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May 14, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



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 Listing: Growth Market, Tokyo
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 Scheduled date of the Annual General Meeting of Shareholders: June 26, 2025
 Scheduled date to commence dividend payments: —
 Scheduled date of submission of the Securities Report: June 26, 2025
 Preparation of supplementary material on annual financial results: Yes
 Holding financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

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

	Net sales		EBITDA		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	10,548	6.3	(711)	—	(1,911)	—	(1,993)	—	(5,525)	—
March 31, 2024	9,920	45.1	492	(51.7)	(699)	—	(790)	—	(1,180)	—

Note: Comprehensive income For the fiscal year ended March 31, 2025: (5,476) million yen (—)%
 For the fiscal year ended March 31, 2024: (1,285) million yen (—)%

	Basic earnings per share	Diluted earnings per share	Return on Equity	Ratio of ordinary income to total assets	Ratio of operating income to gross operating income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(368.79)	-	-	(16.1)	-
March 31, 2024	(78.84)	-	-	(5.0)	-

Reference: Equity in earnings of affiliates For the fiscal year ended March 31, 2025: - million yen
 For the fiscal year ended March 31, 2024: - million yen

Note:

- The diluted net income per share for the fiscal year ended March 2025 is not provided, as there is a net loss per share despite the existence of potential shares.
- EBITDA (Operating Income + Depreciation + Amortization of Goodwill)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Million yen	Million yen	%	Yen
March 31, 2025	9,982	319	3.1	20.60
March 31, 2024	14,838	6,184	41.6	411.81

Reference: Equity

As of March 31, 2025: 308 million yen

As of March 31, 2024: 6,170 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	(655)	(1,196)	346	542
March 31, 2024	91	(1,684)	(822)	2,047

2. Dividends

	Annual dividends per share					Total dividends for the year	Payout Ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	26.00	26.00	389	(33.0)	5.5
Fiscal year ending March 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	8,700	(17.5)	1,200	-	300	-	150	-	200	-	13.34

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

Notes

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Company name): Contents Monster, Inc.

Excluded: 2 companies (Company name): SEESAW GAME, Inc. MINKABU ASEET PARTNERS, Inc.

- (2) Changes in accounting policies, accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

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

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

As of March 31, 2025	14,985,800 shares
As of March 31, 2024	14,983,000 shares

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

As of March 31, 2025	53 shares
As of March 31, 2024	23 shares

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

Fiscal year ended March 31, 2025	14,983,933 shares
Fiscal year ended March 31, 2024	14,978,841 shares

Reference: Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Net profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	1,123	(46.2)	47	-	(18)	-	(2,502)	-
March 31, 2024	2,088	(54.5)	(375)	-	(154)	-	(144)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(166.98)	-
March 31, 2024	(9.64)	-

Notes: Regarding diluted net income per share, although there are potential shares, this is a net loss per share and is therefore not stated.

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
Fiscal year ended	Million yen	Million yen	%	Yen
March 31, 2025	10,834	1,697	15.7	113.30
March 31, 2024	12,974	4,590	35.4	306.35

Reference: Equity

As of March 31, 2025: 1,697 million yen

As of March 31, 2024: 4,590 million yen

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

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

1. The statements regarding the forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For notes on using earnings projections and assumptions for premises thereof, please refer to “(4) Future outlook” under the “1. Overview of Financial Results” section on page 9.

2. On May 14, we held a "Business Briefing for the Fiscal Year Ended March 2024 to the Fiscal Year Ending March 2025" for institutional investors and securities analysts, which is available on our website. While we will not hold a briefing based on this financial results report, we will separately disclose the presentation materials today

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1. Overview of Financial Results

(1) Explanation of Results of Operations for the Fiscal Year Ended March 31, 2025

For the current consolidated fiscal year, the Company recorded net sales of 10,548,910 thousand yen (an increase of 6.3% year-on-year), operating loss of 1,911,248 thousand yen (compared to an operating loss of 699,745 thousand yen in the previous fiscal year), ordinary loss of 1,993,227 thousand yen (compared to 790,919 thousand yen), and net loss attributable to owners of the parent of 5,525,955 thousand yen (compared to 1,180,874 thousand yen). EBITDA (calculated as operating profit plus depreciation and amortization of goodwill), the Company regards as a key indicator of sustainable growth of the group (Group), was negative 711,296 thousand yen (compared to 492,857 thousand yen in the previous fiscal year).

Regarding net sales, although the media business was negatively affected by the prolonged downturn in the display advertising market and the solution business faced delays in realizing large-scale projects anticipated for the second half of the fiscal year, revenue increased by 6.3% year-on-year. This was primarily due to the full-year contribution of FromOne, Inc. (renamed SEESAW GAME, Inc. as of November 1, 2023, and later merged into livedoor Co., Ltd. as the surviving company on October 1, 2024), which joined the Group on September 1, 2023, as well as contributions from Contents Monster, Inc. established as a wholly owned subsidiary in April 2024.

On the other hand, operating profit declined significantly, mainly due to a drop in high-margin advertising revenue within the media business, and substantial losses incurred from a large-scale K-POP event operated by Contents Monster, Inc.

In light of these circumstances, as disclosed dated February 14, 2025 (“Notice Regarding the Revision of Consolidated Financial Forecasts and the Withdrawal of the Mid-Term Plan”) and May 2, 2025 (“Notice Regarding the Revision of Consolidated Financial Forecasts” and “Notice Regarding Recognition of Extraordinary Losses”), the Company has lifted its business strategy from the top-line growth, and undertook significant business and asset restructuring, including the withdrawal from businesses requiring long-term investment before contributing to profitability. As a result, substantial cost reductions were implemented during the fiscal year.

Accordingly, the Company recorded total extraordinary losses of 3,439 million yen in the current consolidated fiscal year, including losses related to business restructuring, impairment losses, and valuation losses on investment securities.

The business performance by reportable segment is as follows:

(Media Business)

The media business, centered around the livedoor business, operates a comprehensive internet media platform with an average monthly unique user base of approximately 100 million. This includes UGC (User Generated Content) media such as “livedoor Blog,” PGC (Professionally Generated Content) media such as “livedoor News,” sports information media including “SOCCERKING,” “BASEBALLKING,” “BASKETBALLKING,” and “totoONE,” asset formation information media such as “MINKABU,” Korean wave media “Kstyle,” and affiliate sites such as “MINKABU Choice” and “livedoor Choice.” Revenues are primarily generated through advertising sales, subscription sales from paid services, and affiliate marketing income.

In the current consolidated fiscal year, although SEESAW GAME, Inc. which operates sports information media contributed fully to the consolidated performance the prolonged downturn in the display advertising market continued to weigh heavily. The company implemented proactive revenue diversification measures to reduce its dependency on advertising revenue and cost reduction initiatives in anticipation of lower display ad sales, but was not enough to offset the impact of a steeper-than-expected decline in ad unit prices and PVs (page views) for “livedoor Blog,” continued low ad pricing, and a sharp slowdown in affiliate ad revenue following the post-new NISA reaction.

In addition, the K-POP content business operated by Contents Monster, Inc. as part of its diversification strategy failed to adequately execute its original objective of acquiring users for its monthly subscription service. Multiple events held as promotional initiatives significantly diverged from initial revenue and cost expectations. These events contributed revenue some, but ultimately resulted in substantial losses.

