information

big data

cloud input

media

Web3.0

infonoid

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solution

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information

FY2025 ending March 2025/ Q3 FINANCIAL RESULTS

MINKABU THE INFONOID, Inc 【4436】

February 14, 2025

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- The Company’s actual future business and its performance would differ from the prospects described in this material.

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【Executive Summary①】

- Following the acquisition of livedoor in December 2022, the mid-term plan announced in May of the following year aimed to achieve our first-ever revenue exceeding 10 billion yen. However, we have had to revise our earnings forecast downward for three consecutive periods, and we now anticipate recording losses.

- As outlined in this document, our earnings report, and other disclosures, we have decided to make a significant shift away from the mid-term plan’s initial strategy of aggressive investment for expansion. To prevent further erosion of shareholder equity, we will implement a new management structure, immediately withdraw from unprofitable businesses, and focus on core operations. These measures, along with large-scale cost reductions exceeding 2 billion yen, will allow us to transition into a stable profit-generating structure starting from the beginning of FY2026.

- In addition to the downward revision of our earnings forecast and expected losses, we regret to announce that we will also be suspending dividend payments. We sincerely apologize to our shareholders and stakeholders for the concerns and inconvenience this may cause.

- Under the leadership of our newly appointed president, we are fully committed to rebuilding corporate value. We ask for your continued guidance and support as we move forward together.

general

Three Consecutive Earnings Forecast Downgrades and Recorded Losses

Target

Achieve high growth even in a situation where the impact of the deterioration in the advertising market persists over the long term

Approach

Cost reduction in the media business in anticipation of stagnation in the ad market, and stable growth in the solutions business

Promoting revenue diversification strategies aimed at reducing dependence on advertising revenue

Occurrence

① In addition to the negative impact of the ad market, the decline in securities account openings led to a decrease in affiliate advertising revenue, surpassing the cost reductions

② While the solutions business secured increased revenue and profit, it experienced a downside due to lost contracts

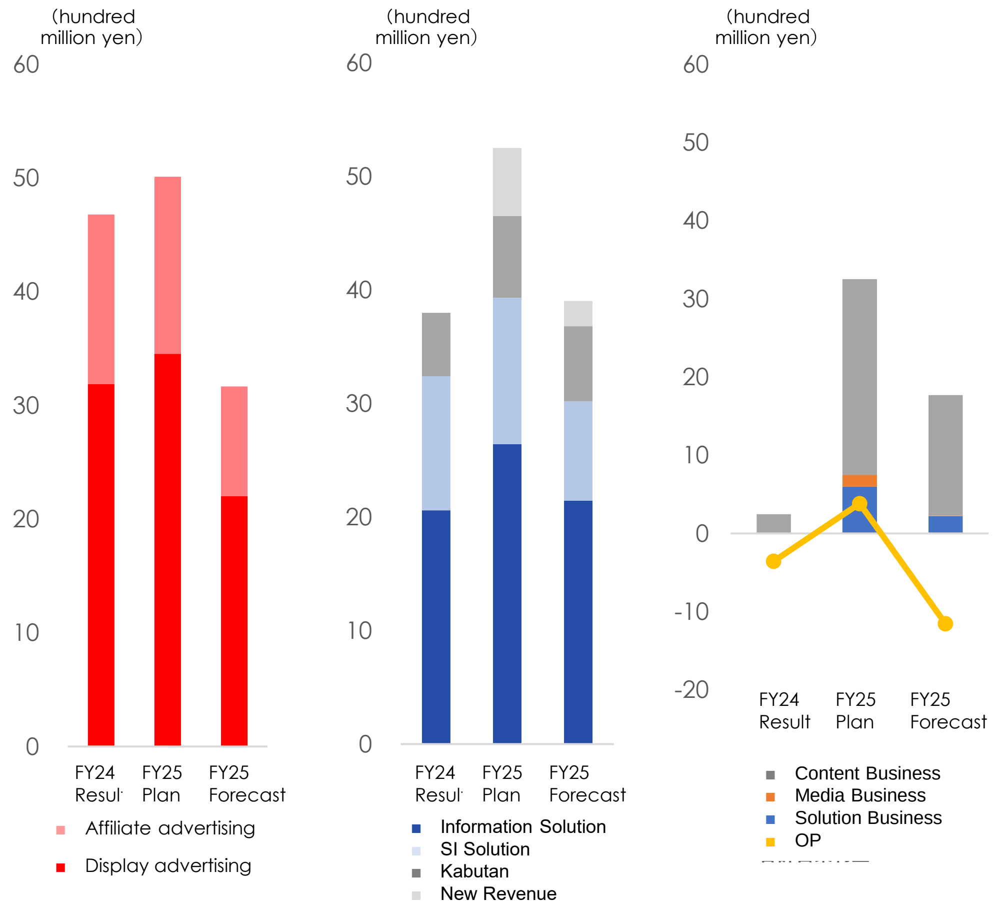
③ As one of the revenue diversification strategies, the content business incurred significant losses primarily due to insufficient cost management. While other revenue diversification efforts have shown some effectiveness, their poor startup performance became a factor in the expansion of losses

Result

Achieved the first-ever 10 billion yen in sales since inception, but amid sluggish growth in the core business, revenue diversification efforts resulted in significant losses. This not only fell short of the mid-term plan but also led to a situation where losses continue

FY2025 Plan Variance Main Causes

① Decline in Advertising Revenue | ② Downward deviation in solutions sales | ③Large-scale losses in new revenue diversification strategies



general

Eliminating unprofitable businesses and new ventures that do not contribute to profits, and transitioning to a stable profit-generating structure starting from the beginning of next fiscal year, based on the remaining sales of over 9 billion yen

Shifted from a focus on revenue expansion to a new strategy, and also changed the management structure

Large-scale cost reduction exceeding 2 billion yen

Rebuilding the business foundation to achieve stable profits and surpass the highest earnings within three years

general

Securing cash on hand through strict control of external expenditures and asset monetization

Stable EBITDA generation through large-scale cost reductions

Monetization through the sale of business assets

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Coordination with financial institutions

Restraining capital investments and suspending dividends

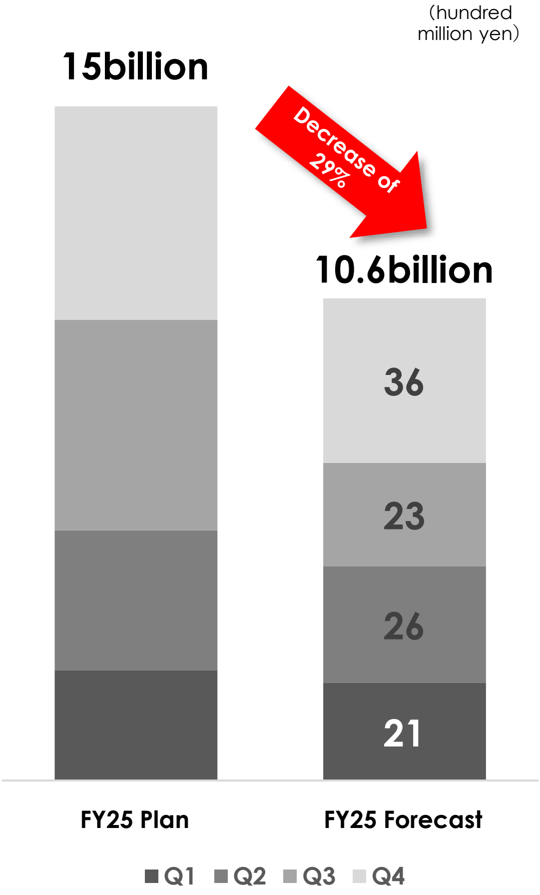
Securing funding sources for future growth drivers and stable revenue-generating businesses

① Information service business for financial markets, primarily targeting individual investors, with a focus on contributing to societal needs
② Businesses that have been newly created or acquired, widely used by many users and customers, and contributing to revenue

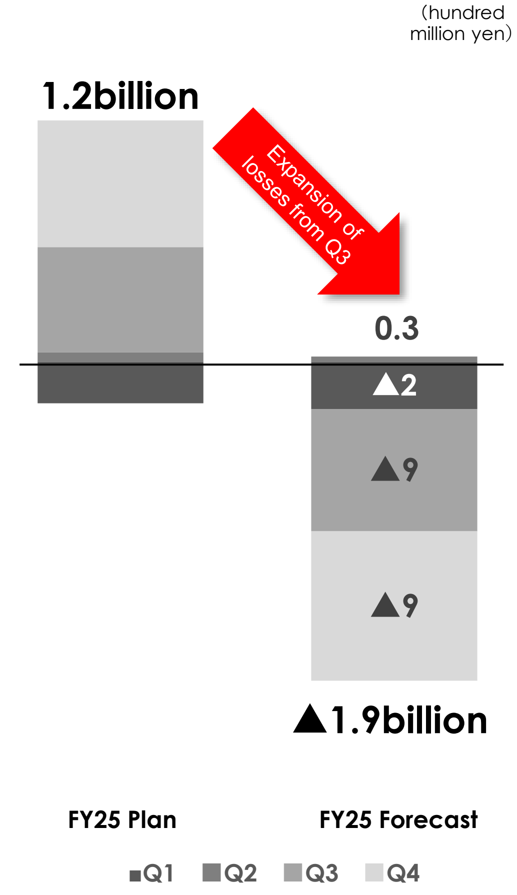
【 Revision of FY2025 Earnings Forecast ①：overall】

Amid sluggish growth in core businesses, which were expected to drive growth in the second half, significant operating losses were incurred due to losses from new revenue diversification initiatives

Comparison of FY25 Consolidated Revenue with Plan



Comparison of FY25 Consolidated Operating Profit with Plan



【Consolidated Basis】

- While the performance until Q2 largely followed the plan, in Q3 and Q4, the core businesses did not grow as expected, and the revenue diversification strategies generated significant losses. As a result, the consolidated financial outlook has shifted from a planned profit to a significant forecasted loss.

【Media Business Segment】

- Advertising revenue significantly fell short in the second half, exceeding the scale of additional cost reductions
- While the financials returned to breakeven in Q2, the second half is expected to see significant losses from revenue diversification strategies, including the content business, resulting in a full-year forecast for the segment to be in the red
- Creators' economy revenue exceeded the plan, with expectations for continued growth in the future

【Solution Business Segment】

- After Q3, consecutive losses of contracts in both the information and SI business sectors led to a downward deviation from the plan
- Although new revenue diversification strategies experienced delays and did not meet the plan, implementation is progressing, and future revenue contributions are expected
- Although the plan was not met, continued growth in SaaS-based information solutions and the monthly subscription service "Kabutan Premium" ensured increased revenue and profit for the entire segment

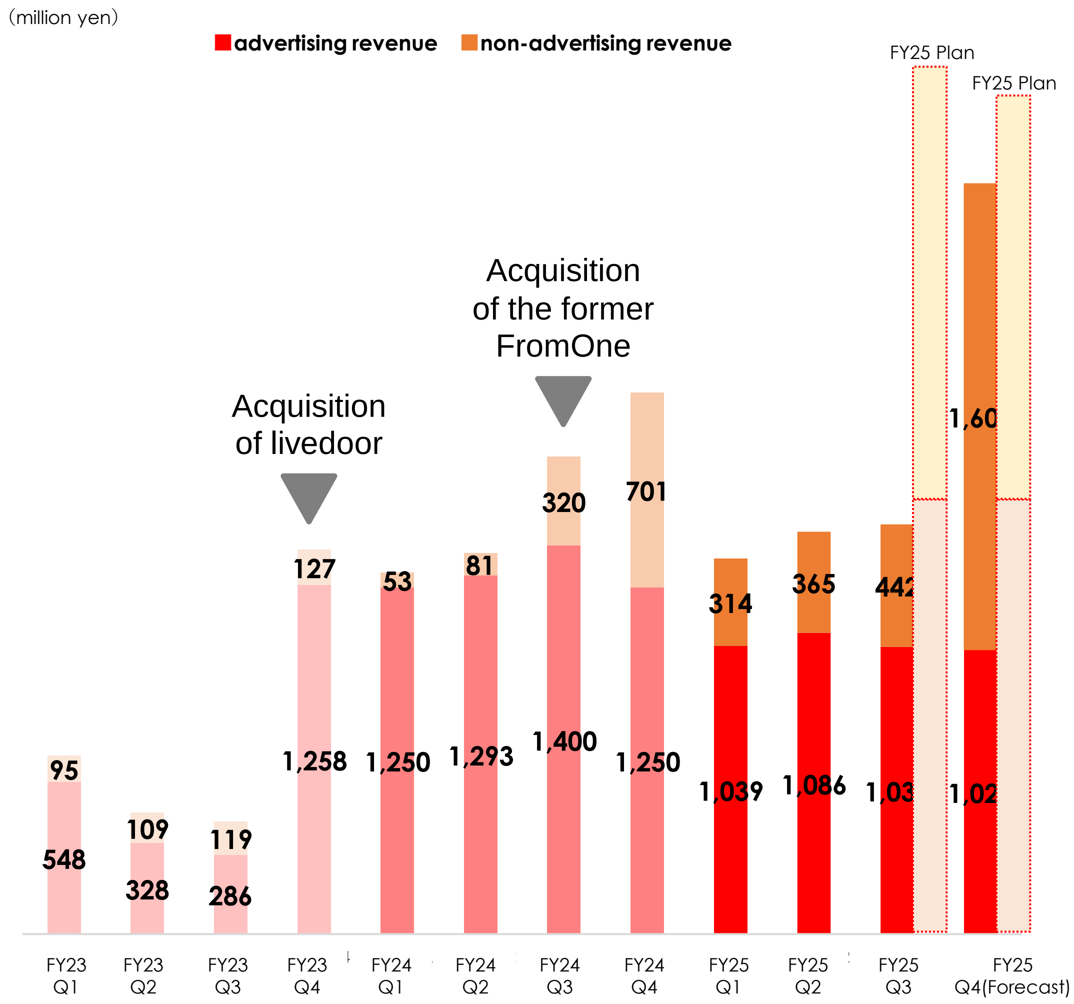
*The revenue figure is before the deduction of management fees.

