets.

On Service

livedoor News 24

Realized a 24-hour news broadcast that automatically generates interactive scripts from news articles, with characters reading and explaining the script automatically, thus enriching content.

Automatically add summaries to over 3,000 articles distributed daily, enhancing our content

Coming Soon

Functions	Overview
Voice-to-text transcription	**By automatically transcribing** video content from platforms like YouTube and **converting it into articles**, we increase content volume
Translation of articles	Partnering with overseas media, **automatically translate articles**, increasing production efficiency, content volume, and reducing costs
Post-monitoring system	**By automatically performing image recognition and language analysis**, we reduce operational costs centered on post-monitoring expenses
Asset management analysis	Provide information optimized for individual investor **needs through an automatic recommendation engine and the automatic generation of analysis reports**
Financial results analysis	Enrich our content **by automatically generating financial news** with a different approach from Kabutan through language analysis

Expansion of revenue through the consolidation of content (PGC + UGC) in the app and active user redirection

With the app's renewal, **the ARPU of app users reached '5 times' that of web users**, proving the app's high revenue-generating capability

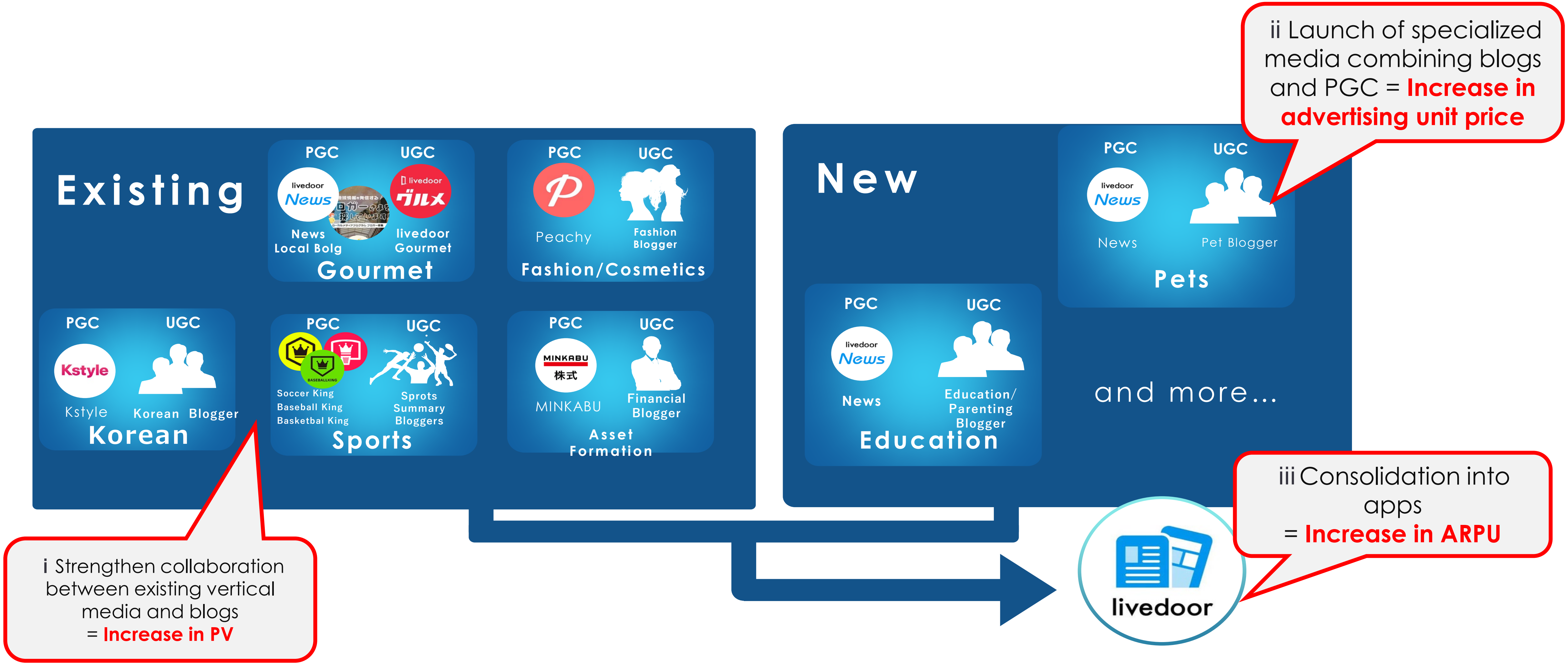
The wider distribution of the app is anticipated to enhance revenue generation

BUSINESS	● Increase in sales through advertising optimization ● Acquisition of deterministic IDs in preparation for the cookie-less era ● Personalization of ads and content through app data collection ● Diversification of revenue streams, including subscriptions
SERVICE	● High attention through push notifications ● A comfortable UX not available on the web ● Promotion of mutual user use centered on News⇔blogs through the unification of platforms

*ARPU = Average Revenue Per User

Promote content enhancement through PGC & UGC collaboration in existing vertical media

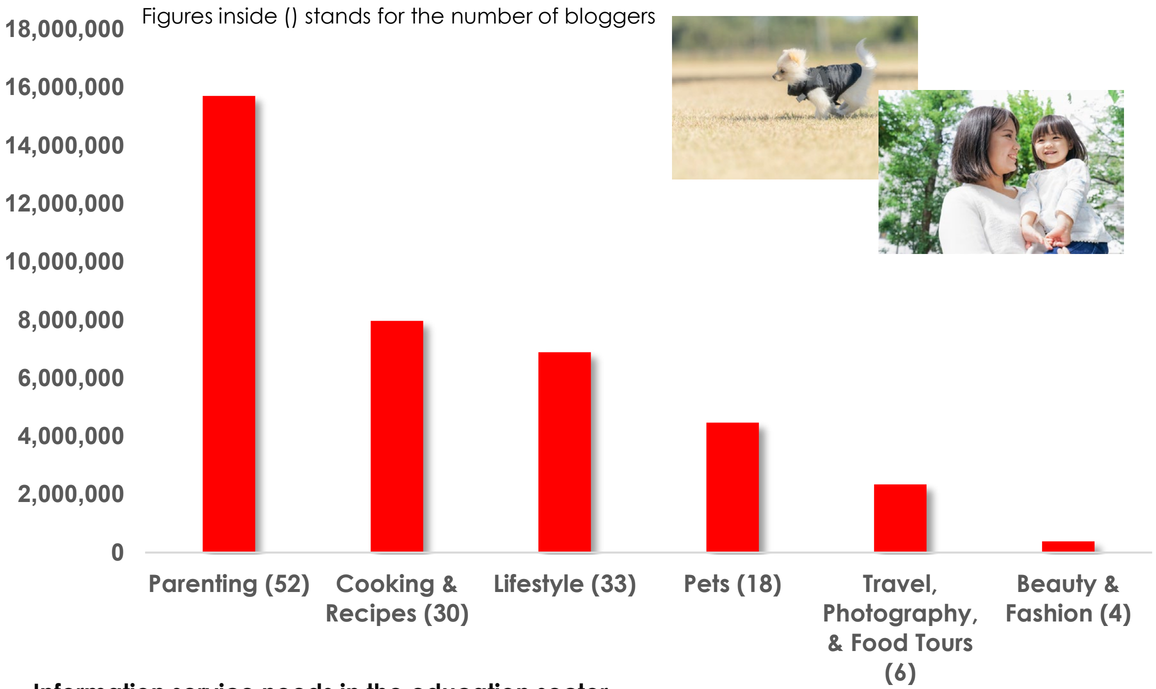
Initiate the launch of new vertical media utilizing blog content



Opportunities for Growth(Areas for Aggressive Investment)

As the next vertical strategy, focus on education (childcare, parenting) and pets

Decisions are based on market needs and the number of bloggers (supply) and PVs (demand) in blogs



- Continue to actively develop vertical (specialized) media that can expect high advertising unit prices and revenue diversification strategies
- Livedoor Blog holds a multitude of creators and content related to education, pets, and cooking, **which have proven popular with many users as evidenced by PV numbers**
- By combining existing PGC such as news with blog articles (UGC) to **create specialized media, it is possible to create high-value media with scale at a low cost**
- Fields such as "education" and "pets" target mainly housewives, who have a strong influence on purchases within the household, **allowing for diversification of revenue sources through e-commerce, etc.**

・Information service needs in the education sector

The education market spans a wide range, from early childhood education to adult learning and vocational training, and also includes services providing information on childcare and parenting. The market size of the education industry for the fiscal year 2023 is forecasted to be about 3 trillion yen (*1). Especially in areas such as "childcare, parenting," "entrance exams for kindergarten, elementary, middle, and high schools," and "qualification acquisition," there is a high demand for quality information services for all children and their guardians.