As a result, net sales for the current consolidated fiscal year amounted to 6,081,869 thousand yen, an increase of 203,927 thousand yen (up 3.5% year-on-year) from 5,877,941 thousand yen in the previous fiscal year. Segment loss was 2,188,938 thousand yen, a deterioration of 1,482,124 thousand yen from the segment loss of 706,814 thousand yen in the previous year. It should be noted that the net sales figure includes 830,666 thousand yen in management fees and related payments under the holding company structure. Excluding these, adjusted net sales amounted to 6,912,535 thousand yen, representing an increase of 563,794 thousand yen (up 8.9% year-on-year) on a comparable basis. The adjusted segment loss was 1,358,271 thousand yen, a year-on-year deterioration of 1,122,256 thousand yen.

(Solution Business)

The solution business provides information solution services on a B2B and B2B2C basis by repurposing information content and applications originally developed for the media business, customizing them to meet the differentiated needs of various financial institutions. In addition, to expand its client base in the solutions domain and further develop its solution-related expertise, the Group also offers SI and package-based solution services aimed at improving and streamlining internal systems at financial institutions. These services leverage proprietary applications and APIs (Application Programming Interfaces) developed in-house. The Group also operates the stock information media platform “Kabutan.”

Revenue from information solution services primarily consists of one-time installation fees and monthly fixed or usage-based subscription income from cloud-based ASP offerings. SI and package-based solution services generate revenue through planning and consulting services, as well as custom system development tailored to client requirements, providing both one-off project income and recurring revenue through maintenance and operational support. The “Kabutan” media also contributes revenue through subscription sales from paid membership services.

In the current consolidated fiscal year, the number of subscribers for “Kabutan Premium,” a consumer subscription service, increased steadily, and price-increase also contributed to the revenue growth. Monthly recurring revenue from information solution services also remained solid. On the other hand, anticipated one-time revenue in the second half were partially cancelled including a large-scale project for a mid-sized face-to-face securities company and several projects with online securities due to their poor performance. In addition, in SI and package solution services, the Company lost a large digital transformation (DX) project for an existing client, which was expected in the second half.

Furthermore, MINKABU ASSET PARTNERS, Inc. established as a wholly owned subsidiary in September 2021 to promote revenue diversification, completed registration as an investment advisory and agency business in the previous fiscal year but due to the delay in service launch, led to upfront costs incurred, which was a factor in deteriorating in profit despite revenue growth.

As a result, net sales for the current consolidated fiscal year amounted to 3,642,505 thousand yen, an increase of 148,659 thousand yen (up 4.3% year-on-year) from 3,493,846 thousand yen in the previous fiscal year. Segment profit was 99,668 thousand yen, a decrease of 38,794 thousand yen from 138,462 thousand yen in the previous fiscal year. As in the media business, the above net sales include 289,833 thousand yen in management fees and related payments. Excluding these, adjusted net sales amounted to 3,932,339 thousand yen, representing an increase of 148,953 thousand yen (up 3.9% year-on-year) on a comparable basis. Adjusted segment profit was 389,501 thousand yen, a decrease of 38,500 thousand yen (down 9.0% year-on-year) from the same period in the previous fiscal year.

Additionally, with the Group’s strategic shift toward prioritization and concentration, all shares of MINKABU ASSET PARTNERS, Inc. were transferred to TRADE WORKS Co.,Ltd a business partner, on March 31, 2025. The decision was made based on the expectation that greater business synergies could be realized by integrating its financial services operations with those of TRADE WORKS Co.,Ltd.

(2) Overview of Financial Position as of March 31, 2025

(i) Assets, Liabilities, and Net Assets

(Assets)

Current assets at the end of the current consolidated fiscal period were 2,039,279 thousand yen, a decrease of 2,092,755 thousand yen from the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction in cash and deposits by 1,505,135 thousand yen and a decrease in accounts receivable by 514,504 thousand yen and a decrease of 113,515 thousand yen in income taxes receivable.

Fixed assets were 7,943,107 thousand yen, a decrease of 2,763,722 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 303,718 thousand yen in property, plant and equipment and a total decrease of 2,344,833 thousand yen in intangible assets as a result of significant cost reduction measures based on selection and concentration as announced in the “Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)” dated February 14, 2025. The decrease in property, plant and equipment was mainly due to impairment losses resulting from office downsizing, and the decrease in intangible assets was mainly due to impairment losses on goodwill and software resulting from the termination of businesses and services and the review of some service functions, as well as impairment losses on customer-related assets related to livedoor Blog based on risk-informed assessments of recoverability. The decrease in intangible assets was mainly due to impairment losses on goodwill and software resulting from the termination of operations and the review of some service functions.

As a result, total assets amounted to 9,982,387 thousand yen, a decrease of 4,856,477 thousand yen from 14,838,864 thousand yen at the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the current consolidated fiscal period were 4,376,183 thousand yen, an increase of 1,642,018 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to increases of

1,492,000 thousand yen in short-term borrowings and 90,000 thousand yen in current portion of long-term borrowings, and 156,503 thousand yen in allowance for loss on business liquidation.

Fixed liabilities were 5,286,215 thousand yen, a decrease of 633,630 thousand yen from the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction in long-term borrowings by 847,500 thousand yen due to scheduled repayments and reclassification to current assets, and an increase in deferred tax liabilities by 213,869 thousand yen.

As a result, total liabilities amounted to 9,662,399 thousand yen, a increase of 1,008,387 thousand yen from 8,654,011 thousand yen at the end of the previous consolidated fiscal year.

(Net Assets)

Total net assets at the end of the current consolidated fiscal period were 319,988 thousand yen, a decrease of 5,864,865 thousand yen from 6,184,853 thousand yen at the end of the previous consolidated fiscal year. This is primarily due to an increase of 52,360 thousand yen in net unrealized gains on other securities, while capital stock and capital surplus decreased by a total of 387,927 thousand yen. This decrease resulted from the reduction of capital executed based on the resolution at the 18th Annual General Meeting of Shareholders held in June 2024, with the reduced amount transferred to capital surplus, followed by ordinary dividend payments and other distributions sourced from capital surplus. In addition, the retained earnings decreased by 5,525,955 thousand yen.

As a result, the equity ratio was 3.1% (compared to 41.6% at the end of the previous consolidated fiscal year).

(3) Overview of Cash Flow for the Fiscal Year ended March 31, 2025

The balance of cash and cash equivalents at the end of the current consolidated fiscal year decreased by 1,505,135 thousand yen from the end of the previous consolidated fiscal year to 542,610 thousand yen. The status and factors of each cash flow in the current consolidated fiscal year are as follows:

Cash Flows from Operating Activities

Net cash used in operating activities were 655,990 thousand yen (compared to 91,018 thousand yen in the previous fiscal year). This was mainly due to a pre-tax net loss of 5,302,479 thousand yen, depreciation expenses primarily associated with growth investments mainly in software, totaling 932,954 thousand yen, and an impairment loss of 2,543,076 thousand yen. The impairment loss resulted from indications of reduced profitability compared to initially expected returns, based on a risk-based assessment of recoverability for customer-related assets primarily related to “livedoor Blog.” Additional contributing factors included business restructuring losses of 276,050 thousand yen, goodwill amortization of 266,997 thousand yen, an increase in other provisions totaling 179,046 thousand yen, valuation losses on securities of 102,753 thousand yen, and a decrease in accounts receivable of 514,280 thousand yen. Offsetting these factors were gains on sales of securities of 20,000 thousand yen, gains on sales of subsidiary shares of 91,965 thousand yen, and a decrease in other current liabilities of 105,688 thousand yen.