【 Revision of FY2025 Earnings Forecast ②：Media Business Segment】

media

Advertising revenue continues to face a challenging environment, and revenue diversification efforts resulted in significant losses, leading to a full-year forecasted loss for the business segment

Quarterly Sales Trends



Second-half Plan Variance

【Advertising Revenue：¥1.6 billion below the sales plan】

- The decline in display ad unit prices and the traffic decrease due to changes in the search algorithm persisted longer than expected, resulting in a significant reduction in network advertising revenue
- Affiliate advertising revenue also experienced a sharp slowdown in the second half due to the aftereffects of the new NISA
- Additional cost reductions were unable to offset the downward deviation in advertising revenue mentioned above
- The creators' economy, including e-books and sponsored ads, as well as content commerce, exceeded the plan, and further expansion is expected in the future

【Non-Advertising Revenue（existing）：¥0.4 billion below the sales plan】

- While monetization of data marketing using user assets has started, customer acquisition took longer than expected, leading to a delay in revenue contribution. However, expansion is anticipated in the future

【 Non-Advertising Revenue （new）：¥1.2 billion below the sales plan】

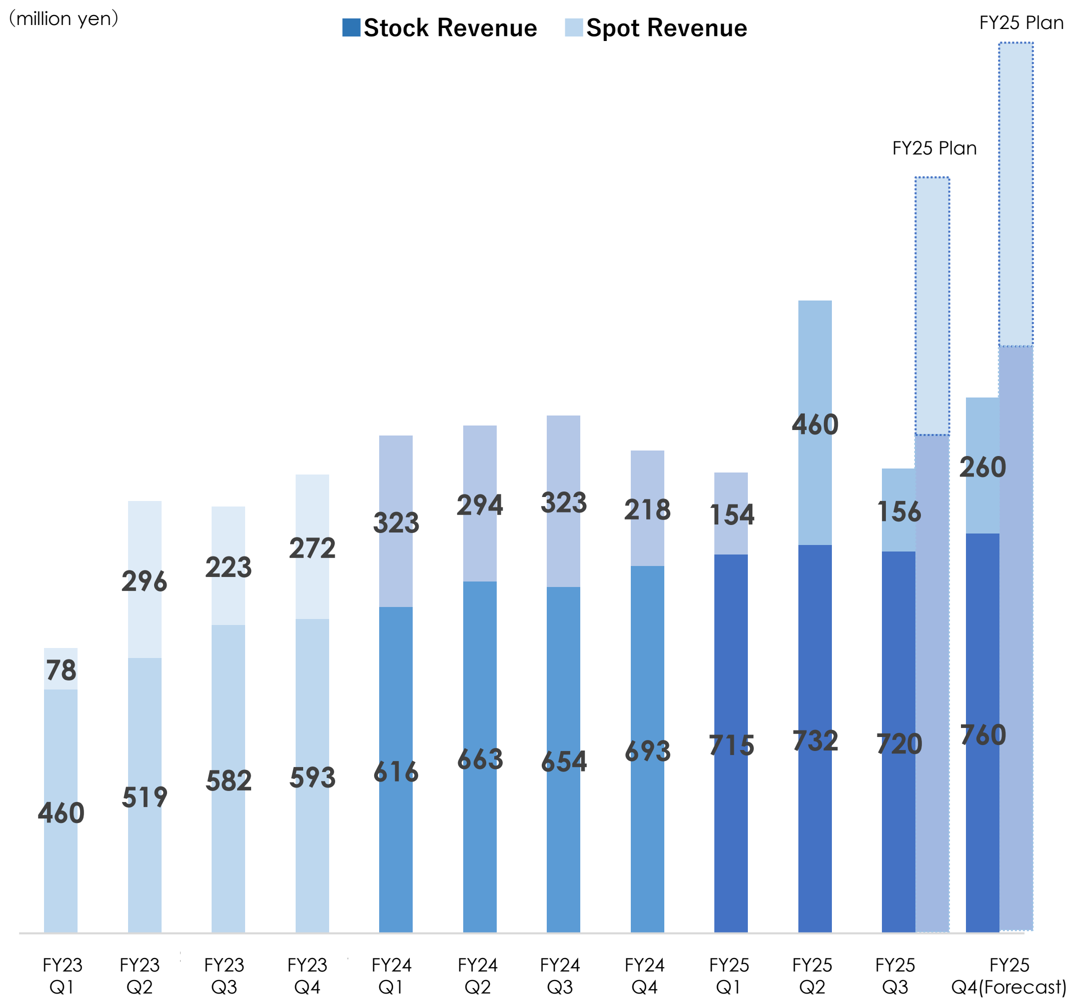
- In the content business, efforts to acquire users for "Oshi-Pass" lagged, and while sales from two large events in the second half significantly underperformed, costs, particularly production expenses, increased. As a result, the expected profit contribution shifted to a loss of several billion yen
- Other revenue diversification strategies also anticipated sales in the second half through campaigns, sales, and events, but the performance was lackluster

*The revenue figure is before the deduction of management fees.

【 Revision of FY2025 Earnings Forecast ③ : Solution Business Segment】

In the second half, the loss of spot contracts and delays in revenue diversification strategies led to a significant variance from the plan, but increased revenue and profit were still secured

Quarterly Sales Trends



Second-half Plan Variance

【Information Solution： ¥0.5 billion below the sales plan 】

- The large-scale projects expected for mid-sized face-to-face securities firms in the second half did not materialize. Due to the underperformance of certain online securities, some expected projects were shelved, and losses also occurred in the FX sector. Upselling to existing clients was also impacted by large-scale changes on the client side, such as the Tokyo Stock Exchange's trading system update (arrowhead 4.0), causing delays in acquiring expected projects and a sharp slowdown. However, an increase in stock income ensured revenue growth

【SI/Package Solution： ¥0.4 billion below the sales plan 】

- Loss of large-scale DX projects from existing clients that were expected in the second half

【Kabutan： ¥40 million below the sales plan 】

- While there was a steady trend due to the price increase effect starting in October 2024, some impact was felt from the market crash in August 2024

【Revenue Diversification Strategies： ¥0.4 billion below the sales plan 】

- Advisory services were delayed due to a significant postponement in registration caused by prolonged regulatory procedures.
- Both "toku-chain" and "MINKABU Academy" have started contributing to revenue, but delays occurred due to prolonged customer support

*The revenue figure is before the deduction of management fees.

【Review of the Mid-term Plan：Media Business Segment①】

media

■ Key Points of the Mid-term Strategy

- Leveraging the group's know-how and business assets, such as user touchpoints, dissemination power, and characteristics of specialized media, to maximize advertising revenue and expand non-advertising revenues, including business sales and subscription-based revenue
- Launch life service-related businesses such as mobile, gourmet, and shopping, and drive profit growth by building a high-margin, scalable revenue model through efficient promotion using group media, without investing heavily in customer acquisition costs

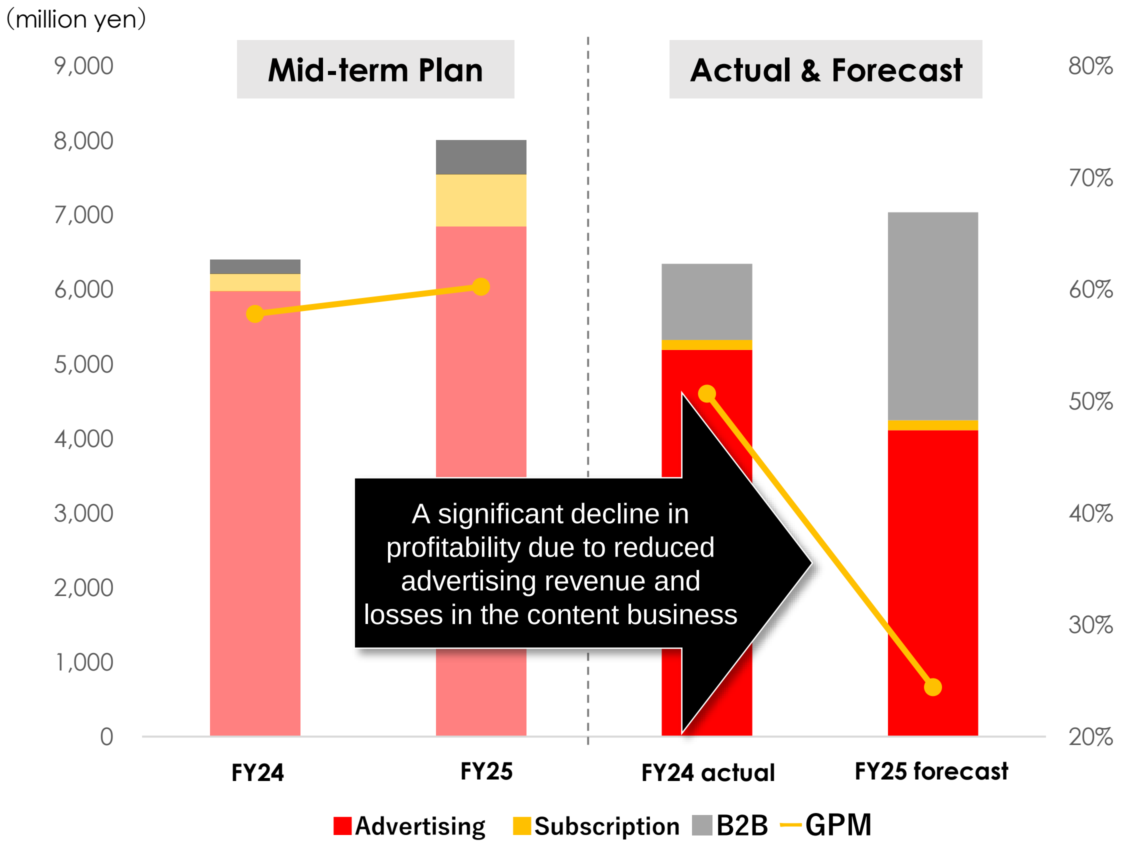
■ Overview of Mid-term Plan Variance

At that time, it was recognized that the expected benefits from the expansion of the asset-building demographic, which was a national policy, would be overshadowed by the negative impacts of market consolidation among online financial service providers and the introduction of zero transaction fees. The outlook for struggling in this environment was not incorrect, but the following misjudgments became the main reasons for not meeting expectations

① Misjudgment of advertising revenue forecasts ： livedoor, acquired as a strategy to reduce reliance on the financial sector, saw its revenue scale fall far below initial expectations due to a decline in display ad unit prices and a significant change in search algorithms leading to decreased traffic. Additional cost reductions were implemented each year, but due to a misjudgment of the extent of the downturn, cost reductions were never sufficient, and this did not lead to profit growth

② Significant losses from revenue diversification strategies ： Aiming for revenue diversification, content businesses were launched to build life service-related businesses and new subscription-based services. However, the original goal of acquiring paying users was neglected, and poor event cost management led to significant losses. Additionally, the life services business failed to convert as expected, and scaling took longer than anticipated, contributing to the expansion of losses

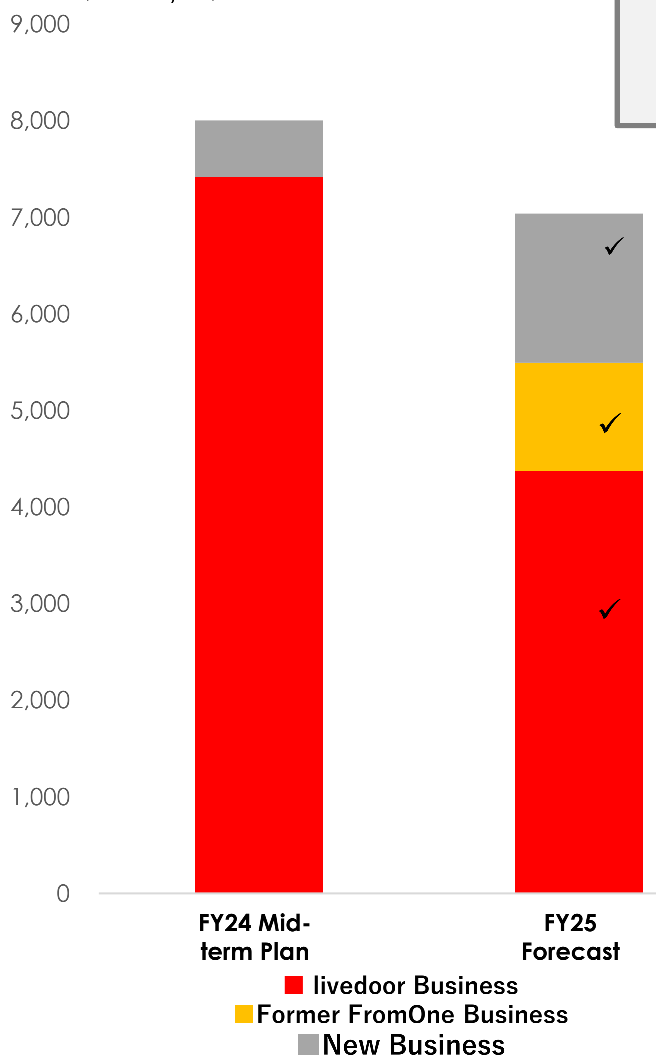
■ Comparison of Sales and Gross Profit Margin with Mid-term Plan



【 Review of the Mid-term Plan : Media Business Segment ②】

media

■ Comparison of Sales with Mid-term Plan (by Company)



- Revenue increased by 900 million yen compared to the mid-term plan, but costs amounted to 2.1 billion yen, resulting in a 1.2 billion yen shortfall in the balance

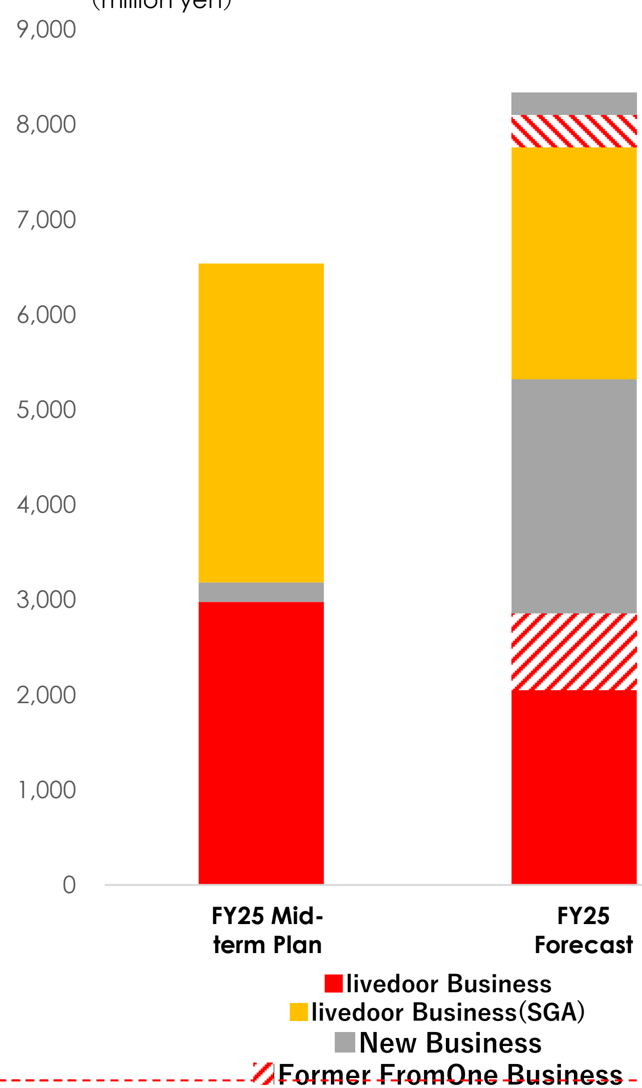
✓ New revenue increased by 900 million yen (The mid-term plan assumed monthly subscription revenue primarily from "Oshi-Pass," but the actual performance was mainly driven by event revenue)

✓ Increased revenue from the acquisition of the former FromOne

✓ livedoor's revenue is 3.1 billion yen lower compared to the mid-term plan

- A decrease in revenue of 3.1 billion yen compared to the mid-term plan, with fixed cost reductions of 700 million yen and a reduction in variable costs limited to 1.1 billion yen, resulting in a 1.3 billion yen shortfall in the balance

■ Comparison of Cost of Goods Sold and Selling, General, and Administrative Expenses with Mid-term Plan



✓ livedoor's selling, general, and administrative expenses are 900 million yen lower compared to the mid-term plan