・ Information service needs in the pet sector

The market continues to expand with the increase in "pet families" who consider pets as family members, with a wide range of products and services including pet breeding, food, care, insurance, medical services, and online information services. The market size for the fiscal year 2023 is forecasted to be about 1.8 trillion yen (*2). With over 18.5 million dogs and cats being bred (*3), there are many pet owners, and there is a high demand for information services that enrich the lives of pets and their owners with knowledge about pet health and breeding from reliable sources.

(*1) (*2) Source: Yano Economic Research Institute (*3) Source: Japan Pet Food Association

Create three cross-media monetization engines while keeping initial investment and operational costs low

In addition to an OEM utilization strategy, extensively use in-house media acquisition

to internalize a large portion of marketing expenses, achieving low risk and high profitability

MAU* 100 million Pool

livedoor News
livedoor Blog
MINKABU
Kabutan by MINKABU
MINKABU Choice
livedoor Choice
livedoor グルメ
Kstyle
SOCCERKING
WORLD 超サッカー!
BASEBALLKING
サッカーくじ toto の No.1ポータルサイト totoONE
BASKETBALLKING

Send Customer → **livedoor MOBILE**

From November 2023

Start contributing to profits on a mobile basis, albeit small
Aim to increase acquisition by expanding exposure suitable for the customer base and usage scenarios for each media in the future

MVNO

- **Enter at a low cost through** MVNO
- **High profitability** through communication charges and the unique option service "Oshi Pass"
- Expand "Oshi Pass" benefits **with a view to collaborating with specialized media other than Kstyle**

Send Customer → **livedoor ショッピング**

From late March 2024 (planned)

OEM

- Eliminating the need for inventory purchase costs, warehouse costs, and customer service personnel, **allowing for low-cost entry**
- **High take rate** for high profitability
- Acquire purchasing motivation with products and promotions **suited to each specialized media**

Send Customer → **livedoor Bank**

From late March 2024 (planned)

BaaS

- Maintain high reliability and service levels in banking agency business while **securing multiple revenue sources such as deposits, foreign exchange, and loans**

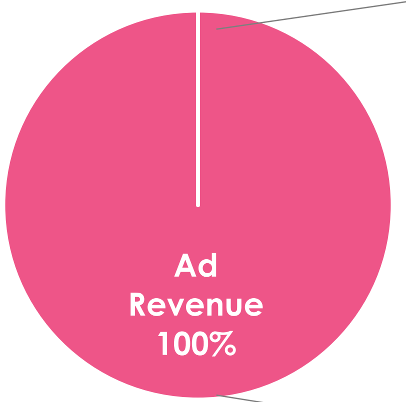
*In order to commence the service, it is necessary to obtain permission from the authorities

Recreate the success experience in the financial sector in the entertainment sector to enhance Kstyle's earning power.

The same as in finance, diversify the revenue sources with a single content, and in addition to stabilizing revenue through subscriptions, also achieve expansion of revenue scale by holding events that give preferential treatment to subscription users.

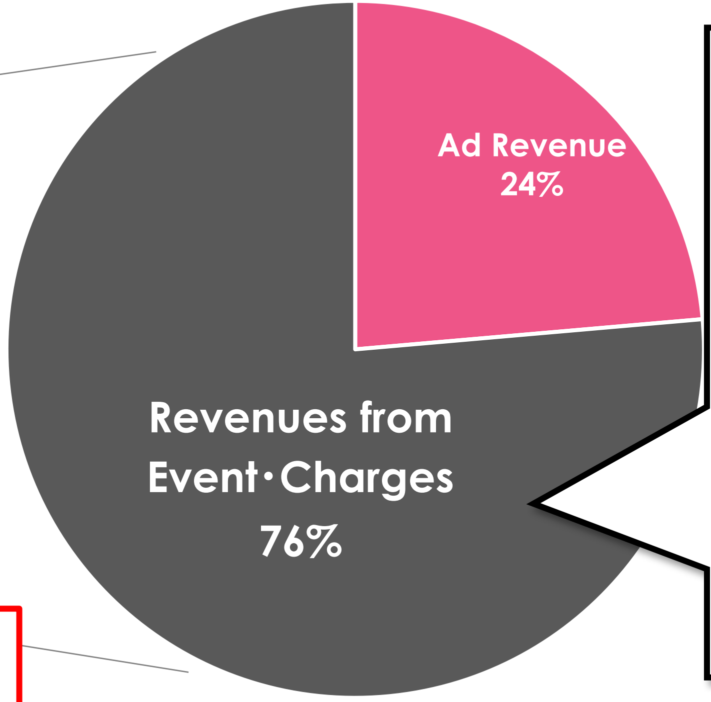
Kstyle

For the 23rd fiscal year performance*



More than a x2.5 increase

Fiscal Year 2024, 3rd Quarter Outlook



Revenue expansion and diversification strategies

livedoor MOBILE + 推しパス

Kstyle PARTY

Plans to extend revenue diversification strategies such as subscription-based vertical media utilizing "Oshi Pass" to other media

