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NOTICE OF THE 15th ANNUAL GENERAL SHAREHOLDERS' MEETING

(Security Code 4436)
June 7, 2021

To Shareholders with Voting Rights:

KEN URYU
President and Representative Director
MINKABU THE INFONOID, Inc.
3-29-1 Kandajimbocho Chiyoda-ku, Tokyo
101-0051, Japan

Dear Shareholders:

You are hereby notified of the 15th Annual General Meeting of Shareholders (the "Meeting") of MINKABU THE INFONOID, Inc. (the "Company"), to be held as described below.

Given the current status of the COVID-19 pandemic and ensuring the safety of the shareholders, we strongly request that the shareholders refrain from attending the Meeting in person, regardless their physical condition.

If you will not attend the Meeting, you may exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet. Please refer to the documents for the Meeting (described hereinafter) and exercise your voting rights **by JST 17:00, Wednesday, June 23, 2021.**

【Please refrain from coming to the venue on the day of the meeting.】

In order to prevent the spread of COVID-19, all shareholders are strongly requested to exercise your voting rights by mail or via the Internet, and refrain from coming to the meeting to avoid infection. A shareholder meeting could become an infection cluster for the disease because it is a place where many shareholders gather.

【Disclosure of Notice of Convocation prior to Dispatch】

The contents of this convocation notice have been posted on the Company's website (<https://minkabu.co.jp/ir>) prior to the dispatch in order to provide early information.

1. **Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. (JST)
2. **Venue:** Chiyoda First Building, BELLESALLE Jimbocho (Tokyo, Japan)
3. **Meeting Agenda:**
 - **Matters to be Reported**
 - (1) Business Report and Consolidated Financial Statements for the 15th Fiscal Year (from April 1, 2020 to March 31, 2021), and the Audit Report for the Consolidated Financial Statements of Independent Auditor and Audit and Supervisory Committee
 - (2) Non-consolidated Financial Statements for the 15th Fiscal Year (from April 1, 2020 to March 31, 2021)
 - **Proposals to be Resolved:**
 - Proposal 1: Election of five (5) Directors of the Board
(excluding directors who are Audit and Supervisory Committee Members)
 - Proposal 2: Election of two (2) Directors of the Board who are Audit and Supervisory Committee Members
 - Proposal 3: Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Member

Notes:

- Any amendments to the Business Report, Financial Statements, Consolidated Financial Statements, or Reference Materials for the General Shareholders Meeting will be posted on the Company's website (<https://minkabu.co.jp/ir>).
- Pursuant to provision of laws and regulations as well as Article 14 of the Articles of Incorporation of the Company, the following information is posted on the Company's website (<https://minkabu.co.jp/ir>), it is not included in this Notice of Convocation. Accordingly, this Appendix presents a part of those audited by the Audit and Supervisory Committee Members and Accounting Auditor when they prepared the Audit and Supervisory Committee's Audit Report and Accounting Auditor's Audit Report, respectively.
 - Stock Acquisition Rights of the Company (Business Report)
 - Consolidated Statement of Changes in Net Assets/Notes (Consolidated Financial Statements)
 - Statement of Shareholders' Equity/Notes (Financial Statements)
- After the close of the Meeting, the voting results will be posted on the Company's website (<https://minkabu.co.jp/ir>), in lieu of sending a written notice to shareholders.
- In order to prevent infection and spread of the COVID-19 and to ensure social distance, the number of seats in the meeting room has been reduced. We strongly request shareholders refrain from attending the Meeting in person, and sincerely request to exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet. Shareholders attending the Meeting are requested to confirm the prevalence of the new coronavirus at the time of the Meeting and their physical condition, and to wear masks and to disinfect with alcohol.
- Thank you for your understanding that there is no souvenir to any attendance to the Meeting.

Invitation to live streaming of the General Meeting of Shareholders

In order to prevent the spread of COVID-19 infection, please consider refraining from coming to this Meeting. However, the Company understands the General Meeting of Shareholders is an important opportunity of contact with shareholders, and therefore the Company will broadcast a live streaming of the Meeting.

The live streaming can be viewed via the "MINKABU Premium Benefits Club". Please note that however, you cannot vote your rights through this live streaming and therefore, shareholders who may file motions or ask questions are requested to attend the meeting.

Please note that you can submit your questions prior to the Meeting through the "Shareholder Post" via the "MINKABU Premium Benefits Club". For the sake of smooth operations, the number of questions will be limited to two (2) per person and will be limited to 5 p.m. on Wednesday, June 23, 2021, the day before the Meeting. We will try to answer your questions at the Meeting as many as possible, but please be aware that due to operational constraints, we may not be able to answer all of your questions.

【Streaming web-site】

MINKABU Premium Benefits Club
<https://minkabu.premium-yutaiclub.jp/>

【Date and time of release】

Thursday, June 24, 2021, at 10 a.m.

*The shareholders' meeting will begin at 10:00 a.m.. You can access the website 30 minutes prior to the start of the meeting.

【Period for accepting questions】

Monday, June 7, 2021 at 9 a.m. to Wednesday, June 23, 2021 at 5 p.m.

【Help Desk】

0120-302-716 (Domestic area only)

*Office hours: 9:00 a.m. to 5:00 p.m.(JST), except Saturdays, Sundays, public holidays and New Year holidays

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Reference Material for the Annual Shareholders Meeting

Proposal 1:

Election of five (5) Directors of the Board (excluding directors who are Audit and Supervisory Committee Members)

The term of the current three (3) directors expires at the conclusion of this Meeting. In order to strengthen the management system with the aim of expanding the Company's business and creating a foundation of sustainable growth, the Company asks shareholders to re-elect there (3) current directors and the addition of two (2) directors of one (1) internal director and one (1) outside director, for a total of five (5) directors excluding directors serving on the Audit and Supervisory Committee. Audit and Supervisory Committee of the Company has determined all candidates are qualified.

Candidates for director (excluding directors serving on the Audit and Supervisory Committee) are as follows:

	Name (Date of Birth)	Career summary, positions, responsibilities and material concurrent positions	# of Co's shares held
1	Ken Uryu (Oct 30, 1974) (renomination)	Jul 1997 NTT DOCOMO, Inc. Oct 2000 Merrill Lynch (Japan) Jan 2003 Goldman Sachs (Japan) Oct 2005 Advisor, Goldman Sachs (Japan) Jul 2006 Founder, President and Representative Director, Masstune, Inc. (current Company) (current) June 2020 Director, AlpacaJapan Co.,Ltd. (current)	1,245,000
2	Ryutaro Takada (Mar 7, 1975) (renomination)	Oct 1998 Hamahira Tax & Accounting Office Jan 2002 Square Co., Ltd Apr 2003 Square-Enix Holding Co., Ltd May2012 GM of Admin & Corporate Planning Division MINKABU, Inc. (current Company) Jun 2013 Director Apr 2016 Senior Executive Vice President (current) Dec 2019 Director, Prop Tech plus Inc. (current) Jul 2020 Director, Robot Fund Co., Ltd. (current)	288,000
3	Masayuki Ban (Jul 12, 1977) (renomination)	Apr 2001 SCSK Corporation Oct 2005 CSK Securities Apr 2015 MINKABU, Inc. (current Company) Oct 2017 Director (current) Jul 2020 Director, Robot Fund Co., Ltd. (current)	—
4	Masakatsu Saito (May 13, 1966) (new nomination)	Apr 1989 Nomura System Services Co.,Ltd. Aug 1993 Dai-Ichi Securities Co., Ltd. Oct 1998 ITOCHU Corporation Jun 1999 Japan Online Securities Co., Ltd. Apr 2001 au Kabucom Securities Co., Ltd. (kabu.com Securities Co., Ltd.) May 2002 COO Jun 2003 Representative Executive Officer & COO Jun 2004 President and CEO Jun 2005 Director, President & CEO Dec 2019 Representative Director and President Apr 2021 Adviser (current) May2021 Senior Executive Officer, MINKABU THE INFONOID, Inc. (current)	—
5	Kiyoshi Noma (Feb 27, 1962) (new nomination)	Apr 1984 Nikkei Inc. Apr 2009 Product Manager, Editorial Bureau of Tokyo head office Apr 2012 Deputy Director, Editorial Bureau of Tokyo head office Apr 2013 Director-General of Americas Editorial office/ Representative Director of Nikkei America Inc. Apr 2016 Head of Group Management Office Mar 2017 Executive Officer, Head of Group Management Office Mar 2019 Managing Executive Officer/ Assistant Director of digital business Mar 2021 Senior Managing Director, QUICK Corp. (current)	—