Cash Flows from Investing Activities

Net cash used in investing activities were 1,196,139 thousand yen (compared to expenditures of 1,684,902 thousand yen in the previous fiscal year). This was mainly 1,271,049 thousand yen for the acquisition of intangible fixed assets, primarily from software development investments, and 112,828 thousand yen for the purchase of tangible fixed assets. These were partially offset by proceeds of 120,000 thousand yen from the sale of investment securities and 95,495 thousand yen from the sale of shares in subsidiaries.

Cash Flows from Financing Activities

Net cash provided by financing activities were 346,994 thousand yen (compared to an outflow of 822,324 thousand yen in the previous fiscal year). This was primarily due to a net increase in short-term borrowings of 1,492,000 thousand yen, offset by expenditures of 757,500 thousand yen for the repayment of long-term borrowings and 389,117 thousand yen for dividend payments.

(4) Future Outlook

This is the third consecutive fiscal year since the fiscal year ended March 31, 2023 that the Company has revised its forecasts downward and recorded a loss. Considering this situation, in order to avoid further damage to shareholders' equity, the Company has changed its business policy from one of sales growth focused on high sales growth rates to one of “prioritization and concentration,” and has implemented a large-scale business and asset liquidation plan. Specifically, the Company withdrew from the content business, which had incurred a large amount of losses, and also withdrew from new businesses that will take time to start contributing to earnings. The Company will concentrate on two types of businesses: SaaS and subscription service businesses such as monthly charges as growth drivers, and businesses that can become stable profit engines through cost control.

Since its establishment, the Company has been providing information infrastructure that directly and indirectly supports the investment activities of individual investors in Japan, with a customer base of approximately 10 million individual investors and more than 170 financial institutions that indirectly provide information to individual investors. In addition to its competitive user base in the domestic financial market, the company's existing business assets, which generate approximately 9 billion yen in sales by distributing information to approximately 100 million Internet users in Japan, remains even after the withdrawal from some of the new businesses.

The fiscal year ending March 31, 2026 will be a transitional period to return to a stable profit structure through selection and concentration. Most of the planned cost reduction measures have been completed, and so the Company expects consolidated net sales of 8,700 million yen, consolidated operating income of 300 million yen, consolidated ordinary income of 150 million yen, and net income attributable to shareholders of the parent company of 200 million yen for the FY2026. EBITDA is expected to be in the double-digit 100 million yen range at 1,200 million yen. The outlook by business segment is as follows.

Media Business

The revenue diversification measures to leverage the approximately 100 million user base are making steady progress, and while affected by the decline in advertising unit prices and traffic due to the sluggish external environment, the return on investment in the media business, including the acquisition of livedoor Co.,Ltd. has been progressing every year.

Some of the measures to diversify revenue sources, have already produced results such as “creators’ economy”, but there were also some that required continued aggressive investment over the medium to long term that entailed risk until they contributed to earnings. Therefore, under the policy of prioritization and concentration, the Company has conducted a drastic review of the businesses and assets, including the termination of services. Going forward, we will focus on improving profitability and pursue our role as a “stable earnings engine” that serves as the foundation of our cash flow.

For the fiscal year ending March 31, 2026, sales related to the creators' economy are expected to continue to increase, while the network advertising market is supposed to continue to decline on the assumption that weak market conditions will continue. Including the withdrawal from the content business, sales are expected to total 5,000 million yen. On the other hand, the Company will conduct a fundamental review of the businesses and assets, including the termination of services based on the aforementioned policy of prioritization and concentration, and by reducing costs by approximately 800 million yen and common group expenses in the fiscal year ending March 2026, we expect segment income in the media business to return to profitability at 430 million yen and EBITDA to recover to near double-digit billion yen, at 890 million yen. EBITDA is also expected to recover to 890 million yen, close to double-digit billion yen. In the medium term, development investment is planned to be limited to a total annual amount of about 300 million yen, based on the development of systems transferred from LINE Yahoo Japan Corporation, which was agreed upon at the time of the acquisition of Livedoor Corporation as mentioned above, and by carefully selecting areas such as the improvement of operational efficiency and the development of subscription services, which could become a growth driver. By reducing these costs and thoroughly managing the total amount of capital investment, we will establish a foundation that will enable us to generate stable free cash flow.

The following revisions have been made to the earnings transition image after cost reductions in each business announced in the “Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025” dated February 14, 2025. Considering changes in the market environment and external distribution channels, we have revised the level of distribution revenues to external media to a level that is expected to be firm, resulting in a 250 million yen decrease in advertising revenues and a 150 million yen decrease in a portion of non-advertising revenues. The same review was also conducted for some non-advertising revenues, resulting in a 150-million-yen decrease. On the other hand, as for cost reductions, fixed cost reductions and asset liquidation in ongoing businesses were completed as planned. In addition, the termination of the “Minkabu Insurance” service was also completed as planned. However, a 21-million-yen cost reduction was not yet implemented due to the decision to continue the service after a close examination. However, we plan to expand sales and take additional cost reduction measures as necessary during the term to reach the profit level announced as of February 14, 2025.

Solution Business

In the solutions business, to provide B2C and B2B information services that directly and indirectly support the investment activities of individual investors in Japan, the Company will leverage the strengths of this business, which has a competitive advantage in the financial information field, and re-position this business as a growth driver for the Company. To this end, the Company will reaffirm our recognition of the current issues and concentrate resources on measures to improve them.

For the information solution services, the Company is limiting the sales forecast to projects with a high degree of certainty, such as those for which orders have already been received or contracts are in process, and for ” Kabutan

Premium”, the Company takes a somewhat conservative view of future market conditions and sees annual growth of 10% including an acceleration of revenue growth of multilingual expansion from March 2027 onward.

At the same time, the Company reduces more than 200 million yen expenses by selling new businesses that have not yet become profitable (MINKABU ASEET PARTNERS, Inc., an investment advisory and agency business, completed the transfer of shares to TRADE WORKS Co., Ltd on March 31, 2025), reviewing outsourcing expenses, and reducing depreciation expenses by retiring some assets, thereby streamlining operations. The Company will streamline its business by reviewing outsourcing costs and reducing depreciation costs through the disposal of some assets.

In SI and package solution services, the Company handles only the current order backlog of orders and projects with high terms and conditions, as the standby personnel required to immediately respond to customer requests will put pressure on working capital. The Company expects a 20% decline in revenue in FY2026 compared to the current fiscal year, and works to improve the business structure to achieve a certain level of revenue growth in and after the fiscal year ending March 31, 2027.

As a result, net sales are expected to remain steady at 4,000 million yen. In the solutions business, a fundamental review of operations and assets, including the termination of services based on a policy of prioritization and concentration, will result in cost reductions of approximately 200 million yen in the fiscal year ending March 31, 2026, and a reduction in common group expenses. As a result, segment income in the solutions business is expected to almost double from the current fiscal year to 770 million yen. EBITDA is also expected to reach 1,150 million yen, a double-digit figure. Capital investment in the solutions business will be about 300 million yen per year, about three times the normal development budget for the media business, mainly for growth businesses such as SaaS-type information solutions and Kabutan Premium, a billing service for individuals.