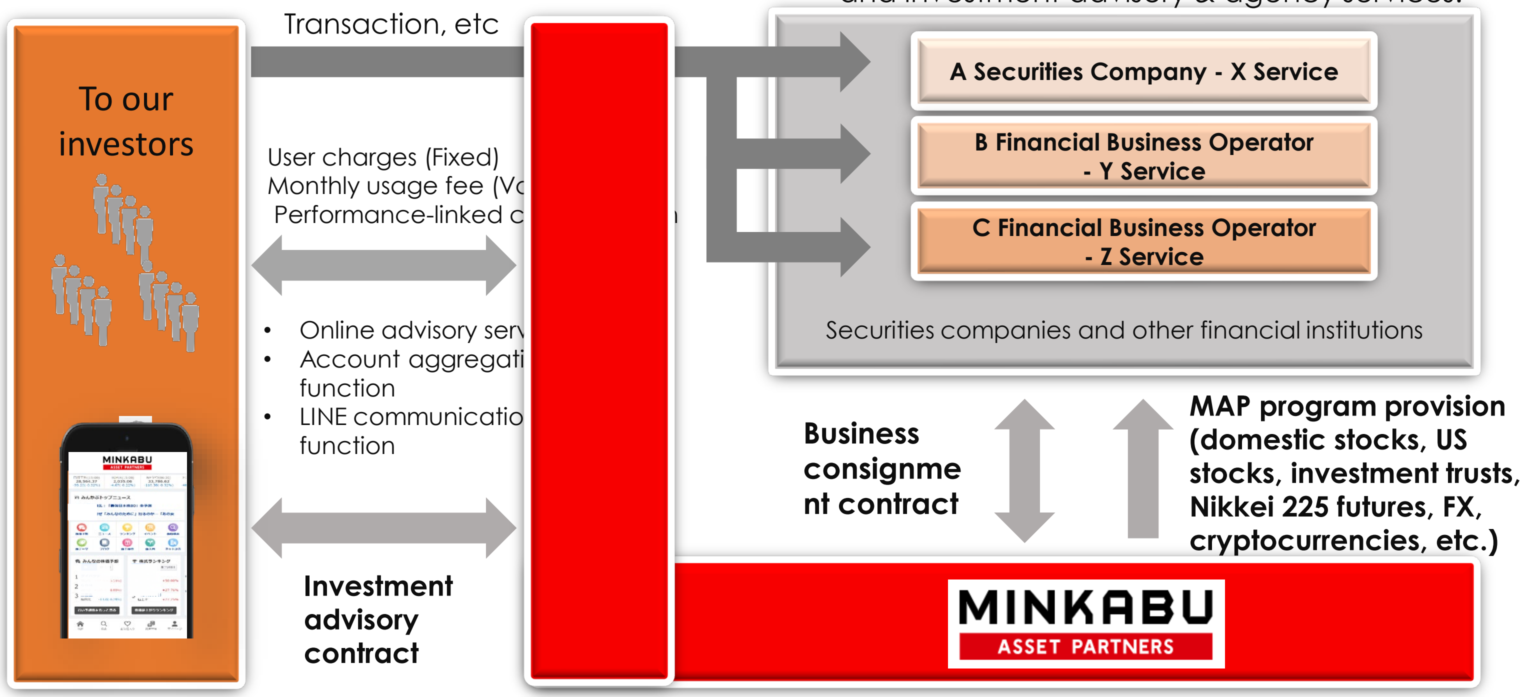
*For the fiscal year ending March 2023, we are comparing as if Kstyle-related sales contributed to the full year

solution

Establish **a new business touchpoint with customer financial institutions**

following media advertising → information provision → development support

Full-scale entry into the financial services sector through registration for financial product intermediary business and investment advisory & agency services.



- Following the financial product intermediary business, **registration for the investment advisory business was completed** at the end of 2023.
- **Starting with the provision of programs for several major cryptocurrency exchanges** with established API integration infrastructure, we plan to expand sequentially in the future.
- **Operation support service to be launched** for the Japanese stock credit transaction advisory service currently provided by major online securities companies.
- **A WIN-WIN model that shares performance-based compensation with financial institutions** according to the investor's profits.

Minkabu Asset Partners, in addition to financial services, also plans to start operation in two companies during the fiscal year ending March 2024 with the DX service "LINE Chat BPO" for major online securities call centers.

solution

A subscription-based asset income doubling plan support service under the B2B2E scheme Launching the "Minkabu Academy" in the fiscal year 2024

<u>Provide a one-stop app that facilitates the doubling of asset income</u>, offering financial education necessary for asset formation as well as efficient management of DC, iDeCo, NISA, and public pensions **<u>through a B2B2E scheme that allows for rapid market expansion</u>**

Major financial institutions Company Holding customers like large corporate clients

Collaborate

Provision

MINKABU SOLUTION SERVICES

Offering total asset formation solutions

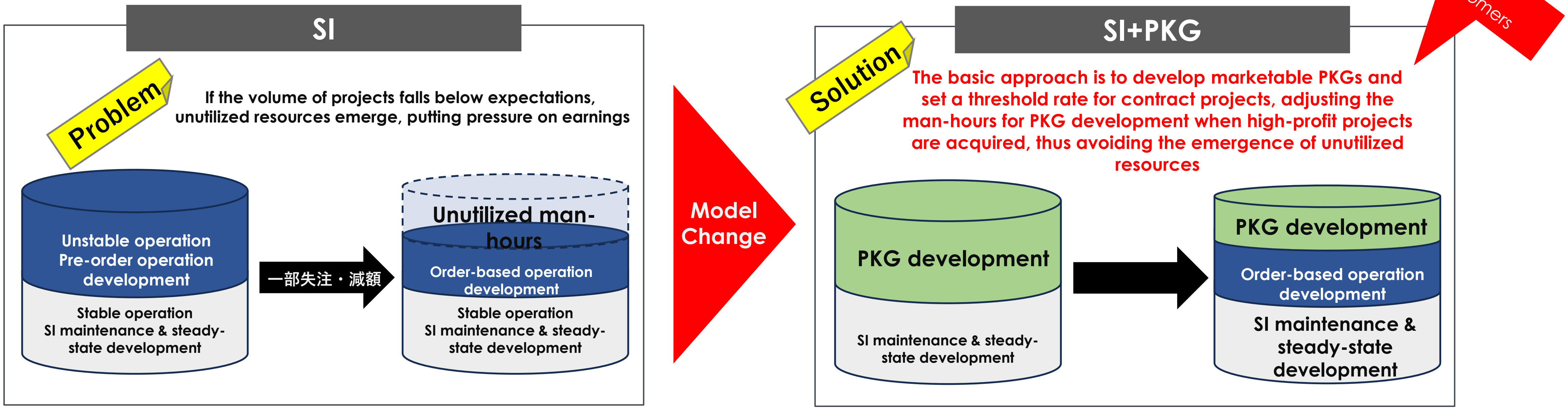
For businesses (operating companies) B2E* services

Revenue model
- Monthly license billing model based on the number of end-user IDs,
- contracted development fees for custom solutions tailored to the needs of each partner company

Starting from March 2024, we will initiate Proof of Concept (PoC) with several major financial institutions and plan to begin full-scale service within the fiscal year 2024

Progress is being made in the business model transformation of SI solutions aimed at higher profitability

Based on the needs identified through customer touchpoints in existing businesses, multiple package (PKG) developments are underway. The PKGs are also utilized within the group, achieving an **improvement in profitability through effective utilization of development man-hours and PKG deployment.**



Packages under construction, SaaS, ASP *Services scheduled to start in March of the 25th fiscal year

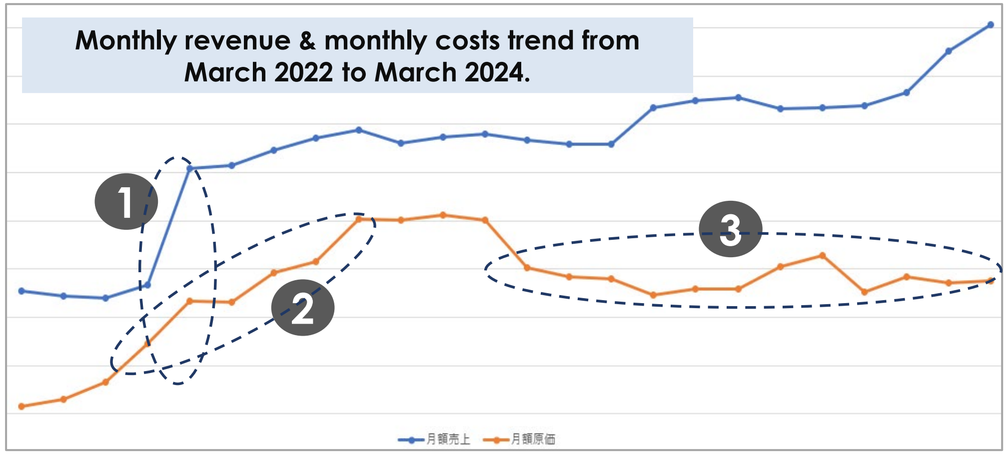
- Next B2B model Promotion channel
- AWS test environment managementCost efficiency solution
- MINKABU Academy
- Web3-based Coupon platform
- Report automation solution for investment trust companies
- Multilingual support platform
- CMS package for regional financial institutions

By promoting packaging based on DX needs for process efficiency and UX improvement due to industry changes, and by responding with a domestic × offshore system, it is possible to promote productive projects. Furthermore, by effectively utilizing our own assets, we aim to improve profitability.

solution

Information services are entering a revenue improvement phase for both B2B and B2C

【B2B】In the information system solutions, moving into a phase where profits increase along with revenue growth.