✓ In the content business driven by events, costs increased by 2 billion yen, including selling, general, and administrative expenses

✓ The former FromOne did not make a significant contribution to profits

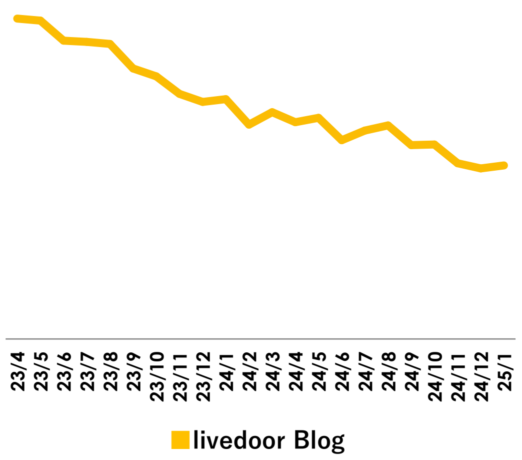
✓ livedoor's cost of goods sold is 900 million yen lower compared to the mid-term plan

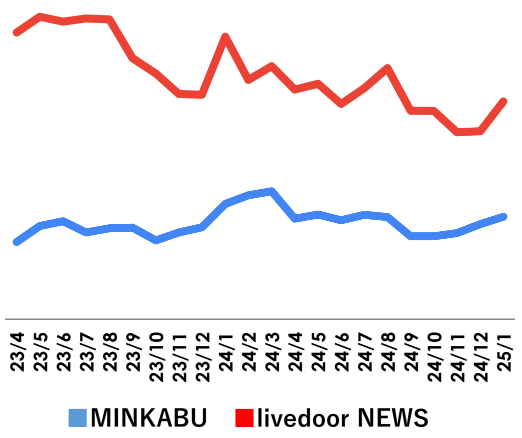
【 Review of the Mid-term Plan：Media Business Segment ③】

media

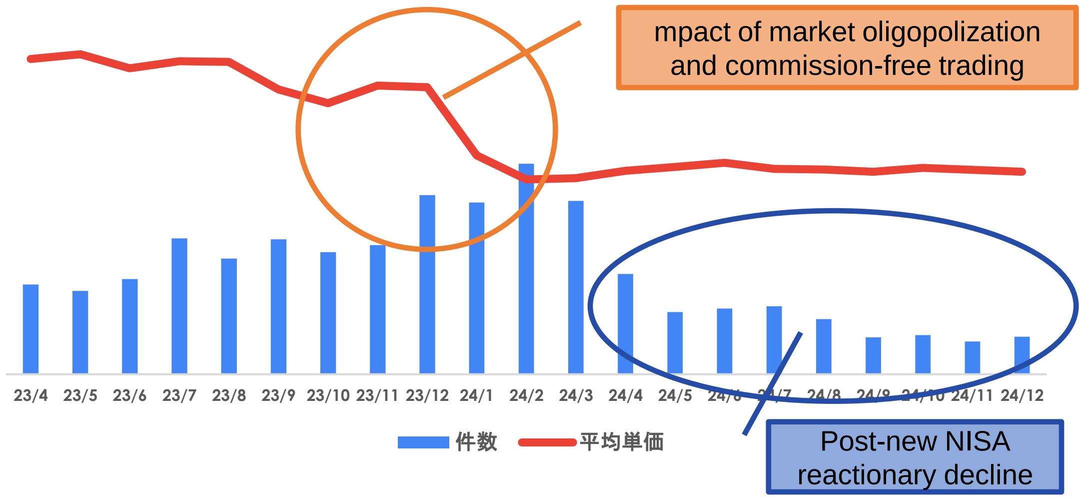
① Misjudgment of the forecasted decline in advertising revenue

■ Trend in page views (PV) of major livedoor media

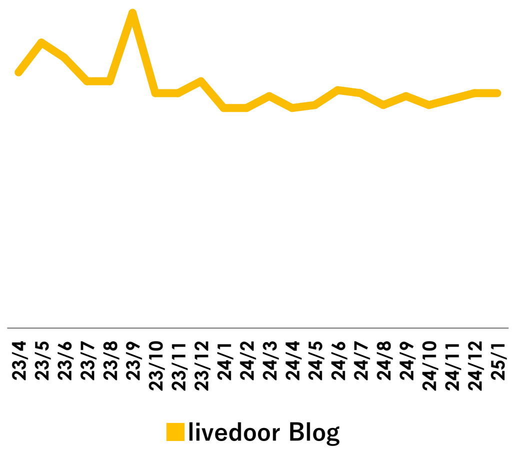


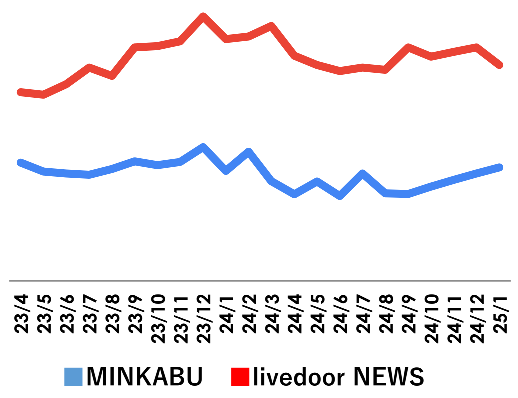


■ Trend in key metrics of affiliate marketing (securities accounts)



■ Trend in RPM (Revenue Per Mille) of major livedoor media





- The decline in advertising revenue was influenced by the rapid expansion of social media, which significantly outpaced the overall growth of online advertising in terms of available content. This led to a continuous decrease in online ad prices, affecting the page views (PV) of the Livedoor Blog as well. Initially, the impact of declining ad prices was viewed as a cyclical economic phenomenon, causing delayed countermeasures

- Affiliate revenue, initially supported by the effects of the new NISA until early 2024, had been compensating for the decline in unit prices caused by the market concentration and fee-free policies in the securities industry. However, starting from April 2024, the reverse effect of this support led to a significant decrease in the number of acquisitions. Additionally, driven by the previously mentioned decline in ad prices, resulted in an increase in listing ads on search result pages. This made it more difficult for results to appear in the first view of search rankings, further impacting affiliate revenue

- The cost reduction measures implemented in response to the market downturn were ultimately insufficient due to a misjudgment in environmental analysis, which resulted in a significant reduction in profits

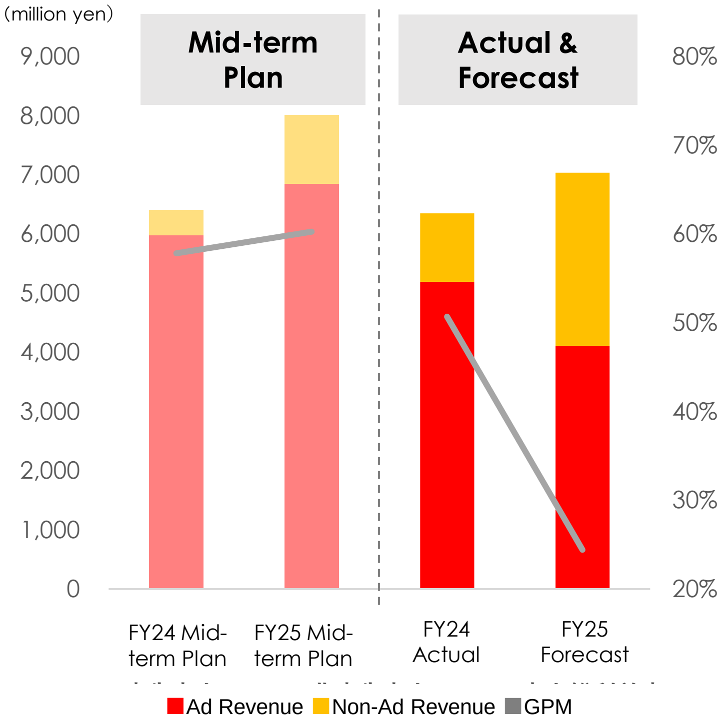
【Review of the Mid-term Plan：Media Business Segment ④】

media

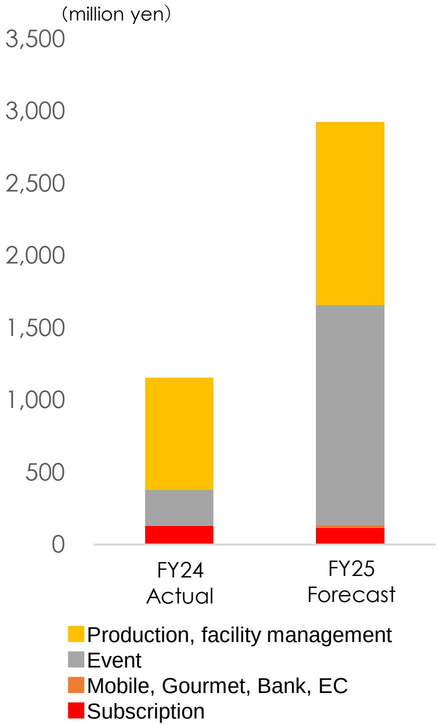
② The revenue diversification efforts centered around the content business resulted in significant losses

■ Comparison of sales and gross profit margin against mid-term plan and breakdown of non-advertising revenue

Comparison of sales and gross profit margin against mid-term plan



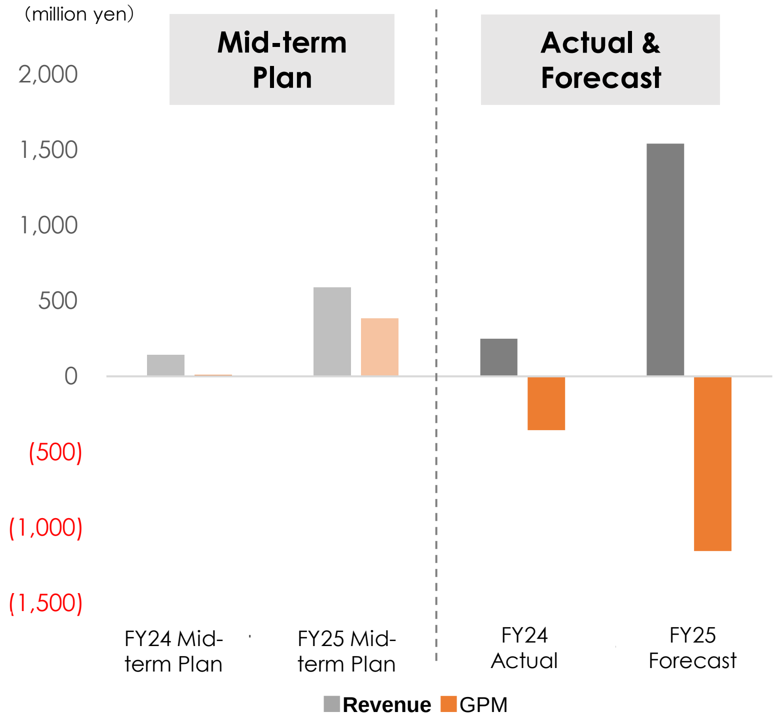
Breakdown of non-advertising revenue



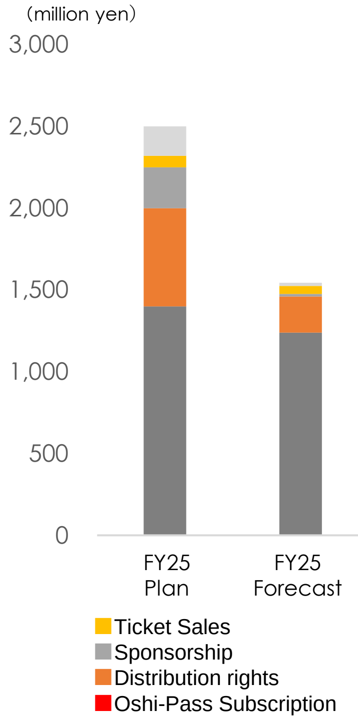
- As part of the revenue diversification strategy, multiple life services leveraging the user base of livedoor, such as mobile, gourmet, e-commerce, and banking, were introduced to create non-advertising revenue models
- Despite having a user base of approximately 100 million, the connections with individual users were not as strong as expected, resulting in lower-than-expected conversion rates
- The greater-than-expected downturn in the advertising business meant that additional resources needed for differentiation in each service couldn't be invested. As a result, user acquisition was insufficient, and the increased upfront investment in new businesses and rising fixed costs became key factors contributing to the deficit.

■ Performance of the content business

Comparison of sales and gross profit margin against mid-term plan



Breakdown of revenue



- Launched a subscription-based service called "Oshi-Pass," based on the user base of "Kstyle," and carried out multiple large-scale K-POP events as part of its promotional efforts to expand the service's reach
- Aiming for vertical integration by quickly launching multiple events. However, the focus shifted to event preparation and negotiations with external vendors, which diverted attention from the primary goal of acquiring paying users. As a result, the events couldn't be effectively controlled in terms of both revenue and costs, leading to significant losses that went against the original profit expectations.

【Review of the Mid-term Plan：Solution Business Segment ①】

solution

■ Key Points of the Mid-term Strategy

- Information solutions, particularly the Japanese and U.S. stock information services, shifted from the development investment phase to the profit improvement phase. This transition, along with the acquisition of several large-scale projects, significantly drove profit growth
- SI solutions, with Web3 transformation as a key focus, will further deepen their efforts and expand their customer base
- By registering as an intermediary and advisory business, new financial services will be offered to the asset-building segment

■ Overview of Mid-term Plan Variance

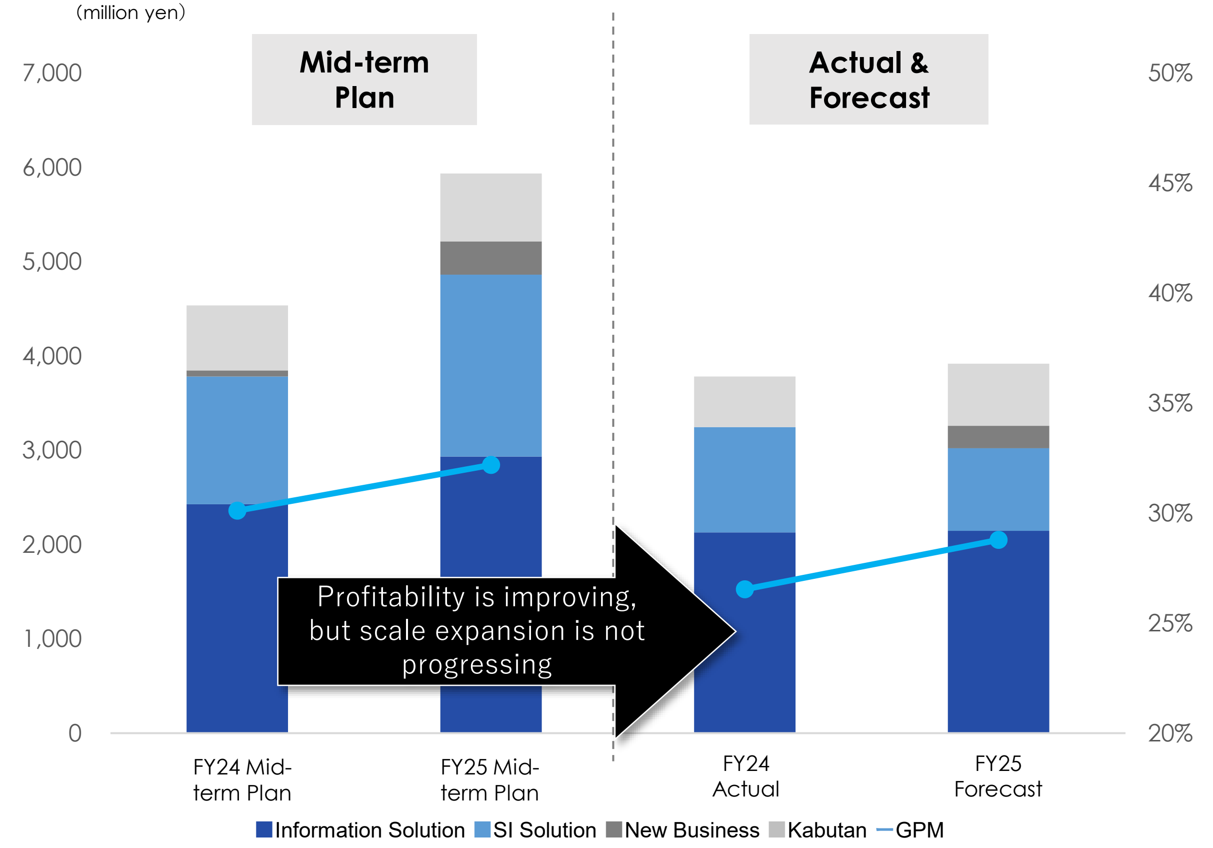
While the solution business continues to grow, it has not yet achieved the share, scale, and expansion of the customer base as outlined in the medium-term plan. Given that customer needs for efficiency and revenue diversification remain significant, both information solutions and SI solutions face challenges that need to be addressed in order to drive further growth

