

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. MIXI, Inc. assumes no responsibility for this translation or for direct, indirect, or any other forms of damage arising from the translation.

Securities Code: 2121

June 10, 2025

(Electronic Provision Measures Commencement Date: June 4, 2025)

To Shareholders:

Koki Kimura, President and Representative Director
MIXI, Inc.

Shibuya Scramble Square
2-24-12 Shibuya, Shibuya-ku, Tokyo

CONVOCATION NOTICE FOR THE 26TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby give notice regarding the holding of the 26th Ordinary General Meeting of Shareholders of MIXI, Inc. (the “**Company**”). The meeting will be held as described below.

In convening this ordinary general meeting of shareholders, the Company is taking measures for electronic provision and have posted information contained in the reference materials for the general meeting of shareholders and the like (referred to as “electronic provision measures matters” in the Companies Act of Japan) as the “CONVOCATION NOTICE FOR THE 26TH ORDINARY GENERAL MEETING OF SHAREHOLDERS” on the website below.

Company’s website

<https://mixi.co.jp/en/ir/stock/meeting/>

In addition to the foregoing, the electronic provision measures matters are also posted on the website below. The Company requests that you access the website below, enter and search for “Issue name (MIXI)” or “Securities code (2121)”, and select “Basic information” and “Documents for public inspection/PR information” in that order, and check the column titled “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting” in “Filed information available for public inspection”.

Tokyo Stock Exchange website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

We ask that our shareholders “virtually attend” this general meeting of shareholders via the Internet. The Company will hold this general meeting of shareholders without preparing a physical venue, and shareholders are kindly requested to “virtually attend” this general meeting of shareholders via the Internet, with reference to the “Guide to the Virtual-Only General Meeting of Shareholders” below.

If you decide not to attend, you may exercise your voting rights through one of the following methods, so please review the reference material for the general meeting of shareholders and exercise your voting rights by 7:00 p.m. on Wednesday, June 25, 2025 (JST).

**Exercise of Voting
Rights by Mail (in
Writing)**

Please see page 3 for
details.

**Exercise of Voting
Rights via the
Internet, etc.
(Electronic Methods)**

Please see page 3 for
details.

1.	Date and time	Thursday, June 26, 2025, at 11:00 a.m. (JST)		
		<ul style="list-style-type: none">* Streaming is scheduled to start from around 10:30 a.m. (JST).* In the event that it becomes difficult to open the virtual-only general meeting of shareholders on the date and time for the meeting due to the occurrence of communication failures or other reasons, the meeting will be held on the alternate date of Thursday, June 26, 2025, at 3:00 p.m. (JST). If the Company decides to hold the general meeting of shareholders on the alternate date, we will make an announcement to that effect on our website by noon on Thursday, June 26, 2025 (JST).		
2.	Method of Holding Meeting	General Meeting of Shareholders Without a Designated Location (Virtual-Only General Meeting of Shareholders)		
		<ul style="list-style-type: none">• Since this general meeting of shareholders will be held entirely online (only on the Internet), there is no physical venue that you can actually visit. Please attend this general meeting of shareholders online via the website designated by the Company.• For details on how to attend, please refer to pages five to eight.		
3.	Agenda items	Items to be reported:	1.	The business report, consolidated financial statements, and results of audits of the consolidated financial statements by the independent auditors and the audit and supervisory board for the 26th fiscal year (from April 1, 2024 to March 31, 2025)
			2.	The non-consolidated financial statements for the 26th fiscal year (from April 1, 2024 to March 31, 2025)
		Items to be resolved:	Agenda Item No. 1:	Election of seven directors
			Agenda Item No. 2:	Election of one substitute audit and supervisory board member

End

-
- * For those who will virtually attend on the day of this general meeting of shareholders, we ask that you have the enclosed voting rights exercise form readily accessible. If you are posting your voting form in advance, please keep a record of your “Shareholder Number” (the nine-digit number stated in the Login ID column on your voting rights exercise form), “Postal Code,” and “Number of Shares Held” stated on your voting rights exercise form readily accessible. The “Postal Code” used for logging in is set based on the information stated on the shareholder registry as of the last day of March 2025. Therefore, please note that in some cases, the “Postal Code” stated on the voting form may differ from that of your actual place of residence.
 - * The reference material for the general meeting of shareholders together with parts of the business report are sent to shareholders who did not make a request for delivery of documents. Documents stating the electronic provision measures matters, excluding the following, are sent to shareholders who have made a request for delivery of documents in accordance with laws and regulations and the Company’s articles of incorporation (please note that the page numbers, paragraph numbers, and pages referenced in the documents sent are the same as those stated in the electronic provision measures matters, and therefore, page numbers and the like which may be missing are not misprints): “Matters concerning the Company’s subscription rights to shares, etc.,” “Matters concerning independent auditors,” “Systems that ensure the properness of operations; the operational status of those systems,” “Consolidated Statements of Changes in Shareholders’ Equity,” “Notes to the Consolidated Financial Statements,” “Statements of Changes in Shareholders’ Equity,” and “Notes to the Non-Consolidated Financial Statements.”
 - * If there is any revision to the electronic provision measures matters, the fact that such revisions have been made as well as the matters before and after the revision will be reported on each of the websites on which the electronic provision measures matters are posted.
 - * The results of the resolutions will be reported on the Company’s website, in lieu of sending a Notice of Resolutions in writing. We appreciate your kind understanding.
 - * A resolution will be adopted at the beginning of this general meeting of shareholders to grant the Chairperson the authority to decide to postpone or adjourn this general meeting of shareholders in order to prepare for an event where the proceedings of this general meeting of shareholders are significantly impeded due to communication failure. If the Chairperson decides to postpone or adjourn this general meeting of shareholders in accordance with such a resolution, we will promptly make an announcement to that effect on the Company’s website prescribed above.

How to Exercise of Voting Rights by Mail (in Writing)

Please send back the enclosed voting rights exercise form to the Company expressing your approval or disapproval of the agenda items by the deadline.

Where there is no indication of either “approval” or “disapproval” of the respective proposed resolutions on the voting form, it shall be deemed that each of Proposals were approved.

How to Exercise Voting Rights via the Internet, etc. (Electronic Methods)

If you exercise your voting rights via the Internet, etc. (electronic methods), please exercise your voting rights after checking the following matters.

1. You can exercise your voting rights via the Internet, etc. (electronic methods) only by using the system of Sumitomo Mitsui Trust Bank, Limited, which is the shareholder registry administrator, and by using the electronic voting platform operated by ICJ, Inc.
2. The deadline for exercising voting rights via the Internet, etc. (electronic methods) is 7:00 p.m. on

Wednesday, June 25, 2025 (JST)

3. If you have exercised your voting rights both in writing and via the Internet, etc. (electronic methods), your vote via the Internet, etc. (electronic methods) will be the effective vote.
4. If you have exercised your voting rights via the Internet, etc. (electronic methods) multiple times, then your last vote made via the Internet, etc. (electronic methods) will be the effective vote.
5. Connection fees to be paid to a provider and communications fees (telephone, etc.) to be paid to a telecommunications carrier may be required to use the website for exercising voting rights. In that case, the fees shall be borne by the shareholder.

■ Guide to the Virtual-Only General Meeting of Shareholders

This general meeting of shareholders will be held as a general meeting of shareholders without a designated location (a so-called “virtual-only general meeting of shareholders”). Please note in advance that there is no physical venue that shareholders can actually visit.

1. System Requirements for Virtual Attendance

The Company recommends that you virtually attend this general meeting of shareholders using the operating environment below. All expenses necessary for virtual attendance of this general meeting of shareholders, such as any expenses related to the telecommunications device and communications fees, are to be borne by the shareholder. Since in some cases shareholders might not be able to virtually attend this general meeting of shareholders or exercise voting rights or other rights due to problems with devices used, such as PCs or smartphones, or with communication environments or the like, we ask that you attend this general meeting of shareholders after exercising your voting rights in advance.

	PC		Mobile	
	Windows	Mac	Android	iOS
OS	Windows 10 or higher	MacOS (latest version)	Android OS (latest version)	iOS (latest version)
Browser	Google Chrome, Microsoft Edge (latest version)	Google Chrome, Safari (latest version)	Google Chrome (latest version)	Safari (latest version)

2. Date and Time of Streaming

Thursday, June 26, 2025, at 11:00 a.m. (JST)

* Streaming is scheduled to start from around 10:30 a.m. (JST).

* In the event that this general meeting of shareholders cannot be held due to communication failures or other reasons, or in cases where the Chairperson decides to postpone or adjourn this general meeting of shareholders, this general meeting of shareholders will be held on the alternate date of Thursday, June 26, 2025, at 3:00 p.m. (JST).

3. How to Attend the General Meeting of Shareholders on the Day of the Meeting

Access URL: <https://web.sharely.app/login/mixi-26>

Please access the live streaming page by either entering the URL above or scanning the QR code on the right.



* “QR code” is a registered trademark of DENSO WAVE INCORPORATED

After you have accessed the live streaming page, please follow the instructions on the screen to log in by entering your “Shareholder Number” (the nine-digit number stated in the Login ID column on your voting rights exercise form), “Postal Code,” and “Number of Shares Held” stated on your voting rights exercise form.

* Before posting your voting form please keep a record of your “Shareholder Number” (the nine-digit number stated in the Login ID column on your voting rights exercise form), “Postal Code,” and “Number of Shares Held” readily accessible. The “Postal Code” used for logging in is set based on the information stated on the shareholder registry as of the last day of March 2025. Therefore, please note that in some cases, the “Postal Code” stated on the voting form may differ from that of your actual place of residence.

* If you have any questions regarding how to log in, please refer to the FAQ accessible via the URL below.
<https://sharely.zendesk.com/hc/ja/> (in Japanese)

4. How to Ask a Question, Submit a Motion, and Exercise Voting Rights on the Day of the Meeting

(1) How to Ask a Question on the Day of the Meeting

After logging in, you may send questions regarding the agenda items for this general meeting of shareholders via the “Questions” button.

Acceptance period: We will accept your questions from the starting time of this general meeting of shareholders to the time designated by the Chairperson.

* Questions will be limited to a maximum of three questions per person, and up to 150 characters per question.

* Please note in advance that we may not be able to answer all of your questions due to reasons relating to the proceedings of this general meeting of shareholders or the nature of the question.

(2) How to Submit a Motion

After logging in, please follow the instructions of the Chairperson and submit your motion by (i) selecting the type of motion via the “Motion” button and (ii) entering the details of your motion and sending it.

(3) How to Exercise Voting Rights on the Day of the Meeting

After logging in, please follow the instructions of the Chairperson and enter your approval or disapproval via the “Resolution” button.

In the event that a shareholder who has exercised his or her voting rights in writing (by mail) or via the Internet in advance attends this general meeting of shareholders on the day of this general meeting of shareholders, the voting rights exercised in advance will be regarded as ineffective and the details of the last vote made on the day of this general meeting of shareholders will be regarded as effective at the time when the Company confirms that the shareholder’s voting rights have been exercised on the day of this general meeting of shareholders. Please note in advance that if the Company cannot confirm the exercise of the voting rights by the shareholder on the day of this general meeting of shareholders, the voting rights exercised in advance will be regarded as effective.

5. How to Ask a Question in Advance

Access URL: https://web.sharely.app/e/mixi-26/pre_question

Please access the page for accepting questions in advance by either entering the URL above or scanning the QR code on the right.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED



We will accept questions in advance of the meeting during the acceptance period below. Please follow the access procedures prescribed in “3. How to Attend the General Meeting of Shareholders on the Day of the Meeting” above to log in to the Access URL above and send questions regarding the agenda items for this general meeting of shareholders from the “Ask a Question in Advance” form.

Acceptance period: Tuesday, June 10, 2025 to 5:00 p.m. on Friday, June 20, 2025 (JST)

* Questions will be limited to up to 150 characters per question.

* Please note in advance that if the Company is unable to provide explanations in response to all of your questions, then we will, at the discretion of the Chairperson, provide explanations for the matters that are of strong interest to our shareholders on the day of this general meeting of shareholders.

6. How to Attend the Meeting by Proxy

You may exercise your voting rights by appointing another shareholder with voting rights as your proxy at this general meeting of shareholders. Shareholders who wish to do so are required to submit a proxy card to the Company prior to this general meeting of shareholders, so please send the proxy card to the address below. Please follow the access procedures prescribed in “3. How to Attend the General Meeting of Shareholders on the Day of the Meeting” above to download the proxy card form via the “Handout” button.

Address for submission of proxy card

Secretariat of the General Meeting of Shareholders, MIXI, Inc.