Note:

- (1) There are no conflicts of interest between the Company and any of the above candidates.
- (2) The Company acquired 50.1% of shares of Robot Fund Co., Ltd. and made the company as a consolidated subsidiary on June 30, 2020. Accordingly, Mr. Ryutaro Takada and Mr. Masayuki Ban were appointed as part-time directors of Robot Fund Co., Ltd..
- (3) Reason for nomination as a member of the Board of Mr. Ken Uryu is that he has demonstrated strong leadership in driving the growth of the group of the Company with rich experience and insights into overall

management and the industry, as the president and representative director since the establishment of the group of the Company, and therefore he is expected continuous contribution to enhance corporate value of the Company.

- (4) Reason for nomination as a member of the Board of Mr. Ryutaro Takada is that he has demonstrated the establishment of the organizational structure of the group of the Company as Senior Executive Vice President and has rich experiences at a major company and extensive knowledge in tax accounting, and therefore he is expected continuous contribution to enhance corporate value of the Company.
- (5) Reason for nomination as a member of the Board of Mr. Masayuki Ban is that he has rich experience at a major company has led sales force and solution business as a director of the Company, and therefore he is expected continuous contribution to enhance corporate value of the Company.
- (6) Reason for nomination as a member of the Board of Mr. Masakatsu Saito is that he is expected to lead the overall business of the group of the Company, including the launch of services for the financial asset-building and expansion of solution business to financial institutions, and to contribute the enhancement of corporate value of the Company, with his rich experience in building up the online securities industry, engineering background and many years of experience as a representative of a major online securities firm.
- (7) Reason for nomination as a member of the Board of Mr. Kiyoshi Noma is that he is a Senior Managing Director of QUICK Corp., with which the Company has a capital and business alliance, and is expected to contribute to the enhancement of corporate value of the group of the Company as an outside director, not only from a business perspective but also from non-financial information on the back of his knowledge and experience in content production served as deputy general manager of Nikkei Editorial Bureau
- (8) Mr. Kiyoshi Noma is a candidate of an outside director. The Company will designate and register him as independent director stipulated by the Tokyo Stock Exchange, when he is appointed.
- (9) The Company intends to enter into a limited liability agreement with Mr. Kiyoshi Noma, in accordance with Article 427, Paragraph 1 of Companies Act of Japan, the Company and its outside directors have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of a prefixed amount exceeding JPY one (1) million or the amount set by law, in case the proposition is approved.
- (10) The Company entered into a directors and officers liability insurance policy with an insurance agency, under Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 25 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.

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Proposal 2:

Election of two (2) Directors of the Board who are Audit and Supervisory Committee Members

The term of the current two (2) directors, Mr. Shinya Hamano and Mr. Sadahiko Yoshimura, members of the Audit and Supervisory Committee, expires at the conclusion of this Meeting . Accordingly, the Company proposes the election of two (2) Directors to serve as a member of the Audit and Supervisory Committee.

This proposal has been consented to by the Audit and Supervisory Committee of the Company.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows.

	Name (Date of Birth)	Career summary, positions, responsibilities and material concurrent positions	# of Co's shares held
1	Shinya Hamano (Jul 29, 1957) (renomination)	<p>Apr 1981 Mitsui & Co., Ltd.</p> <p>Sep 2003 Head of Washington D.C. Office, MITSUI & CO. (U.S.A.),INC.</p> <p>Oct 2007 Director of public relations, MITSUI & CO., LTD.</p> <p>Jul 2011 Executive Vice President and Director of Global Information Department, Mitsui & Co., Global Strategic Studies Institute</p> <p>Apr 2017 Director and special research fellow, Mitsui & Co., Global Strategic Studies Institute</p> <p>Oct 2017 Director (Audit and Supervisory Committee Member), MINKABU THE INFONOID, Inc. (current)</p>	96
2	Sadahiko Yoshimura (Oct 18, 1947) (renomination)	<p>Apr 1972 Dai-Ichi Kangyo Bank, Ltd. (Mizuho Bank, Ltd.)</p> <p>Oct 1973 Auditing firm Ota Tetsuzo office (Ernst & Young ShinNihon LLC)</p> <p>Aug 1978 Registered as certified public accountant</p> <p>May 2002 Executive Director</p> <p>Aug 2004 Senior Executive Director</p> <p>Aug 2008 Senior Advisor</p> <p>Mar 2009 Retired from ShinNihon LLC</p> <p>Mar 2009 Director, Shoei Co. Ltd (Hulic Co., Ltd.)</p> <p>Apr 2010 Special Professor, Aoyama Gakuin University Graduate School of Professional Accountancy</p> <p>Jun 2010 Corporate Auditor, JAFECO Co., Ltd</p> <p>Jun 2012 Full-time Corporate Auditor, JAFECO Co., Ltd</p> <p>Apr 2015 Guest professor, Aoyama Gakuin University Graduate School of Professional Accountancy</p> <p>Jun 2015 Resignation from Director, JAFECO, Co., Ltd</p> <p>Jun 2019 Director (Audit and Supervisory Committee Member), MINKABU THE INFONOID, Inc. (current)</p> <p>Nov 2019 Director, WACUL INC. (Full-time Audit and Supervisory Committee member) (current)</p>	193

Note:

- (1) There are no conflicts of interest between the Company and any of the above candidates.
- (2) Mr. Shinya Hamano and Mr. Sadahiko Yoshimura are both candidates for outside directors.
- (3) Mr. Shinya Hamano's term of office as an outside director of the Company as a member of the Audit and Supervisory Committee of the Company will be three (3) years and eight (8) months at the conclusion of this Meeting.
- (4) Mr. Sadahiko Yoshimura's term of office as an outside director of the Company as a member of the Audit and Supervisory Committee of the Company will be two (2) years as the conclusion of this General Meeting of Shareholders.
- (5) Reason for nomination as an outside director of Mr. Shinya Hamano is that he has rich experience in corporate management and organizational operation at major business company, where the Company highly evaluates his experience and capabilities., and therefore he is expected to provide supervision and various advice and opinions based on his expertise and knowledge.
- (6) Reason for nomination as an outside director of Mr. Sadahiko Yoshimura is that he has extensive experience and high level of expertise as a certified public accountant at a major auditing firm, and therefore he is expected to provide supervision and various advice and opinions based on his expertise and knowledge.
- (7) The Company has entered into a limited liability agreement with Mr. Shinya Hamano and Mr. Sadahiko Yoshimura, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company and its outside directors have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article

423 of the Companies Act to the higher of a prefixed amount exceeding JPY one (1) million or the amount set by law. The Company will renew the same agreement with Mr. Shinya Hamano and Mr. Sadahiko Yoshimura in case the proposition is approved.

- (8) The Company has registered Mr. Shinya Hamano and Mr. Sadahiko Yoshimura as independent directors stipulated by the Tokyo Stock Exchange. Mr. Sadahiko Yoshimura had been in an executive position at EY Japan Limited Liability Audit Corporation, the Company's Accounting Auditor, but more than a decade has passed since his retirement and therefore the Company believes that his independence is ensured.
- (9) The number of shares held includes shares in executive stockholding association as of the end of March, 2021. The number of shares held is rounded down after the decimal point.
- (10) The Company entered into a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 15 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.