In the solution business as well, the Company has revised its outlook as follows, based on the projected post-cost-reduction profit levels for each business announced in the “Financial Results Briefing Materials for the Third Quarter of the Fiscal Year Ending March 31, 2025,” dated February 14, 2025.

Regarding sales, the Company has revised down its projections by 160 million yen by adopting conservative and stable estimates. These reflect the reassessment of projects in the Information Solution Service segment with relatively high volatility in initial installation estimates, and projects in the SI/Package Solution Service segment, including performance-based revenue from the coupon distribution platform (toku-chain) and development projects with relatively high volatility.

On the cost reduction front, while planned fixed cost reductions in ongoing operations have been completed as scheduled, a 15-million-yen reduction in depreciation and amortization which was expected through asset liquidation, has not been realized, due to the decision to continue using part of the database engine.

Nonetheless, in order to achieve the profit level announced on February 14, 2025, the Company plans to pursue further sales growth and will implement additional cost reduction measures as necessary during the fiscal year.

【Profit Structure in the Transition to a Profit-Generating Structure】

In addition to cost reductions already made in both businesses (approximately 800 million yen in the media business and approximately 200 million yen in the solutions business), the Company expects to reduce costs by approximately 300 million yen by cutting executive compensation and personnel expenses for some managers, reducing rent by downsizing offices, etc. The Company also improved the business foundation to ensure profits from the sales base that will remain after withdrawal from various businesses.

Although the cash and deposits decreased significantly at the end of the current fiscal year compared to the end of the previous fiscal year, the Company has completed the withdrawal from the content business, which incurred a large loss, and will not be burdened with funds in the future, and in addition to the cash reduction of some assets due to business and asset liquidation, the Company mainly reduces the aforementioned expenses, EBITDA is expected to recover to billion yen level, and the Company's financial strength is expected to recover. The Company works to repay borrowings and secure as much internal reserves as possible through continuous discussions with financial lenders, and aim to re-establish a business foundation that will enable us to record record profits within the next three years and move into the re-growth phase at the earliest possible date.

(5) Basic Policy on Earnings Distribution and Dividends for the Current and Next Fiscal Years

Since the listing, the Company has maintained a policy of “balancing high growth with high shareholder returns,” and has continuously paid dividends for five consecutive fiscal years starting with the fiscal year ended March 2020. However, due to a decline in earnings for three consecutive fiscal years, continuing dividend payments has become increasingly difficult. In response to this situation, and as previously mentioned, the Group conducted significant business and asset restructuring during the current consolidated fiscal year under a policy of prioritization and concentration, with the aim of early recovery. For the time being, the top priority is to rebuild a business structure capable of generating stable profits. To that end, the Company is working to repay borrowings from financial institutions through ongoing discussions, and to secure internal reserves as much as possible. In order to ensure

financial soundness and lay the foundation for sustainable growth in the future, the Company has decided not to pay a dividend for the current fiscal year.

The Company recognizes that returning profits to the shareholders is one of the most important management priorities. While no dividend will be paid for this fiscal year, the Company continues to consider the resumption of dividend payments in the future, striking a balance with investments for growth. The Company remains committed to implementing appropriate capital policies aimed at achieving both enhancement of corporate value and shareholder returns.

2. Basic Approach to Selection of Accounting Standards

Many of our stakeholders, such as shareholders, creditors, and business partners, are based in Japan, and the majority of our group's operations are conducted within Japan. Therefore, we apply Japanese accounting standards.

Regarding the adoption of International Financial Reporting Standards (IFRS), we plan to appropriately respond based on future business developments and trends both domestically and internationally.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	2,047,745	542,610
Accounts receivable - trade	1,596,775	1,082,271
Merchandise	517	911
Work in process	34,226	37,268
Supplies	13,818	2,219
Other	448,809	379,479
Allowance for doubtful accounts	(9,858)	(5,480)
Total current assets	4,132,034	2,039,279
Non-current assets		
Property, plant and equipment		
Buildings	60,780	33,892
Accumulated depreciation	(42,502)	(16,439)
Buildings, net	18,278	17,453
Facilities attached to buildings	409,898	253,117
Accumulated depreciation	(46,694)	(73,315)
Facilities attached to buildings, net	363,204	179,802
Structures	247,754	254,209
Accumulated depreciation	(69,918)	(56,081)
Structures, net	177,836	198,128
Tools, furniture and fixtures	480,625	430,375
Accumulated depreciation	(221,075)	(304,609)
Tools, furniture and fixtures, net	259,550	125,766
Vehicles	9,251	—
Accumulated depreciation	(3,252)	—
Vehicles, net	5,999	—
Leased assets	9,520	9,520
Accumulated depreciation	(9,520)	(9,520)
Leased assets, net	—	—
Total property, plant and equipment	824,868	521,149
Intangible assets		
Goodwill	3,497,481	2,913,014
Customer related assets	3,138,453	1,161,290
Technical assets	45,275	37,034
Software	1,389,456	1,220,054
Software in progress	476,008	882,531
Other	42,491	30,408
Total intangible assets	8,589,166	6,244,333
Investments and other assets		
Investment securities	560,518	438,832
Guarantee deposits	410,879	418,500
Deferred tax assets	289,647	314,090
Other	36,370	10,821
Allowance for doubtful accounts	(4,621)	(4,621)
Total investments and other assets	1,292,794	1,177,624
Total non-current assets	10,706,829	7,943,107
Total assets	14,838,864	9,982,387

Note: Amounts are rounded down to the nearest thousand yen.

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	298,504	284,794
Short-term borrowings	608,000	2,100,000
Current portion of long-term borrowings	935,000	1,025,000
Income taxes payable	64,331	56,670
Provision for loss on business liquidation	—	156,503
Other provisions	51,134	73,678
Other	777,194	679,536
Total current liabilities	2,734,164	4,376,183
Non-current liabilities		
Long-term borrowings	5,640,000	4,792,500
Asset retirement obligations	114,409	114,409
Deferred tax liabilities	165,437	379,306
Total non-current liabilities	5,919,846	5,286,215
Total liabilities	8,654,011	9,662,399
Net assets		
Shareholders' equity		
Share capital	3,534,975	320,815
Capital surplus	3,806,635	6,632,867
Retained earnings	(1,199,528)	(6,725,484)
Treasury shares	(93)	(111)
Total shareholders' equity	6,141,988	228,086
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,202	80,562
Total accumulated other comprehensive income	28,202	80,562
Non-controlling interests	14,662	11,338
Total net assets	6,184,853	319,988
Total liabilities and net assets	14,838,864	9,982,387

Note: Amounts are rounded down to the nearest thousand yen.