36th Floor, Shibuya Scramble Square, 2-24-12 Shibuya, Shibuya-ku, Tokyo 150-6136

Submission deadline

6:00 p.m. on Tuesday, June 24, 2025 (JST) (time of receipt)

7. Matters to be Noted Regarding Attendance to the General Meeting of Shareholders

- This general meeting of shareholders will be held using a system that has in place countermeasures for communication failures. Also, this general meeting of shareholders will be operated using structures that allow for prompt restoration even if a communication failure occurs on the day of this general meeting of shareholders.
- As a countermeasure for communication failures, a backup line has been prepared in addition to the main Internet line. Also, a resolution will be adopted at the beginning of this general meeting of shareholders to grant the Chairperson the authority to decide to postpone or adjourn this general meeting of shareholders in the event the proceedings of this general meeting of shareholders are significantly impeded due to communication failures or other reasons.
- In the event that this general meeting of shareholders cannot be held due to communication failures or other reasons, or in cases where the Chairperson decides to postpone or adjourn this general meeting of shareholders, the meeting so postponed or adjourned or this general meeting of shareholders will be held on the alternate date (3:00 p.m. on Thursday, June 26, 2025 (JST)).

In such case, we will make an announcement to that effect on the Company's website.

- We kindly request each shareholder who wishes to exercise voting rights but who has difficulties using the Internet to exercise voting rights in writing in advance by sending the voting rights exercise form you have received.
- Although we will endeavor to provide a stable stream on the day of this general meeting of shareholders, there is a possibility that communication failures, such as interference with video and sound, temporary interruptions, and the like will occur due to issues related to the communication environment. Please also note in advance that we will not be able to provide any support for any connection failures, delays, and audio issues you may have due to your communication environment.
- All expenses incidental to attendance of the virtual-only general meeting of shareholders, such as connection fees and communications fees, are to be borne by the shareholder.
- Please refrain from doing the following: providing video or sound data to third parties; public projection of such data; redistribution or reproduction of such data; informing third persons how to log in to the live streaming page and the page for accepting questions in advance; or filming the proceedings of the online streaming.
- If a shareholder commits any act that is contrary to the purposes of this general meeting of shareholders, such as repeatedly sending the same question or the like, repeatedly sending text data with an excessive volume of characters, or repeatedly sending questions or the like that contain inappropriate content unrelated to the agenda items for this general meeting of shareholders, or if the Chairperson judges that the shareholder is impeding the proceedings of this general meeting of shareholders or the sound operation of the system for the virtual-only general meeting of shareholders, then the secretariat, as ordered or instructed by the Chairperson, may forcibly block the connection of that shareholder.
- This general meeting of shareholders will be conducted in Japanese only.
- Any personal information obtained will not be used for any purposes other than operations related to this general meeting of shareholders.
- Changes may be made to the operation of this general meeting of shareholders due to changes in circumstances in the future. In such a case, we will make an announcement to that effect on the "Shareholder Meeting Documents" page on the Company's website. We request that you check that page as necessary.

8. Inquiries Desk for the 26th Ordinary General Meeting of Shareholders

Sharely Co., Ltd. 03-6683-7664

Hours of Operation 10:00 a.m. to 5:00 p.m. (JST) on and after Tuesday, June 10, 2025

* Monday to Friday (excluding holidays)

On the day of streaming (Thursday, June 26), the inquiries desk will be operating from 10:00 a.m. (JST) until the closing of the general meeting of shareholders

Agenda Item 1 Election of seven directors

When this general meeting of shareholders ends, the terms of office of all current seven directors will expire. Accordingly, the Company proposes the election of seven directors.

The candidates for director are as follows:

Candidate number		Name	Positions and responsibilities in the Company	Attendance at board of directors meetings
1	To be reelected	Koki Kimura	President and Representative Director Senior Corporate Officer	100% (16 of 16 meetings)
2	To be newly elected	Kohei Shimamura	Senior Corporate Officer	-
3	To be reelected	Tatsuma Murase	Director Senior Corporate Officer	100% (16 of 16 meetings)
4	To be reelected	Kenji Kasahara	Director Senior Corporate Officer Chief General Manager of the Vantage Studio	100% (16 of 16 meetings)
5	To be reelected	Akihisa Fujita	<div>Outside Independent</div> Director	100% (16 of 16 meetings)
6	To be reelected	Hiromi Watase	<div>Outside Independent</div> Director	100% (12 of 12 meetings)
7	To be newly elected	Toshiaki Kawai	<div>Outside Independent</div> -	-

Candidate
number

1

Koki Kimura

To be reelected

Date of birth	December 9, 1975
Number of Company shares owned	1,355,574 shares
Number of years in office as director	10 years
Attendance at board of directors meetings	100% (16 of 16 meetings)



■ Career summary and positions and responsibilities

February 2003	Joined Mobileproduction Co., Ltd.	June 2015	Director of the Company
March 2005	Joined Index Corporation	August 2015	Chief General Manager of XFLAG Studio at the Company
June 2008	Joined the Company	April 2017	Chief General Manager of XFLAG Business at the Company
August 2012	Product owner of the Product Development Division of the Company	April 2018	Corporate Officer of the Company
November 2013	Producer of Monster Strike Studio at the Company	June 2018	President and Representative Director of the Company (current)
April 2014	General Manager of Monster Strike Studio at the Company	April 2022	Senior Corporate Officer of the Company (current)
November 2014	Corporate Officer of the Company		
January 2015	Chief General Manager of Monster Strike Studio at the Company		

■ Reason why the Company selected Mr. Koki Kimura as a candidate for Director

Mr. Koki Kimura has demonstrated strong leadership since being instated in the office of Corporate Officer of the Company in 2014 and has made a great contribution to the Company Group's improved performance, while also leading efforts to improve the corporate value of the Company Group after he was instated in the office of President and Representative Director of the Company in June 2018. The Company's board of directors proposes Mr. Koki Kimura as a candidate for reelection as director in order to utilize his outstanding leadership, skill in the formulation and coordination of managerial strategy, expertise related to business and marketing strategies, and ability to promote corporate governance, to strengthen the function of the Company's board of directors, and to promote further growth of the Company Group.

Candidate
number

2

Kohei Shimamura

To be newly
elected

Date of birth	June 13, 1981
Number of Company shares owned	102,450 shares
Number of years in office as director	0 years
Attendance at board of directors meetings	- % (- of - meetings)



■ Career summary and positions and responsibilities

April 2004	Joined USEN CORPORATION (currently U-NEXT HOLDINGS Co., Ltd)	April 2016	Joined the Company
May 2008	Joined IBM Business Consulting Services KK (currently IBM Japan, Ltd.)	October 2017	General Manager of the Corporate Planning Division of Corporate Promotion at the Company
October 2011	Joined GREE, Inc. (currently GREE Holdings, Inc.)	April 2019	Chief General Manager of Corporate Planning at the Company
		April 2020	Corporate Officer and Chief General Manager of Corporate Promotion at the Company
		March 2023	Outside Director of bitbank, Inc.
		April 2023	Senior Corporate Officer of the Company (current)

■ Reason why the Company selected Mr. Kohei Shimamura as a candidate for Director

Mr. Kohei Shimamura has successively held a number of positions in the Company's administrative divisions, including the corporate planning and corporate management divisions, is in charge of accounting, finance, and investor relations functions, among other functions, as an incumbent CFO, and has an abundance of knowledge and experience in planning of managerial strategy and enhancement of management that is conscious of capital costs within the Company Group. The Company's board of directors proposes Mr. Kohei Shimamura as a candidate for election as director in order to utilize his knowledge and experience to strengthen the function of the Company's board of directors, especially with respect to the formulation of managerial strategy, organizational and human resource development, promotion of M&A and PMI, promotion of risk management from the perspective of finance and accounting, and promotion of corporate governance, in order to promote further growth of the Company Group.

Candidate
number

3

Tatsuma Murase

To be reelected

Date of birth	September 13, 1985
Number of Company shares owned	331,474 shares
Number of years in office as director	6 years
Attendance at board of directors meetings	100% (16 of 16 meetings)



■ Career summary and positions and responsibilities

January 2005	Joined E-Mercury, Inc. (currently the Company)	January 2018	Chief General Manager of XFLAG Development (currently Development) at the Company
December 2009	Director of KH2O Inc.		
January 2012	Joined Q-Games Ltd.	April 2018	Corporate Officer of the Company
February 2013	Joined the Company	June 2019	Director of the Company (current)
May 2014	Manager of Group 2, System Coordination Department of Cross Function at the Company	January 2021	Chief General Manager of Design at the Company
		April 2022	Senior Corporate Officer of the Company (current)
July 2016	General Manager of Game Development Division of XFLAG Studio at the Company		

■ Reason why the Company selected Mr. Tatsuma Murase as a candidate for Director

Mr. Tatsuma Murase has successively held a number of posts as a Chief General Manager within technical divisions of the Company, including the development division, and has an abundance of knowledge and experience from technical perspectives. The Company's board of directors proposes Mr. Tatsuma Murase as a candidate for reelection as director in order to utilize his knowledge and experience to strengthen the function of the Company's board of directors, especially with respect to the formulation of managerial strategy, organizational and human resource development, management promotion from the perspectives of technology and R&D, and promotion of risk management from the perspective of technology, in order to promote further growth of the Company Group.

Candidate
number

4

Kenji Kasahara

To be reelected

Date of birth	December 6, 1975
Number of Company shares owned	32,521,900 shares
Number of years in office as director	26 years
Attendance at board of directors meetings	100% (16 of 16 meetings)



■ Career summary and positions and responsibilities

June 1999	Established E-Mercury, Y.K. (currently the Company) Director of E-Mercury, Y.K.	April 2011	Representative director of mixi recruitment, Inc. (in 2022, the name of the company was changed to MIXI RECRUITMENT, Inc.)
October 2000	Reorganization (change from <i>yugen kaisha</i> to <i>kabushiki kaisha</i>) of E-Mercury, Inc. (currently the Company) President and representative director of E-Mercury, Inc.	July 2011 June 2013 April 2016	Corporate Officer of the Company Chairperson of the Company Chief General Manager of Vantage Studio at the Company (current)
February 2006	Trade name changed to mixi, Inc. (currently the Company) President and representative director of the Company	April 2018 June 2021 April 2022	Corporate Officer of the Company Director of the Company (current) Senior Corporate Officer of the Company (current)
May 2008	Chairperson at mixi Shanghai, Inc.		
October 2008	Representative director of NexPAS, Inc. (currently Torchlight Inc.)		

■ Reason why the Company selected Mr. Kenji Kasahara as a candidate for Director

As founder of the Company, Mr. Kenji Kasahara has served as the president and representative director for many years in the past and has extensive knowledge and experience in relation to the management and the overall business of the Company Group. Even after resigning from the office of the president and representative director of the Company, he has, as a person who exemplifies the Company's corporate philosophy, led the development of new businesses for the Company based on the knowledge and experience he has accumulated. The Company's board of directors proposes Mr. Kenji Kasahara as a candidate for reelection as director in order to utilize his knowledge and experience and deep understanding of the Company's corporate philosophy to strengthen the function of the Company's board of directors, especially with respect to the formulation of managerial strategy and management promotion from the perspectives of business and marketing strategies and technology and R&D, in order to promote further growth of the Company Group.

Candidate
number

5

Akihisa Fujita

To be
reelected

Outside

Independent

Date of birth	November 17, 1965
Number of Company shares owned	0 shares
Number of years in office as director	3 years
Attendance at board of directors meetings	100% (16 of 16 meetings)



■ Career summary and positions and responsibilities

April 1991	Joined DENTSU INC.	June 2017	Director and Vice President of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)
July 1996	Director of Cyber Communications Inc. (currently CARTA COMMUNICATIONS Inc.)		
June 2000	President and Representative Director of D2 Communications Inc. (currently D2C Inc.)	June 2018	President and Representative Director of SETOUCHI BRAND CORPORATION
June 2010	Director and Executive Vice President of Dentsu Digital Holdings Inc. (currently Dentsu Innovation Partners Inc.)	April 2021	Director of SETOUCHI BRAND CORPORATION
June 2014	Representative Director, Executive Vice President of Gurunavi, Inc.	June 2022	Outside Director of INFOCOM CORPORATION
		June 2022	Director of the Company (current)
		May 2023	Outside Director of Signpost Corporation (current)
		September 2024	Outside Director of LIPPS Co., Ltd. (current)

■ Significant concurrent posts

Outside Director of Signpost Corporation

■ Reason why the Company selected Mr. Akihisa Fujita as a candidate for Outside Director and outline of anticipated roles

Mr. Akihisa Fujita has been engaged in corporate management as manager in areas such as advertising business, digital media business, and tourism-related business, and possesses from his past career abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable him to appropriately contribute to matters including determination of managerial matters and supervision of the execution of operations and the like for the Company Group. The Company's board of directors proposes Mr. Akihisa Fujita as a candidate for reelection as outside director in the anticipation that he will utilize his experience and expertise to fulfill the role of strengthening the function of the Company's board of directors, especially with respect to the formulation of managerial strategy, management promotion from the perspective of business and marketing strategies, making recommendations regarding M&A and PMI, promotion of corporate governance, and supervising the execution of operations and the like, in order to promote further growth of the Company Group.