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Proposal 3:

Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Members

The term of the election of Ms. Satoko Yamada, who was elected as an Alternative Director of the board who is Audit and Supervisory Committee member at the 14th Annual General Meeting of Shareholders held on June 25, 2020, shall be effective until the commencement of this Meeting. The Company requests the election of one (1) Alternative Director to serve as Audit and Supervisory Committee member in advance, in case the number of Directors who are members of the Audit and Supervisory Committee falls short as required by law.

The Company has received prior consent from the Audit and Supervisory Committee.

The candidate for Alternative Directors who serve Audit and Supervisory Committee members is as follows.

Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	# of Co's shares held
Satoko Yamada (Oct 30, 1971)	Apr 1995 NTT DOCOMO, Inc. Apr 2007 Masstune, Inc. (current Company) Feb 2009 Japan Post Bank Co., Ltd. Feb 2010 Masstune, Inc. (current Company)	1,000

Note:

- (1) There are no conflicts of interest between the Company and any of the above candidates.
- (2) Ms. Satoko Yamada is an employee of the Company.
- (3) Reason for nomination as an alternative director of the Board as an Audit and Supervisory Committee Member of Ms. Satoko Yamada is that she has been in charge of the Company's internal audit since 2015, and based on her experiences and track record in collaboration with the Audit and Supervisory Committee and the three-pillar audit system (internal audit, auditors' audit, and accounting audit), and therefore she is expected execute the duties appropriately in the event of an unforeseen vacancy in the position of full-time Audit and Supervisory Committee Director.
- (4) In the event that Ms. Satoko Yamada assumed the position as Directors who are members of the Audit and Supervisory Committee, the Company intends to enter into a limited liability agreement which is in accordance with Article 427, Paragraph 1 of the Companies Act. The agreements limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of JPY one (1) million or the minimum amount set by law.
- (5) The Company entered into a directors and officers liability insurance policy with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan, the details of which are described on page 15 of this Notice of Convocation. If this proposal is approved as proposed, the candidates will be included as an insured person under this insurance policy. In addition, the policy is scheduled to be renewed with the same terms and conditions at the next renewal.

END

Reference Material for the General Shareholders' Meeting

Business Report for the Fiscal Year ended March 31, 2021

1. Matters related to the current state of the group of the Company

(1) Business Developments and Results

The Company acquired shares of Robot Fund Co., Ltd ("Robot Fund"), a SaaS-based information vendor specializing in investment trust, and made it a consolidated subsidiary at the end of the first quarter of the fiscal year ended March 31, 2021 ("Current Fiscal Year"). As a result, the group of the Company as of the end of Current Fiscal Year consists of three (3) companies of MINKABU THE INFONOID, Inc., which is the Company, Prop Tech Plus ("PT+", a REIT/real estate information vendor consolidated from the end of the third quarter of the previous fiscal year), and Robot Fund. As the Company acquired shares of Robot Fund at the end of the first quarter of the Current Fiscal Year, the income statement of Robot Fund was consolidated from the second quarter of the Current Fiscal Year.

(i) Business Performance

The Company has proprietary "core assets" which are the unique Artificial Intelligence (AI) engine for automatic content generation, cloud input such as user contributions and browsing of our media, and big data such as information on financial, economic and companies, in Japan and overseas. Currently, the Company is using this core asset in the financial and economics fields, and are developing media business for individuals (B2C) and solutions business for corporations (B2B2C, B2B).

In the Current Fiscal Year, although the market environment remained uncertain due to the impact of the spread of COVID-19 infection, the media business saw an expansion of billing services, and the solution business saw a full year contribution of PT+ in addition to acquiring new customers and sales expansion of existing services. In addition to strengthening our competitiveness through synergies by making minority investments in several companies, the Company promoted the use of our core assets in non-financial fields and achieved scalability in terms of performance. Moreover, through the consolidated acquisition of Robot Fund, the Company also acquired new corporate clients such as investment trust management companies and sales companies.

As a result, on a consolidated basis, the Company raised 4,158,862 thousand yen in sales (49.0% increase YoY), 759,502 thousand yen in operating profit (45.1% increase YoY), and 1,280,309 thousand yen (48.6% increase YoY) in EBITDA which is one of our KPIs to measure continuous growth, calculated as operating profit + depreciation + amortization of goodwill.

For extraordinary items, software impairment losses due to the termination of services and COVID-19 related losses including integration costs of group's offices were recorded as extraordinary losses while a gain on sale of investment securities was recorded as extraordinary profits. Additionally, as an income tax adjustment, we recorded deferred tax asset of 34,291 thousand yen as we have established continuous profitable structure projecting future taxable profits.

As a result, recurring income was 734,276 thousand yen (45.6% increase YoY) and net income attributable to owners of parent was 564,497 thousand yen (26.1% increase YoY).

Performance by business segment is as follows.

The media business records advertisement revenue from information media services to investors that the Company provides such as "Minna no Kabushiki" and "Kabutan" and those that the Company operates through business alliances. The media business also records as billing services revenue provided at some sites. Furthermore, on April 25, 2021, the Company introduced rebranded "MINKABU" targeting 105 million people in the asset building generations (Ref: Statics Bureau of Japan - Population over 20 years old) which was an integrated media of 7 series of "Minna no Kabushiki". For "Kabutan", the Company is to introduce US Equity version to an existing billing service of "Kabutan Premium", providing deeper service to investors.

During the Current Fiscal Year, together with continuous release of additional features to the existing media sites, with a cooperation of Japan Exchange Group, the futures and options

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information media "Minkabu Futures" was released in the second quarter. With these, the total monthly average unique users of media sites the Company operates reached 9.22 million increased by 1.43 million from the previous fiscal year, and the total monthly average visitors increased to 27.89 million added by 5.49 million from the previous fiscal year. The billing service performed well contributed by "Kabutan Premium".

As a result, sales was 1,535,020 thousand yen (13.6% increase YoY) and the segment income was 530,904 thousand yen (2.8 % decrease YoY).

The solution business includes revenues from AI driven software content utilized the know-how of the media business and initial and monthly fee of ASP services providing information based fintech solution content assembled from crowd inputs of media sites the Company operates.

During the Current Fiscal Year, in addition to the continuous organic growth, the promotion of the business alliance with QUICK, Inc. based on the agreement dated September 2020, and the monetization of the non-financial information field contributed to the earnings in the fourth quarter. Also, PT+, which was a subsidiary from the end of the third quarter of the previous fiscal year, contributed for the entire year of the Current Fiscal Year, with a steady contribution to earnings mainly by monthly subscription fee revenue.

As a result, sales was 2,635,319 thousand yen (81.9% increase YoY) and the segment income was 738,039 thousand yen (80.2% increase YoY).

(ii) Capital Investment

The capital investment during the Current Fiscal Year totaled 668,131 thousand yen, which includes intangible assets in addition to property, plant and equipment.

Business segment	Capital Investment (JPY 000s)	Major items
Media	269,184	software development
Solution	385,333	software development, network server facilities
Corporate	13,613	office fixtures, furniture and equipment
Total	668,131	

(iii) Financing

During the Current Fiscal Year, the Company raised 38,680 thousand yen through the exercise of stock acquisition rights by employees.

(iv) Transfer of Business, Absorption-type Company Split or Incorporation-type Company Split

Not applicable.

(v) Acquisition of Business of Other Companies

Not applicable.

(vi) Succession of Rights and Obligations Concerning the Business of Other Juridical Persons, etc. through an Absorption-Type Merger or Absorption-Type Split

Not applicable.