① Failure to acquire large-scale clients in the information solution ：While maintaining a low churn rate for the SaaS model and benefiting from price increases contributing to revenue and profit growth, the anticipated upsell to major securities firms did not progress as expected, resulting in growth falling short of expectations

② Balancing profit retention and scale expansion in SI solutions ：Unable to move away from customer-driven transactions, the costs associated with maintaining adequate waiting staff for customer requests have become a strain on profitability. This period, focusing on high-margin projects, has resulted in a series of lost opportunities

③ Delayed monetization of new business ventures aimed at revenue diversification ： New businesses aimed at upselling existing customers experienced delays in implementation. However, implementation is now progressing, and future contributions to revenue are expected

■ Comparison of Sales and Gross Profit Margin with Mid-term Plan

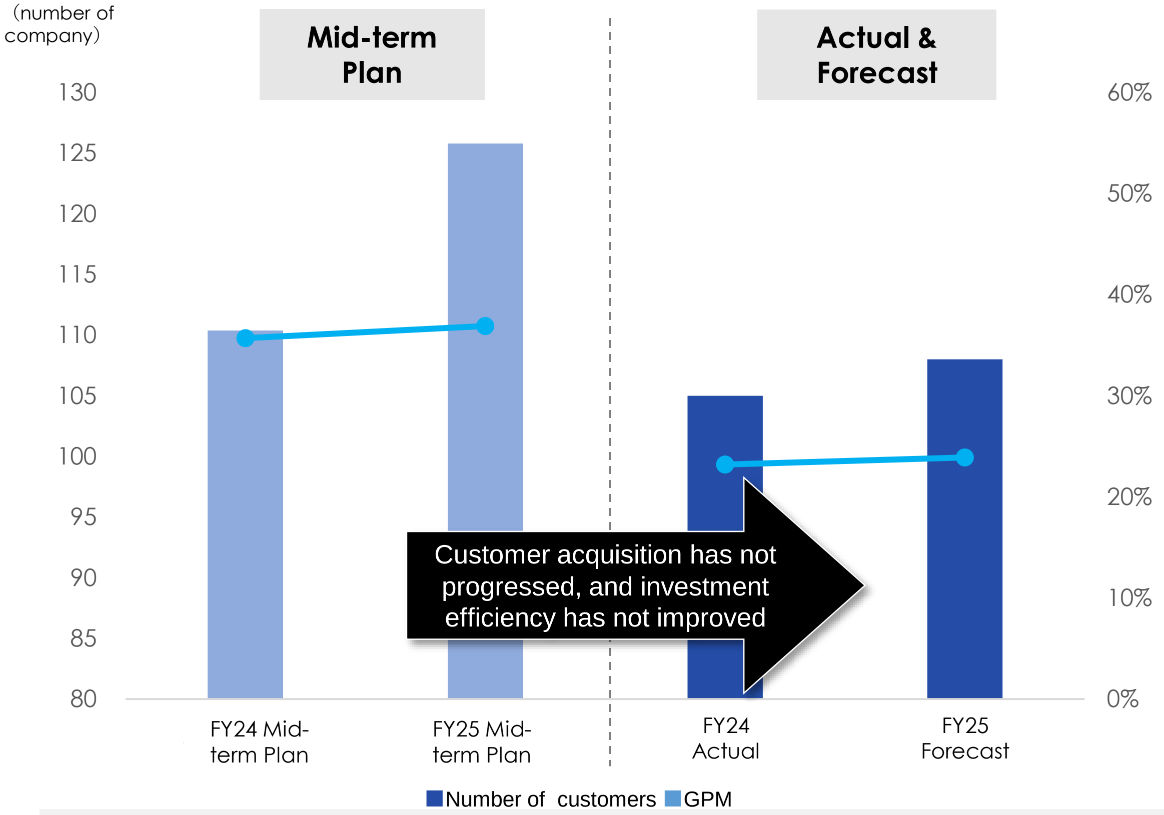


【 Review of the Mid-term Plan：Solution Business Segment ②】

solution

① Failure to acquire large-scale clients in the information solutions

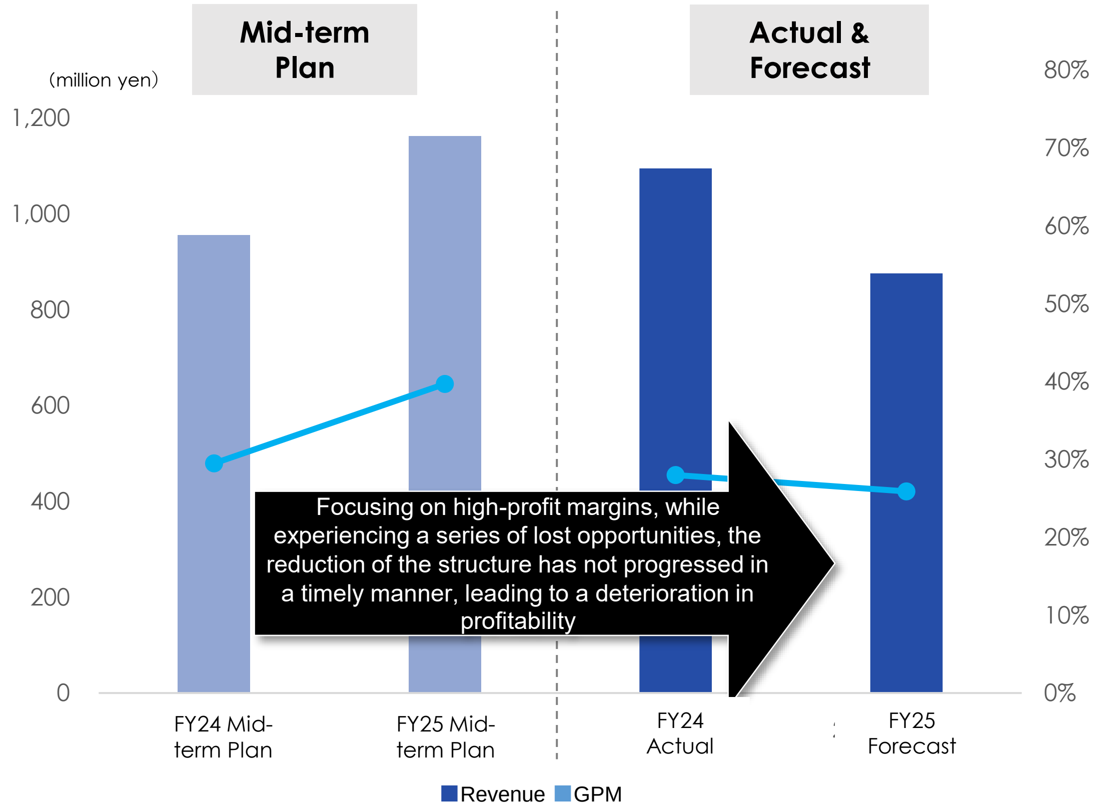
■ Comparison of the number of customers and gross profit margin for information solutions against the medium-term plan



- Information solutions have seen a slowdown in project acquisition. The large deals, which are key to driving profit growth, have not been replaced by competitors as expected. While revenue has expanded gradually due to cumulative effects, the projected sales scale and profitability in the medium-term plan have not been achieved. As a result, additional features and content expansions made to attract customers have not generated the expected return on investment, leading to no improvement in profitability

② Stagnation in the growth of the scale of SI solutions

■ Comparison of revenue and gross profit margin for SI solutions against the medium-term plan

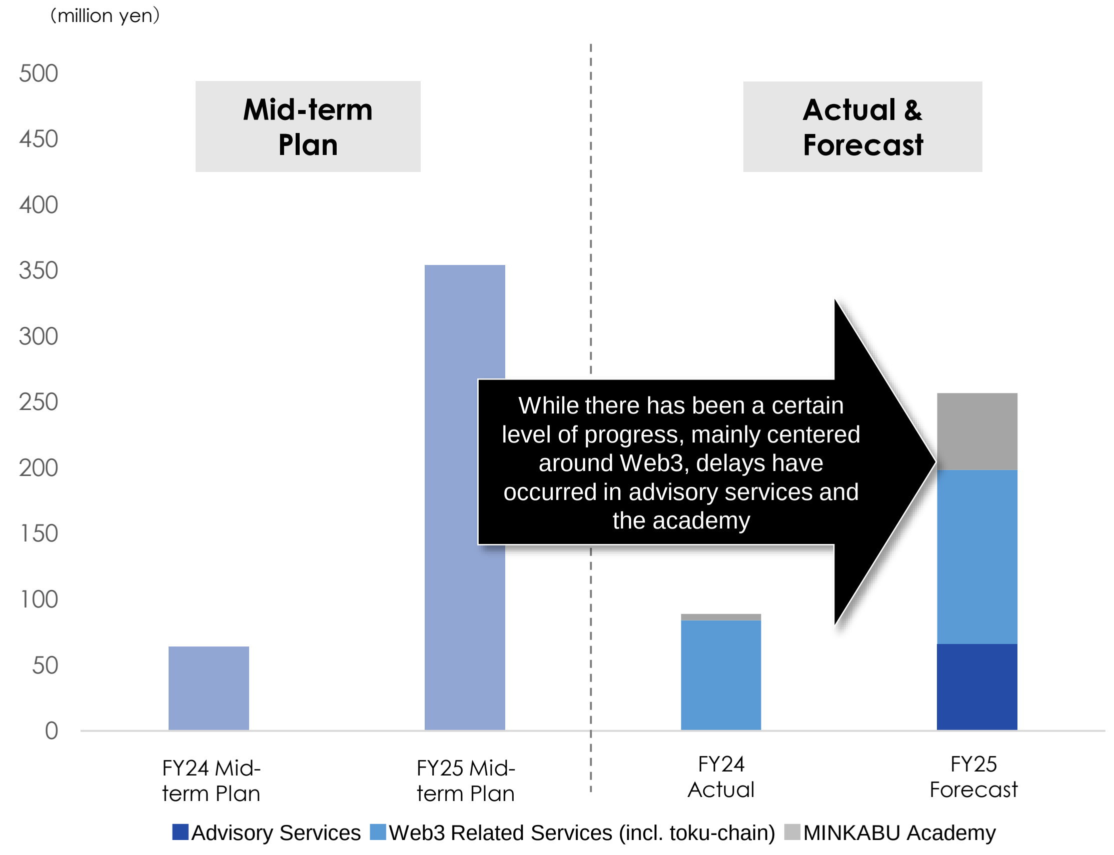


- While the demand for digital transformation (DX) in the financial industry remains high, SI solutions continue to face the challenge of customer-driven transactions, making it difficult to maintain a steady supply of engineers for immediate response and to optimize billable rates for customers. Recently, prioritizing the securing of high gross margins has led to lost opportunities

【 Review of the Mid-term Plan：Solution Business Segment ③】

③ Monetization status of new revenue diversification strategies

■ Comparison of revenue from diversification strategies against the medium-term plan



- The advisory business has taken more time than expected for the necessary registration with authorities, and it will require additional time before it can be monetized

- Services such as ‘MINKABU Academy' and ‘toku-chain,' which contribute to the revenue diversification of financial institutions, have been launched. However, delays have occurred in the implementation schedule due to customer support issues. Despite this, implementation is progressing, and future contributions to revenue are expected

【 Strategies for transitioning to a stable profit structure ：overall】

■ Basic policy

By focusing on profit-contributing businesses and cost reduction, we will transition to a stable profit structure starting from the beginning of the 26/3 fiscal year.
Over the next three years, we aim to restructure the business foundation to achieve record-high profits

■ Overview of measures

Shift from a business strategy focused on revenue expansion

- Immediate withdrawal from the content business that caused significant losses
- General withdrawal from new businesses that require significant time to start contributing to revenue
- Focus resources on two types of businesses: 'SaaS-based information solutions' and 'billing-based businesses' as future growth drivers, and 'stable revenue engine businesses' that thoroughly pursue efficiency