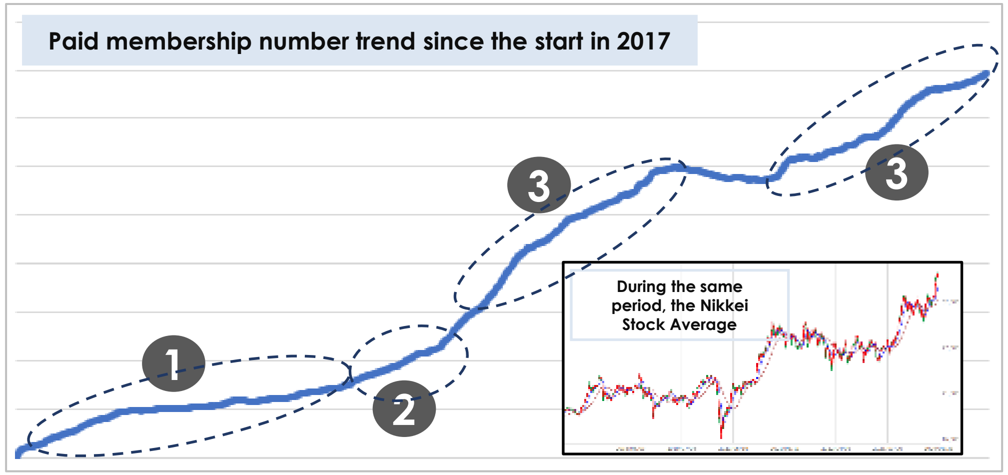
Monthly revenue & monthly costs trend from March 2022 to March 2024.

1. Increase in sales and costs due to the start of the comprehensive Japanese stock service
2. Increase in costs due to U.S. stock adaptation (preliminary investment until customer acquisition).
3. Cost stabilization due to completion of necessary license arrangements and reassignment of development and maintenance personnel

Established the structure where costs do not increase despite an increase in sales

For the fiscal year ending March 2025, an increase in revenue due to the full contribution of this period's monthly sales increase and acquisition of next period's delayed projects.

【B2C】Moving into a phase of increase in paying users for Kabutan Premium



Paid membership number trend since the start in 2017

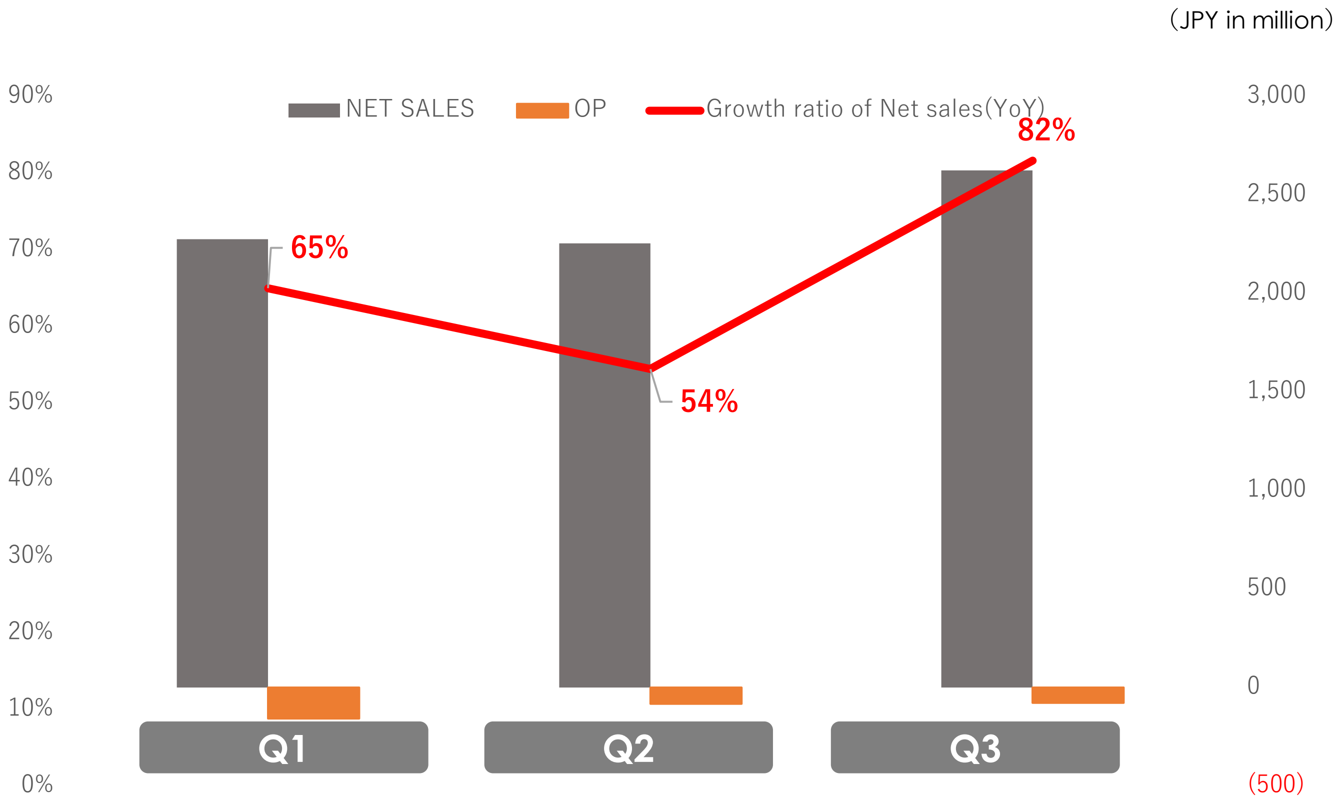
1. Nikkei average moved sideways from early 2018 to early 2020 → **slight increase**
2. During the Nikkei plunge at the time of the Corona shock → **slight increase**
3. During the rising phase of the Nikkei average → **sharp increase**

Accelerating user acquisition due to an increase in securities account caused by the new NISA

Continuing expansion of Japanese and U.S. stock features

Accelerated sales growth and cost-reduction led profits to a recovery track, but had temporary pressured by forward investment prioritized

The PMI for livedoor and See-Saw Game business **is progressing better than expected**, **achieving greater cost reductions than planned**



- While there was a downward deviation in sales due to the delayed recovery of the advertising market and the period mismatch of the information solutions, the upside from resolving the cannibalization issues that had been a problem, bottoming out of advertisement unit prices, and the contribution of the SSG consolidation, **led to an increasing revenue trend QoQ**
- In Q1, temporary costs including relocation expenses, in Q2, man-hour management issues for SI (System Integration) solutions, and in Q3, forward investments related to the revenue diversification strategies materialized ahead of schedule, combined with the delayed recovery of the advertising market, temporarily pressured profits. Despite this, **the deficit continued to decrease due to revenue growth and cost reductions exceeding plans**
- From Q3 to Q4, there was an intensification of early investments related to the revenue diversification strategies that were prioritized for early realization