■ Matters regarding independence

Since Mr. Akihisa Fujita's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Mr. Akihisa Fujita is unlikely to have conflicts of interest with general shareholders, has designated him an independent officer, and has notified the Exchange. If Mr. Akihisa Fujita is reelected at this general meeting of shareholders, the Company will again designate him an independent officer.

Candidate
number

6

Hiromi Watase
(current surname: Otsuka)

To be
reelected

Outside

Independent



Date of birth	November 14, 1964
Number of Company shares owned	0 shares
Number of years in office as director	1 year
Attendance at board of directors meetings	100% (12 of 12 meetings)

■ Career summary and positions and responsibilities

April 1988	Joined Recruit Co., Ltd.	June 2018	Outside Director of The Shoko Chukin Bank, Ltd.
April 2011	Established Alea Co., Ltd. Representative Director of Alea Co., Ltd. (current)	September 2019	Outside Director of DLE Inc. (current)
April 2013	Established TRIUM PARTNERS Co., Ltd. Representative Director of TRIUM PARTNERS Co., Ltd.	April 2020	Chief Incubation Officer of ARCH Toranomon Hills Incubation Center, Mori Building Co., Ltd. (current)
June 2014	Representative Director of PADO Corporation (currently CHUCO MEDIA SOLUTIONS CO., LTD.)	September 2021	Visiting Professor at Kaishi Professional University (current)
May 2016	Outside Director of MAXVALU NISHINIHON CO., LTD. (currently FUJI CO., LTD.) (current)	May 2022	Outside Director of KASUMI CO., LTD. (current)
June 2016	Outside Director of Partner Agent, Inc. (currently Tameny Inc.) (current)	June 2022	Director of The Jikei University (current)
January 2017	Director of TRIUM PARTNERS Co., Ltd.	June 2024	Director of the Company (current)
		February 2025	Outside Director of HIOKI E.E. CORPORATION (current)

■ Significant concurrent posts

Representative Director of Alea Co., Ltd.
Outside Director of FUJI CO., LTD.
Outside Director of DLE Inc.
Outside Director of Tameny Inc.
Outside Director of HIOKI E.E. CORPORATION

■ Reason why the Company selected Ms. Hiromi Watase as a candidate for Outside Director and outline of anticipated roles

Ms. Hiromi Watase has been engaged in corporate management as manager in a number of companies, possesses ample experience in management assistance focused on creation of new businesses, and boasts abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable her to appropriately contribute to the determination of managerial matters and supervision of the execution of operations and the like for the Company Group. The Company's board of directors proposes Ms. Hiromi Watase as a candidate for reelection as outside director in the anticipation that she will utilize her experience and expertise to fulfill the role of strengthening the function of the Company's board of directors, especially with respect to the formulation of managerial strategy, management promotion from the perspective of business and marketing strategies, making recommendations regarding creation of new businesses, promotion of corporate governance, and supervising the execution of operations and the like, in order to promote further growth of the Company Group.

■ Matters regarding independence

Since Ms. Hiromi Watase's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Ms. Hiromi Watase is unlikely to have conflicts of interest with general shareholders, has designated her an independent officer, and has notified the Exchange. If Ms. Hiromi Watase is reelected at this general meeting of shareholders, the Company will again designate her an independent officer.

Candidate
number

7

Toshiaki Kawai

To be
newly
elected

Outside

Independent



Date of birth	November 1, 1959
Number of Company shares owned	0 shares
Number of years in office as director	0 years
Attendance at board of directors meetings	- % (- of - meetings)

■ Career summary and positions and responsibilities

April 1982	Joined Tokyo Broadcasting System, Inc. (currently TBS HOLDINGS, INC.)	April 2015	Managing Director of Tokyo Broadcasting System Television, Inc.
April 2012	Division President of Technology Division of Tokyo Broadcasting System Television, Inc.	April 2016	Managing Director of TBS HOLDINGS, INC.
April 2013	Executive Officer, Division President of Technology Division of Tokyo Broadcasting System Television, Inc.	June 2018	Senior Managing Director and Representative Director of TBS HOLDINGS, INC.
February 2014	Executive Officer of Tokyo Broadcasting System Television, Inc.		Senior Managing Director and Representative Director of Tokyo Broadcasting System Television, Inc.
March 2014	Director of Tokyo Broadcasting System Television, Inc.	June 2020	Representative Director of TBS HOLDINGS, INC.
April 2014	Executive Officer of TBS HOLDINGS, INC.		Executive Vice President and Board Director of Tokyo Broadcasting System Television, Inc.
June 2014	Director of TBS HOLDINGS, INC.	June 2024	Executive Advisor of Tokyo Broadcasting System Television, Inc. (current)

■ Significant concurrent posts

None

■ Reason why the Company selected Mr. Toshiaki Kawai as a candidate for Outside Director and outline of anticipated roles

Mr. Toshiaki Kawai has been engaged in corporate management as a manager in the media business and possesses from his past career abundant experience and broad expertise related to corporate activities. The Company judges that those qualities will enable him to appropriately contribute to the determination of managerial matters and supervision of the execution of operations and the like for the Company Group. The Company's board of directors proposes Mr. Toshiaki Kawai as a candidate for election as outside director in the anticipation that he will utilize his experience and expertise to fulfill the role of strengthening the function of the Company's board of directors, especially with respect to the formulation of managerial strategy, management promotion from the perspective of business and marketing strategies, making recommendations regarding organizational and human resource development, promotion of corporate governance, and supervising the execution of operations and the like, in order to promote further growth of the Company Group.

■ Matters regarding independence

Since Mr. Toshiaki Kawai's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Mr. Toshiaki Kawai is unlikely to have conflicts of interest with general shareholders, and if this Agenda Item 1 is approved, the Company will designate him an independent officer and notify the Exchange.

Notes:

1. There is no special interest between any candidate and the Company.
2. Each candidate's number of shares stated in each of the columns titled "Number of Company shares owned" state the actual number of shares held by each candidate, including the shares owned in the Officers' Shareholding Association and the Employees' Shareholding Association of the Company, and is the number of shares as of March 31, 2025.
3. With respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company has entered into individual agreements for limitation of liability with each of Mr. Akihisa Fujita and Ms. Hiromi Watase that limit the liability for damages (the maximum amount of damages is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations) if the requirements stipulated under laws and regulations are fulfilled. If Mr. Akihisa Fujita and Ms. Hiromi Watase are reelected at this general meeting of shareholders, then those individual agreements will continue. Also, if the election of Mr. Toshiaki Kawai is approved, the Company intends to enter into such an individual agreement for limitation of liability with Mr. Toshiaki Kawai.
4. The Company will execute with an insurance company a directors' and officers' liability insurance contract, prescribed in Article 430-3, Paragraph 1 of the Companies Act, and will cover any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the officers and the like insured as a result of a claim for damages arising from his or her execution of duties. All candidates for directors will be included among the insured under this insurance contract. The Company also intends to renew the insurance contract with the same terms and conditions at the time of its renewal in September 2025.
5. During the term of office of Outside Directors Mr. Akihisa Fujita and Ms. Hiromi Watase, a matter where the former representative director and a former employee of Chariloto Co., Ltd., a subsidiary of the Company, took part in improper financial transactions with a service provider of Chariloto Co., Ltd. occurred. An outline of the actions taken to prevent the occurrence of the matter and the actions taken in response to the occurrence of the matter by Mr. Akihisa Fujita and Ms. Hiromi Watase is stated in "6. Matters regarding outside officers" in "IV. Matters concerning the Company's officers" in the Business Report.
6. Ms. Hiromi Watase's name on her family register is Ms. Hiromi Otsuka; however, we have indicated the name that she uses when performing her duties.

Agenda Item 2 Election of one substitute audit and supervisory board member

The Company proposes in advance the election of one substitute audit and supervisory board member in order to prepare for cases where the number of audit and supervisory board members falls short of the number stipulated by laws and regulations. This election would be effective only before instatement in office and may be revoked by resolution of the board of directors with the consent of the audit and supervisory board.

The consent of the audit and supervisory board has been obtained with respect to the submission of this agenda item.

The candidate for substitute audit and supervisory board member is as follows:

Candidate **Ayumi Kambara**

Outside

Independent



Date of birth	May 19, 1979
Number of Company shares owned	0 shares
Number of years in office as audit and supervisory board member	0 years
Attendance at board of directors meetings	-% (- of - meetings)
Attendance at audit and supervisory board meetings	-% (- of - meetings)

Career summary and positions

December 2009	Registered as a lawyer
January 2010	Joined Matsuo & Kosugi
January 2022	Partner of Matsuo & Kosugi (Current)
July 2023	Outside corporate auditor of ODD No. Inc. (Current)
	Corporate auditor of TATSUNO CORPORATION (Current)

Reason why the Company selected Ms. Ayumi Kambara as a candidate for substitute audit and supervisory board member

Since Ms. Ayumi Kambara possesses specialist knowledge and abundant experience in relation to corporate legal affairs, litigation, and the like that she cultivated as a lawyer, the Company proposes Ms. Ayumi Kambara as a candidate for election as substitute audit and supervisory board member in the anticipation that she will utilize this experience, knowledge, and the like for the auditing system of the Company. Although Ms. Ayumi Kambara has not been involved in corporate management, the Company has judged that she can properly perform her duties as an outside audit and supervisory board member, taking into consideration her aforementioned practical experience.

Matters regarding independence

Since Ms. Ayumi Kambara's status does not conflict with the criteria prescribed by the Tokyo Stock Exchange as attributes of independent officers that companies are required to retain or the criteria for judging independence established by the Company as of April 22, 2020, the Company has determined that Ms. Ayumi Kambara is unlikely to have conflicts of interest with general shareholders, and if Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, the Company will designate her an independent officer and notify the Exchange.

Notes:

1. There is no special interest between the candidate and the Company.
2. If Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, then, with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act, the Company will enter into an individual agreement for limitation of liability with Ms. Ayumi Kambara that limits the liability for damages (the maximum amount of damages is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations) if the requirements stipulated under laws and regulations are fulfilled, in accordance with the provisions of the Company's articles of incorporation.
3. The Company will execute with an insurance company a directors' and officers' liability insurance contract, prescribed in Article 430-3, Paragraph 1 of the Companies Act, and will cover any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the officers and the like insured as a result of a claim for damages arising from his or her execution of duties. If Ms. Ayumi Kambara is instated in the office of audit and supervisory board member, she will be included among the insured under this insurance contract.

End.

(Reference) Skill Matrix of Directors and Audit and Supervisory Board Members After this Ordinary General Meeting of Shareholders

Among the skills possessed by each candidate for director and audit and supervisory board member, demonstration of the following is particularly anticipated in the current term. The Company conducts reviews based on the policies adopted for each term.

Position			Directors							Audit and Supervisory Board Members		
Name			Koki Kimura	Kohei Shimamura	Tatsuma Murase	Kenji Kasahara	Akihisa Fujita	Hiromi Watase	Toshiaki Kawai	Yuichiro Nishimura	Nozomi Ueda	Sumiko Takayama
Male ● / Female ●			●	●	●	●	○ I	○ I	○ I	○ I	○ I	○ I
Skills particularly anticipated by the Company, and outline thereof	Managerial strategy	Setting of mid- to long-term goals based on a global perspective; decisions on allocation of management resources; connection of corporate philosophy and managerial strategy	✓	✓	✓	✓	✓	✓	✓			
	Business strategy; Marketing	Business and marketing strategies in accordance with managerial strategy	✓			✓	✓	✓	✓			
	Organizational and human resource development	Development and establishment of organizational and human resource frameworks that exemplify our corporate philosophy		✓	✓				✓			
	M&A; PMI	Valuation of investment targets; creation of synergies and maximization of integration effects		✓			✓					
	Technology; R&D	Judgment of the technical feasibility of business strategies; promotion of, and establishment of frameworks for, innovation			✓	✓		✓				
	Risk management	Understanding, avoidance, and minimization of risks		✓ Finance; Accounting	✓ Technology					✓ Personnel affairs	✓ Legal affairs; Compliance	✓ Finance; Accounting
	Corporate governance	Realization of reliable and transparent management	✓	✓			✓	✓	✓	✓	✓	✓

Notes

1. The chart above also includes current audit and supervisory board members.
2. In the chart above, “O” means “Outside,” and “I” means “Independent.”

The following are respective materialities that particularly relate to each skill.