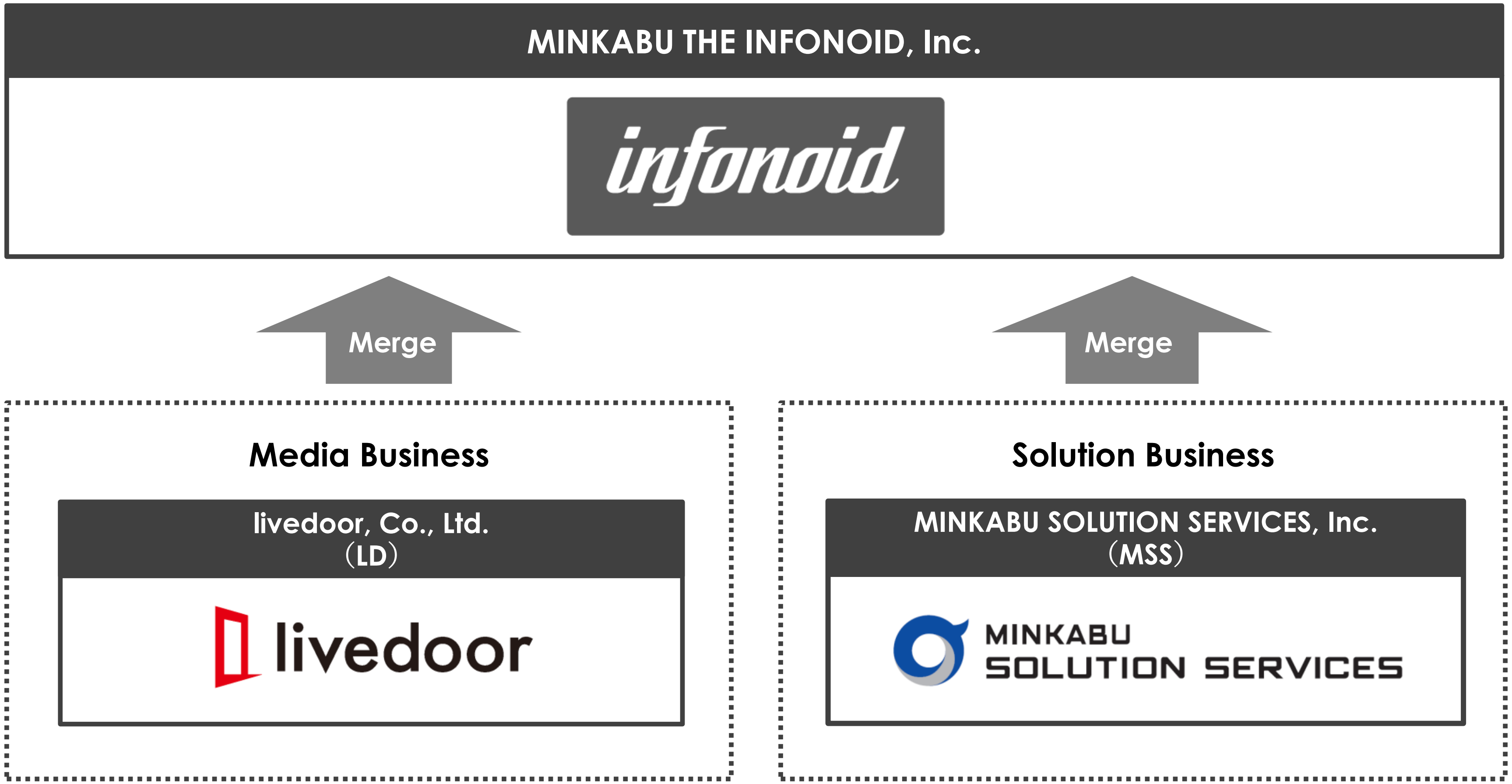
Over 2 billion yen in large-scale cost reductions and investment restraint

- Reduction due to withdrawal from new revenue diversification strategies
- Reduction primarily in outsourcing costs for existing businesses
- Cost reductions across the company, including streamlining operations, reviewing personnel costs for the management team and senior executives, and downsizing office space

【Strategies for transitioning to a stable profit structure ：into a single entity】

general

In this shift in business strategy, the primary focus is on generating reliable profits and building up net assets, rather than expanding the scale of the business. With this goal in mind, along with a perspective that simplifies internal transactions and facilitates thorough cost reductions, we aim to unite all group employees in working towards a recovery in performance. Therefore, as of July 1, 2025, we will merge MINKABU THE INFONOID, LD, and MSS into a single entity, creating a standalone company (with Content Monster and other MSS subsidiaries planned for sale)



【Strategies for transitioning to a stable profit structure ：Media（excl. Content Business）】

media

■ Breakdown of cost reductions

（million yen）	PL	CF
Cost reduction in ongoing operations	**597**	**597**
Reduction in news acquisition costs and related expenses	173	173
Reduction in web analytics tool costs, blog content expenses, and article production costs	172	172
Reduction in various campaign advertising costs and system maintenance and operation expenses	88	88
Reduction in outsourcing costs for contracted services, design, and video production	87	87
Reduction in other general administrative expenses	77	77
Decrease in depreciation costs due to asset restructuring in continuing operations	**78**	**0**
Decrease in depreciation expenses through the revaluation of software for discontinued features in Mincab Asset Planner	52	0
Decrease in depreciation expenses due to the disposal of software related to discontinued features	26	0
Decrease in depreciation expenses due to the termination of services	**97**	**0**
Amortization of goodwill related to LD Gourmet	47	0
Amortization of goodwill related to Ultla WORLD Soccer!	7	0
Amortization of goodwill related to ALIS Media	17	0
Software depreciation related to livedoor Choice	5	0
Software depreciation related to MINKABU Insurance	21	0
TOTAL	**772**	**597**

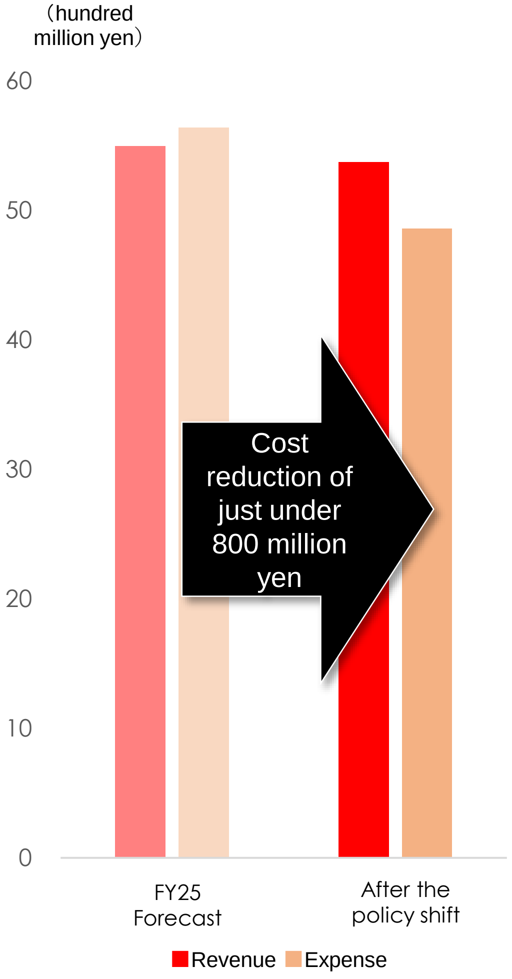
*The reduction amount of the depreciation burden is currently under review and may be subject to change.

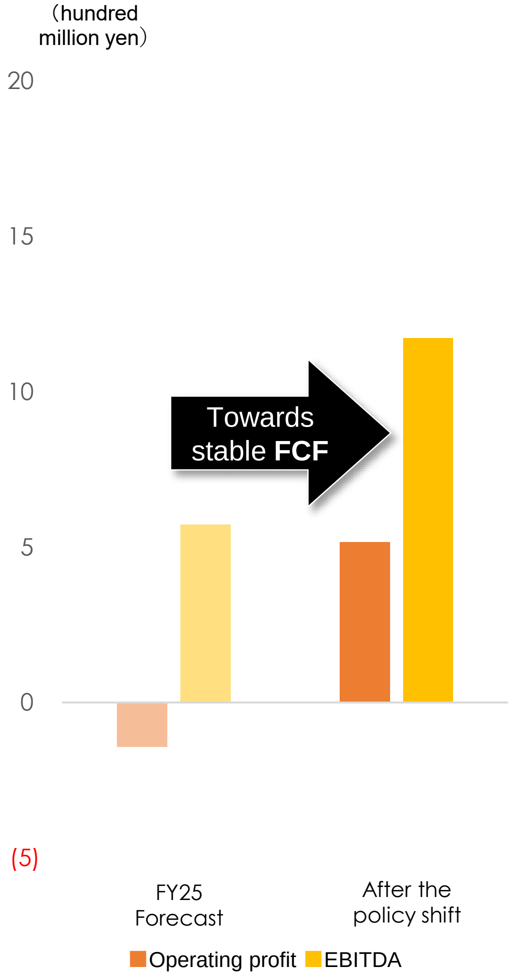
■ Capital investment strategy

Development investments will be limited to the following three areas, capped at 300 million yen per year (with a net investment of less than 100 million yen annually)

1. System migration from LINE Yahoo, as agreed upon at the time of the livedoor acquisition
2. Development aimed at improving operational efficiency in the short term
3. Development of subscription services with the potential to become growth drivers

■ Comparison of revenue, expenses, profit, and EBITDA before and after the policy shift





*The reduction amount of the depreciation burden is currently under review and may be subject to change.

【Strategies for transitioning to a stable profit structure ：Solution】

solution

■ Breakdown of cost reductions

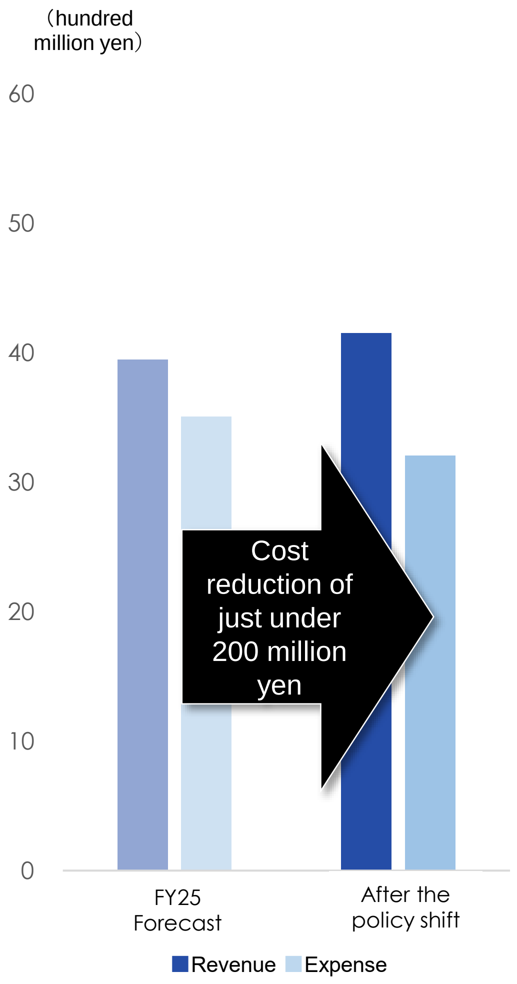
（million yen）	PL	CF
Cost reduction in ongoing operations	**121**	**121**
Reduction in outsourcing costs for information solutions related to U.S. stock information, sales support consulting, and academy-related operations	42	42
Reduction in outsourcing costs for development services and license fees related to information solutions	36	36
Termination of sponsorship agreements	36	36
Reduction in other general administrative expenses	7	7
Decrease in depreciation costs due to asset restructuring in continuing operations	**32**	**0**
Disposal of software due to the discontinuation of the use of the old database engine	32	0
Decrease in depreciation expenses due to the termination of services	**72**	**72**
Cost reduction through the sale of MINKABU ASSET PARTNERS and MINKABU Web3 Wallet	72	72
TOTAL	**225**	**193**

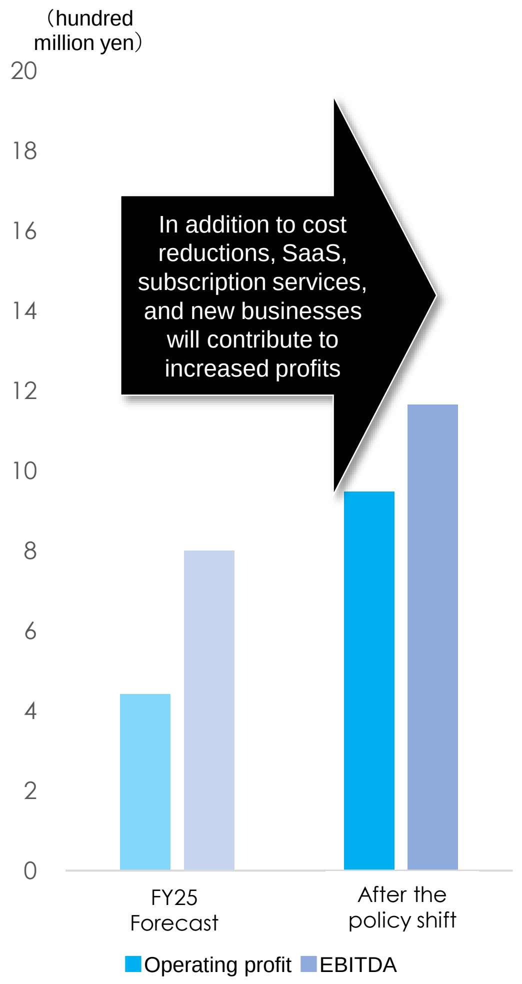
*The reduction amount of the depreciation burden is currently under review and may be subject to change.

■ Capital investment strategy

Capital investment will mainly focus on SaaS-based information solutions and growth drivers such as 'Kabutan Premium.' The annual budget will be approximately 300 million yen, which is about three times the typical development investment budget for media, and will be allocated primarily to solutions

■ Comparison of revenue, expenses, profit, and EBITDA before and after the policy shift





*The reduction amount of the depreciation burden is currently under review and may be subject to change.

04

【Strategies for transitioning to a stable profit structure ：company-wide】

general

■ Breakdown of cost reductions

【Company-wide expenses】

(million yen)	PL	CF
Reduction in rent and other expenses, as well as a decrease in depreciation, due to office downsizing	183	112
Review of personnel costs, focusing on management and senior executives	79	79
Efficiency gains through the consolidation into a single entity	25	25
Others	44	0
Cost increase due to partial system replacements and other related expenses	▲21	▲21
TOTAL	310	195

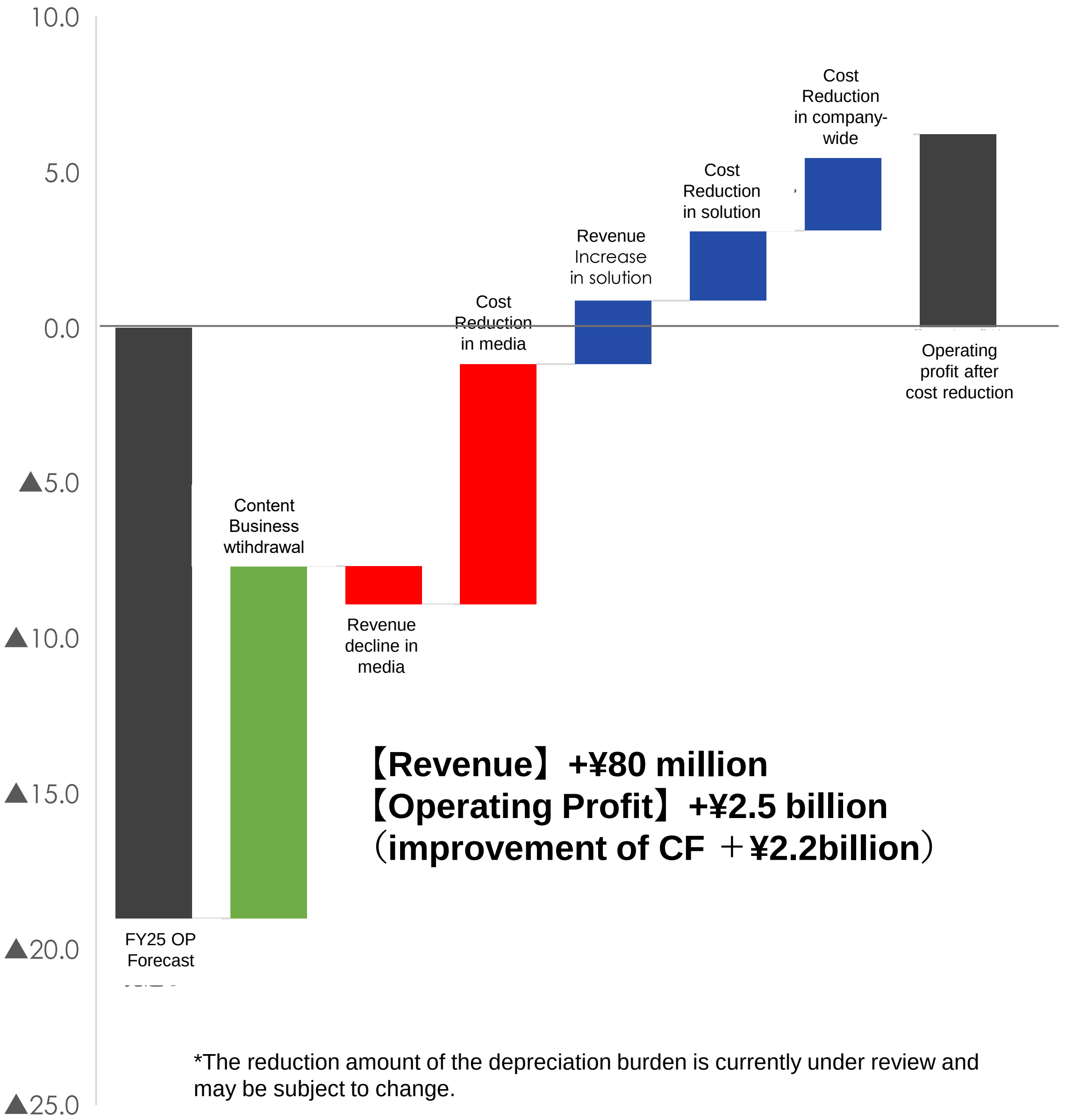
【Content Business】

(million yen)	PL	CF
Reduction in losses due to business withdrawal	1,133	1,133
TOTAL	1,133	1,133

*The reduction amount of the depreciation burden is currently under review and may be subject to change.