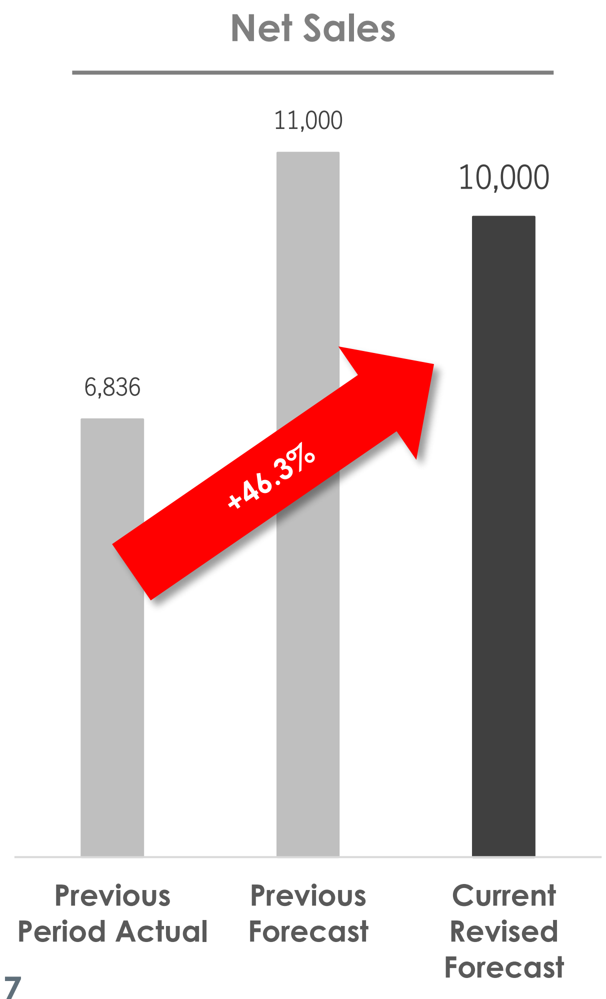
a. Early investments including test marketing for “livedoor Shopping"
b. Initial and early investments for "Livedoor MOBILE" and related events
c. Initial and early investments for "Livedoor Bank"
d. Early investments for investment advisory services and the Academy

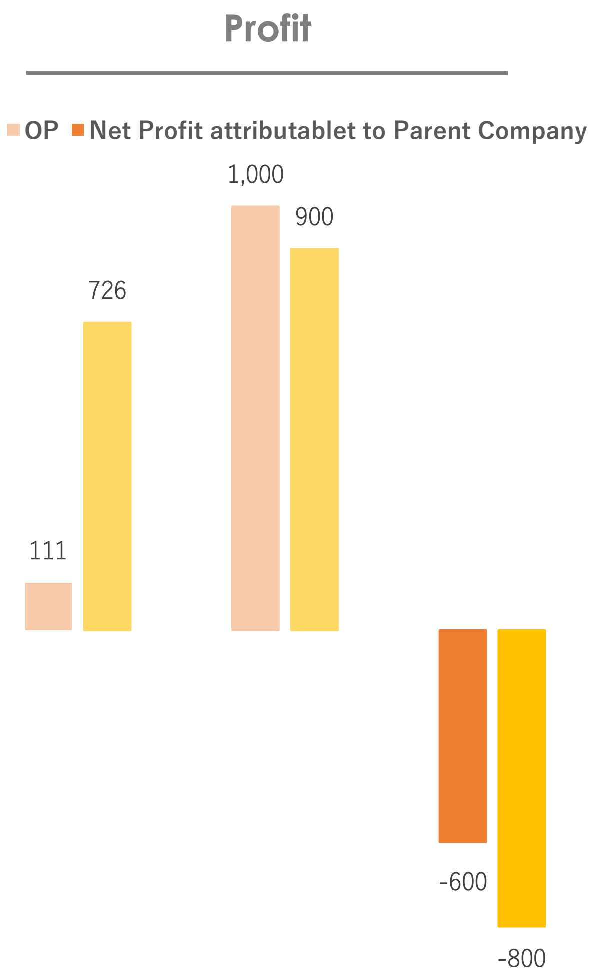
【Current Fiscal Year Performance】FY2024 Full-Year Outlook

general

Due to external factors and unplanned preliminary investments, profits are expected to fall below the initial plan

Despite the occurrence of unplanned preliminary investments due to the acceleration of revenue diversification measures, which are central to the medium-term plan, **a certain amount of the downturn in existing businesses is expected to be covered by new non-advertising revenues, and sales are forecasted to reach the target of 10 billion yen for the first time since listing**



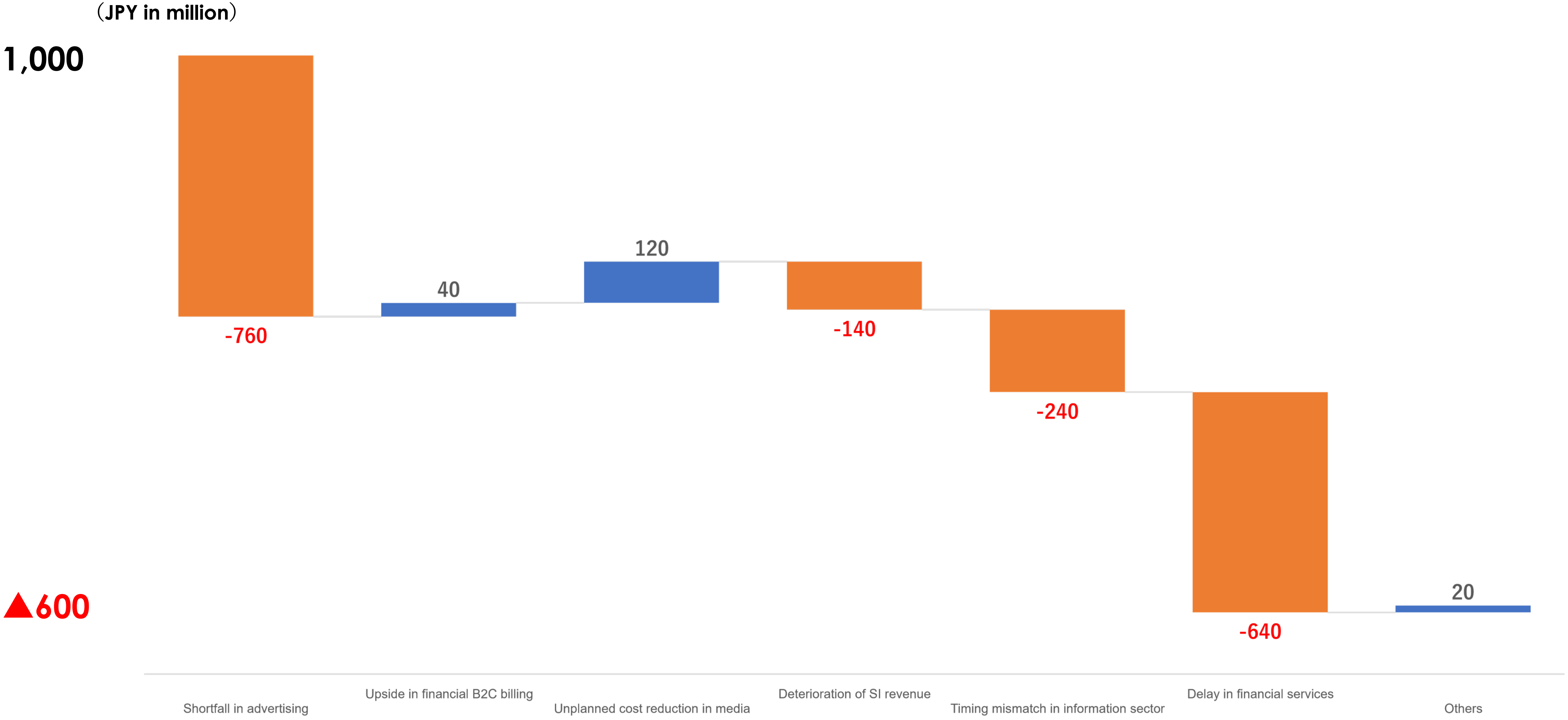


- In Media, **upswing in affiliate and billing** due to the elimination of cannibalization, **but adversely affected by the deterioration in the display advertising market and delays in its recovery**
- In Solutions, **the impact of NISA led to a delay in the acquisition of information-related solution segments and management of external resources issue for SI solution segment**
- As the concrete measures for revenue diversification have progressed ahead of schedule, prioritizing the early acquisition of growth opportunities, **upfront investments were made from Q3 in an unplanned manner**