Skill	Materiality							
	Opportunity			Risk		Corporate		
	Creation of spaces and opportunities for communication	Promotion of innovation	Mutual prosperity with local community	Operation of wholesome IT services	Operation of safe and secure sporting and other events	Information security and privacy	Diversity, equity, and inclusion	Strengthening of governance
Managerial strategy	✓	✓	✓	✓	✓	✓	✓	✓
Business strategy; Marketing	✓	✓	✓					
Organizational and human resource development	✓	✓					✓	
M&A; PMI	✓	✓	✓	✓	✓			✓
Technology; R&D		✓		✓		✓		
Risk management				✓	✓	✓	✓	✓
Corporate governance							✓	✓

Note

1. The Company has established eight materialities (material social issues to be addressed by the Company) as themes to be adopted through corporate activities.

For details, please see the Company's website (<https://mixi.co.jp/sustainability/>).

(Reference) The Company's Criteria for Judging Independence

Based on a reasonable amount of research by the Company and the criteria for judging independence prescribed by the Tokyo Stock Exchange, the Company's policy is to deem its outside officers and outside officer candidates to have sufficient independence as long as they do not fall under any of the following categories.

1. Business executives of the Company or one of the Company's subsidiaries
2. Business executives of counterparties of the Company that exceed the standards set by the Company (Note 1)
3. Consultants, accountants, or jurists that receive large amounts of cash or other assets aside from officer compensation (Note 2) (If the recipient is a corporate body or organization, then this refers to members of that corporate body or organization)
4. Major shareholders of the Company (Note 3) or their business executives
5. Business executives of major lenders and banks that work with the Company
6. Business executives of lead underwriters of the Company
7. Business executives of auditing firms that work with the Company
8. Close relatives of individuals that fall into categories 1-3 above (Note 4)
9. Individuals that fell into categories 1-7 in the past three years

Note 1: "Counterparties of the Company that exceed the standards set by the Company" means counterparties whose transactions with the Company exceed 2% of the Company's consolidated net sales.

Note 2: The value of "large amounts of cash or other assets aside from officer compensation" is an amount more than or equal to 10 million yen for individuals, or an amount more than or equal to 2% of the Company's consolidated net sales for corporate bodies or organizations.

Note 3: In accordance with Article 163, Paragraph 1 of the Financial Instruments and Exchange Act, "major shareholders of the Company" means any shareholder that holds voting rights (excluding those specified by a Cabinet Office Ordinance in consideration of the manner of acquisition or holding thereof or other circumstances) exceeding 10% of the voting rights held by all the shareholders, etc. in the name of himself/herself or another person (or under a fictitious name).

Note 4: "Close relatives" means any relatives up to the second degree.

(Reference) Approach to, and framework, for corporate governance

- Fundamental approach to corporate governance

The Company positions corporate governance as a managerial and governance function intended to maximize corporate value. Consequently, as the Company expands its business, it conducts appropriate reviews of its organization and seeks to clarify management of profits and losses for each of its businesses and management authority and responsibility. The Company is focused on enhancing the functions of its board of directors, which is the Company's decision-making organ, enhancing the supervisory function of the audit and supervisory board members and the audit and supervisory board over the performance of responsibilities by directors, and enhancing internal control functions that prevent improprieties in the performance of responsibilities.

In addition, it is the Company's policy to appropriately release statutory disclosure documents and to actively conduct investor relations activities using the Company's website and the like in an ongoing effort to improve managerial transparency and fairness.

The Company's corporate governance reports are published on its website (<https://mixi.co.jp/sustainability/materiality/governance/overview/>).

- Corporate governance framework

The Company's corporate governance framework is as follows:

- Directors and board of directors

If a resolution is adopted approving Agenda Item No. 1, the board of directors will be composed of seven directors in total, with four inside directors (none of whom will be women) and three outside directors (one of whom will be a woman). In principle, a board of directors meeting is regularly held once a month, and the board of directors is structured in a way that enables swift and efficient decision-making. Further, each director's term of office is set at one year, in order to clarify each director's managerial responsibilities and to develop a managerial framework that is able to swiftly respond to changes in the managerial environment.

In the fiscal year ended March 31, 2025, 16 board of directors meetings were held, and matters relating to material business execution (such as formulation of the shareholder return policy, execution of large-scale M&A transactions, formulation of reoccurrence prevention measures based on a case of misconduct at a subsidiary of the Company, development of business execution systems, and revision of important rules, including rules on administrative authority and the like) set forth in laws and regulations or internal rules were determined, qualifications for CEO as part of a succession plan were formulated, and discussions were conducted based on the managerial strategy and reports on the status of execution of duties. In addition, under the policy for strengthening of board of directors functions related to strategies and supervision, the board of directors endeavored to enhance discussions, such as by reviewing the composition of items to be monitored regularly with a focus on holistic and strategic perspectives and improving the quality of submitted materials. Further, monitoring was conducted on a regular basis in relation to the status of communication with investors and the status of measures concerning sustainability.

Attendance at the board of directors meetings in the fiscal year ended March 31, 2025 was as follows.

Chairperson	(inside director) Koki Kimura:	16 of 16 meetings (100%)
	(inside director) Hiroyuki Osawa:	16 of 16 meetings (100%)

(inside director) Tatsuma Murase:	16 of 16 meetings (100%)
(inside director) Kenji Kasahara:	16 of 16 meetings (100%)
(outside director) Satoshi Shima:	16 of 16 meetings (100%)
(outside director) Akihisa Fujita:	16 of 16 meetings (100%)
(outside director) Hiromi Watase:	12 of 12 meetings (100%)

Notes:

1. Figures in parentheses indicate the number of meetings attended/number of meetings held during the term of office.
2. All three outside directors have been designated as independent directors.

■ Management committee

The Company's management committee is a meeting body composed mainly of inside directors and deliberates and makes decisions regarding important matters related to business operations. While in principle it meets regularly once a month, it also holds meetings at other times as required. The details of each meeting of the management committee are shared with the outside officers as appropriate.

■ Audit and supervisory board

The Company's audit and supervisory board is composed of three independent outside audit and supervisory board members (of whom two are women). The Company's audit and supervisory board members will conduct audits in accordance with each fiscal year plan through collaboration with internal auditors or the internal audit office and independent auditors, conduct consultation regarding the results and details of the audits in audit and supervisory board meetings, which are regularly held at least once a month, express to the directors or directors opinions as appropriate, and endeavor to ensure the soundness and effectiveness of management.

■ Nomination and compensation committee

The Company has established a nomination and compensation committee for the purpose of bolstering transparency and objectivity by obtaining the opinions and advice of outside directors on matters related to individual personnel proposals regarding directors (excluding outside directors) and matters related to compensation and the like in advance of deliberation by the board of directors.

The deliberative scope of the nomination and compensation committee is as follows:

- (1) personnel proposals regarding individual directors (including matters related to election and dismissal) and proposals for basic policies regarding personnel affairs;
- (2) proposals for basic policies regarding compensation systems for directors;
- (3) proposals for the compensation framework for directors (including the calculation method);
- (4) proposals for specific amounts of compensation for individual directors (including the calculation method); and
- (5) other inquiries from the president and director.

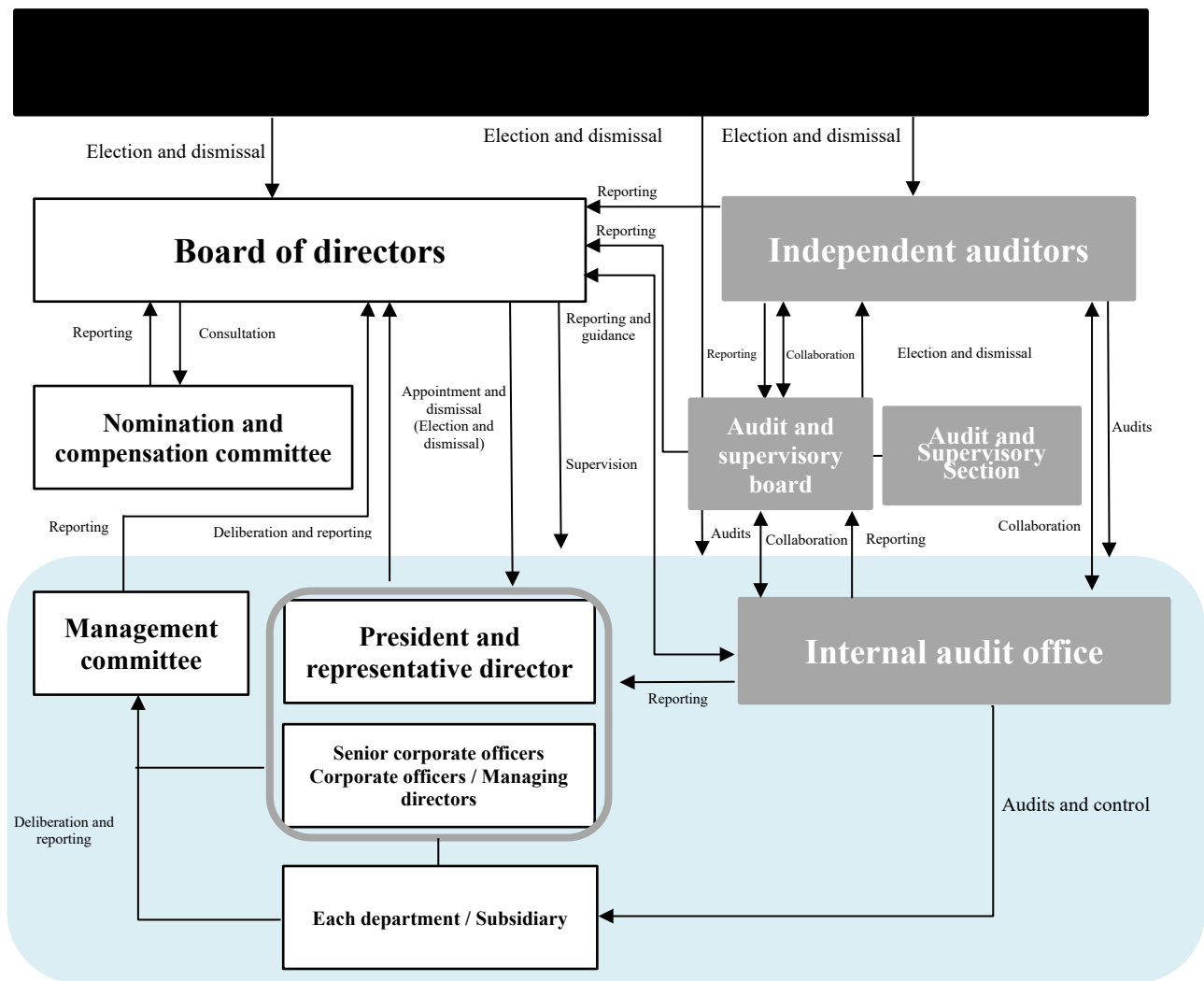
In the fiscal year ended March 31, 2025, four nomination and compensation committee meetings were held. Deliberations were conducted with respect to evaluation of directors, personnel proposals regarding individual directors, the amount of compensation for individual directors, and the composition of compensation for directors, and discussions were also conducted regarding personnel proposals regarding individual senior corporate officers, executive officers, and CxOs and measures for a succession plan.

The nomination and compensation committee in the fiscal year ended March 31, 2025 was composed of the following five members (the president and representative director who acted as chairperson, and all three outside directors and one other inside director who acted as committee members) and attendance by each committee member was as follows.

Composition of the nomination and compensation committee

Chairperson	(inside director) Koki Kimura:	4 of 4 meetings (100%)
	(outside director) Satoshi Shima:	4 of 4 meetings (100%)
	(outside director) Akihisa Fujita:	4 of 4 meetings (100%)
	(outside director) Hiromi Watase:	3 of 3 meetings (100%)
	(inside director) Hiroyuki Osawa:	4 of 4 meetings (100%)

Note 1: Figures in parentheses indicate the number of meetings attended/number of meetings held during the term of office.



- Evaluating the effectiveness of the board of directors

The Company conducts on an ongoing basis annual self-evaluations and analysis regarding the effectiveness of the board of directors for the purpose of improving the performance of the board of directors and, in turn, increasing corporate value.

- Method for evaluating the effectiveness of the board of directors

During the period from January 2025 to February 2025, the Company conducted a questionnaire for the members of the board of directors, which is composed of all directors, and audit and supervisory board members. Anonymity was maintained by adopting the method of having the responses sent directly to an external organization. Analysis, deliberation, and evaluation was conducted at the April 2025 ordinary board of directors meeting, taking into consideration the external organization's report on the collected results.

Main topics in the questionnaire:

- composition of the board of directors
- operation of the board of directors
- discussions at the board of directors meetings
- monitoring functions of the board of directors
- support system for directors and audit and supervisory board members

- dialogue with shareholders (investors)
- Outline of results of self-analysis and self-evaluation regarding the effectiveness of the board of directors

The survey responses were generally positive, and the Company's self-evaluation was that the board of directors is operating effectively overall. The following points in particular were highly commended.