Regarding personnel cost reductions, there will be no major layoffs. For regular employees, considering recent inflation and other societal factors, a certain level of base salary increase will be implemented to secure talent. The main focus will be on reducing some executives and managerial positions at the director level and above

(hundred million yen)



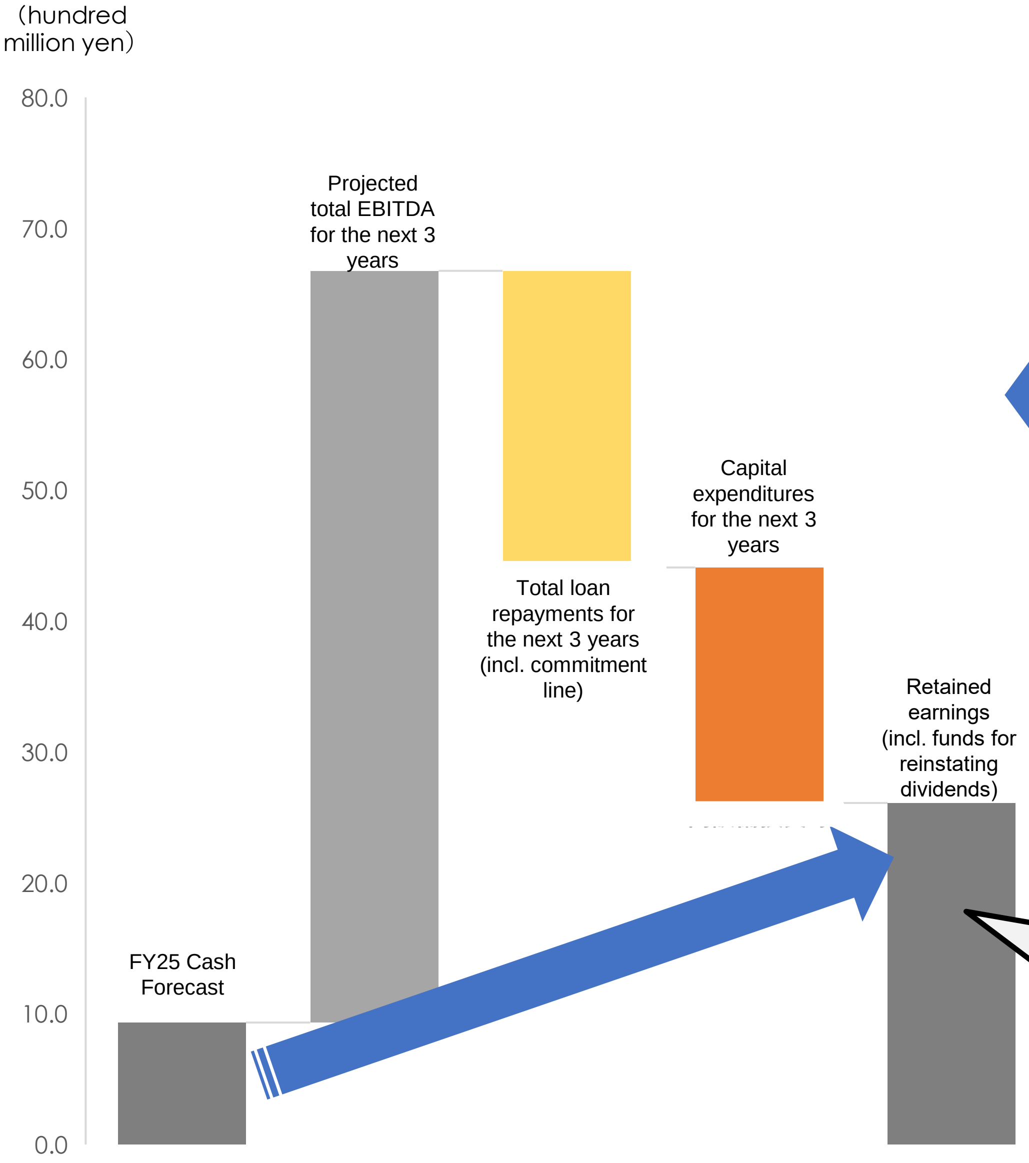
【Revenue】+¥80 million
【Operating Profit】+¥2.5 billion
（improvement of CF ＋¥2.2billion）

*The reduction amount of the depreciation burden is currently under review and may be subject to change.

【Strategies for transitioning to a stable profit structure ：Cash position】

general

■ Three-year funding simulation based on EBITDA generated from cost reductions



■ Summary of cost reductions

(million yen)	PL	CF
Cost reduction in ongoing operations	**718**	**718**
Media Business	597	597
Solution Business	121	121
Cost reduction in company-wide expenses	**310**	**195**
Company-wide	310	195
Reduction in losses due to business withdrawal	**1,133**	**1,133**
Content Business	1,133	1,133
Decrease in depreciation costs due to asset restructuring in continuing operations	**110**	**0**
Media Business	78	0
Solution Business	32	0
Decrease in depreciation expenses due to the termination of services	**169**	**0**
Media Business	97	0
Solution Business	72	0
TOTAL	**2,440**	**2,046**

*The reduction amount of the depreciation burden is currently under review and may be subject to change.

- By reducing costs by over 2 billion yen, we will establish a structure that generates stable EBITDA. Additionally, through overall management to control capital expenditures, we will steadily reduce outstanding loans
- While securing funding sources for businesses that will become the growth drivers or stable revenue engines for the company in the future, we will also consider shareholder return measures, including dividends. This will be done flexibly, taking into account the stability of our profit structure and the status of growth driver businesses

*The reduction amount of the depreciation burden is currently under review and may be subject to change.

With the aim of achieving both high growth and high returns, we have implemented stable dividends for five consecutive terms starting from the FY2020, the year following our listing. However, our priority is to restore shareholder equity, and we plan to retain earnings, so we would like to announce that the dividend for the FY2025 will be zero yen.

We are not disregarding our policy since the listing, but we aim to quickly rebuild a strong financial structure and a business capable of high growth, with the intention of returning to the previous course.

Initial plan for the fiscal year ending March 2025		Revised plan for the fiscal year ending March 2025
ordinary dividend per share	→	ordinary dividend per share
¥26		¥0

【Strategies for transitioning to a stable profit structure ：management structure】

general

In preparation for the establishment of a stable profit structure following this shift in business policy, and ahead of the transition to single-entity management on July 1, we have made changes to the management structure as of today, as outlined below

Name	Current Status	New Status	New Role	Remarks
Masayuki Ban	Director	Representative Director and President	To lead and oversee all aspects of business planning and promotion within the company	Representative Director, President & COO of MINKABU SOLUTION SERVICES, Inc.
Ken Uryu	Representative Director, Chairman and President	Representative Director and Chairman	Taking responsibility for the reliable implementation of the cost reduction and investment restraint plans, as well as the improvement of the financial structure through these measures, and fulfilling the obligations to our financial institutions and other stakeholders	Resigning from the position of president to take responsibility, and will not be involved in future business promotion As of today, resigning from the positions of Chairman and CEO of all business subsidiaries, as well as from the roles of committee member in the Nominating Committee and the Compensation Committee

Masayuki Ban

April 2001	Joined CSK Corporation (now SCSK Corporation)
Oct 2005	Joined CSK Securities Services Inc.
April 2015	Joined the Company, Representative Director of the subsidiary, Infrastructure Inc.
Oct 2017	Director of the Company
July 2020	Director of Robot Fund, Co., Ltd. (now MINKABU SOLUTIN SERVICES, Inc.)
June 2023	Director of MINKABU Web3 Wallett, Inc.（current position）
June 2023	Director, Vice President & COO of MINKABU SOLUTION SERVICES, Inc.
June2024	Representative Director, President & COO of MINKABU SOLUTION SERVICES, Inc.（current position）
June2024	Director of the Company
Feb 2025	Representative Director and President of the Company（current position）

Mission ： Providing systems that materialize the value of information

Core technology ： AI-driven content auto-generation technology and media collective intelligence generation technology

Business model ： Know-how for translating B2C needs into B2B solutions

B2C

One of the largest financial media in Japan
Non-financial media with a large user base

- Real-time understanding of user needs
- User behavior history data
- Massive accumulated data
- Automatic generation technology
- Automated multilingual translation technology

Converting user needs into corporate value

B2B

A customer base of over 170 financial institutions
Expertise in financial information and IT vendors

- Financial institution solutions tailored to the needs of individual investors
- Marketing support leveraging the expertise gained from operating a media company
- A B2B distribution platform for vast amounts of financial and non-financial information
- User consensus data

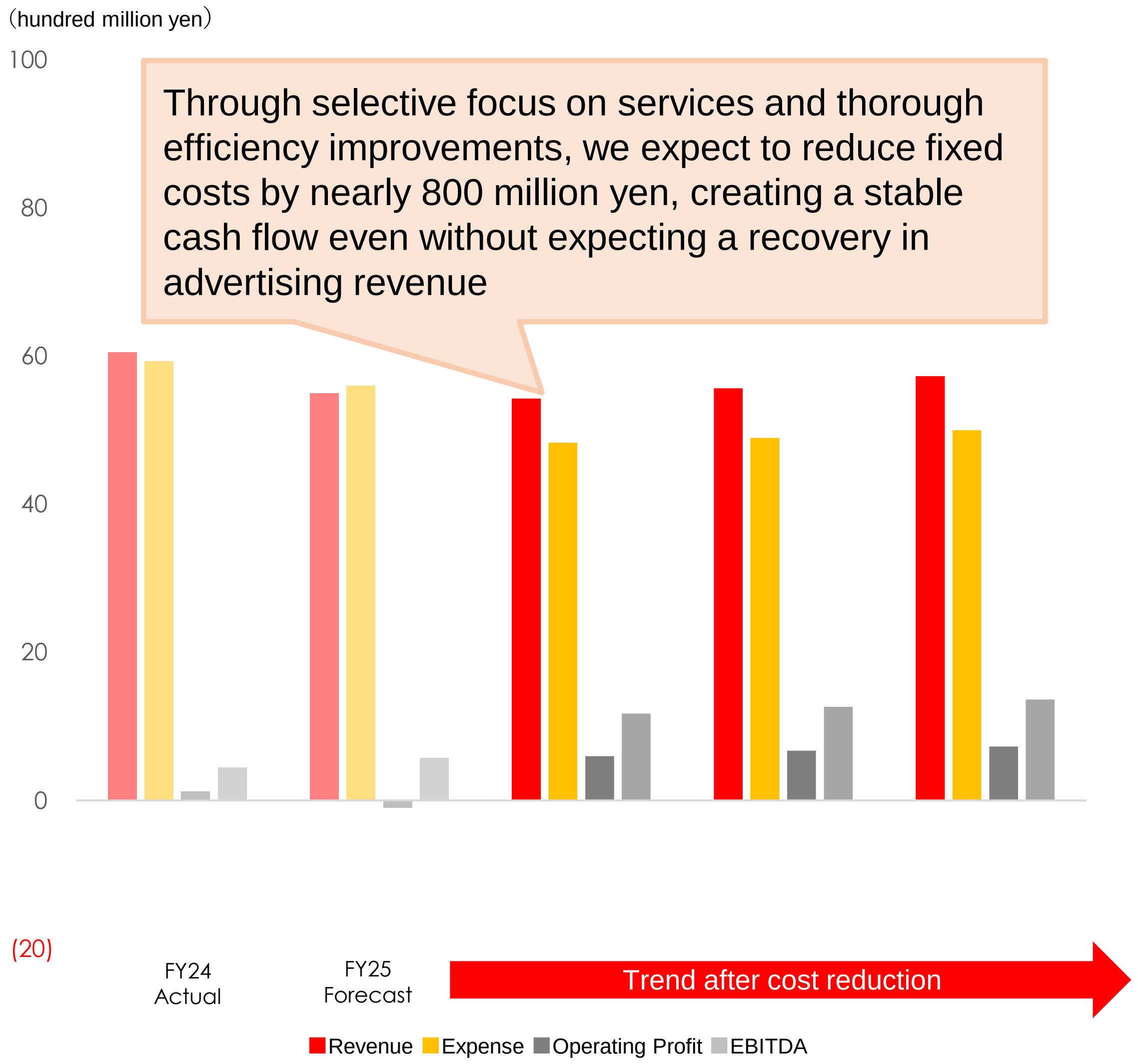
By maximizing our strengths, we will support the shift from savings to asset building through the enhancement of information services for the financial market. We will also expand the B2C and B2B collaborative model, developed through our financial market information services, into the non-financial media business, achieving sustainable growth.