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

	(Thousands of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	9,920,106	10,548,910
Cost of sales	5,715,734	7,661,868
Gross profit	4,204,371	2,887,041
Selling, general and administrative expenses	4,904,116	4,798,290
Operating loss	(699,745)	(1,911,248)
Non-operating income		
Interest income	627	504
Dividend income	4,810	5,091
Investment securities lending fee	—	7,118
Reversal of allowance for doubtful accounts	1,697	2,140
Foreign exchange gains	—	25
Other	4,004	6,670
Total non-operating income	11,139	21,551
Non-operating expenses		
Interest expenses	61,682	89,070
Guarantee commission	1,849	1,239
Commission expenses	14,126	—
Financing expenses	833	—
acquisition expenses	7,386	—
Loss on investments in investment partnerships	9,514	7,606
Foreign exchange losses	2,530	—
Other	4,391	5,613
Total non-operating expenses	102,313	103,530
Ordinary loss	(790,919)	(1,993,227)
Extraordinary income		
Gain on sale of non-current assets	295	509
Gain on sale of investment securities	1,038	20,000
Gain on sale of shares of subsidiaries	—	91,965
Gain on bargain purchase	16,197	—
Other	—	18,014
Total extraordinary income	17,531	130,490
Extraordinary losses		
Loss on sale of non-current assets	—	5,942
Loss on retirement of non-current assets	3,053	2,912
Loss on valuation of investment securities	168,852	102,753
Impairment losses	243,965	2,146,328
Loss on liquidation of business	—	1,181,805
Total extraordinary losses	415,872	3,439,741
Loss before income taxes	(1,189,259)	(5,302,479)
Income taxes - current	35,607	60,554
Income taxes - refund	—	(223)
Income taxes - deferred	32,862	166,469
Total income taxes	68,470	226,801
Loss	(1,257,729)	(5,529,280)
Loss attributable to non-controlling interests	(76,855)	(3,324)
Loss attributable to owners of parent	(1,180,874)	(5,525,955)

Note: Amounts are rounded down to the nearest thousand yen.

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss	(1,257,729)	(5,529,280)
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,657)	52,360
Total other comprehensive income	(27,657)	52,360
Comprehensive income	(1,285,387)	(5,476,919)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,208,532)	(5,473,595)
Comprehensive income attributable to non-controlling interests	(76,855)	(3,324)

Note: Amounts are rounded down to the nearest thousand yen.

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,533,120	4,194,160	(18,653)	(93)	7,708,533
Changes during period					
Issuance of new shares	1,855	1,855			3,710
Dividends of surplus		(389,380)			(389,380)
Profit (loss) attributable to owners of parent			(1,180,874)		(1,180,874)
Purchase of treasury shares					
Transfer from share capital to other capital surplus					
Net changes in items other than shareholders' equity					
Total changes during period	1,855	(387,525)	(1,180,874)	—	(1,566,545)
Balance at end of period	3,534,975	3,806,635	(1,199,528)	(93)	6,141,988

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	55,860	55,860	91,518	7,855,911
Changes during period				
Issuance of new shares				3,710
Dividends of surplus				(389,380)
Profit (loss) attributable to owners of parent				(1,180,874)
Purchase of treasury shares				
Transfer from share capital to other capital surplus				
Net changes in items other than shareholders' equity	(27,657)	(27,657)	(76,855)	(104,513)
Total changes during period	(27,657)	(27,657)	(76,855)	(1,671,058)
Balance at end of period	28,202	28,202	14,662	6,184,853

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,534,975	3,806,635	(1,199,528)	(93)	6,141,988
Changes during period					
Issuance of new shares	815	815			1,630
Dividends of surplus		(389,557)			(389,557)
Profit (loss) attributable to owners of parent			(5,525,955)		(5,525,955)
Purchase of treasury shares				(17)	(17)
Transfer from share capital to other capital surplus	(3,214,975)	3,214,975			
Net changes in items other than shareholders' equity					
Total changes during period	(3,214,160)	2,826,232	(5,525,955)	(17)	(5,913,901)
Balance at end of period	320,815	6,632,867	(6,725,484)	(111)	228,086

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	28,202	28,202	14,662	6,184,853
Changes during period				
Issuance of new shares				1,630
Dividends of surplus				(389,557)
Profit (loss) attributable to owners of parent				(5,525,955)
Purchase of treasury shares				(17)
Transfer from share capital to other capital surplus				—
Net changes in items other than shareholders' equity	52,360	52,360	(3,324)	49,036
Total changes during period	52,360	52,360	(3,324)	(5,864,865)
Balance at end of period	80,562	80,562	11,338	319,988

(4) Consolidated Statement of Cash Flows

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(1,189,259)	(5,302,479)
Depreciation	910,375	932,954
Impairment losses	243,965	2,543,076
Loss on liquidation of business	—	276,050
Amortization of goodwill	282,227	266,997
Gain on bargain purchase	(16,197)	—
Increase (decrease) in allowance for doubtful accounts	1,319	(4,376)
Increase (decrease) in other provisions	17,645	179,046
Interest and dividend income	(5,437)	(5,596)
Interest expenses	61,682	89,070
Share issuance costs	81	—
Loss (gain) on sale and retirement of non-current assets	2,758	8,345
Loss (gain) on sale of securities	(1,038)	(20,000)
Loss (gain) on valuation of securities	168,852	102,753
Loss (gain) on sale of shares of subsidiaries	—	(91,965)
Decrease (increase) in trade receivables	(226,147)	514,280
Decrease (increase) in inventories	(30,866)	5,739
Decrease (increase) in other current assets	150,246	(17,253)
Increase (decrease) in trade payables	(29,071)	(13,709)
Increase (decrease) in other current liabilities	(41,634)	(105,688)
Decrease (increase) in guarantee deposits	(6,674)	774
Other, net	1,534	30,199
Subtotal	294,362	(611,780)
Interest and dividends received	5,437	5,596
Interest paid	(60,779)	(85,287)
Income taxes refund	-	90,093
Income taxes paid	(148,002)	(54,612)
Net cash provided by (used in) operating activities	91,018	(655,990)
Cash flows from investing activities		
Purchase of property, plant and equipment	(482,974)	(112,828)
Proceeds from sale of property, plant and equipment	—	5,010
Purchase of intangible assets	(759,242)	(1,271,049)
Proceeds from sale of intangible assets	300	1,000
Payments for asset retirement obligations	(6,500)	—
Purchase of investment securities	(20,000)	(14,760)
Proceeds from sale of investment securities	25,584	120,000
Payments of leasehold and guarantee deposits	(87,450)	(20,207)
Proceeds from refund of leasehold and guarantee deposits	103,551	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(458,172)	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	95,495
Other, net	—	1,200
Net cash provided by (used in) investing activities	(1,684,902)	(1,196,139)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	308,000	1,492,000
Repayments of long-term borrowings	(744,928)	(757,500)
Proceeds from issuance of shares	3,628	1,630
Purchase of treasury shares	—	(17)
Dividends paid	(389,024)	(389,117)
Net cash provided by (used in) financing activities	(822,324)	346,994
Net increase (decrease) in cash and cash equivalents	(2,416,208)	(1,505,135)
Cash and cash equivalents at beginning of period	4,463,954	2,047,745
Cash and cash equivalents at end of period	2,047,745	542,610

(5) Notes to Consolidated Financial Statements
(Notes to Going Concern Assumption)

The Group posted an operating loss of 1,911,248 thousand yen, ordinary loss of 1,993,227 thousand yen, and net loss of 5,529,280 thousand yen in the current fiscal year, resulting in consolidated net assets of 319,988 thousand yen. The short-term repayment due within one year (3,125,000 thousand yen) was much larger than the amount of cash on hand (542,610 thousand yen).