- Frequency of the board of directors meetings and time for deliberations of each agenda item are appropriately secured at the board of directors meetings, and free, open-minded, and constructive discussions and exchanges of opinions are conducted
- The board of directors conducts sufficient discussions with awareness of how its managerial strategies and management plans are aligned with the Company's sustainable growth and the creation of the Company's corporate value over the mid- to long-term
- Information necessary for the execution of duties by directors and audit and supervisory board members is provided, including reports that are well grounded from a financial perspective and feedback on dialogue with shareholders and investors
- The board of directors appropriately delegates to the president and representative director, management committee (a meeting body related to business execution that is composed mainly of inside directors), and the like the authority for matters whose delegation is deemed appropriate and secures sufficient time necessary for deliberation at the board of directors meetings
- Decision-making regarding execution of business at the management committee meetings is conducted in accordance with the managerial strategies

In addition to the above, overall improvements were seen in scores in comparison with the evaluation of the board of directors for the previous fiscal year particularly in matters that were a focus for improvement, and we confirmed that the functions of the board of directors have been appropriately executed through reform activities. On the other hand, there are opinions that there is scope for improvement in the monitoring system for subsidiaries by the board of directors and the risk detection mechanism for the Company Group as a whole, and the Company recognizes that it is necessary to take measures for improvement.

- Measures taken for the fiscal year ended March 31, 2025 to improve the effectiveness of the board of directors

The board of directors and the secretariat of the board of directors worked on the following matters, taking into consideration the results of evaluation of the effectiveness of the board of directors for the previous fiscal year.

- Rectification of prolonged meetings

Continuing from the previous fiscal year, by further delegating authority regarding matters for which delegation of authority from the board of directors to the management committee and the like is deemed appropriate, and thereby reducing the number of agenda items at the board of directors meetings, the period of time taken for each meeting has been optimized, and sufficient time for discussion of each agenda item to be discussed at the board of directors meetings has been secured. In addition, streamlining of discussions was promoted by conducting prior deliberation of each agenda item at the management committee meetings and by the chairman of the board of directors sharing details thereof at the board of directors meetings.

- Improvement of submitted materials and method of sharing information

Continuing from the previous fiscal year, by sharing the outline of, and points at issue in, each agenda item in advance, the Company sought to promote directors' and audit and supervisory board members' understanding. In addition, a forum for discussion was provided once each quarter separately from the board of directors meetings, where information was shared on managerial strategies, agenda items scheduled to be submitted at the board of directors meetings, and other such matters, and sufficient time was secured for deeper discussions of such agenda items.

- Enhancement of discussion regarding strategies/enhancement of discussions for mid- to long-term growth

The Company conducted regular monitoring on the status of progress of the ongoing mid- to long-term plan and enhanced discussions for improvement in the Company's corporate value over the mid- to long-term. At the same time, in order to achieve management with a focus on profitability and capital efficiency, the Company has formulated a management plan with strong awareness of ROE, promoted strategic decision-making, and has formulated a shareholder return policy that takes into account the cost of shareholders' equity.

- Sharing information on financial risks earlier

The Company strengthened cooperation among each department in order to enable earlier ascertainment of information on risks of impairment and the like related to subsidiaries or associates and made quarterly reports to the board of directors.

■ Measures to be taken in the future

The Company will address on a continuing basis the establishment of effective systems for information provision and enhancement of discussions for mid- to long-term growth and recognizes that pursuing a design for the board of directors that is optimized to the Company and strengthening monitoring of group governance are also critical tasks to be addressed in the future, taking into account the need to promote management with a view to global expansion and the occurrence of misconduct at a subsidiary of the Company.

Based on the results of the evaluation, the Company will continue to seek further improvement in the effectiveness of the board of directors overall in the future.

● Policy on electing directors, and nomination procedures

The Company's policy for deciding candidates for, and election of, directors (excluding outside directors) is as follows.

- Personnel proposals regarding directors (excluding outside directors) must heed the requirement to strike a sound balance between the knowledge, experience and ability needed by each director to effectively execute his or her role and duties and the requirement to form a board of directors that is diverse and optimally scaled.
- Personnel proposals regarding directors (excluding outside directors) who are in charge of executing operations shall heed the requirement to elect persons with foresight who are able to accurately, appropriately and swiftly make managerial judgements and execute operations in order to contribute to the Company's continued growth and to contribute to improvement in the Company's corporate value over the mid- to long-term.

Each candidate for director (excluding outside director) is appointed in accordance with

this policy and is determined by resolution of the board of directors after deliberation by the nomination and compensation committee.

The requirement to strike a sound balance between the knowledge, experience and ability and the requirement to form a board of directors that is diverse and optimally scaled are heeded when nominating candidates for outside directors.

- Policy and procedures for deciding officer compensation

Please see “4. Matters related to the policy for deciding compensation” in “IV. Matters concerning the Company’s officers” in the Business Report.

Business Report (from April 1, 2024 to March 31, 2025)

I. Matters concerning corporate group’s current status

1. Course and results of the business

The Company’s net sales for the consolidated fiscal year ended March 31, 2025 were 154,847 million yen (an increase of 5.4% compared to the previous consolidated fiscal year). In addition, the Company’s operating income was 26,600 million yen (an increase of 38.7% compared to the previous consolidated fiscal year), the ordinary income was 26,511 million yen (an increase of 69.2% compared to the previous consolidated fiscal year), and the profit attributable to the owners of the parent for the consolidated fiscal year ended March 31, 2025 was 17,601 million yen (an increase of 148.5% compared to the previous consolidated fiscal year).

The status of each segment is set out below.

Net Sales by Business Segment

Business Segment	25th Fiscal Year		26th Fiscal Year		YoY Comparison (%)
	Net Sales (millions of yen)	Composition Ratio (%)	Net Sales (millions of yen)	Composition Ratio (%)	
Digital Entertainment Business	98,830	67.3	94,082	60.8	(4.8)
Sports Business	32,916	22.4	40,206	26.0	22.1
Lifestyle Business	13,418	9.1	14,795	9.6	10.3
Investment Business	1,472	1.0	5,696	3.7	286.9
Adjustment Amount	230	0.2	66	0.0	(71.0)
Total	146,868	100.0	154,847	100.0	5.4

Note: “Adjustment Amount” includes company-wide sales not allocated to each reportable segment.

(Method for measuring profits of the business segments)

The method for measuring profits of the business segments uses operating income-based amounts (EBITDA), which does not take into account the amount of depreciation and amortization of goodwill.

(i) Digital Entertainment business

The digital entertainment business has generated income mainly through the smart device game “Monster Strike.” Although ARPU for “Monster Strike” increased in the consolidated fiscal year ended March 31, 2025, MAU relatively declined due to the implementation of 10th anniversary measures in the previous fiscal year, and net sales declined compared to the previous consolidated fiscal year. Segment profit increased due to the recording of non-recurring costs for 10th anniversary measures in the previous fiscal year, as well as cost reductions due to withdrawal from businesses.

As a result, net sales for the digital entertainment business were 94,082 million yen (a decrease of 4.8% compared to the previous consolidated fiscal year), and the segment profit was 44,287 million yen (an increase of 15.0% compared to the previous consolidated fiscal year).

(ii) Sports business

In the sports business, the Company has been conducting investment in betting businesses and sports viewing businesses. With respect to betting businesses, the sports betting services “TIPSTAR” and Chariloto Co., Ltd. have steadily expanded sales compared to the previous consolidated fiscal year due to the increase in the sale of online betting tickets. With respect to the sports viewing businesses, segment profit has increased due to strong sales of merchandise for FC Tokyo and strong ticket sales for Chiba Jets, as well as the recording of temporary costs in connection with the termination of some of the Company’s services in the previous fiscal year. In addition, construction of “LaLa arena TOKYO-BAY,” which is used by the CHIBAJETS as their home arena, was completed in April 2024, and a launch event was held in May.

As a result, net sales for the sports business were 40,206 million yen (an increase of 22.1% compared to the previous consolidated fiscal year), and the segment profit was 1,999 million yen (the segment loss for the previous consolidated fiscal year was 125 million yen).

(iii) Lifestyle business

The Company operates a variety of services among its lifestyle business, with “FamilyAlbum,” an app for sharing photos and videos for families, “minimo,” a salon artist booking app, and “mixi” and “mixi2” social networking services, being the main focus. “FamilyAlbum” has been steadily expanding sales as a result of favorable performance in its flagship products (“FamilyAlbum Premium” “Photo Print,” and “FamilyAlbum GPS Guardian”). The Company has been continuing to conduct active investment in promotions and systems-building in order to capture overseas users; however, the segment loss has decreased due to increase in sales.

As a result, net sales for the lifestyle business were 14,795 million yen (an increase of 10.3% compared to the previous consolidated fiscal year), and the segment loss was 128 million yen (the segment loss for the previous consolidated fiscal year was 682 million yen).

(iv) Investment business

In the investment business, the Company and its consolidated subsidiaries have been conducting investment in startups and through venture capital. In the consolidated fiscal year ended March 31, 2025, a partial sale of shares in Timee held by the Company was conducted, and the revenue generated by profits and losses from investment funds invested in by the Company was recorded in the accounts.

As a result, net sales for the investment business were 5,696 million yen (an increase of 286.9% compared to the previous consolidated fiscal year), and the segment profit was 1,981 million yen (the segment loss for the previous consolidated fiscal year was 105 million yen).

2. Change in the status of assets and income and loss

(i) Change in the status of the corporate group's assets and income and loss

Category		23rd Fiscal Year (ended March 2022)	24th Fiscal Year (ended March 2023)	25th Fiscal Year (ended March 2024)	26th Fiscal Year (the relevant consolidated fiscal year) (ended March 2025)
Net Sales	(millions of yen)	122,030	146,867	146,868	154,847
Ordinary Income	(millions of yen)	17,626	18,250	15,669	26,511
Profit Attributable to Owners of Parent	(millions of yen)	10,262	5,161	7,082	17,601
Basic Earnings per Share	(yen)	139.85	70.87	99.71	255.43
Total Assets	(millions of yen)	218,056	222,321	207,342	225,544
Net Assets	(millions of yen)	186,056	183,463	175,730	181,333
Net Assets per Share	(yen)	2,524.13	2,480.51	2,466.38	2,641.26

Notes:

1. The basic earnings per share were computed by using the average number of shares outstanding for the period.
2. The net assets per share were computed by using the total number of shares outstanding as of the end of the fiscal year.
3. Effective from the 24th fiscal year, the presentation method has been changed by classifying "Investment Business" as a separate reportable segment with its designation as a main line of business, and the financial figures for the 23rd fiscal year are based on figures after retrospective application.

(ii) Change in the status of the Company's assets and income and loss

Category		23rd Fiscal Year (ended March 2022)	24th Fiscal Year (ended March 2023)	25th Fiscal Year (ended March 2024)	26th Fiscal Year (the relevant consolidated fiscal year) (ended March 2025)
Net Sales	(millions of yen)	102,598	118,617	114,922	118,052
Ordinary Income	(millions of yen)	16,827	25,579	18,544	25,934
Profit	(millions of yen)	8,299	7,476	7,319	16,107
Basic Earnings per Share	(yen)	113.10	102.64	103.04	233.75
Total Assets	(millions of yen)	200,470	206,171	189,025	200,110
Net Assets	(millions of yen)	183,230	182,873	175,175	179,219
Net Assets per Share	(yen)	2,504.69	2,490.59	2,475.69	2,628.81

Notes:

1. The basic earnings per share were computed by using the average number of shares outstanding for the period.
2. The net assets per share were computed by using the total number of shares outstanding as of the end of the fiscal year.
3. Effective from the 24th fiscal year, the presentation method has been changed by classifying "Investment Business" as a separate reportable segment with its designation as a main line of business, and the financial figures for the 23rd fiscal year are based on figures after retrospective application.

3. Issues to be addressed

Although the growth rate of the domestic mobile game market is gradually decreasing, it continues to be attractive because its market size still remains enormous and high-profile new games dominate the market from time to time. In the government-controlled competitive sports events market, the growth rate of sales via the Internet has been slowing down, but it is expected that the market will continue to remain its current size or to slowly expand. In addition, while the birthrate is declining in Japan, the youth-related market is growing due to increased spending by grandparents on their grandchildren (the so-called "six-pockets" phenomenon) and other factors. In addition, the youth-related market overseas continues to maintain a high level of potential, and the Company Group acknowledges it as a market with business opportunities.

In this environment, the Company Group acknowledges that an issue to be addressed is the building of a sustainable revenue base by creating businesses that will become second and third pillars of revenue in the sports business and lifestyle business while maintaining and expanding the revenue scale of the digital entertainment business.