【Strategy under the new structure & simulation ： Future revenue outlook 】

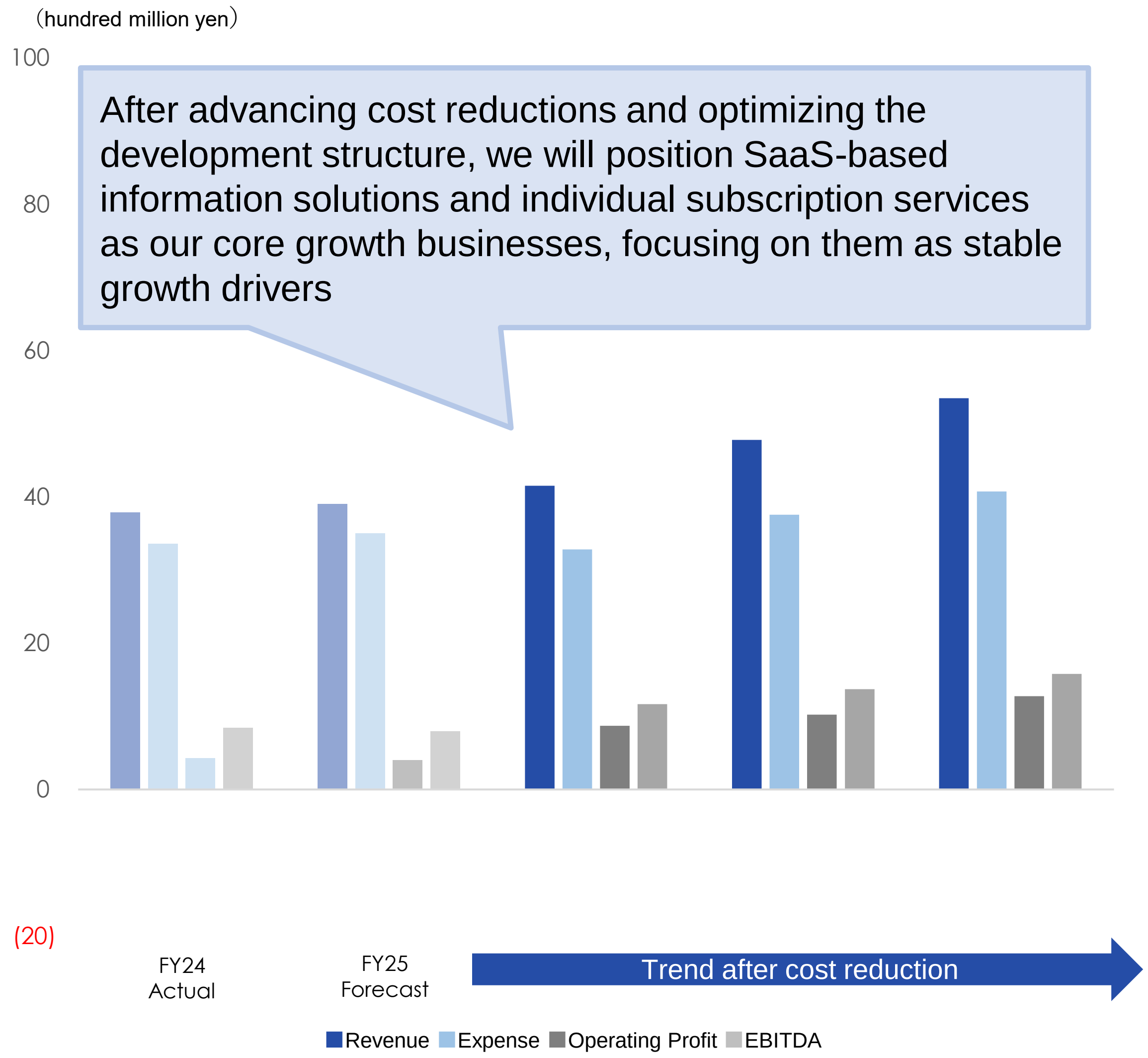
general

■ Revenue trend projections after cost reduction in each business

Media Business



Solution Business



*The reduction amount of the depreciation burden is currently under review and may be subject to change.

【Strategy under the new structure & simulation ：Solution Business】

■ Strategy for the solution business

Providing information services that directly and indirectly support the investment activities of individual investors in Japan, through B2C and B2B2C channels

Leveraging the strengths of our solution business, which holds a solid position in the financial information sector, we will reposition this business as a key growth driver for the company. To achieve this, we will reassess the current challenges and allocate resources focused on implementing improvement measures

Assumptions for the simulation

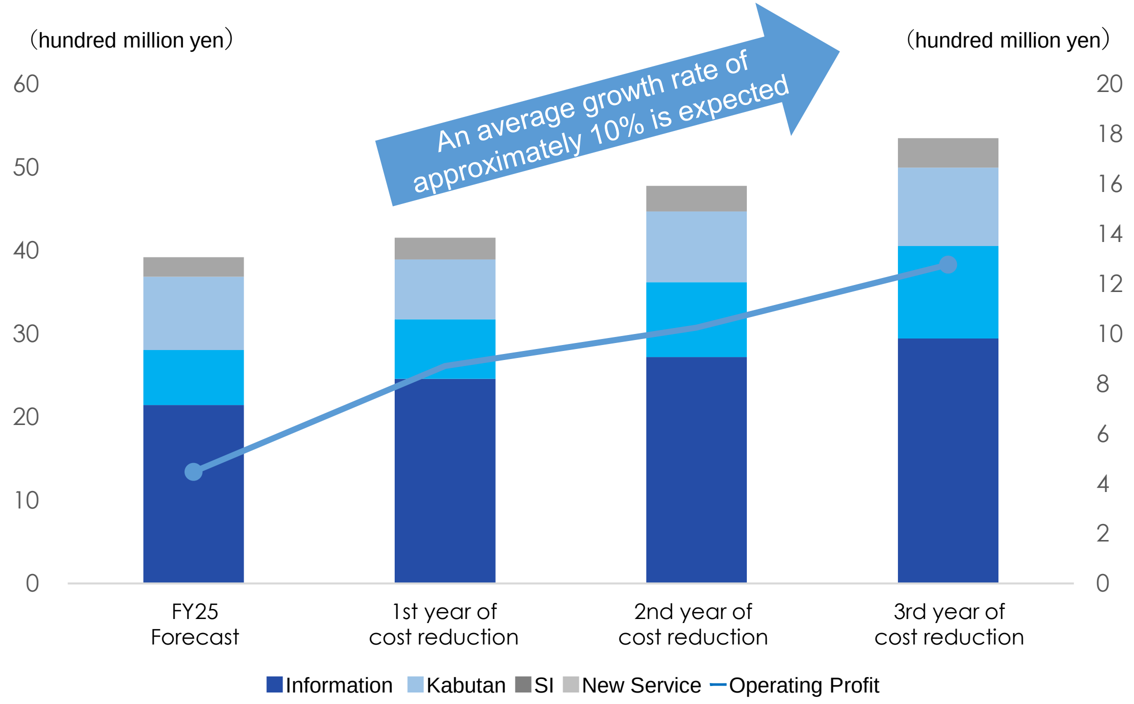
- For information solutions, we plan with a focus on high-certainty projects, such as those already ordered or in the process of contract formalization, while considering others as potential upside factors
- Kabutan Premium is taking a slightly conservative view of future market conditions, with an expected annual growth rate of 10% from FY2025 onward. Revenue acceleration through multilingual expansion and other efforts is expected to begin in FY2027
- For SI solutions, only the current order backlog and high-certainty projects are incorporated. A 20% revenue decline compared to FY2025 is expected for FY2026. From FY2027 onward, we aim to shift to a steady increase in revenue due to structural improvements
- For new initiatives like 'toku-chain' and 'MINKABU Academy,' only confirmed customers are currently included
- Since SaaS-based information solutions and subscription services Kabutan Premium, which account for the majority of revenue, have passed their investment-focused phase, it is expected that the profit amount will increase in line with the revenue growth of these services

■ Improvement of financial balance through profit-generating measures

（hundred million yen）

	FY25 Forecast	After Cost Reduction	Change	Remarks
Revenue	39	42	2	While the information business and Kabutan experience sustainable growth, the SI business will decrease as it focuses on high-profit
Cost	28	27	-1	Reduction in outsourcing costs/license fees, etc.
Gross Profit	11	14	3	
SGA	7	5	-2	Decrease due to the sale of subsidiaries, asset restructuring, termination of sponsorship contracts, etc.
OP	4	9	4	Continuous profit growth is expected through sustainable growth and selective focus
EBITDA	8	12	4	

■ Projections for future revenue composition and profit levels



*The reduction amount of the depreciation burden is currently under review and may be subject to change.

【Strategy under the new structure & simulation ：Media Business】

media

■ Strategy for the solution business

livedoor has not contributed to revenue as much as initially anticipated due to a decline in advertising rates and a decrease in blog page views. However, it is still making progress in recouping its investment every year

While the areas for improvement in each service are clear and there is potential for revenue growth, most of this will be absorbed through the optimization of the specifications for the transfer and development of Livedoor News and blogs. At this point, we are not planning for significant revenue growth, instead focusing on controlling cost increases in the medium term and improving profitability. The goal is to pursue the role of a 'stable revenue engine' that will serve as the foundation for the company's cash flow

（Status of investment recoupment of LD：billion yen）

Amount of investment		**7.1**
Amount of recovery		**1.3**
FY2023	**EBITDA**	**0.1**
FY2024	**EBITDA**	**0.6**
FY2025	**EBITDA**	**0.6**

Assumptions for the simulation

- While display advertising revenue, which is influenced by the rise of social media and market conditions, is expected to continue to decrease, pure advertising (planned advertising) and the rebound effect from the new NISA, which achieved significant expansion in the fiscal year ending March 2025, are expected to stabilize. Meanwhile, affiliate marketing, where the challenges are clear and countermeasures are possible, is expected to see a certain level of increase.
- By increasing revenue from growth drivers within the media, such as the creators' economy and subscription service 'MINKABU Premium,' alongside the decline in display advertising revenue, we expect to cover the decrease and maintain sales at the current scale.
- Due to the discontinuation of certain services, with some ending during FY2026, costs are expected to decrease further over the second year. Additionally, revenue growth from certain key drivers is expected to result in a gradual improvement in profitability.

*The reduction amount of the depreciation burden is currently under review and may be subject to change.

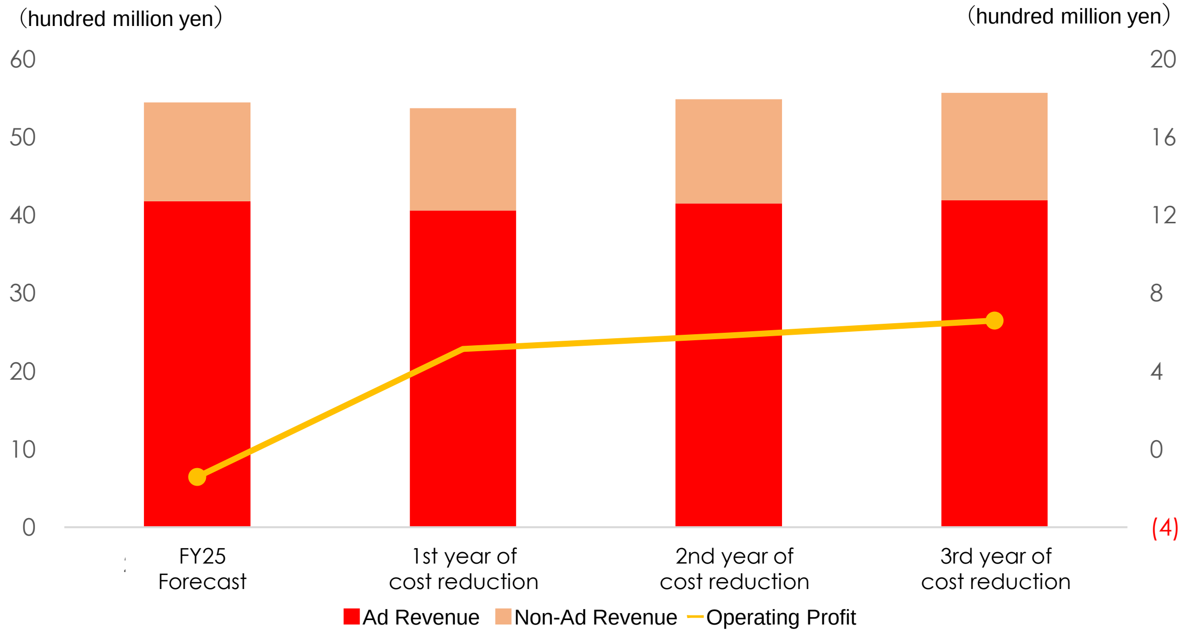
■ Improvement of financial balance through profit-generating measures

（hundred million yen）

	FY25 Forecast	After Cost Reduction	Change	Remarks
Revenue	55	54	-1	The decrease in advertising revenue and the exclusion of discontinued services will be offset by an increase in non-advertising revenue.
Cost	29	28	-0	
Gross Profit	26	25	-1	
SGA	28	20	-8	Effects of various investment restrictions
OP	-1	5	7	
EBITDA	6	16	10	

*Excluding the impact of the content business from the outlook for FY2025

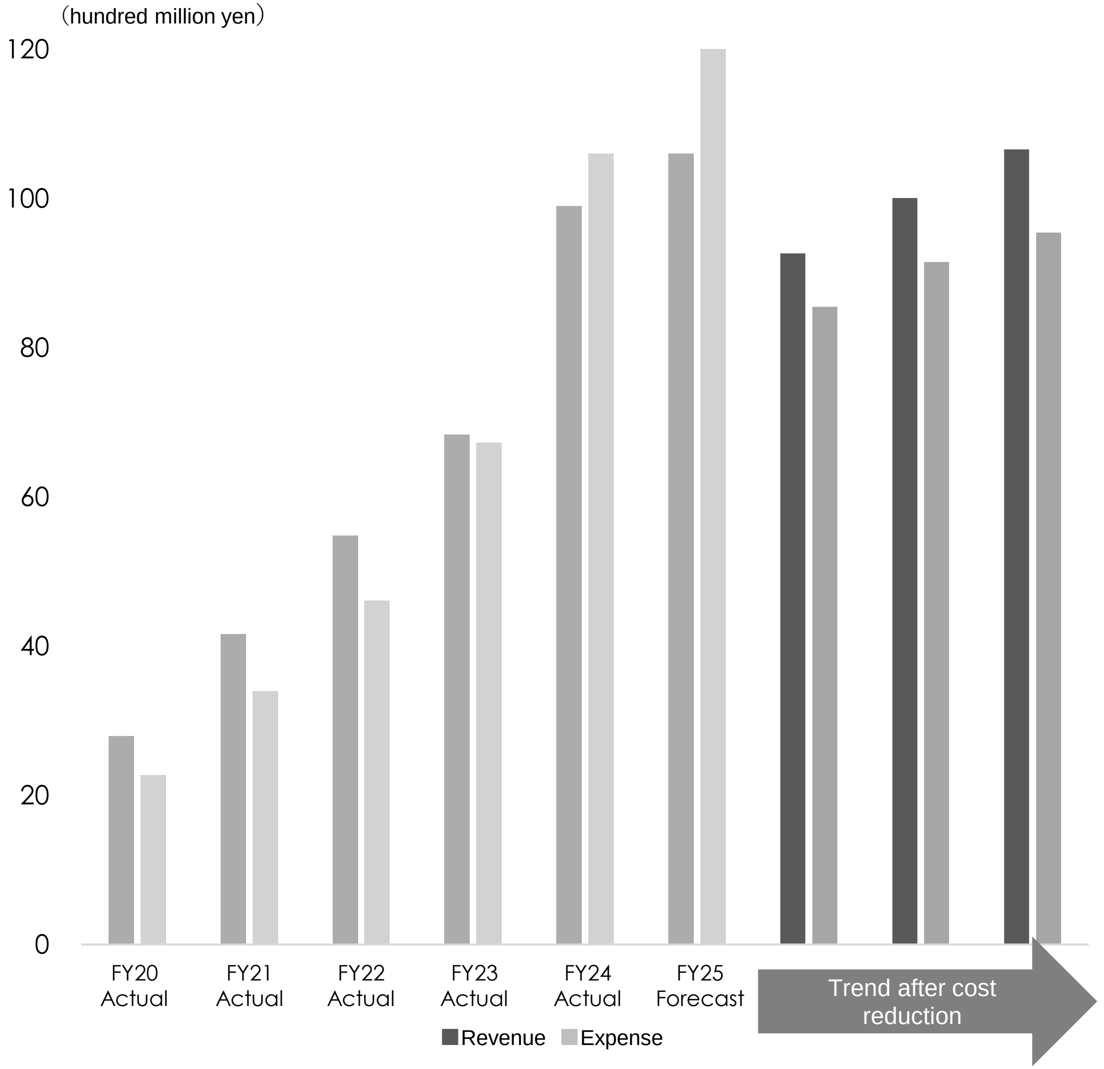
■ Projections for future revenue composition and profit levels