(vii) Acquisition or Disposition of Shares or Other Equity Interests or Share Options, etc. of Other Companies

On June 30, 2020, the Company acquired 50.1% of the shares of Robot Fund and made it a consolidated subsidiary.

(2) Assets and profit and loss

(i) Status of the Group's Assets and Profit and Loss

	FY2018/03 (Term12)	FY2019/03 (Term13)	FY2020/03 (Term14)	FY2021/03 (Term15)
Sales (JPY000s)	1,681,050	—	2,790,820	4,158,862

Recurring Income (JPY000s)	71,270	—	504,242	734,276
Net income attributable to owners of parent (JPY000s)	-200,229	—	447,567	564,497
Net income per share (JPY)	-18.19	—	34.38	40.97
Total Asset (JPY000s)	—	—	5,866,742	6,989,754
Net Asset (JPY000s)	—	—	3,770,197	4,215,321
Book value per share (JPY)	—	—	255.66	283.42

Note:

1. The Company made Prop Tech plus Inc. a consolidated subsidiary with a deemed acquisition date of December 31, 2019, and the consolidated financial statements have been prepared from the 14th fiscal year. For the 12th fiscal years, the consolidated financial statements have been prepared in accordance with the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976), and such figures are presented. For the 12th fiscal year, the Company has not prepared a consolidated balance sheet as it no longer has any consolidated subsidiaries as of March 31, 2018 due to the resolution to absorb, liquidate or sell all consolidated subsidiaries during the period. Therefore, total assets, net assets, and net assets per share for the 12th fiscal year are not shown. The twelfth income statement period includes the twelve months from April 1, 2017 to March 31, 2018.
2. The consolidated statements of income for the 12th fiscal year have been prepared in accordance with the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976) but have not been audited by EY Japan Limited Liability Audit Corporation.
3. On January 16, 2019, the Company conducted a 100-for-1 stock split of its common stock. Net income (loss) per share and net assets per share are calculated based on the assumption that the stock split was implemented at the beginning of the 11th fiscal year.
4. Net income (loss) per share and net assets per share are indicators related to the outstanding shares with voting rights, respectively.
5. Net income (loss) per share is calculated based on the average number of shares outstanding during the period. Since the Company issued Class B preferred stock in the 11th and 12th fiscal years, net income (loss) per share was calculated based on the average number of shares of common stock outstanding during the period, in addition to the shares of Class B preferred stock calculated based on the conversion method.
6. At the end of the 11th fiscal year, the Company reviewed its previous plans to expand its media business in overseas and listings in overseas markets, in response to the stagnation of its target overseas IPO market and the growing potential for growth in the domestic market due to the rapid growth of its domestic solutions business. As a result, in the 11th and 12th fiscal years, the Company recognized a loss on the liquidation of overseas operations and an impairment loss on software assets for overseas operations, resulting in a net loss attributable to owners of parent .

(ii) Assets and profit and loss of the Company

	FY2018/03 (Term12)	FY2019/03 (Term13)	FY2020/03 (Term14)	FY2021/03 (Term15)
Sales (JPY000s)	1,370,375	2,032,532	2,490,506	3,104,210
Recurring Income (JPY000s)	109,022	208,434	441,013	598,664
Net income (JPY000s)	-126,731	253,141	431,184	557,340
Net income per share (JPY)	-11.51	22.04	33.12	40.45
Total Asset (JPY000s)	1,985,701	3,926,779	5,366,108	6,069,246
Net Asset (JPY000s)	918,897	2,686,839	3,497,471	3,893,202
Book value per share (JPY)	-10.49	207.03	254.47	281.71

Note:

1. On January 16, 2019, the Company conducted a 100-for-1 stock split of its common stock. Net income (loss) per share and net assets per share are calculated based on the assumption that the stock split was implemented at the beginning of the 12th fiscal year.
2. Net income (loss) per share and net assets per share are indicators related to the outstanding shares with voting rights, respectively.
3. Net income (loss) per share is calculated based on the average number of shares outstanding during the period. Since the Company issued Class B preferred stock in the 11th and 12th fiscal years, net income (loss) per share was calculated based on the average number of shares of common stock outstanding during the period, in addition to the shares of Class B preferred stock calculated based on the conversion method.
4. The amount of net assets per share for the 12th fiscal year is calculated by deducting the amount of distribution of residual assets to Class B preferred shareholders.

(3) Information on Principal Parent Company and Principal Subsidiaries

(i) Principal Parent Company

Not applicable.

(ii) Principal subsidiaries

Company Name	capital stock	Percentage of voting rights of the Company	Main Business
Prop Tech plus Inc.	100 million yen	66.7%	System development and website construction business for the real estate finance industry, and REIT portal site operation
Robot Fund Co., Ltd.	100 million yen	50.1%	Development and operation of business/marketing efficiency and digitalization solutions for investment trust management companies, sales of investment trusts, brokerage houses and banks

Note: On June 30, 2020, the Company acquired 50.1% of the shares of Robot Fund and made it a consolidated subsidiary.

(4) Issue to be addressed

The Company's corporate philosophy is "to provide a system that embodies the value of information," which is shared throughout the Group and used as the basis for management decisions. AI engines that automatically generate content, crowd input such as user posts and browsing, and big data such as domestic and international financial, economic and corporate information are the Group's core assets, and the Group recognizes its role and responsibility for information infrastructure that leverages these core assets to provide more accurate information more quickly and comprehensively. The business and financial issues that need to be addressed and the policies for addressing them for the Group to fulfill these responsibilities and achieve growth in the future are as follows.

(i) Improving quality of services provided

The Group's services are mainly provided through internet for both Media and Solution businesses. The Group recognizes stable operation of those system is essential and maintenance and improvement of service quality is a management issue, such as providing an environment that enables users to use it anytime and anywhere with no stress, appropriate management of information assets including user information, and the quickness, completeness, and accuracy of the content provided. The Group continues to invest in system development and training of engineers in response to technological innovation in order to address related issues.

(ii) Strengthen and expansion of revenue bases

Although sales continue to show steady growth for both media and solution businesses, the Group recognizes that further strengthening of the revenue base is a management issue. In its media business, the Group seeks to create new profit opportunities with further expansion of user base from the current 9.22 million monthly average UU and 27.89 million monthly average visitors to the Company's media sites, as well as strengthen partnership utilizing such sizable user base, and to increase per user profit by introducing premium paid services. In the solution business, the Group also seeks to provide various fintech solution content to meet the needs of wide range of financial institutions. The Group will continue to engage in various efforts to diversify and stabilize its revenue base, at times with external partnerships where appropriate.

(iii) Optimal allocation and efficient operation of management resources

The Group conducts cross-organization and utilizes a centralized management system to leverage its limited management resource, in addition to secure staffing along with the business expansion. As a result, there may be situations that can negatively affect its business operations in case some failure in organization management. The Group recognizes the challenge to deal with the various types of business risks under limited management resources. To cope with these challenges, the Group establishes and maintains its internal rules and regulations to seek optimal allocation of management resources and improve operational efficiency.

(iv) Development of HR

To achieve self-sustained growth, the Group recognizes the importance of recruiting and retaining talented personnel who are sympathetic to our philosophy and highly motivated, as well as the development of such talented personnel. To this end, we will continue to promote the creation of an environment in which employees can work with high motivation, such as the establishment of diverse working styles and the enhancement of welfare and in-house education systems.

(v) Strengthening governance and internal control systems

The Group recognizes there needs to be a balance between business execution and governance, and to improve its internal governance structure to properly identify control management risks appropriately in order to achieve sustainable growth. As such, the Group will put efforts into improve its reporting system to outside directors and members of the Audit and Supervisory Committee, promote effective three-way audits by the Audit and Supervisory Committee, the Internal Auditor and the Accounting Auditor. At the same time, we will raise awareness among individuals through compliance training for directors and employees, in addition to conduct periodic audits by the Internal Auditor.