In the digital entertainment business, we will continue to endeavor to increase use by users and strengthen the revenue base in Japan by further bolstering planning, marketing, and the media mix policy for "Monster Strike." Overseas, we will proceed with preparations for the release of "Monster Strike" in the Indian market, a fast-growing emerging market.

In the sports business, we will aim to differentiate the Company from other companies by improving “TIPSTAR,” which is building a unique position as a social betting service. In addition, we will aim to grow further by expanding business growth in both of the consolidated subsidiaries Chariloto Co., Ltd. and Net Dreamers, Co. Ltd. and generating more enhanced synergies in the services of each company. Overseas, TIPSTAR is aiming to capture a share of the Australian betting market by leveraging the distinguishing elements that “TIPSTAR” has cultivated in Japan.

In the lifestyle business, we will continue endeavoring to expand our economic zone inside and outside Japan and to grow “FamilyAlbum” and “minimo.” “mixi2,” a new social networking service released in December 2024, is expected to grow to be a pillar of the Company’s services over the medium term.

In late October 2024, the Company identified suspicions that the former representative director and a former employee of its consolidated subsidiary, Chariloto Co., Ltd., may have taken part in improper financial transactions with their service provider. The Company formed an investigation team comprising outside experts on October 30, 2024, conducted an investigation, and received the investigation report on December 26, 2024.

The Company regrets that this situation has occurred and deeply apologizes for the great concern and trouble caused to shareholders, investors, clients, and all other affected parties.

The Company Group has formulated, and been implementing, reoccurrence prevention measures based on the recommendations for such reoccurrence prevention measures by the investigation report.

4. Main businesses (as of March 31, 2025)

Business Segment	Details of Business
Digital Entertainment Business	Providing services with a focus on smart device games
Sports Business	Operating professional sports team management and providing social betting services
Lifestyle Business	Operating services that utilize the Internet and that are closely related to people’s everyday lifestyles
Investment Business	Investment in startups and through venture capital

5. Main offices (as of March 31, 2025)

The Company	Head office	Shibuya-ku, Tokyo
-------------	-------------	-------------------

6. Status of employees (as of March 31, 2025)

(i) Status of the corporate group's employees

Number of Employees	Increase or Decrease from the Previous Consolidated Fiscal Year
1,717 (447)	increase of 72 (decrease of 7)

Note: The number of employees stated above refers to the number of workers, and the average number of contingent workers (including part-time employees and temporary employees) for the consolidated fiscal year ended March 31, 2025 is presented in parentheses.

(ii) Status of the Company's employees

Number of Employees	Increase or Decrease from the Previous Fiscal Year	Average Age	Average Length of Service
1,259 (60)	Increase of 14 (Decrease of 9)	37.4 years old	5.8 years

Note: The number of employees stated above refers to the number of workers, and the average number of contingent workers (including part-time employees and temporary employees) for the fiscal year ended March 31, 2025 is presented in parentheses.

7. Main lender (as of March 31, 2025)

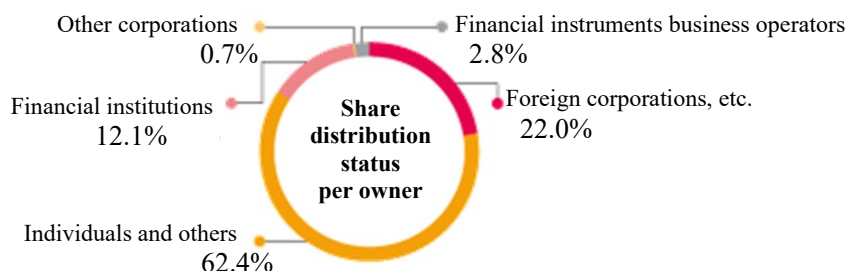
Lender	Amount borrowed
Sumitomo Mitsui Banking Corporation	11,020 million yen

8. Status of capital expenditures

The total amount of capital expenditures outlaid during the consolidated fiscal year ended March 31, 2025 was 6,483 million yen. The main component of these capital expenditures was 2,773 million yen as redevelopment costs for a keirin stadium by Chariloto Co., Ltd., and 1,476 million yen as arena interior construction costs by TOKYO-BAY Arena Management Inc.

II. Matters concerning the Company's shares (as of March 31, 2025)

1. Total number of authorized shares 264,000,000 shares
2. Total number of issued shares 73,730,850 shares
(including 5,967,604 shares of treasury stock)
3. Number of shareholders 17,118 shareholders



4. Principal shareholders (top ten shareholders)

Name of Shareholder	Number of Shares (shares)	Percentage of Shareholding (%)
Kenji Kasahara	32,521,900	47.99
The Master Trust Bank of Japan, Ltd. (trust account)	6,302,000	9.30
Custody Bank of Japan, Ltd. (trust account)	1,785,400	2.63
Koki Kimura	1,349,200	1.99
State Street Bank And Trust Company 505001	1,263,204	1.86
THE BANK OF NEW YORK 133612	1,086,600	1.60
BNYM AS AGT/CLTS 10 PERCENT	980,780	1.45
STATE STREET BANK AND TRUST COMPANY 505103	840,884	1.24
THE BANK OF NEW YORK MELLON 140044	728,678	1.08
THE BANK OF NEW YORK MELLON 140051	672,200	0.99

Notes:

1. The percentages of shareholding were calculated by excluding 5,967,604 shares of treasury stock and are rounded to the nearest one-hundredth of one percent.
2. The number of shares held by Koki Kimura does not include the number of shares held through the Officers' Shareholding Association of the Company.
5. Status of shares delivered to the Company's officers as compensation for the execution of duties during the fiscal year ended March 31, 2025

Based on a resolution adopted at the 24th ordinary general meeting of shareholders held on June 21, 2023, the Company introduced a restricted share compensation system. The Company resolved at the board of directors meeting held on June 26, 2024 to dispose of treasury shares as restricted share compensation and disposed of 57,600 treasury shares and allotted such shares to three directors (excluding outside directors) on July 17, 2024.

III. Matters concerning the Company's subscription rights to shares, etc.

1. Status of subscription rights to shares, etc. held by the Company's officers as of the last day of the fiscal year ended March 31, 2025

Name	The 13th subscription rights to shares	The 14th subscription rights to shares	The 15th subscription rights to shares
Date of the board resolution	August 5, 2016	August 8, 2017	August 9, 2018
Occupation and number of the holders of the subscription rights to shares	One director (excluding outside directors)	One director (excluding outside directors)	Two directors (excluding outside directors)
Number of subscription rights to shares	470 (see Note 1)	285 (see Note 1)	1,208 (see Note 1)
Class and number of shares subject to the subscription rights to shares	47,000 shares of common stock (see Note 1)	28,500 shares of common stock (see Note 1)	120,800 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)	One yen (see Note 2)	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	1,898 yen	3,944 yen	1,380 yen
Exercise period of the subscription rights to shares	From: August 30, 2016 Until: August 29, 2046	From: August 30, 2017 Until: August 29, 2047	From: August 30, 2018 Until: August 29, 2048
Terms and conditions in relation to the subscription rights to shares	See Note 3	See Note 3	See Note 3

Name	The 17th subscription rights to shares	The 19th subscription rights to shares	The 21st subscription rights to shares
Date of the board resolution	June 26, 2019	June 26, 2020	June 25, 2021
Occupation and number of the holders of the subscription rights to shares	Three directors (excluding outside directors)	Three directors (excluding outside directors)	Three directors (excluding outside directors)
Number of subscription rights to shares	2,224 (see Note 1)	1,963 (see Note 1)	986 (see Note 1)
Class and number of shares subject to the subscription rights to shares	222,400 shares of common stock (see Note 1)	196,300 shares of common stock (see Note 1)	98,600 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)	One yen (see Note 2)	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	928 yen	1,066 yen	1,576 yen
Exercise period of the subscription rights to shares	From: July 17, 2019 Until: July 16, 2049	From: July 14, 2020 Until: July 13, 2050	From: July 13, 2021 Until: July 12, 2051
Terms and conditions in relation to the subscription rights to shares	See Note 3	See Note 3	See Note 3

Name	The 23rd subscription rights to shares
Date of the board resolution	June 28, 2022
Occupation and number of the holders of the subscription rights to shares	Three directors (excluding outside directors)
Number of subscription rights to shares	932 (see Note 1)
Class and number of shares subject to the subscription rights to shares	93,200 shares of common stock (see Note 1)
Amount to be paid upon exercising subscription rights to shares	One yen (see Note 2)
Issuance price of a stock upon exercise of subscription rights to shares	1,081 yen
Exercise period of the subscription rights to shares	From: July 14, 2022 Until: July 13, 2052
Terms and conditions in relation to the subscription rights to shares	See Note 3

Notes:

1. If the Company carries out a stock split (*kabushiki-bunkatsu*) or stock consolidation (*kabushiki-heigou*) after the issuance of subscription rights for shares, the number of the shares subject to the subscription rights for shares will be adjusted in accordance with the following formula, and any fraction of less than one share resulting from such adjustment will be rounded down.

$$\begin{array}{ccccc} \text{Number of shares after} & & \text{Number of shares before} & & \text{Ratio of stock split or stock} \\ \text{adjustment} & = & \text{adjustment} & \times & \text{consolidation} \end{array}$$

2. The Company may adjust the number of shares granted within a reasonable extent if, after the issuance of subscription rights to shares, any of the following occurs: the Company carries out a merger (*gappei*), corporate split (*kaisha-bunkatsu*), share exchange (*kabushiki-koukan*) or stock transfer (*kabushiki-iten*) (collectively, “**Merger, Etc.**”); the Company carries out an allotment of shares without contribution; or any other adjustment of the number of shares granted becomes necessary.

If the Company adjusts the number of shares granted, the Company shall, either directly or publicly, give notice of all necessary matters to each person who holds subscription rights to shares as stated in the register of subscription rights to shares (a “**Rights Holder**”) by the date immediately preceding the effective date of the adjustment of the number of shares granted; however, if the Company fails to give such notice by the date immediately preceding such effective date of such adjustment, the Company shall thereafter promptly give such notice.

3. (1) Each Rights Holder may exercise his or her subscription rights to shares for subscription during the “Exercise period of the subscription rights to shares” set forth above, upon the condition that such exercise is conducted no later than ten days after the date immediately following the date when he or she ceased to be the Company’s director (however, (i) if the board of directors of the Company separately determines the date when the Rights Holder loses not only his or her status as a director of the Company, but all of his or her statuses as a senior corporate officer or corporate officer of the Company, then that date, or (ii) if the exercise of the subscription rights to shares is permitted under the proviso in paragraph (2), item (a) below, the date after which the ten-day period is to be counted will be the date when he or she ceased to be any of the following: the Company’s audit and supervisory board member, senior corporate officer, corporate officer or employee; or a director, auditor, senior corporate officer, corporate officer or employee of the Company’s subsidiary).
- (2) Notwithstanding paragraph (1) above, each Rights Holder may not exercise his or her subscription rights to shares if he or she falls under any of the following:
 - (a) if the Rights Holder’s term as a director is less than three years; unless, after he or she loses the status of director, (i) he or she holds a position as the Company’s audit and supervisory board member, senior corporate officer, corporate officer or employee or a director, auditor, senior corporate officer, corporate officer or employee of the Company’s subsidiary and (ii) the Company’s board of directors permits the exercise of the subscription rights to shares;
 - (b) if the Rights Holder is dismissed from his or her position as a director or audit and supervisory board member or auditor of either the Company or its subsidiary, or is subject to disciplinary dismissal, resignation under instruction or any other sanction of a similar degree as an employee (including as a senior corporate officer or corporate officer) of the Company or its subsidiary;
 - (c) if the Rights Holder falls under Article 331, Paragraph 1, Item (iii) or (iv) of the Companies Act;
 - (d) if the Rights Holder is in breach of the “agreement on subscription of all subscription rights to shares allotted” that is entered into between the Company and the Rights Holder (a “**Subscription Agreement**”) or if the Company’s board of directors decides that the Rights Holder has committed an act severely damaging the relationship of trust between the Company and the Rights Holder; and
 - (e) if the Rights Holder submits in writing his or her intention to waive the subscription rights to shares for subscription he or she holds, in whole or in part.
- (3) If a person to whom subscription rights to shares are allotted dies, his or her heir may exercise the subscription rights to shares upon the condition that the decedent Rights Holder does not fall under any of the items in the preceding paragraph and as long as the exercise of the subscription rights to shares is conducted no later than the date on which three months will have passed since the date immediately following the date of the decedent’s death.