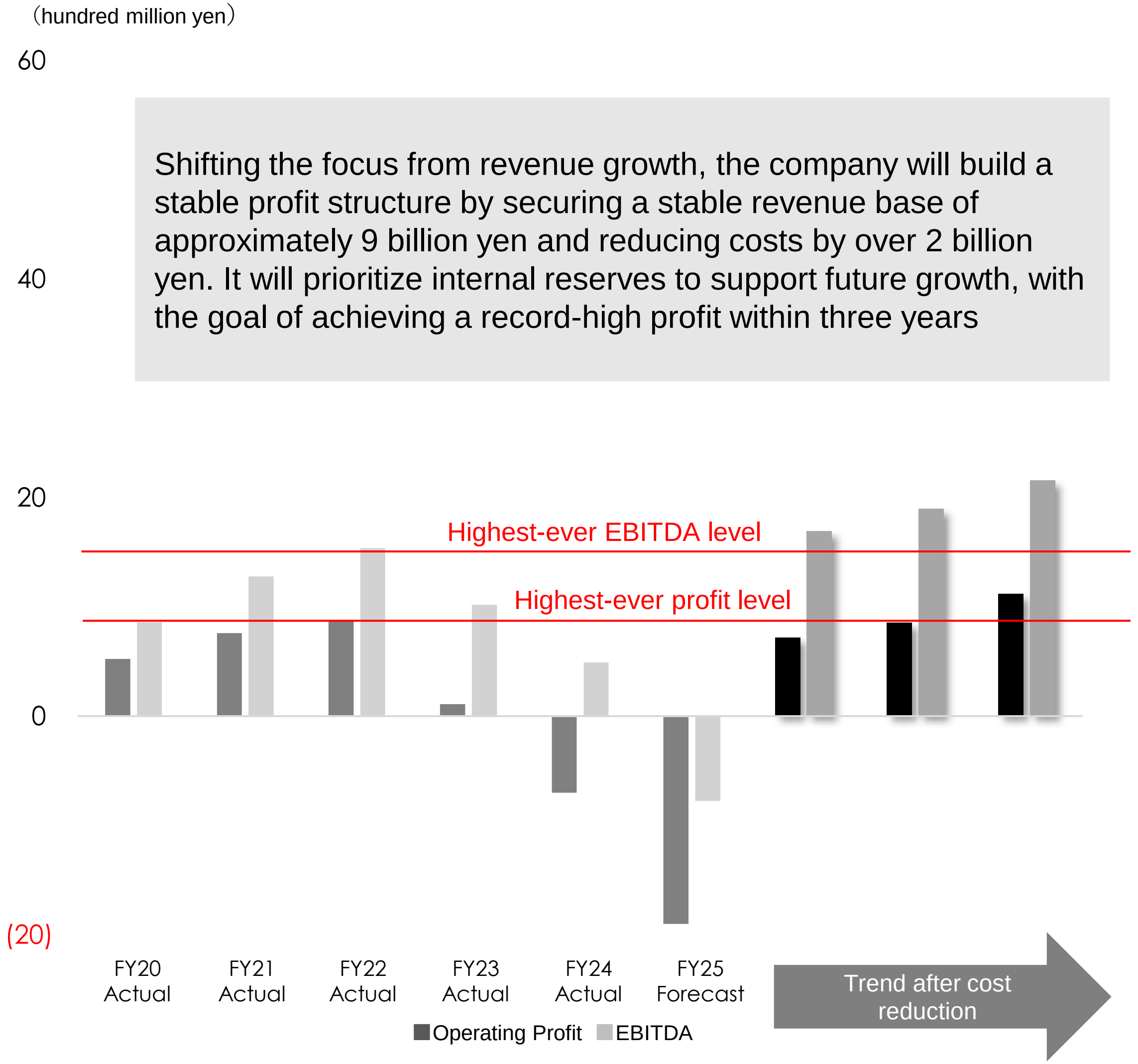


*Excluding the impact of the content business from the outlook for FY2025

■ Revenue transition image after cost reductions exceeding 2 billion yen

Consolidated basis（since IPO）





*The reduction amount of the depreciation burden is currently under review and may be subject to change.

- We sincerely apologize once again for the three consecutive downward revisions and recorded losses following the acquisition of Livedoor in December 2022, the withdrawal of our mid-term plan, and the decision to suspend dividend payments.

- We have revised our business policy regarding the expansion of reach and scale through aggressive investments as outlined in our mid-term plan. To prevent further erosion of shareholder equity, we will implement changes to our management structure, focus on the selection and concentration of core businesses, and achieve large-scale cost reductions of over 2 billion yen. Through these measures, we aim to transition to a structure capable of generating stable profits from the beginning of the 2026 fiscal year.

- We deeply apologize for the concern and inconvenience caused to our shareholders and stakeholders. Under the new management structure, we are committed to rebuilding the corporate value, and we will work together as one team to achieve this. We kindly ask for your continued guidance and support.

- We will further scrutinize the simulation presented and, during the announcement of the final financial results in May, we will present the three-year plan under the new management structure.

income statement

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the fiscal year ended March 31,2024. 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 34-35

（JPY in million）

	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Revised Consolidated Financial Forecasts Fiscal Year ending March 31, 2025		FY2024 Q3	FY2025 Q3	
	Consolidated	Consolidated	Consolidated	Changes	Consolidated	Consolidated	Changes
Net Sales	**6,836**	**9,920**	**10,600**	**+6.9%**	**7,126**	**7,010**	**-1.6%**
MEDIA	2,525	6,348	6,900	+8.7%	4,398	4,281	-2.7%
SOLUTION (8.)	4,352	3,783	4,000	+5.7%	2,872	2,938	+2.3%
Adjustment (1.)	-41	-212	-300	—	-145	-209	—
Operating Profit	**111**	**-699**	**-1,930**	**—**	**-319**	**-985**	**—**
MEDIA (7.)	160	-236	-1,330	—	-18	-605	—
SOLUTION (7.) (8.)	829	428	410	-4.2%	347	308	-11.2%
Adjustment (2.)	-878	-891	-1,010	—	-647	-688	—
Ordinary Profit	**-207**	**-790**	**-2,030**	**—**	**-367**	**-1,044**	**—**
Profit attributable to Parent Company	**726**	**-1,180**			**-204**	**-971**	**—**
EBITDA (3.)	**1,019**	**492**	**-740**	**—**	**559**	**-106**	**—**

1. Re-allocation of inter-segment sales
2. Elimination of inter-segment and unallocated operating expenses
3. Calculation formula of EBITDA is Operating income+depreciation+amortization of goodwill
4. Among the billing revenue of media business, that from Kabutan Premium has been reclassified to the stock revenue of the solution business from the third quarter of the fiscal year ended March, 2024. Figures for the fiscal year ended March 2023 are reflected this classification changes
5. Acquired livedoor Co., Ltd on December 28, 2022 and made it a consolidated subsidiary. Since the deemed acquisition date is December 31, 2022, only the balance sheet was consolidated as of December 31, 2022.
6. Acquired From One Co., ltd. on September 1, 2023 and made it a consolidated subsidiary. Since the deemed acquisition date is September 30, 2024, only the balance sheet was consolidated as of September 30, 2023.
7. Starting from July 1, 2023, the Company has been collecting management fees from group companies. Assuming the management fee is added to the segment profit and loss of each business segment for the third quarter of the fiscal year ending March 2024, the media business segment loss will increase from 18 million yen to 327 million yen (including a management fee of 308 million yen), while the solution business segment profit will decrease from 347 million yen to 149 million yen (including a management fee of 197 million yen). Similarly, for the third quarter of the fiscal year ending March 2025, the media business segment loss will increase from 605 million yen to 1,285 million yen (including a management fee of 679 million yen), while the solution business segment profit will decrease from 308 million yen to loss103 million yen (including a management fee of 411 million yen).
8. As of March 30, 2023, the Company has sold its subsidiary, Prop Tech plus Inc.
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 fiscal year ended March 31,2024. 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 34-35

（JPY in million）

	Fiscal Year ended March 31, 2023 Consolidated	Fiscal Year ended March 31, 2024 Consolidated	FY2024 Q3 Consolidated	FY2025 Q3 Consolidated	FY2025 Q3 Changes
MEDIA	**2,525**	**6,348**	**4,398**	**4,281**	**-2.7%**
Ad revenue	2,420	5,193	3,943	3,159	-19.9%
Subscription revenue (2.)(3.)	65	129	98	84	-14.3%
Others	38	1,026	356	1,037	+190.8%
SOLUTION (6.)	**4,352**	**3,783**	**2,872**	**2,938**	**+2.3%**
Subscription revenue (3.)	3,097	2,626	1,932	2,167	+12.2%
Billing revenue(3.)	346	440	323	388	+20.0%
Initial revenue	1,254	1,157	939	770	-18.0%
Adjustment (1.)	-41	-212	-145	-209	－
Net Sales	**6,836**	**9,920**	**7,126**	**7,010**	**-1.6%**

1. Re-allocation of inter-segment sales
2. Subscription revenue includes monthly subscription fees, initial fees and monthly fees for OEM services.
3. Allocation of billing revenue for Kabutan Premium in media business have been allocated to Solution Business revenue from FY2024/03
4. Acquired livedoor Co., Ltd on December 28, 2022 and made it a consolidated subsidiary. Since deemed acquisition date is December 31, 2022, 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 a subsidiary, Prop Tech plus Inc.
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APPENDIX

income statement

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（JPY in million）

	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Revised Consolidated Financial Forecasts Fiscal Year ending March 31, 2025		FY2024 Q3	FY2025 Q3	
	Consolidated	Consolidated	Consolidated	Changes	Consolidated	Consolidated	Changes
Net Sales	**6,836**	**9,920**	**10,600**	**+6.9%**	**7,126**	**7,010**	**-1.6%**
MEDIA	2,525	5,877	6,000	+2.1%	4,090	3,602	-11.9%
SOLUTION (8.)	4,352	3,493	3,400	-2.7%	2,674	2,526	-5.5%
Adjustment (1.)	-41	548	1,200	+118.9%	361	882	―
Operating Profit	**111**	**-699**	**-1,930**	**―**	**-319**	**-985**	**―**
MEDIA (7.)	160	-706	-2,230	―	-327	-1,285	―
SOLUTION (7.) (8.)	829	138	-190	―	149	-103	-73.1%
Adjustment (2.)	-878	-131	490	―	-141	403	―
Ordinary Profit	**-207**	**-790**	**-2,030**	**―**	**-367**	**-1,044**	**―**
Profit attributable to Parent Company	**726**	**-1,180**			**-204**	**-971**	**―**
EBITDA (3.)	**1,019**	**492**	**-740**	**―**	**559**	**-106**	**-24.5%**

1. Re-allocation of inter-segment sales
2. Elimination of inter-segment and unallocated operating expenses
3. Calculation formula of EBITDA is Operating income+depreciation+amortization of goodwill
4. Among the billing revenue of media business, that from Kabutan Premium has been reclassified to the stock revenue of the solution business from the third quarter of the fiscal year ended March, 2024. Figures for the fiscal year ended March 2023 are reflected this classification changes
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7. Starting from July 1, 2023, the Company has been collecting management fees from group companies. Assuming the management fee is not deducted from the segment profit and loss for the third quarter of the fiscal year ending March 2024, the media business segment loss will decrease from 327 million yen to 18 million yen (management fee of 308 million yen), while the solution business segment profit will increase from 149 million yen to 347 million yen (management fee of 197 million yen). Similarly, for the third quarter of the fiscal year ending March 2025, the media business segment loss will decrease from 1,285 million yen to 605 million yen (management fee of 679 million yen), and the solution business segment loss will increase from 103 million yen to 308 million yen (management fee of 411 million yen).
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APPENDIX

sales by segments

The Company has been collecting management fees from various group companies as internal transactions since the second quarter of the fiscal year ended March 31,2024. In terms of the table below, we have presented the figures including management fees

（JPY in million）

	Fiscal Year ended March 31, 2023 Consolidated	Fiscal Year ended March 31, 2024 Consolidated	FY2024 Q3 Consolidated	FY2025 Q3 Consolidated	FY2025 Q3 Changes
MEDIA	**2,525**	**5,877**	**4,090**	**3,602**	**-11.9%**
Ad revenue	2,420	5,193	3,943	3,159	-19.9%
Subscription revenue (2.)(3.)	65	129	98	84	-14.3%
Others	38	1,026	356	1,037	+190.8%
Others(management fee deduction)　(6.)	―	-470	-308	-679	―
SOLUTION　(7.)	**4,352**	**3,493**	**2,674**	**2,526**	**-5.5%**
Subscription revenue (3.)	3,097	2,626	1,932	2,167	+12.2%
Billing revenue(3.)	346	440	323	388	+20.0%
Initial revenue	1,254	1,157	939	770	-18.0%
Others(management fee deduction)　(6.)	―	-289	-197	-411	―
Adjustment	**-41**	**548**	**361**	**882**	**+144.0%**
Adjustment　(1.)	-41	-212	-145	-209	―
Adjustment　(management fee deduction)　(6.)	―	760	506	1,091	+115.5%
Net Sales	**6,836**	**9,920**	**7,126**	**7,010**	**-1.6%**

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
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5. Acquired From One Co., ltd. on September 1, 2023 and made it a consolidated subsidiary. Since the deemed acquisition date is September 30, 2024, only the balance sheet was consolidated as of September 30, 2023.
6. Since July 1, 2023, the Company has been collecting management fees from each group company. The segment sales of each business segment are presented after deducting these management fees, and the collected management fees are included in the adjustment amount.
7. As of March 30, 2023, the Company has sold a subsidiary, Prop Tech plus Inc.
8. 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, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended December 31, 2025	
	Consolidated	Consolidated	Consolidated	Changes
Current assets	6,567	4,132	3,108	-24.8%
(Cash and deposit)	4,463	2,047	618	-69.8%
Non - current assets	9,967	10,706	10,971	+2.5%
Assets	**16,534**	**14,838**	**14,080**	**-5.1%**
Current Liabilities	1,926	2,734	3,858	+41.1%
Non-Current Liabilities	6,752	5,919	5,338	-9.8%
Liabilities	**8,678**	**8,654**	**9,196**	**+6.3%**
Capital stock	3,533	3,534	320	-90.9%
Capital surplus	4,194	3,806	6,632	+74.2%
Retained earnings	-18	-1,199	-2,170	―
Others	55	28	89	+216.7%
Non-controlling interests	91	14	12	-17.1%
Net assets	**7,855**	**6,184**	**4,884**	**-21.0%**