As a result, the Company violated the financial covenants in the term loan agreement and syndicated loan agreement concluded with several financial institutions for the term loan of 5,680,000 thousand yen and syndicated loan of 1,900,000 thousand yen, and so the Company recognizes that there are events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In order to improve and eliminate the deficit in profit and loss and concerns about cash flow, the Group has been promoting (1) cost reduction to secure stable profits (1) to (3) below and (2) improvement of the financing environment to stabilize funds (4) below. In addition to cost reductions, the Company has made progress with respect to the funding environment, including the establishment of new lines of credit to provide immediate cash management, with the consent of each of the financial institutions, as described in “Notes to Significant Subsequent Events”.

(1) Immediate withdrawal from the content (event) business

In order to ensure that the impact of this business would be temporary, we decided to withdraw from the subscription service for users of the “Oshikatsu” service, which was part of a revenue diversification strategy using the media, and from the large-scale event business, which was undertaken as a measure to promote the service. The Company resolved on May 2, 2025 to dissolve the business with a dissolution date of the end of June of the same year.

(2) Termination or withdrawal from businesses and services that require continued investment

Under the expansion-oriented business policy, the Company has made investments including several M&As. However, the Company decided to withdraw or terminate businesses that require additional investments until they contribute to profits, thereby avoiding the burden of further upfront investments. In addition, the Company has reviewed necessary assets and reduced the depreciation burden of fixed assets in the future.

(3) Cost reduction centered on fixed costs

The Company has reviewed the organizational structure and operations based on expansion, and promoted reduction of fixed costs including office downsizing, and strengthen review of fixed external expenses to reduce external outflow costs.

(4) Measures to improve financial condition

The Company is discussing with financial institutions the repayment schedule, including changes to the repayment schedule, for loans with a repayment date of within one year. With the consent of all financial lenders, the Company has established a new line of credit of 500 million yen.

Even with the above actions, significant uncertainties regarding the premise of a going concern are recognized at this time because of the possibility of a significant impact on future cash flows, depending on the future business situation and the status of discussions with financial institutions. The consolidated financial statements are prepared on the premise of a going concern, and the effect of the material uncertainty regarding the premise of a going concern is not reflected in the consolidated financial statements.

(Significant changes in subsidiaries during the current fiscal year)

Contents Monster, Inc. was included in the scope of consolidation from the first quarter of the current fiscal year as it was newly established during the first quarter of the current fiscal year.

In the third quarter of the current consolidated fiscal year, the Company took place an absorption-type merger between subsidiaries which SEESAW GAME, Inc. was dissolved and livedoor Co., Ltd survives. With this, SEESAW GAME, Inc. was excluded from the scope of consolidation.

In addition, MINKABU ASEET PARTNERS, Inc. was excluded from the scope of consolidation during the fourth quarter of the current fiscal year due to the sale of all shares.

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

I For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Dividend payment amount

Resolutions	Type of stock	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 30, 2023	common stock	389,380	26	31 March 2023	June 16, 2023	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

None

II For the Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

1. Dividend payment amount

Resolutions	Type of stock	Total amount of dividends (Thousands of JPY)	Dividends per share (JPY)	Record date	Effective Date	Source of dividends
Board of Directors meeting on May 28, 2024	common stock	389,557	26	31 March 2024	June 29, 2024	Capital surplus

2. Significant Changes in the Amount of Shareholders' Equity

Based on the resolution of the Annual General Meeting of Shareholders held on June 28, 2024, the effective date of the capital reduction was June 28, 2024, reducing the amount of capital by 3,214,975 thousand yen and the amount of capital reserve by 2,654,975 thousand yen, with the entire amount being transferred to other capital surplus.

As a result, the capital at the end of the third quarter of the current fiscal year stands at 320,815 thousand yen, and the capital surplus at 6,632,867 thousand yen.

There are no significant changes in the total amount of shareholders' equity.

(Notes on Changes in Accounting Estimates)

The Company's Board of Directors held on February 14, 2025 approved a resolution to downsize the Company's headquarters office. As a result, the useful lives of fixed assets that will no longer be available have been shortened and changed prospectively.

There is no effect of this change on profit and loss for the current fiscal year.

(Additional Information)

Financial Covenants

The Company has a syndicated loan agreement for 1,900,000 thousand yen of the 2,100,000 thousand yen in short-term loans payable, which includes the following financial covenants.

- (1) The amount of net assets on the consolidated balance sheet as of the end of each fiscal year must be 75% of the larger of net assets on the consolidated balance sheet as of the end of the immediately preceding fiscal year or net assets on the consolidated balance sheet as of March 31, 2023.
- (2) To not report ordinary losses on the consolidated statements of income for two consecutive fiscal years.
- (3) The amount of total interest-bearing debt on the consolidated balance sheets at the end of each quarter, less the total amount of debt used for purposes other than working capital, must be kept below the amount of cash and deposits and working capital requirements on the relevant balance sheets.

The Company has term loan agreements for 887,500 thousand yen of the current portion of long-term loans payable of 1,025,000 thousand yen and long-term loans payable of 4,792,500 thousand yen, which contain the following financial covenants.

- (1) The amount of net assets on the consolidated balance sheets as of the end of each fiscal year must be maintained at 75% of the larger of net assets on the consolidated balance sheets as of the end of the immediately preceding fiscal year or net assets on the consolidated balance sheets as of March 31, 2022.
- (2) The Company shall not report ordinary losses on the consolidated statements of income for two consecutive fiscal years.

The Company was in breach of both of these financial covenants during the current fiscal year.

(Segment Information, etc)

【Segment Information】

1. Overview of Reportable Segments

(1) Method for Determining Reportable Segments

Our group's reportable segments are determined based on the available separate financial information of our organizational units. The Board of Directors regularly reviews these units to make decisions regarding the allocation of management resources and to evaluate performance.

Our group's reportable segments consist of "Media Business" and "Solution Business." The types of businesses included in each segment are as follows:

(2) Types of Services in Each Reportable Segment

① Media Business

The Media Business, centered on the Livedoor business, primarily includes UGC (User Generated Content) media centered on "Livedoor Blog" and PGC (Professional Generated Content) media centered on "Livedoor News." Additionally, it encompasses specialized media such as sports information media "SOCCERKING," "BASEBALLKING," "BASKETBALLKING," asset formation information media "MINKABU," stock information specialist media "Kabutan," women-oriented information media "Peachy," Korean information media "Kstyle," as well as comprehensive media including affiliate sites "MINKABU Choice" and "Livedoor Choice." Revenue from these media sites is generated through advertising sales, subscription fees from paid services, content contract production, and event business sales.

② Solution Business

The solutions business provides information solution services for B2B and B2B2C use by converting information content and applications developed mainly for the media business for various financial institutions and customizing them to meet their differentiated needs. In addition, we provide SI (System Integration) services to financial institutions to expand our customer base and acquire solution know-how in the solution field, mainly for the purpose of upgrading and streamlining their internal systems by utilizing applications and APIs (Application Programming Interface) developed independently by our Group. The Group also provides SI and packaged solution services that contribute to the enhancement of internal system sophistication and efficiency of financial institutions, utilizing the Group's proprietary applications and APIs (Application Programming Interface). The Group also operates "Kabutan," a media site specializing in stock information. Information solution services mainly include initial installation fees as one-time sales related to cloud-based ASP offerings and subscription revenues based on fixed monthly fees or ID-based fees, while SI and package

solution services include system planning and consulting, as well as spot revenues from contracted development of systems tailored to client requirements. In the SI and package solution services, spot revenues from system planning and consulting and contracted development of systems tailored to customer requirements, and stock revenues from maintenance and operation of such systems are recorded. In addition, “Kabutan” includes billing revenues from fee-based services.