- (4) If a Rights Holder exercises his or subscription rights to shares, he or she must exercise, as a whole, all of the subscription rights to shares that he or she holds.
 - (5) Other terms and conditions for exercising the subscription rights to shares will be determined in each "Subscription Agreement" to be executed between the Company and each Rights Holder.
- (2) Status of subscription rights to shares, etc. granted to the Company's employees during the fiscal year ended March 31, 2025

Not applicable

IV. Matters concerning the Company's officers

- Names of, and other information regarding, directors and audit and supervisory board members (as of March 31, 2025)

Position in Company	Name	Responsibilities and Significant Concurrent Posts
President and Representative Director Senior Corporate Officer	Koki Kimura	
Director Senior Corporate Officer	Hiroyuki Osawa	Chief General Manager of HR
Director Senior Corporate Officer	Tatsuma Murase	
Director, Founder Senior Corporate Officer	Kenji Kasahara	Chief General Manager of Vantage Studio
Director	Satoshi Shima	Outside Director of i-mobile Co., Ltd.
Director	Akihisa Fujita	Outside Director of Signpost Corporation
Director	Hiromi Watase	Representative Director of Alea Co., Ltd. Outside Director of FUJI CO., LTD. Outside Director of Tameny Inc. Outside Director of DLE Inc. Outside Director of HIOKI E.E. CORPORATION
Audit and Supervisory Board Member (Standing)	Yuichiro Nishimura	
Audit and Supervisory Board Member	Nozomi Ueda	Partner of Kioizaka Themis Outside Director of Anritsu Corporation
Audit and Supervisory Board Member	Sumiko Takayama	Representative of Sumiko Takayama Certified Public Accountant Office Outside Director of Shoei Co., Ltd.

Notes:

- Director Satoshi Shima, Director Akihisa Fujita, and Director Hiromi Watase are outside directors.
- Standing Audit and Supervisory Board Member Yuichiro Nishimura, Audit and Supervisory Board Member Nozomi Ueda, and Audit and Supervisory Board Member Sumiko Takayama are outside audit and supervisory board members.
- Standing Audit and Supervisory Board Member Yuichiro Nishimura has built up experience in personnel and general affairs over many years and possesses considerable expertise regarding administrative operations.
- Audit and Supervisory Board Member Nozomi Ueda is qualified as a lawyer and possesses considerable expertise regarding law and compliance.
- Audit and Supervisory Board Member Sumiko Takayama is qualified as a certified public accountant and possesses considerable expertise regarding finance and accounting.
- The Company has notified the Tokyo Stock Exchange that Director Satoshi Shima, Director Akihisa Fujita, Director Hiromi Watase, Standing Audit and Supervisory Board Member Yuichiro Nishimura, Audit and Supervisory Board Member Nozomi Ueda, and Audit and Supervisory Board Member Sumiko Takayama are independent directors or auditors.

7. There is no special relationship between the Company and the other corporations for which outside directors or outside audit and supervisory board members above concurrently serve as officers or the like.

2. Directors and Audit and Supervisory Board Members who resigned or were dismissed during the fiscal year ended March 31, 2025

Not applicable

3. Compensation amount, etc. for directors and audit and supervisory board members

Category	Number of Officers Eligible for Compensation	Compensation Amount, etc. by Type			Aggregate Compensation Amount, etc.
		Basic Compensation	Share-Based Basic Compensation	outcome-based compensation	
Director (Outside Director)	8 (4)	148 million yen (27 million yen)	79 million yen	149 million yen	378 (27 million yen)
Audit and Supervisory Board Member (Outside Audit and Supervisory Board Member)	4 (4)	29 million yen (29 million yen)	—	—	29 million yen (29 million yen)

Notes:

1. The aggregate compensation amount, etc. for directors does not include salaries for employees payable to directors concurrently serving as employees.
2. Based on a resolution at the 17th ordinary general meeting of shareholders held on June 28, 2016 and pursuant to the amendment thereto at the 24th ordinary general meeting of shareholders held on June 21, 2023, the maximum compensation amount, etc. for directors is 1,000 million yen per annum (including a maximum amount of 100 million yen per annum for outside directors), combining monthly-paid compensation and monetary compensation claims for granting stock options (restricted shares). The number of directors present at the 24th ordinary general meeting of shareholders held on June 21, 2023 for the resolution was seven (including three outside directors). This compensation, etc. does not include salaries for employees payable to directors concurrently serving as employees.
3. It was resolved at the extraordinary general meeting of shareholders held on August 26, 2004, that the maximum compensation amount, etc. for audit and supervisory board members is 50 million yen per annum. The number of audit and supervisory board members present at the meeting for the resolution was one.
4. The Company delivers to directors the restricted shares as non-monetary compensation. The status of delivery of the share compensation is stated in “5. Status of shares delivered to the Company’s officers as compensation for the execution of duties during the fiscal year ended March 31, 2025” in “II. Matters concerning the Company’s shares” in the Business Report. The maximum number of restricted shares to be allotted shall be 300,000 shares of common stock of the Company in each fiscal year, and each director who receives an allotment of restricted shares has executed with the Company a restricted share allotment agreement that, among other provisions, provides to the effect that on the condition that the director who receives an allotment continuously holds a position as director, senior corporate officer, corporate officer, or employee of the Company or its subsidiaries or associates until the first ordinary general meeting of shareholders of the Company after the delivery date of the restricted shares, the transfer restriction will be released when he or she resigns or retires from all such positions.
5. Each compensation amount, etc. above includes the expenses reported for the fiscal year in relation to restricted shares (199 million yen for directors).

4. Matters related to the policy for deciding compensation

(i) Basic policy

The basic policy for compensation for directors is to establish an appropriate balance between compensation in cash and the Company's shares to function as a sound incentive toward the continued growth of the Company.

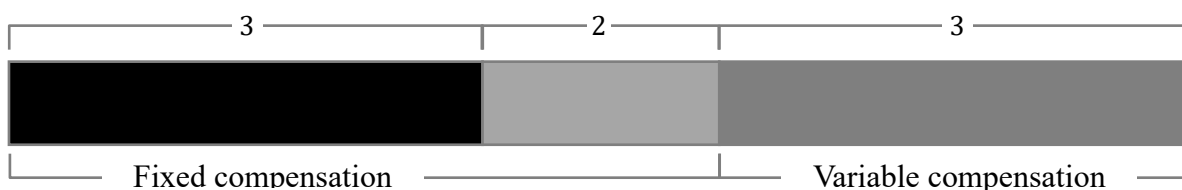
(ii) Compensation system

Based on the basic policy, compensation for directors (excluding outside directors) is provided in two forms: "cash compensation" paid on a monthly basis; and "share-based compensation (restricted shares)" delivered once a year after the ordinary general meeting of shareholders for the relevant fiscal year. Specifically, compensation is composed of the three elements "basic compensation," "share-based basic compensation," and "outcome-based compensation," and with respect to each form of compensation, "basic compensation" is "cash compensation," "share-based basic compensation" is "share-based compensation (restricted shares)," and "cash compensation" paid on a monthly basis or "share-based compensation (restricted shares)" delivered once a year after the ordinary general meeting of shareholders for the relevant fiscal year may be chosen as "outcome-based compensation." The ratio of "basic compensation," "share-based basic compensation," and "outcome-based compensation" is determined by the board of directors through the formulation of a proposal based on each officer's title and like with reference to the past performance of the Company and compensation market survey data for Japanese listed companies provided by external professional organizations and after deliberation by the nomination and compensation committee.

From the perspective of ensuring adequate supervisory functions for the execution of business, the compensation structure for outside directors is composed solely of cash compensation.

There is no retirement bonus system for directors.

Composition of compensation for directors (in the case where evaluation regarding outcome-based compensation is standard)



(iii) Method for deciding compensation

Each method for deciding compensation for directors is set out below.

– Compensation for directors (excluding outside directors)

Compensation amounts are decided based on whether the officer has the right of representation, the officer's title, and the like for "basic compensation" and "share-based basic compensation." With respect to "share-based basic compensation," restricted shares (shares of common stock of the Company), whose transfer is restricted, are delivered, and monetary compensation claims for granting the restricted shares are provided, during the period from the delivery date of the restricted shares until the director in question resigns or retires from all positions as director, senior corporate officer, corporate officer, or employee (in the event that the name of such position is changed, including the position after the name change), with the purpose of that delivery and provision being the promotion of measures for

enhancing corporate value in the mid- to long-term and the sharing of value with the shareholders of the Company. With respect to “outcome-based compensation,” compensation amounts are decided by (i) predetermining the evaluation ratio in accordance with the title of the individual in question and the division managed by the individual and (ii) multiplying the base amount of outcome-based compensation determined in accordance with the basic compensation by the evaluation coefficient in accordance with the combined evaluation of the performance in the previous fiscal year of the Company overall and the performance of the individual in question with respect to his or her expected role. Performance evaluation is conducted by evaluating the net sales, operating income, and net income of the Company overall against the budget achievement rate and the rate of increase or decrease compared with the previous fiscal year. The details of the compensation in the event that “share compensation (restricted shares)” to be delivered once a year after the ordinary general meeting of shareholders is chosen as “outcome-based compensation” will be the same as those stated above, and monetary compensation claims equivalent to the amount of outcome-based compensation determined as described above will be granted.

Method for deciding outcome-based compensation

	Performance evaluation of the Company overall	Individual role evaluation
Evaluation indicator	Consolidated net sales/ Consolidated operating income/ Consolidated net income	-
Evaluation ratio for President and Representative Director	50%	50%
Evaluation ratio for other inside directors	40%	60%

Note 1: Because we recognize the performance evaluation as an important indicator for improvement of performance and corporate value, consolidated net sales, consolidated operating income, and consolidated net income are used as an indicator. In addition, the nomination and compensation committee will review raising or lowering the evaluation of the performance of the Company overall based on the results of ROE.

Note 2: As an outline of each indicator for outcome-based compensation, with respect to consolidated net sales, consolidated operating income, and consolidated net income, which are performance indicators for the Company overall, standard evaluations were made for the budget achievement rate of consolidated net sales and the rate of increase or decrease compared with the previous fiscal year for consolidated net sales and consolidated operating income. On the other hand, the budget achievement rate of consolidated operating income and consolidated net income and the rate of increase or decrease compared with the previous fiscal year of consolidated net income exceeded the standard. As a result, the evaluation of the performance of the Company overall exceeded the standard (consolidated net sales were 154,847 million yen, consolidated operating income was 26,600 million yen, and consolidated net income was 17,645 million yen for the fiscal year ended March 31, 2025).

– Compensation for outside directors

The amount of compensation in cash is decided in accordance with the duties and the like of the individual in question, taking into consideration compensation market survey data for domestic listed companies and the like provided by external professional organizations.

(iv) Decision-making process

The compensation system and method for deciding compensation for directors (excluding outside directors) is determined by the board of directors based on deliberation by the nomination and compensation committee (whose members consist of all outside directors and the president and representative director, as well as one other inside director) from the perspective of securing objectivity and transparency in the decision-making process.

The board of directors adopted resolutions for decisions regarding compensation for individual directors. Compensation for directors (excluding outside directors) must be deliberated by the nomination and compensation committee before any resolution is adopted by the board of directors.

- (v) Reason why the board of directors determined that the details of compensation for individual directors, etc., for the fiscal year ended March 31, 2025 are in line with the decision-making policy

The nomination and compensation committee deliberates on and examines compensation for individual directors (excluding outside directors) and the like from various perspectives, including consistency with the decision-making policy, before deciding the details. The board of directors, in principle, defers to the report from the nomination and compensation committee and determines that the details of compensation for individual directors and the like are in line with the decision-making policy.

5. Matters related to Company directors' and officers' liability insurance contract

- (i) Scope of insured

All directors and audit and supervisory board members of the Company and all of its subsidiaries

- (ii) Outline of details of insurance contract

The Company will execute with an insurance company a company directors' and officers' liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act and will cover any damages and expenses regarding disputes (including shareholders' derivative suits and third-party suits) incurred by the insured officers and the like as a result of a claim for damages arising from his or her execution of duties.