- The acceleration of concrete measures, including the strengthening of billing services, has progressed ahead of schedule, **advancing the diversification of revenue**, which is central to the medium-term plan aiming to move away from advertising dependency
- For media, the smooth progress of PMI for LD & SSG has **resulted in greater than planned synergy creation and cost reduction**
- For solutions, stabilization of costs, model changes, and the effects of price increases have **moved into a phase of improved profitability**

general

Reference: Sales and Operating Profit Variance Analysis



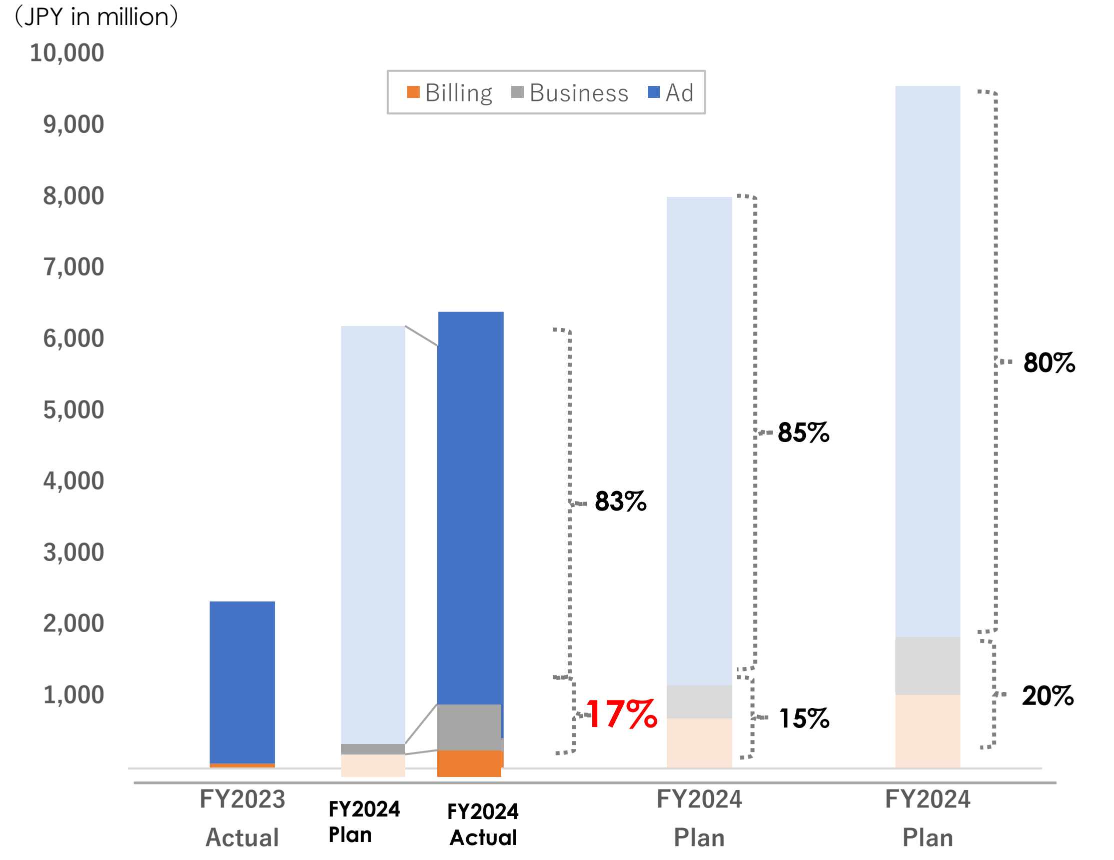
【Current Fiscal Year Performance】FY2024 Full-Year Outlook

general

The transformation we aim to achieve is ahead of schedule, revenue diversification is foreseen

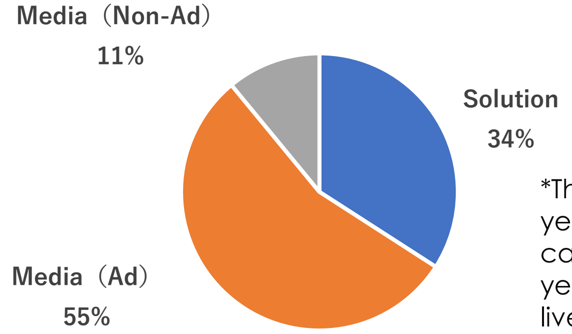
Earning structure changes at a pace ahead of mid-term plan, with a shift away from dependence on advertising revenues

In the media business, the ratio of non-advertising revenue for the fiscal year 24/3 is "17%"



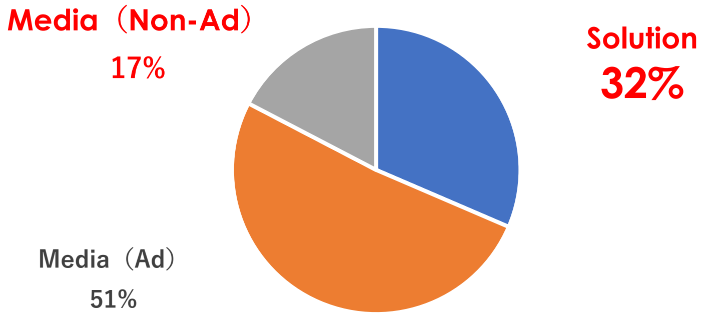
On a consolidated basis, the ratio of non-advertising revenue is "51%"

Composition ratio for consolidated sales FY2023 (Assumption)



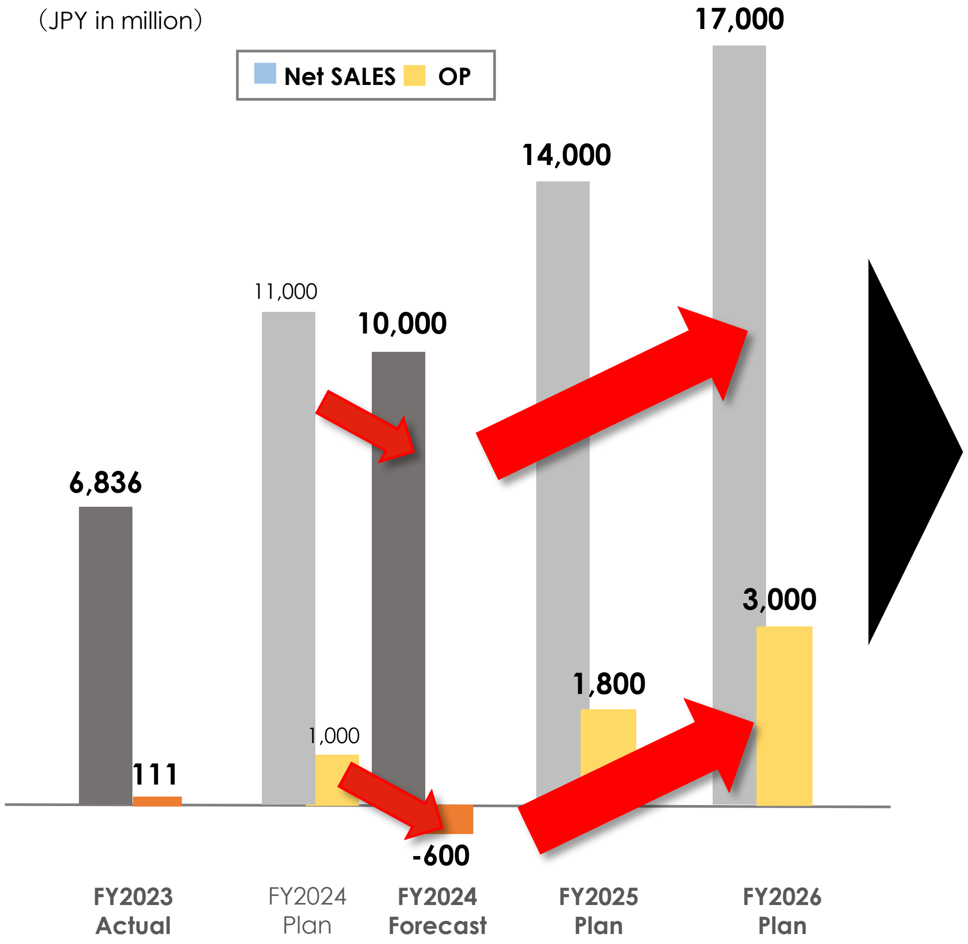
*The forecast for the fiscal year ending March 2023 is calculated assuming full-year contributions from livedoor and SEESAW GAME