(5) Main Business (as of March 31, 2021)

Business segment	Business
Media	B2C media service Operates information media that provides information directly to investors on various financial products such as foreign exchange, crypto assets (virtual currencies), commodity futures, investment trusts, insurance, real estate, and REIT information, with a focus on domestic stocks, such as "Minna-no Kabushiki" and "Kabutan".
Solution	B2B and B2B2C solution services for companies Develop information content and applications developed for the media business into solutions for B2B2C use by financial institutions' customers. The Group also offer B2B services that provide financial information content that utilizes AI and crowd solutions for internal use by financial institutions and corporations, and solution services to improve the operational efficiency of REITs and other businesses.

Note:

On April 25, 2021, integrating the 7 existing media series, "Minna no Kabushiki" has been rebranded to asset building information media "MINKABU".

(6) Main Office (as of March 31, 2021)

(i) The Company

Head Office	Chiyoda-ku, Tokyo, JAPAN
Branch	Fukuoka Branch: Chuo-ku, Fukuoka-City, Fukuoka Prefecture, JAPAN

(ii) Subsidiaries

Prop Tech plus Inc.	Chiyoda-ku, Tokyo, JAPAN
Robot Fund Co., Ltd.	Chiyoda-ku, Tokyo, JAPAN

(7) Employees (as of March 31, 2021)

(i) Status of Employees of the Corporate Group

Business Segment	Number of employees		Increase from the end of the previous consolidated fiscal year	
Media	26	(10)	3	(6)
Solution	115	(12)	13	(2)
Corporate	22	(-)	2	(-)
Total	163	(22)	18	(8)

Note:

The number of temporary employees (including part-timers, part-timers, and temporary employees) is shown in parentheses with the average number of employees per year as an external number.

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(ii) Status of the Company's Employees

Number of employees	YoY Changes	Average Age	Average length of employment
95 (10)	+6 (+6)	42.3 years old	4.8 years

Note:

1. The number of temporary employees (including part-timers, part-timers, and temporary employees) is shown in parentheses with the average number of employees per year shown in external numbers.
2. The average number of years of service is calculated by adding up the number of years of service of those transferred due to group reorganization.

(8) Borrowings outstanding (as of March 31, 2020)

Borrower	Borrowings outstanding (JPY000s)
MUFG Bank, Limited	984,375
Resona Bank, Limited	354,460
Sumitomo Mitsui Banking Corporation	337,872
Mizuho Bank, Limited	292,500
Japan Finance Corporation	200,000

Note:

1. The amount borrowed from Resona Bank, Ltd. includes the first series of unsecured bonds limited to qualified institutional investors guaranteed by Resona Bank, Ltd. and the second series of unsecured bonds, which total 20,000 thousand yen.
2. The Company has entered into commitment line agreements and special overdraft agreements with financial institutions to provide flexible financing for working capital and other purposes. The following table shows the outstanding balance of these contracts at the end of the current fiscal year.

Total amount of commitment line agreement and overdraft limit	JPY1,500 million
Executed amount	JPY500 million

(9) Other important matters concerning the current state of the Group

The Company resolved at the Board of Directors' meeting held on May 14, 2021, to form capital and business tie-up with QUICK Corp. ("QUICK") and Nikkei Inc. ("Nikkei", and collectively the "Allottee") and to issue new shares through the third-party allotment to the Allottee ("Third-Party Allotment"), and signed a capital and business alliance agreement ("Capital and Business Alliance") with the Allottee.

The details of this matter are described in "Significant subsequent events" in the notes to the consolidated financial statements.

2. Business Overview

(1) Shares (as of March 31, 2021)

- (i) Total number of shares authorized 46,000,000
- (ii) Total Number of shares outstanding 13,819,700

Note: As a result of the exercise of stock acquisition rights, the total number of shares issued and outstanding increased by 75,300 shares from the end of the previous fiscal year.

- (iii) Number of shareholders 9,580

(iv) Major shareholders (top 10)

Name of shareholder	Number of shares owned	Ownership (%)
Custody Bank of Japan, Ltd. (trust account)	1,619,400	11.71%
Ken Uryu	1,245,000	9.00%
Sony Network Communications Inc.	980,300	7.09%

BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	808,599	5.85%
FinTech Business Innovation ILP.	681,800	4.93%
The Master Trust Bank of Japan, Ltd. (trust account)	582,900	4.21%
Custody Bank of Japan, Ltd. (trust account 9)	509,200	3.68%
Shiko Otsuka	410,000	2.96%
Ryutaro Takada	288,000	2.08%
NIPPON GAS LINE CO., LTD.	260,000	1.88%

Note:

1. The Company has no treasury stocks.
2. Japan Trusty Services Bank, Ltd. changed its name as Custody Bank of Japan, Ltd. on July 27, 2020.

(2) Strategic shareholdings

(i) Policy of retention

The Company holds shares when it is judged to contribute to the sustainable growth and enhancement of corporate value of the Company from the perspective of strengthening business relationships and transactional relationships, taking into account the significance and economic rationale of the holding in a comprehensive manner. For each shareholding, the Company verifies the benefits and risks associated with the shareholdings on a quarterly basis, based on actual transactions and market value.

(ii) Criteria of exercising the voting rights for strategic shareholdings

With respect to the exercise of voting rights for listed shares held by the Company, the Company judges whether or not to approve or disapprove of the proposals based on respect for the management policies and strategies of the issuing company and taking into consideration whether or not they contribute to the medium- to long-term enhancement of corporate value, and whether or not they are consistent with the realization of the sustainable growth and enhancement of corporate value of the Group.

(3) Board Members

(i) Directors (as of March 31, 2021)

Position	Name	Assignments and major concurrent positions
Representative Director, President	Ken Uryu	AlpacaJapan Co.,Ltd. Director (part-time)
Senior Executive Vice President	Ryutaro Takada	Prop Tech plus Inc. Director (part-time) Robot Fund Co., Ltd. Director (part-time)
Director	Masayuki Ban	Robot Fund Co., Ltd. Director (part-time)
Director (Audit & Supervisory Committee member)	Shinya Hamano	Prop Tech plus Inc. Auditor (part-time) Robot Fund Co., Ltd. Auditor (part-time)
Director (Audit & Supervisory Committee member)	Shozo Ishibashi	Ishibashi Tanzan Memorial Foundation Representative Director Kurimoto Educational Institute Director Keizai Club General Incorporated Association Director EDION Corporation Outside Director
Director (Audit & Supervisory Committee member)	Sadahiko Yoshimura	WACUL INC. Director and full-time audit committee member

Note:

1. Mr. Shinya Hamano, Mr. Shozo Ishibashi and Mr. Sadahiko Yoshimura are outside directors as defined in Article 2, Item 15 of the Companies Act.
2. The structure of the Audit and Supervisory Committee of the Company is as follows.
Commissioner: Shinya Hamano, Commissioner: Shozo Ishibashi, Commissioner: Sadahiko Yoshimura
Mr. Shinya Hamano is a full-time member of the Audit and Supervisory Committee. The reason for selecting full-time Audit and Supervisory Committee members is that we believe that they will enable us to conduct effective audits.
3. Mr. Sadahiko Yoshimura, Director (Audit and Supervisory Committee), is a certified public accountant and has considerable knowledge of finance and accounting.
4. At the conclusion of the 7th Ordinary General Meeting of Shareholders of PT+ held on June 5, 2020, Mr. Ken Uryu, President and Representative Director, retired from the position of director (part-time)

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due to the term expired. PT+ is a consolidated subsidiary of the Company.