2. Calculation Method for Amounts of Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The accounting methods for the reported business segments are generally consistent with those described in "Significant Matters for the Preparation of Consolidated Financial Statements."

Segment profit is based on operating income (after goodwill amortization).

Internal sales between segments are based on third-party transaction prices.

3. Information regarding net sales and operating profit or loss by the reportable segments
For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media business	Solutions business	Total		
Net sales					
Advertising	5,189,966	—	5,189,966	—	5,189,966
Subscription	129,300	—	129,300	—	129,300
Media and others	980,129	—	980,129	—	980,129
Recurring revenue	—	2,471,974	2,471,974	—	2,471,974
Initial/one-time revenue	—	1,148,735	1,148,735	—	1,148,735
Revenue from contracts with customers	6,299,396	3,620,709	9,920,106	—	9,920,106
Other revenue	—	—	—	—	—
Net sales to external customers	6,299,396	3,620,709	9,920,106	—	9,920,106
Intersegment net sales and transfer	(421,454)	(126,863)	(548,318)	548,318	—
Total	5,877,941	3,493,846	9,371,787	548,318	9,920,106
Segment profit	(706,814)	138,462	(568,351)	(131,393)	(699,745)
Segment assets	10,685,444	3,484,261	14,169,705	669,158	14,838,864
Segment liabilities	1,885,971	449,752	2,335,723	6,318,287	8,654,011
Other items					
Depreciation	448,724	368,308	817,032	93,342	910,375
Amortization of goodwill	236,073	46,153	282,227	—	282,227
Increase in tangible and intangible assets	375,571	557,412	932,983	409,623	1,342,607

Notes:

1. The adjustment amount of (131,398) thousand yen for segment profit or loss represents corporate revenues and expenses not allocated to the reportable segments. Corporate revenues mainly consist of management fees from each business segment, while corporate expenses primarily consist of general administrative expenses not attributable to the reportable segments. From the second quarter of the consolidated fiscal year, the company has been collecting management fees from group companies. The segment profit or loss of each business segment is stated after deducting these management fees. The management fee included in the segment loss of the Media Business, which amounts to 706,814 thousand yen, is 470,799 thousand yen. The segment loss before deducting this fee is 236,014 thousand yen. The management fee included in the segment profit of the Solution Business, which amounts to 138,462 thousand yen, is 289,539 thousand yen. The segment profit before deducting this fee is 428,002 thousand yen.
2. Segment profit or loss is adjusted to the operating loss (after goodwill amortization) in the quarterly consolidated statements of income.
3. The adjustment amount of 669,158 thousand yen for segment assets mainly pertains to assets related to the corporate and administrative departments.
4. The adjustment amount for depreciation expense mainly pertains to assets related to the corporate and administrative departments.
5. The adjustment amount for the increase in tangible and intangible fixed assets mainly pertains to the increase in assets related to the corporate and administrative departments.

For the Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments			Adjusted amounts (Note 1,3,4,5)	Posted amount to the consolidated statements of income (Note 2)
	Media business	Solutions business	Total		
Net sales					
Advertising	4,243,039	—	4,243,039	—	4,243,039
Subscription	106,663	—	106,663	—	106,663
Media and others	2,484,255	—	2,484,255	—	2,484,255
Recurring revenue	—	2,707,429	2,707,429	—	2,707,429
Initial/one-time revenue	—	1,007,523	1,007,523	—	1,007,523
Revenue from contracts with customers	6,833,958	3,714,952	10,548,910	—	10,548,910
Other revenue	—	—	—	—	—
Revenues from external customers	6,833,958	3,714,952	10,548,910	—	10,548,910
Transactions with other segments	(752,089)	(72,446)	(824,535)	824,535	—
Total	6,081,869	3,642,505	9,724,374	824,535	10,548,910
Segment profit	(2,188,938)	99,668	(2,089,269)	178,021	(1,911,248)
Segment assets	7,420,434	3,071,475	10,491,910	(509,522)	9,982,387
Segment liabilities	2,054,278	465,744	2,520,022	7,142,376	9,662,399
Other items					
Depreciation	507,270	355,205	862,475	70,478	932,954
Amortization of goodwill	236,073	30,924	266,997	—	266,997
Increase in tangible and intangible assets	746,223	572,376	1,318,600	65,277	1,383,877

Notes:

1. The adjustment amount of 178,021 thousand yen for segment profit or loss represents corporate revenues and expenses not allocated to the reportable segments. Corporate revenues mainly consist of management fees from each business segment, while corporate expenses primarily consist of general administrative expenses not attributable to the reportable segments. From the second quarter of the consolidated fiscal year, the company has been collecting management fees from group companies. The segment profit or loss of each business segment is stated after deducting these management fees. The management fee included in the segment loss of the Media Business, which amounts to 2,188,938 thousand yen, is 830,666 thousand yen. The segment loss before deducting this fee is 1,358,271 thousand yen. The management fee included in the segment profit of the Solution Business, which amounts to 99,668 thousand yen, is 289,833 thousand yen. The segment profit before deducting this fee is 389,501 thousand yen.
2. Segment profit or loss is adjusted to the operating loss (after goodwill amortization) in the quarterly consolidated statements of income.
3. The adjustment amount of (509,522) thousand yen for segment assets mainly pertains to assets related to the corporate and administrative departments.
4. The adjustment amount for depreciation expense mainly pertains to assets related to the corporate and administrative departments.
5. The adjustment amount for the increase in tangible and intangible fixed assets mainly pertains to the increase in assets related to the corporate and administrative departments.

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

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Media business	Solutions business	Unallocated amounts and elimination	Total
Impairment losses	21,904	222,061	—	243,965

For the Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Media business	Solutions business	Unallocated amounts and elimination	Total
Impairment losses	2,489,850	51,905	277,370	2,819,127

Notes: Of the total, 672,798 thousand yen was recorded as loss on liquidation of business.

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

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Media business	Solutions business	Unallocated amounts and elimination	Per consolidated financial statements
Amortization of goodwill	236,073	46,153	—	282,227
Goodwill	3,324,610	172,871	—	3,497,481

For the Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Media business	Solutions business	Unallocated amounts and elimination	Per consolidated financial statements
Amortization of goodwill	236,073	30,924	—	266,997
Goodwill	2,771,067	141,947	—	2,913,014

[Information of negative goodwill by reporting segment]

For the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

In the “Media Business” segment, the Company acquired all outstanding shares of From One Corporation (merged with CWS Brains Corporation, a wholly owned subsidiary of the Company, on November 1, 2023, and changed its name to SEESAW GAME, Inc.) on September 1, 2023, and included it in the scope of consolidation. As a result, a gain on negative goodwill of 16,197 thousand yen was recorded.

The gain on negative goodwill was recorded as extraordinary income in the current consolidated fiscal year.