Composition ratio for consolidated sales FY2024(Forecast)



【Mid-Term Plan & Shareholder Returns】Specific measures for achieving the mid-term plan from the next fiscal year onward

Expect the growth pace roughly return to the mid-term plan
with the effect of measures implemented ahead of schedule this term and **growth in existing businesses**
Depending on the advertising market conditions, the effects of this term's measures **may exceed the mid-term plan**



Full-year contribution from advanced investment projects

- Completion of active upfront investment in **new non-advertising businesses across media** such as mobile, ecommerce and banking, and significant expansion.
- Full-year contribution from **SEASAW GAME**
- Revenue contribution from **financial services** beneficial in the era of doubled asset income and **Minkabu Academy**

Full-year contribution from improvements in advertising

- Advertising market conditions to remain **at second half levels throughout the year**
- **Full-year contribution from the resolution of cannibalization** in affiliate marketing that showed results from the second half
- Growth through synergy between PGC & UGC, **utilization of generative AI, and the spread of high ARPU apps**

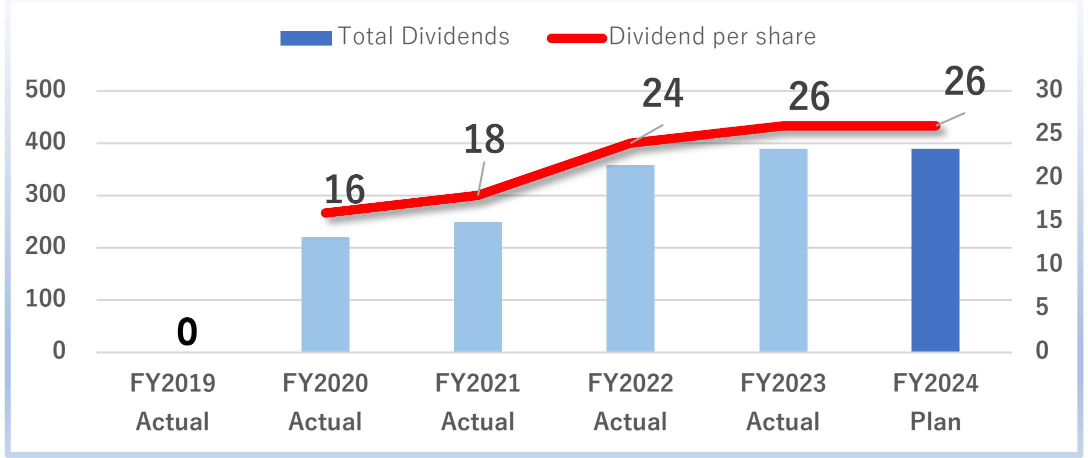
Improvement in business profitability

- **Profit margin improvement** in information solution
- **Profit growth in subscription-based charging services**
- **Higher gross profit margin through model changes** in SI-related businesses
- **Full-year contribution from cost reductions exceeding the plan**

Forecasts continuing high growth and high returns are possible with better than planned progress in diversifying revenues and improving cost structure, although a temporary deterioration in profits due to external factors and unplanned upfront investment

Dividend policies will continue, maintaining a dividend of **26 yen** per share

The transition of total dividends and dividends per share



The trend of stock prices and dividend yields since listing

- Since its listing in March 2019, we have achieved an average annual sales growth of about 40%, and **this period is expected to achieve sales** of 100 billion yen, **approximately five times of that at the time of listing**
- The **company continues to pursue both high growth and aggressive shareholder returns**, based on a strong business model
- Although profits for this period have temporarily worsened due to external factors and unplanned upfront investments, the effects of these investments mean we expect to **return to a profit expansion phase from the next fiscal year onwards**, and thus, aggressive shareholder return policies will continue
- Even though sales have reached five times at IPO, the stock price remains at the same level as at the time of listing. The dividend yield is **close to 2%, nearly the average of the Tokyo Stock Exchange Prime Standard, and almost five times higher than the average growth market yield**

*Market-specific dividend yield weighted averages: Prime Market 2.04%, Standard 2.01%, Growth 0.42%, all as of January 2024 (Source: Tokyo Stock Exchange)

Medium-term growth prospects have increased due to the accelerated implementation of revenue diversification measures

Become a larger, stronger entity by acquiring revenues in new areas, through sustainable growth

Current FY
-Transformation・rationalaization, and Creation-
FY2024

- The revenue diversification measures have covered a certain amount of the shortfall in sales of existing businesses, and we expect to achieve sales of 10 billion yen
- As a result of the early implementation of revenue diversification measures, unplanned upfront investments were made. Combined with the shortfall in existing businesses, profits temporarily worsened
- Cost reduction through PMI, and model changes in solutions have progressed, and we have successfully built a more muscular business structure than planned

Net Sales：10billion yen
OP：-600 million yen

Next FY
-Materialization of results-
FY2025

- The revenue diversification measures (new businesses) implemented ahead of schedule in the previous term will start to contribute significantly to revenue
- The media is expected to grow through synergies between UGC and PGC, the spread of high ARPU apps, and the use of generative AI to expand content. Solutions will also improve profitability
- The effects of cost reduction in media and model changes in solutions from the previous term will contribute throughout the year

Net Sales：14billion yen
OP：1.8billion yen

Mid-term
-Fulfillment of current plan-
FY2026

- The modernization of media systems and others will further accelerate revenue diversification
- Subscription-based solution services will contribute to revenue expansion and profitability improvement
- Cross-media revenue diversification measures will be widely adopted across various media, realizing significant revenue contributions. The impact of financial and advertising market conditions will be limited

Net Sales：17billion yen
OP：3billion yen

Appendix

income statement

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, the Company has presented the figures as previously disclosed, excluding management fees, for the sake of disclosure continuity. The figures including management fees are listed on pages 25-26

(JPY in million)

	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Consolidated Financial Forecasts Fiscal Year ending March 31, 2024		FY2023 Q3	FY2024 Q3	
	Consolidated	Consolidated	Consolidated	Changes	Consolidated	Consolidated	Changes
Net Sales	**5,482**	**6,836**	**10,000**	**+46.3%**	**4,285**	**7,126**	**+66.3%**
MEDIA	2,353	2,871	6,400	+122.8%	1,230	4,398	+257.4%
SOLUTION (8.)	3,148	4,005	3,800	-5.1%	3,087	2,872	-7.0%
Adjustment (1.)	-20	-41	–	–	-32	-145	–
Operating Profit	**874**	**111**	**-600**	–	**167**	**-319**	–
MEDIA (7.)	747	223	-250	–	199	-18	–
SOLUTION (7.) (8.)	786	762	600	-21.3%	554	347	-37.4%
Adjustment (2.)	-658	-874	-950	–	-586	-647	–
Ordinary Profit	**828**	**-207**	**-700**	–	**-113**	**-367**	–
Profit attributable to Parent Company	**696**	**726**	**-800**	–	**-234**	**-204**	–
EBITDA (3.)	**1,539**	**1,019**	**600**	**-41.1%**	**740**	**559**	**-24.5%**