5. Mr. Ken Uryu, President and Representative Director, was appointed as a director (part-time) of AlpacaJapan Co., Ltd. on June 22, 2020.
6. Senior Executive Vice President Ryutaro Takata and Director Masayuki Ban, have been appointed to directors (part-time) of Robot Fund on July 31, 2020. Robot Fund is a consolidated subsidiary of the Company
7. Mr. Shinya Hamano, Director (member of the Audit and Supervisory Committee), was appointed as an auditor of Robot Fund on July 31, 2020.
8. The Company has designated all of its outside directors as independent directors in accordance with the rules of the Tokyo Stock Exchange, and has notified the Tokyo Stock Exchange of this designation.
9. President and Representative Director Ken Uryu, Senior Executive Vice President Ryutaro Takata and Director Masayuki Ban are concurrently serving as Executive Operating Officers of the Company.

(ii) Summary of agreement on limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and the Outside Directors have entered into an agreement limiting their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under the contract is the higher of 1,000,000 yen or the amount prescribed by law.

(iii) Summary of contents of liability insurance policy for directors and officers

The Company entered into a directors and officers liability insurance policy (D&O insurance) with an insurance agency, as set forth in Article 430-3, paragraph 1 of the Companies Act of Japan. All premiums, including those for special clauses, are paid by the Company. Insurance accidents subject to coverage include shareholder derivative suits, corporate lawsuits, and third-party lawsuits. However, claims for damages caused by intentional or gross negligence will not be covered.

(iv) Total amount of compensation for directors

A) Total amount of compensation for directors for this fiscal year

	Number of Directors paid	Compensation (JPY000s)
Director (excluding Audit and Supervisory Committee member) (outside director)	3 (-)	119,298 (-)
Director (Audit and Supervisory Committee member) (outside director)	3 (3)	19,230 (19,230)
Total (outside director)	6 (3)	138,528 (19,230)

Note:

1. At the extraordinary general meeting of shareholders held on September 1, 2016, it was resolved that the maximum annual remuneration for directors (excluding Audit and Supervisory Committee members) is ¥200 million and the maximum annual remuneration for directors (Audit and Supervisory Committee members) is ¥50 million. The number of Directors as of the end of that General Shareholders Meeting was six (6), including three (3) Directors who were members of the Audit and Supervisory Committee.
2. The above total amount of remuneration, etc. includes the company's share of the defined contribution pension plan.

B) Retirement benefit for directors paid in this Fiscal Year

Not applicable.

C) Amount of Compensation for Outside Directors provided from Parent Company or Subsidiaries

Not applicable.

D) Basic Policy on determining the details of remuneration for Directors

At the extraordinary general meeting of shareholders held on September 1, 2016, it was resolved that the maximum annual remuneration for directors (excluding Audit and Supervisory Committee members) is ¥200 million in total and the maximum annual remuneration for directors (Audit and Supervisory Committee members) is ¥50 million in total. Regarding individual remuneration, only basic remuneration as fixed amount is paid under the current system, based on the basic policy that the individual remuneration should be at an appropriate level with the responsibilities of each position and the incentive for continuous improvement of corporate value. The policy is considered a flexible remuneration system including stock-based compensation, depending on future circumstances.

The amount of basic remuneration (monetary remuneration) shall be fixed monthly amount and shall be determined by Compensation Committee delegated by the Board of Directors. Compensation Committee is a voluntary established committee including outside directors, and determine individual compensation comprehensively taking account into the position,

responsibilities, business performance and value of shareholders, contribution on the enhancement of corporate value with sustainability consideration, and the level of other companies.

E) Method of determining each individual director's remuneration

In order to ensure fairness, objectivity, and transparency in the remuneration policy, allocation and operation, the voluntary established Compensation Committee decides the details of individual remuneration of all directors under delegation from the Board of Directors. The members of the Compensation Committee as well as the chairman of the Compensation Committee are appointed by resolution of the Board of Directors, and half or more of the members are independent outside directors.

(v) Matters concerning outside directors

A) Relationship between significant officers concurrently held and the company

- Mr. Shinya Hamano, who is a director (member of the Audit and Supervisory Committee), is also serves as an Audit & Supervisory Board Member of the Group companies, but he does not have any other material concurrent positions.
- Mr. Shozo Ishibashi, who is a director (member of the Audit and Supervisory Committee), is a representative director of the Tanzan Ishibashi Memorial Foundation, a director of Kurimoto Gakuen, a director of Keizai Club, a general incorporated association, and an outside director of EDION Corporation. There is no special relationship between the Company and the companies in which it holds positions.
- Mr. Sadahiko Yoshimura, a director (Audit and Supervisory Committee member), is a director and full-time Audit and Supervisory Committee member of WACUL Corporation. There is no special relationship between the Company and the companies in which it holds positions.

B) Major Activities

Position	Name	Attendance of the meetings
Director (Audit and Supervisory Committee member)	Shinya Hamano	He attended 17 of the 19 meetings of the Board of Directors and 13 of the 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge as a former member of the senior management team of an operating company.
Director (Audit and Supervisory Committee member)	Shozo Ishibashi	The Company attended all 19 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, including listed companies, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge. In addition, as chairman of the Compensation Committee, he leads deliberations on the proposed remuneration of directors and compiles a draft report for the committee.
Director (Audit and Supervisory Committee member)	Sadahiko Yoshimura	The Company attended all 19 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. At the meetings of the Board of Directors and the Audit and Supervisory Committee in which he has attended, he has served as an officer of several corporations, and has made comments as appropriate from a wide range of perspectives based on his extensive experience and high level of knowledge.

Note:

1. The Audit and Supervisory Committee is composed of outside directors, and collaboration among outside directors is promoted through the Audit and Supervisory Committee.
2. The outside directors regularly exchange information and opinions with the representative directors through the activities of the Audit and Supervisory Committee.
3. Mr. Shinya Hamano, an outside director and full-time Audit and Supervisory Committee member, attends meetings of the Board of Directors, the Audit and Supervisory Committee, as well as the

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Management Committee and the Compliance Committee, provides necessary advice from a wide range of perspectives, and confirms the status of the execution of duties by directors (excluding directors who are Audit and Supervisory Committee members) and executive officers.

(4) Accounting Auditor

(i) Designation of Accounting Auditor Ernst & Young ShinNihon LLC

(ii) Amount of remuneration

	Amount of remuneration
Accounting Auditor's Compensation for the fiscal year ended March 31, 2021	JPY 31 million
Total of cash and other profits payable by the Company to Accounting Auditor	JPY 31 million

Note:

1. In the audit contract between the Company and the accounting auditor, the amount of remuneration, etc. for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act are not clearly separated and cannot be practically separated, so the amount of remuneration, etc. for the accounting auditor for the fiscal year under review is the total of these amounts.
2. The Audit and Supervisory Committee decided to agree on the amount of remuneration, etc. for the accounting auditor after conducting the necessary verification of whether the content of the audit plan, the status of the performance of the accounting auditor's duties and the basis for calculating the estimated remuneration of the accounting auditor are appropriate.

(iii) Policy on dismissal or non-reappointment of accounting auditor

If the Audit and Supervisory Committee deems it necessary, such as when the execution of the duties of the accounting auditor is impeded, the Audit and Supervisory Committee will decide on the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

The Audit and Supervisory Committee will dismiss the accounting auditor with the consent of all members of the Audit and Supervisory Committee if the accounting auditor is found to fall under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act. In this case, the Audit and Supervisory Committee members selected by the Audit and Supervisory Committee will report the dismissal of the accounting auditor and the reason for the dismissal at the first general meeting of shareholders convened after the dismissal.

3. System to ensure proper business execution and Activities

(1) System to ensure proper business execution

The following is a summary of the decisions made regarding the system to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the Company's operations.