For the Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

None

(Per Share Information)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	411.81 yen	20.60 yen
Basic earnings per share	(78.84 yen)	(368.79 yen)

Notes 1. Diluted net income per share is not presented because there was a net loss per share despite the existence of potential shares

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

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Total net assets (thousands of yen)	6,184,853	319,988
Amount deducted from total net assets (thousands of yen)	14,662	11,338
(Of which non-controlling interests) (thousands of yen)	(14,662)	(11,338)
Net assets attributable to common stock (thousands of yen)	6,170,190	308,649
The number of common stock at end of fiscal year used for the calculation of net assets per share.	14,982,977	14,985,747

3. Earnings per share (EPS) or net loss per share and the basis for their calculation, as well as diluted EPS and the basis for their calculation, are as follows

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Basic earnings per share		
Net income attributable to owners of parents (thousands of yen)	(1,180,874)	(5,525,955)
Amount not attributable to common shareholders (thousands of yen)	—	—
Net income attributable to owners of parents' common stock (thousands of yen)	(1,180,874)	(5,525,955)
Average number of common stock during the fiscal year (shares)	14,978,841	14,983,933

(Notes to Significant Subsequent Events)

(Dissolution and Liquidation of Consolidated Subsidiary)

The Company resolved at a meeting of its Board of Directors held on May 2, 2025 to dissolve and liquidate its consolidated subsidiary, Content Monster, Inc.

1. Reason for dissolution:

Contents Monster, Inc. had been operating to promote the Group's content business. As announced in the “Notice of Revision of Consolidated Earnings Forecasts and Withdrawal of Medium-Term Management Plan” dated February 14, 2025, the Company has decided to dissolve and liquidate the company following its decision to withdraw from the content business due to the large losses it incurred in the fiscal year ended March 31, 2025.

2. Outline of the subsidiary to be dissolved and liquidated

- | | |
|--|---|
| (1) Name | Contents Monster, Inc. |
| (2) Location | 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo |
| (3) Business Description and distribution business | Service for members (Oshi-pass) business, various content production, operation |
| (4) Capital | 10 million yen |
| (5) Date of establishment | April 1, 2024 |
| (6) Shareholding ratio | 100% of the Company |

3. Timing of dissolution and liquidation

- | | |
|----------------|-------------------------------------|
| June 30, 2025 | Dissolution of the subsidiary |
| September 2025 | Completion of liquidation (planned) |

4. Impact of the dissolution and liquidation on profit and loss

The impact on profit and loss from the next consolidated fiscal year onward is negligible.

(Execution of overdraft agreement)

The Company's Board of Directors, at its meeting held on April 25, 2025, resolved to establish a borrowing facility from the viewpoint of securing working capital flexibly, and the agreement was executed.

- | | |
|-------------------|--|
| Lender | The Bank of Mitsubishi UFJ, Ltd. |
| Credit line | 500 million yen |
| Interest rate | 5.4% per annum |
| Date of agreement | April 30, 2025 |
| Term of agreement | June 25, 2025 (further extension available by written agreement) |
| Collateral: | Yes (proprietary trust beneficiary interests related to accounts receivable and loan receivables from affiliates, deposit receivables) |
| Guarantee: | Yes (joint and several guarantees by consolidated subsidiaries, livedoor Co., Ltd. and MINKABU SOLUTION SERVICES, INC., |

(Business Combination)

(Transfer of Shares of Subsidiary)

The Company resolved at a meeting of its Board of Directors held on February 14, 2025 to transfer all shares of MINKABU ASEET PARTNERS, Inc. ("MAP") held by its consolidated subsidiary, MINKABU SOLUTION SERVICES, Inc. ("MSS"), a subsidiary of the Company, to TRADE WORKS Co., Ltd. ("TW"), a business alliance partner of the Company, and transferred the shares on March 31, 2025.

As a result, MAP was excluded from the Company's scope of consolidation.

(1) Outline of the share transfer

(i) Name of the transferee company: TRADE WORKS Co., Ltd.

(ii) Name and business of the transferred subsidiary

Name: MINKABU ASEET PARTNERS, Inc.

Business: Online investment advisory business, financial instruments intermediary business, investment advisory and agency business

(iii) Reason for the share transfer

The Company established MAP in September 2021 with the aim of providing financial services to asset-forming people under the theme "from savings to asset formation." MAP has been preparing to launch services as an online investment advisory firm with registration as a financial instruments intermediary completed in December 2022, as an investment advisor and agency completed in December 2023, and joined the Japan Investment Advisers Association.

TW, with which the Company entered into a business alliance in May 2024, is developing its business mainly in the financial solutions business by leveraging its deep knowledge of the securities industry, abundant experience in the development and operation of financial systems, and highly skilled human capital. The Company has been working on the development of a foundation for growth in accordance with its medium-term management plan.

In the course of discussing various business strategies, the Company, MSS and TW have decided to transfer the shares based on the judgment that the financial services for which MAP is preparing to launch its business will generate higher business synergies with TW, which owns a real-time trading system.

(iv) Date of share transfer: March 31, 2025

(v) Matters concerning the outline of other transactions including legal form

Share transfer with consideration to be received only in cash or other assets

(2) Summary of accounting treatment

(i) Amount of profit/loss from transfer

Profit on sale of shares in subsidiaries and affiliates 91,965 thousand yen

(ii) Appropriate book value of assets and liabilities related to the transferred subsidiary and their major breakdown

Current assets: 10,601 thousand yen

Noncurrent assets: 5,079 thousand yen

Total assets: 15,681 thousand yen

Current liabilities: 7,646 thousand yen

Total liabilities: 7,646 thousand yen

(iii) Accounting treatment

The difference between the sales price of the transferred shares and the book value on a consolidated basis is recorded as "Profit on sale of shares in subsidiaries" in extraordinary income.

(3) Name of reportable segment that included the business of the transferred subsidiary

Solution business

(4) Estimated amount of profit/loss related to the transferred subsidiary recorded in the consolidated statement of income for the current fiscal year

Net sales: 8,841 thousand yen

Operating loss: 100,970 thousand yen

(Transactions under common control, etc.)

(Absorption Mergers between Consolidated Subsidiaries)

At the Board of Directors meeting held on July 19, 2024, the decision was made to merge SEESAW GAME, Inc. (hereinafter "SEESAW GAME"), a consolidated subsidiary, with livedoor Co., Ltd. (hereinafter "livedoor"), another consolidated subsidiary, with livedoor as the surviving company. The merger was completed on October 1, 2024.

(1) Overview of the Transaction

(i) Names and Businesses of the Merged Companies

Surviving Company: livedoor Co., Ltd.

Business: Operation of general online media such as livedoor Blog, livedoor News and Kstyle.

Merged Company: SEESAW GAME, Inc.

Business: Operation of media specializing in sports, commissioned production of videos and other materials, operation of facilities, etc.

(ii) Date of Business Combination: October 1, 2024

(iii) Legal Form of the Business Combination: Absorption-type merger with livedoor as the surviving company

(iv) Name of the Company after the Business Combination: livedoor Co., Ltd.

(v) Other Details of the Transaction

In the Group's media business, in addition to continuous growth, maximizing the effects of integration, including cost reductions, and make effective use of management resources.

(2) Overview of Accounting Treatment

The transaction was processed as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (Accounting Standard No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (Guidance No. 10, January 16, 2019).