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. Among the media business billing revenue, the billing revenue from Kabutan Premium has been reclassified to the stock revenue of the solution business from the third fiscal year of 2024.
   Additionally, the comparisons between the third quarter of the fiscal year ending March 2023 and the third quarter of the fiscal year ending March 2024 are based on the classification after the change
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 FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
7. The Company has been collecting management fees from various group companies as internal transactions since July 1, 2023. If we add this management fee to the segment profit or loss of each business segment, the segment loss of the media business after adding the management fee of 308 million yen to the segment loss of 18 million yen is 327 million yen, and the segment profit of the solution business after adding the management fee of 197 million yen to the segment profit of 347 million yen is 149 million yen
8. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
9. Figures are all in Japanese Yen and rounded down to the nearest million yen.

sales by segments

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, the Company has presented the figures as previously disclosed, excluding management fees, for the sake of disclosure continuity. The figures including management fees are listed on pages 25-26

(JPY in million)

	Fiscal Year ended March 31, 2022 Consolidated	Fiscal Year ended March 31, 2023 Consolidated	FY2023 Q3 Consolidated	FY2024 Q3 Consolidated	FY2024 Q3 Changes
MEDIA	**2,353**	**2,871**	**1,230**	**4,398**	**+257.4%**
Ad revenue	1,929	2,420	1,162	3,943	+239.3%
Subscription revenue (2.)(3.)	392	412	43	98	+128.5%
Others	32	38	25	356	+1,307.2%
SOLUTION (6.)	**3,148**	**4,005**	**3,087**	**2,872**	**-7.0%**
Subscription revenue (3.)	2,195	2,751	2,261	1,932	-14.5%
Billing revenue(3.)	–	–	254	323	+26.9%
Initial revenue	953	1,254	825	939	+13.8%
Adjustment (1.)	-20	-41	-32	-145	–
Net Sales	**5,482**	**6,836**	**4,285**	**7,126**	**+66.3%**

1. Re-allocation of inter-segment sales
2. Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
3. Allocation of billing revenue for Kabutan Premium in media business will be altered to Solution Business revenue from FY2024/03
4. 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.
5. Acquired FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
6. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
7. Figures are all in Japanese Yen and rounded down to the nearest million yen.

income statement

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, we have presented the figures including management fees

(JPY in million)

	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Consolidated Financial Forecasts Fiscal Year ending March 31, 2024		FY2023 Q3	FY2024 Q3	
	Consolidated	Consolidated	Consolidated	Changes	Consolidated	Consolidated	Changes
Net Sales	**5,482**	**6,836**	**10,000**	**+46.3%**	**4,285**	**7,126**	**+66.3%**
MEDIA	2,353	2,871	6,400	+122.8%	1,230	4,090	+232.3%
SOLUTION (8.)	3,148	4,005	3,800	-5.1%	3,087	2,674	-13.4%
Adjustment (1.)	-20	-41	–	–	-32	361	–
Operating Profit	**874**	**111**	**-600**	**–**	**167**	**-319**	**–**
MEDIA (7.)	747	223	-250	–	199	-327	–
SOLUTION (7.) (8.)	786	762	600	-21.3%	554	149	-73.1%
Adjustment (2.)	-658	-874	-950	–	-586	-141	–
Ordinary Profit	**828**	**-207**	**-700**	**–**	**-113**	**-367**	**–**
Profit attributable to Parent Company	**696**	**726**	**-800**	**–**	**-234**	**-204**	**–**
EBITDA (3.)	**1,539**	**1,019**	**600**	**-41.1%**	**740**	**559**	**-24.5%**

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. Among the media business billing revenue, the billing revenue from Kabutan Premium has been reclassified to the stock revenue of the solution business from the third fiscal year of 2024.
   Additionally, the comparisons between the third quarter of the fiscal year ending March 2023 and the third quarter of the fiscal year ending March 2024 are based on the classification after the change
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 FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
7. The Company has been collecting management fees from various group companies as internal transactions since July 1, 2023. If we add this management fee to the segment profit or loss of each business segment, the segment loss of the media business after adding the management fee of 308 million yen to the segment loss of 18 million yen is 327 million yen, and the segment profit of the solution business after adding the management fee of 197 million yen to the segment profit of 347 million yen is 149 million yen
8. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
9. Figures are all in Japanese Yen and rounded down to the nearest million yen.

Appendix

sales by segments

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the current consolidated accounting period. In terms of the table below, we have presented the figures including management fees

(JPY in million)

	Fiscal Year ended March 31, 2022 Consolidated	Fiscal Year ended March 31, 2023 Consolidated	FY2023 Q3 Consolidated	FY2024 Q3 Consolidated	FY2024 Q3 Changes
MEDIA	**2,353**	**2,871**	**1,230**	**4,090**	**+232.3%**
Ad revenue	1,929	2,420	1,162	3,943	+239.3%
Subscription revenue (2.)(3.)	392	412	43	98	+128.5%
Others	32	38	25	356	+1,307.2%
Others(management fee deduction)	–	–	–	-308	–
SOLUTION (6.)	**3,148**	**4,005**	**3,087**	**2,674**	**-13.4%**
Subscription revenue (3.)	2,195	2,751	2,261	1,932	-14.5%
Billing revenue(3.)	–	–	254	323	+26.9%
Initial revenue	953	1,254	825	939	+13.8%
Others(management fee deduction)	–	–	–	-197	–
Adjustment	**-20**	**-41**	**-32**	**361**	–
Adjustment (1.)	-20	-41	-32	-145	–
Adjustment (management fee deduction)	–	–	–	506	–
Net Sales	**5,482**	**6,836**	**4,285**	**7,126**	**+66.3%**

1. Re-allocation of inter-segment sales
2. Subscription revenue includes monthly subscription fees and initial fees and monthly fees for OEM services.
3. Allocation of billing revenue for Kabutan Premium in media business will be altered to Solution Business revenue from FY2024/03
4. 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.
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6. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
7. Figures are all in Japanese Yen and rounded down to the nearest million yen.

Balance sheet items

(JPY in million)

	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Fiscal Year ended December 31, 2023	
	Consolidated	Consolidated	Consolidated	Changes
Current assets	4,825	6,567	4,680	-28.7%
(Cash and deposit)	3,526	4,463	2,662	-40.4%
Non - current assets	4,932	9,967	11,244	+12.8%
Assets	**9,757**	**16,534**	**15,925**	**-3.7%**
Current Liabilities	942	1,926	2,544	+32.1%
Non-Current Liabilities	1,372	6,752	6,115	-9.4%
Liabilities	**2,314**	**8,678**	**8,660**	**-0.2%**
Capital stock	3,514	3,533	3,534	+0.0%
Capital surplus	4,533	4,194	3,806	-9.3%
Retained earnings	-745	-18	-222	–
Others	39	55	57	+2.6%
Non-controlling interests	100	91	90	-1.4%
Net assets	**7,443**	**7,855**	**7,265**	**-7.5%**

1. 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.
2. Acquired FromOne, Inc. on September 1, 2023 and made FromOne, Inc. a consolidated subsidiary. Since the acquisition date of September 30, 2024, only the balance sheet was consolidated as of Septembert 30, 2023.
3. As of March 30, 2023, the Company has sold subsidiary, Prop Tech Plus Co., Ltd
4. Figures are all in Japanese Yen and rounded down to the nearest million yen.