- (i) System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation
 - A) In order to ensure compliance with laws and regulations, corporate ethics, and internal rules in business activities, we have established a "Basic Compliance Policy" that sets out the basic matters to be complied with, and make them known to the officers and employees of our group.
 - B) The Company shall establish a Compliance Committee to ensure that specific matters to be complied with in the execution of duties, such as laws and regulations, the Articles of Incorporation, internal regulations, and the Code of Conduct, are disseminated and firmly established, and a system to prevent compliance violations shall be established.
 - C) Periodically conduct internal audits to ensure that the execution of their respective duties is in compliance with laws and regulations and the Articles of Incorporation.
 - D) Respond to the Whistleblower Protection Act in accordance with the "Whistleblower Handling Rules," and strengthen the consultation function for compliance by utilizing the reporting window.
- (ii) System for the storage and management of information related to the execution of duties by Directors

The Company shall properly record information related to the execution of duties by

directors, including records related to decision-making at important meetings including the Board of Directors and documents approved by each director in accordance with the “Rules on Administrative Authority,” and shall retain such information for a specified period in accordance with laws and regulations and the “Rules on Document Management.”

- (iii) Risk of loss ("Risk"). Rules and other systems related to the management of
 - A) The Company shall respond to various risks that have a significant impact on management by preparing appropriate countermeasures in advance, etc., depending on the size of the risk and the likelihood of its occurrence, in order to minimize the risk.
 - B) For the purpose of preventing risks and minimizing corporate losses, the Company shall establish "Risk Management Regulations" and establish a risk management system in accordance with these regulations. In the event of an unforeseen situation, the Company shall establish a task force headed by the President and Representative Director to take prompt action and put in place a system to prevent and minimize the spread of damage.
- (iv) System to ensure the efficient execution of duties by Directors
 - A) The Board of Directors shall be held at least once a month in principle - to decide important matters, deliberate and exchange opinions, and each director shall supervise the execution of business in cooperation with each other.
 - B) Formulate a medium-term management plan and a single-year budget to define the future vision and goals for the company as a whole in response to changes in the environment. In order to achieve the management plan and annual budget, the Company clarifies the responsibilities of directors and employees and thoroughly improve the efficiency of operations in accordance with the “Organization Rules,” the “Rules on the Segregation of Duties,” and the “Rules on Duties and Authorities.”
 - C) Introduce an operating officer system, clarify the business execution system by delegating authority, and establish a flexible and efficient management system.
 - D) To improve the transparency and objectivity of the remuneration decision-making process for directors (excluding directors who are members of the Audit and Supervisory Committee) by establishing a Compensation Committee consisting of at least half of independent outside directors as an advisory body to the Board of Directors.
- (v) Systems to ensure the appropriateness of business operations of the Company's corporate group
 - A) The Company shall conduct appropriate business management of its subsidiaries and affiliates in accordance with the "Regulations for the Management of Affiliated Companies".
 - B) In addition to conducting internal audits of consolidated subsidiaries on a regular basis, the Company's Audit and Supervisory Committee members shall conduct audits as necessary and develop a system to ensure the appropriateness of business operations.
- (vi) System for employees to assist the Audit and Supervisory Committee in its duties and their independence from the directors
 - A) When the Audit and Supervisory Committee requests that the Company assign employees to assist in the performance of its duties, the Company shall assign appropriate personnel, and the specific details of such assignment (organization, number of employees, etc.) shall be discussed and examined.
 - B) Personnel changes and performance evaluations of employees set forth in the preceding item shall be made after hearing and respecting the opinions of the Audit and Supervisory Committee, and the Audit and Supervisory Committee shall have the authority to give orders and ensure independence from directors (excluding directors who are members of the Audit and Supervisory Committee).
- (vii) System for Directors (excluding Directors who are Audit and Supervisory Committee members) and employees to report to the Audit and Supervisory Committee

Audit and Supervisory Committee members shall have access to major approval documents and other important documents related to business execution, and shall request explanations from Directors, etc. as necessary.

- (viii) Other systems to ensure that audits by Audit and Supervisory Committee members are conducted effectively
 - A) The President and Representative Director and the Audit and Supervisory Committee members shall hold regular meetings for the purpose of mutual communication.
 - B) The Audit and Supervisory Committee members shall ensure the effectiveness of the audit in cooperation with those in charge of internal audit.
 - C) The Audit and Supervisory Committee members shall exchange opinions with the accounting auditor as appropriate.
- (ix) System to eliminate anti-social forces
 - A) The Company and its subsidiaries shall work to block relations with antisocial forces in accordance with the "Basic Compliance Policy".
 - B) The Company shall cooperate sufficiently with law enforcement agencies, the Federation for the Prevention of Special Measures against Violence, legal advisors, and other external specialized organizations to share information and develop a system to eliminate antisocial forces.

(2) Corporate governance activities during this Fiscal Year

An overview of the operation of the system to ensure the appropriateness of business is as follows.

- (i) Execution of Duties by Directors
During the fiscal year under review, the Board of Directors met 19 times to make management decisions. In addition, we have established internal regulations such as the regulations of the Board of Directors to ensure that the directors act in accordance with laws and regulations and the Articles of Incorporation.
- (ii) Execution of duties by Audit and Supervisory Committee members
During the fiscal year under review, the Audit and Supervisory Committee met 14 times, and the Audit and Supervisory Committee members exchanged opinions with each other. In addition to attending important meetings, including those of the Board of Directors, the Audit and Supervisory Committee members audit the execution of duties by directors by exchanging information with the accounting auditor and those in charge of internal audit as appropriate.
- (iii) Risk management and compliance
In order to mitigate and prevent risks, the Company is working to strengthen its risk management system and ensure compliance through the establishment of risk management regulations and meetings of the Compliance Committee.

(3) Basic Items Concerning Corporate Governance

The basic concept of corporate governance of the Company is that it is essential to establish sound management, legal compliance, and transparency in order to build relationships of trust with all stakeholders and achieve sustainable growth and development. In order to achieve these goals, we will make prompt and appropriate management decisions, exercise independent auditing functions, establish an effective internal control system, and promote timely and appropriate information disclosure, while ensuring that all officers and employees are aware of their social responsibilities.

(4) The results of the assessment of the effectiveness of the Board of Directors

In order to improve the effectiveness of the Board of Directors and the Compensation Committee, the Company conducted a self-evaluation through a questionnaire to all directors, and the results were discussed and evaluated by the Board of Directors. As a result, the Company's Board of Directors has confirmed that it is functioning effectively as an executive and supervisory body, and that the effectiveness of the Board of Directors has been ensured.

In addition, with regard to the consideration of appointing female directors and outside directors who are not the members of the Audit and Supervisory Committee with diversity of the Board of Directors and the balance of knowledge and experience, which was recognized as a medium-long term issue in the previous fiscal year, the Company expected to strengthen the diversity and the number of outside directors subject to approvals at this Meeting. Mr. Masakatsu Saito, former president and CEO of au Kabucom Securities Co., Ltd. and current our senior executive officer, will be appointed as a full-time director, and Mr. Kiyoshi Noma, senior managing director of QUICK Corp., will be appointed as an outside director.

On the other hand, in anticipation of the acceleration of digitalization and the rapid expansion and diversification of the Group's business, there were also comments on the importance of ensuring mobility to secure business opportunities while maintaining a governance system centered on risk management as well as the importance of strengthening deliberations on medium-long term growth

strategies. Based on these opinions, the Company's Board of Directors has identified as issues for this fiscal year that it is effective to consider efforts for digital transformation and appropriate delegation from the Board of Directors to the management team.

Based on the above results, the Company's Board of Directors will continue to make efforts to improve the effectiveness of the Board of Directors and contribute to the sustainable enhancement of the corporate value of the Group.

4. Basic Policy on Control of the Company

The Company believes that those who control decisions on financial and business policies should focus management resources on maximizing corporate value and increasing shareholder returns, with the aim of achieving sustainable growth. No special takeover defense measures have been introduced.

5. Policy on the determination of dividends from surplus, etc.

The Company considers the return of profits to shareholders to be one of its most important management issues. Recognizing that the Company is in a period of continued growth and so top priority is to increase our corporate value by enhancing and using its internal reserves for the investment of growth, the Company is also to provide stable dividends as one of the measures to return profits to shareholders, to aim of achieving both growth and profit. Based on this policy, the Company will increase an ordinary dividend per share by 2 yen from the previous fiscal year to 18 yen, as announced on March 16, 2021, taking into account the favorable business performance of the current fiscal year, being achieved earnings growth mainly subscription type of sales, and the Company is in a position to see continuous sales growth for the next fiscal year. The dividend for the fiscal year ending March 31, 2022 will be determined in consideration of business performance trends and the progress of investments, but at this point the Company plans to maintain the ordinary dividend at 18 yen per share, the same as this fiscal year or a 2-yen-increase from the previous year. The Company aims to enhance the corporate value by achieving sustainable growth in business performance which is the top priority, and shareholder returns in parallel.

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Consolidated Balance Sheets

As of March 31, 2021

(Thousands of Yen)

Accounts Title	Amount	Accounts Title	Amount
ASSETS		LIABILITIES	
Current Assets:	2,875,210	Current liabilities:	1,251,328
Cash and deposit	1,847,041	Accounts payables	225,025
Account receivables	873,592	Short-term borrowing	500,000
Work in process	16,153	Current portion of bond	20,000
Supplies	1,419	Current portion of long-term debt	198,188
Others	140,657	Income tax payable	70,350
Allowance for doubtful accounts	- 3,652	Other allowances	16,165
Fixed Asset:	4,114,544	Others	221,597
Tangible Asset	70,063	Fixed liabilities:	1,523,104
Buildings and accompanying facilities	44,622	Long-term liabilities	1,456,019
Accm. depreciation	- 26,995	Deferred tax liabilities	67,085
Buildings and accompanying facilities (Net)	17,626		
Equipment and fixtures	163,524	Total liabilities	2,774,433
Accm. depreciation	- 111,087		
Equipment and fixtures (Net)	52,436	EQUITY	
Intangible fixed assets:	3,153,429	Equity	3,886,827
Goodwill	1,022,338	Capital stock	1,762,268
Clients asset	472,820	Capital surplus	3,565,598
Clients asset	78,833	Retained earnings:	- 1,441,038
Software	1,286,225	Accumulated other comprehensive income (loss)	29,914
Software in progress	258,930	Valuation difference on available-for sale securities	29,914
Others	34,282	Non-controlling interests	298,579
Investments and other assets:	891,051	Total Equity	4,215,321
Investments in securities	697,083		
Guarantee deposits	103,970	Total liabilities and equity	6,989,754
Deferred tax assets	95,870		
Others	9,495		
Allowance for doubtful accounts	- 15,367		
Total assets	6,989,754		

Note: Amounts have been rounded down to the nearest thousand yen.

Consolidated Statements of Income

From April 1, 2020 to March 31, 2021

(Thousands of Yen)

Accounts Title	Amount	
Sales		4,158,862
Cost of Sales		2,194,346
Gross Profit		1,964,516
Selling, general and administrative expenses		1,205,013
Operating profit		759,502
Non-operating income		
Interest income	22	
Dividend income	700	
Miscellaneous income	1,707	2,429
Non-operating expenses		
Interest expense	13,530	
Guarantee fee paid	4,241	
Acquisition-related expenses	7,000	
Foreign exchange loss	265	
Others	2,618	27,656
Ordinary income		734,276
Extraordinary profit		
Gain on sale of fixed assets	90	
Subsidiary liquidation gain	4,270	
Gain on sales of investment securities	39,237	43,598
Extraordinary loss		
Loss on impairment	11,223	
Infectious disease related loss	25,927	37,151
Income before income taxes		740,723
Income taxes (Corporate, residential, enterprise taxes)	99,698	
Income tax adjustment	34,291	133,990
Net income		606,733
Net income attributable to noncontrolling interests		42,235
Net income attributable to owners of parent		564,497

Note: Amounts have been rounded down to the nearest thousand yen.

TRANSLATION, For Your Reference Purpose Only

Balance Sheets

As of March 31, 2021

(Thousands of Yen)

Accounts Title	Amount	Accounts Title	Amount
ASSETS		LIABILITIES	
Current Assets:	2,005,399	Current liabilities:	1,130,024
Cash and deposit	1,149,363	Accounts payables	229,758
Account receivables	727,164	Short-term borrowing	500,000
Work in process	887	Current portion of bond	20,000
Supplies	1,419	Current portion of long-term debt	178,188
Prepaid expenses	73,144	Accrued expense	53,726
Others	57,073	Income tax payable	35,413
Allowance for doubtful accounts	- 3,653	Accrued business office taxes	2,207
Fixed Asset:	4,063,846	Accrued consumption taxes	51,234
Tangible Asset	62,655	Deposit	18,720
Buildings and accompanying facilities	44,622	Deferred revenues	23,999
Accm. depreciation of building & facilities	- 26,995	Product warranty reserve	4,268
Equipment and fixtures	147,317	Provision for shareholder benefits	11,897
Accum. depreciation of equipment & fixtures	- 102,288	Others	609
Intangible fixed assets:	1,565,637	Fixed liabilities:	1,046,019
Goodwill	33,315	Long-term liabilities	1,046,019
Trademark	25,931	Total liabilities	2,176,043
Clients asset	158,403	EQUITY	
Technology assets	78,833	Equity	3,863,287
Software	1,027,548	Capital stock	1,762,268
Software in progress	233,657	Capital surplus	3,565,598
Others	7,948	Capital reserve	962,268
Investments and other assets:	2,435,553	Other capital reserve	2,603,330
Investments in securities	697,083	Retained earnings:	- 1,464,579
Investment in affiliates	1,544,501	Other retained earnings	- 1,464,579
Bankruptcy credit	4,621	Retained earnings carried forward	- 1,464,579
Long-term prepaid expenses	4,873	Valuation and translation adjustments	29,914
Deferred tax assets	95,870	Valuation difference on available-for sale securities	29,914
Guarantee deposits	103,970		
Allowance for doubtful accounts	- 15,367	Total Equity	3,893,202
Total assets	6,069,246	Total liabilities and equity	6,069,246

Note: Amounts have been rounded down to the nearest thousand yen.

Statements of Income

From April 1, 2020 to March 31, 2021

(Thousands of Yen)

Accounts Title	Amount	
Sales		3,104,210
Cost of Sales		1,552,578
Gross Profit		1,551,632
Selling, general and administrative expenses		936,990
Operating profit		614,641
Non-operating income		
Interest income	13	
Dividend income	700	
Reversal of allowance of loss on business restructuring	888	
Miscellaneous income	668	2,270
Non-operating expenses		
Interest expense	10,269	
Insurance premium paid	4,241	
Stock issuance expenses	730	
Foreign exchange loss	118	
Acquisition-related expenses	1,000	
Investment business association investment loss	1,707	
Miscellaneous losses	180	18,247
Ordinary income		598,664
Extraordinary profit		
Subsidiary liquidation gain	4,270	
Gain on sales of investment securities	39,237	43,507
Extraordinary loss		
Loss on impairment	11,223	
Infectious disease related loss	2,050	13,273
Income before income taxes		628,898
Income taxes (Corporate, residential, enterprise taxes)	50,621	
Income tax adjustment	20,936	71,558
Net income		557,340

Note: Amounts have been rounded down to the nearest thousand yen.

The Company received the Independent Auditor's Report and the Audit Report by the Audit and Supervisory Committee for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021) pursuant to the Companies Act of Japan. These are provided only in Japanese.

END