6. Matters regarding outside officers

(i) Main activities during the fiscal year ended March 31, 2025

Position	Name	Board of directors meetings attendance status	Audit and supervisory board meetings attendance status	Activities
Director	Satoshi Shima	100% Attended 16 of 16 meetings	-	In addition to experience as a member of the House of Representatives, he possesses abundant insights and achievements related to corporate activities and is expected to perform his role making management decisions and strengthening monitoring functions for execution of business from that perspective. He has performed an appropriate role as an outside director of the Company in supervising, advising, and the like the execution of business, including proactively providing comments from that perspective at board of directors meetings.
Director	Akihisa Fujita	100% Attended 16 of 16 meetings	-	He possesses abundant insights and achievements related to corporate activities as a manager of a listed company and the like and is expected to perform his role making management decisions and strengthening monitoring functions for execution of business from that perspective. He performs an appropriate role as an outside director of the Company in supervising, advising, and the like the execution of business, including proactively providing comments from that perspective at board of directors meetings.
Director	Hiromi Watase	100% Attended 12 of 12 meetings	-	She possesses abundant insights and achievements related to business activities as an executive of numerous companies, and is expected to perform her role making management decisions and strengthening monitoring functions for execution of business from that perspective. She performs an appropriate role as an outside director of the Company in supervising, advising, and the like the execution of business, including proactively providing comments from that perspective at the board of directors meetings.
Audit and Supervisory Board Member (Standing)	Yuichiro Nishimura	100% Attended 16 of 16 meetings	100% Attended 19 of 19 meetings	He conducts on a daily basis activities for improving the governance and enhancing internal control as a standing audit and supervisory board member and provided comments necessary for deliberation at the board of directors meetings and audit and supervisory board meetings as appropriate. In addition, he contributed to securing the soundness and properness of management by collaborating closely with independent auditors and internal audit office.
Audit and Supervisory Board Member	Nozomi Ueda	100% Attended 16 of 16 meetings	100% Attended 19 of 19 meetings	She provided necessary comments at the board of directors meetings and audit and supervisory board meetings as appropriate based on her expertise and experience as a lawyer and contributed to improving effectiveness and enhancing governance of the board of directors and audit and supervisory board.
Audit and Supervisory	Sumiko	100%	100%	She provided necessary comments at the board

Board Member	Takayama	Attended 12 of 12 meetings	Attended 14 of 14 meetings	of directors meetings and audit and supervisory board meetings as appropriate utilizing her extensive expertise as a certified public accountant and experience as an outside officer of other companies and contributed to improving effectiveness and enhancing governance of the board of directors and audit and supervisory board.
--------------	----------	----------------------------	----------------------------	---

(ii) Outline of the agreements for limitation of liability

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act with each of the outside directors and each of the outside audit and supervisory board members. The amount of liability for damages limited pursuant to the agreements is the higher of a predetermined amount of 10,000 yen or more and the minimum liability amount stipulated in laws and regulations.

(iii) Matters in violation of laws, regulations, or the Articles of Incorporation, and other improper execution of business, and subsequent measures taken

During the fiscal year ended March 31, 2025, the former representative director and a former employee of Chariloto Co., Ltd., a subsidiary of the Company, took part in improper financial transactions with a service provider of Chariloto Co., Ltd.

The Company's outside directors and outside audit and supervisory board members were unaware of the fact until it was discovered; however, they have consistently made recommendations from a perspective of compliance with law and regulations at the board of directors meetings and the like. Following the discovery of the fact, the outside directors and outside audit and supervisory board members have fulfilled their duties, including by conducting a thorough investigation of the facts, strengthening governance to prevent reoccurrence, and ensuring strict compliance.

V. Matters concerning independent auditors

1. Name of independent auditors

PricewaterhouseCoopers Japan LLC

2. Independent auditors' compensation for the fiscal year ended March 31, 2025

	Payment
Independent auditors' compensation for the fiscal year ended March 31, 2025	74 million yen
The aggregate amount of money and other financial benefits to be paid by the Company and its subsidiaries	76 million yen

Notes:

1. Under the audit contract between the Company and the independent auditors, compensation is not clearly divided into compensation for the audit under the Companies Act and for the audit under the Financial Instruments and Exchange Act, and it is impractical to allocate the compensation between those two audits. Therefore, the aggregate amount of compensation for those audits for the fiscal year ended March 31, 2025 is stated in the table above.
2. The audit and supervisory board gave the consent under Article 399, Paragraph 1 of the Companies Act regarding compensation for the independent auditors after it (i) confirmed the records of the audit times by audit items and by auditor hierarchies and changes in compensation in the audit plans for the previous fiscal years, as well as the status of the independent auditors' performance of their duties, and (ii) reviewed the appropriateness of the audit plan and compensation for the fiscal year ended March 31, 2025.

3. Details of non-audit services

The Company pays fees to the independent auditors for advisory services related to assistance for developing account settlement processes, which is duty other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act.

4. Policy to determine dismissal or non-reelection of independent auditors

If the audit and supervisory board determines, by taking into account various factors, that it is necessary to dismiss or not to reelect the independent auditors (such as in a case where the independent auditors have difficulty with the execution of their duties), the audit and supervisory board will resolve an agenda item concerning the dismissal or non-reelection of the independent auditors, and the board of directors will submit the agenda item to the general meeting of shareholders in accordance with the resolution made by the audit and supervisory board.

In addition, if the independent auditors are deemed to fall under any item of Article 340, Paragraph 1 of the Companies Act, the audit and supervisory board will dismiss the independent auditors pursuant to the unanimous consent of the audit and supervisory board members. In that case, an audit and supervisory board member selected by the audit and supervisory board will report about the dismissal of the independent auditors and the reason therefor at the first general meeting of shareholders convened after the dismissal.

5. Outline of the agreements for limitation of liability

Not applicable

VI. Systems that ensure the properness of operations; operational status of those systems

Systems that ensure the properness of operations:

An outline concerning decided details for the systems necessary to ensure that the execution of duties by the directors complies with laws and regulations and the articles of incorporation and other systems necessary to ensure the properness of operations of a corporation is set out below.

- (1) Systems to ensure that the execution of duties by the directors and employees of the Company and its subsidiaries (the “**Company Group**”) complies with laws and regulations and the articles of incorporation

- (i) The Company Group shall emphasize the importance of compliance with the “MIXI Group Business Conduct Guidelines” and “Ethical Code” and thoroughly make the details of this code known to all officers and employees through an information system, training, and the like.
- (ii) The Company Group shall endeavor to ensure that duties are properly executed by directors and employees by developing operation processes and internal rules as well as strengthening the assessment and supervision system of the internal audit office.
- (iii) The Company Group shall establish a whistleblower system to curb acts that violate any law, regulation, articles of incorporation, or the like and shall seek to prevent misconduct, while also developing a system for eliminating antisocial forces.
- (iv) If an act that violates any law, regulation, articles of incorporation, or the like occurs or is likely to occur, the Company Group shall swiftly ascertain that information and make efforts to deal with that matter.

- (2) Systems regarding preservation and management of information relating to the execution of duties by directors of the Company Group

The Company Group shall develop information-management rules and, by identifying important documents and clarifying a way to preserve those documents, the Company Group shall construct a system for proper and secure preservation and management of personal information, important business secrets, and information relating to the execution of a director’s duties.

- (3) Rules and other systems for managing risk of loss of the Company Group

The Company Group shall develop rules to ascertain and manage various risks surrounding the Company Group and develop and strengthen a system that is necessary for managing risks. The Company appoints the President and Representative Director as the chief executive of the system for promoting risk management and also appoints a senior corporate officer or corporate officer in charge of risk and compliance (the “**Corporate Officer in Charge of Risk Management, Etc.**”) who supports the chief executive of the system for promoting risk management. The Company shall endeavor to ascertain, assess, and minimize risks relevant to the business operations that the Company Group conducts by establishing a “risk management committee” overseen by the Corporate Officer in Charge of Risk Management, Etc. In addition, The Company Group shall swiftly and appropriately handle incidents when they occur.

- (4) Systems to ensure efficient execution of duties by directors of the Company Group

- (i) To clarify the details of the duties to be assigned and administrative authority, the Company Group shall develop rules regarding the division of duties and administrative authority and shall endeavor to ensure that directors of the Company Group efficiently execute their duties by, among other things, introducing a group-wide information sharing system.
- (ii) The Company Group shall prepare budgets and set goals for the Company Group in each fiscal year after taking into account the current and future business environment.

Each division of the Company and each group company in the Company Group shall implement various measures to achieve those goals. In addition, monthly actual results of the budget of the entire Company Group will be reported at the Company's board of directors, and the board of directors of the Company shall verify the status of goal achievement for each division of the Company and each group company in the Company Group.

- (5) System to ensure the properness of execution of operations in the Company Group
 - (i) The Company shall establish a division to administer the group companies and shall, pursuant to the rules for administering group companies, monitor the progress of group companies' operations and the status of duty execution by the directors, et al., of the group companies.
 - (ii) The Company shall cause information related to the status of business of each division and each group company to be reported or shared among the directors, including the President and Representative Director of the Company, senior corporate officers, corporate officers, and the chief general managers and shall provide in a timely manner appropriate direction and advice regarding important matters as necessary.
 - (iii) The internal audit office of the Company shall, pursuant to the internal audit rules, implement an internal audit of the group companies from perspectives such as the level of conformance with laws and regulations, the articles of incorporation, the internal rules and the like.
- (6) Matters relating to employees assisting duties of audit and supervisory board members of the Company when appointment of those employees is requested by the audit and supervisory board members of the Company

In order to assist in the duties of audit and supervisory board members, the Company shall establish a division for assisting in the duties of audit and supervisory board members (the **"Audit and Supervisory Section"**) and assign, at the request of audit and supervisory board members or the audit and supervisory board, employees to assist audit and supervisory board members. Audit and supervisory board members may instruct those employees on matters required to conduct audits.
- (7) Matters relating to independence from the Company's directors of employees assisting duties of the Company's audit and supervisory board members and matters relating to ensuring the effectiveness of instructions given by the Company's audit and supervisory board members to those employees
 - (i) In providing assistance to audit and supervisory board members, employees assisting in the duties of audit and supervisory board members shall follow only the instructions of audit and supervisory board members and shall not receive instructions from directors or employees.
 - (ii) The appointment of, the appraisal of, and the transfer of an employee assisting in the duties of audit and supervisory board members shall be determined after hearing the opinions of the audit and supervisory board.
- (8) System for reporting by the Company's directors and employees to the Company's audit and supervisory board members
 - (i) Audit and supervisory board members may attend board of directors meetings, management committee meetings, and other important meetings and hear explanations from directors and employees.
 - (ii) Audit and supervisory board members shall inspect important documents and other documents and, as necessary, may request directors and employees to explain those documents.

- (iii) Directors and employees shall immediately report to audit and supervisory board members facts that might materially affect the management or business results of the Company.
- (9) System for reporting to the Company's audit and supervisory board members by the Company Group's directors, audit and supervisory board members, other relevant persons or employees, or persons who received a report from one of those people
- At the Company Group, a method by which directors and employees of each of the group companies report to the Company's audit and supervisory board members through a whistleblower system will be prepared. In addition, each person that has received an internal notification from a person other than an audit and supervisory board member shall report to the Company's audit and supervisory board members in a timely and proper manner.
- (10) System to ensure that persons that reported under (8) or (9) above are not disadvantageously treated for the reason that they made that report
- The confidentiality of the content of notifications from the Company Group's directors and employees to the Company's audit and supervisory board members must be ensured in accordance with laws and regulations, the whistleblower system, etc. Disadvantageously treating a whistleblower is prohibited.
- (11) Matters relating to policies for processing expenses that arise when the Company's audit and supervisory board members execute duties
- If an audit and supervisory board member of the Company makes a request to the Company for prepayment, etc., of expenses in accordance with Article 388 of the Companies Act in relation to the execution of the member's duties, then the Company shall promptly deal with that request unless it is acknowledged that the expenses are not necessary to execute the duties. In addition, if an audit and supervisory board member judges it necessary for the execution of its duties, then auditing expenses that are required to request the opinions and advice of lawyers, patent attorneys, certified public accountants, certified public tax accountants and other external specialists will be permitted.
- (12) Other systems to ensure the Company's audit and supervisory board members effectively conduct audits
- (i) The Company Group's directors and employees shall deepen understanding of the audits conducted by audit and supervisory board members and cooperate in those audits to ensure the efficiency of the auditing system.
 - (ii) Audit and supervisory board members shall conduct effective audits by regularly exchanging opinions with directors and the independent auditors as well as coordinating with the internal audit office.
 - (iii) The Company Group shall develop a system in which audits are conducted effectively by, for example, ensuring opportunities for the exchange of opinions and information between audit and supervisory board members and the independent auditors and, at the request of audit and supervisory board members, holding interviews with the Company's representative director, directors, and corporate officers, liaison conferences with outside directors, and periodic meetings with executive officers, representative directors of subsidiaries, and the like.

Operational status of the systems that ensure the properness of operations

An outline of the operational status of the systems that ensure the properness of operations in the fiscal year ended March 31, 2025 is set out below.

- (1) Execution of directors' duties

In accordance with the “Code of the board of directors,” the Company held, as necessary, extraordinary board of directors meetings in addition to holding monthly regular board of directors meetings and made important business-related decisions and supervised the execution of operations in meetings of the board of directors. In addition, outside directors and audit and supervisory board members utilized their expertise and experience to monitor and supervise the execution of duties of the board of directors.

The Company appropriately maintains and manages the minutes of important meetings, such as board of directors meetings, and other important records and documents related to decision-making for execution of business and the like, such as records of approval and the like, in accordance with the document management rules and rules relating to information security.

(2) Compliance initiatives

The Company endeavored to ensure compliance in each business of the Company Group by establishing a division for the purposes of building a compliance system for the Company Group and supporting the retention of compliance in execution of individual businesses.

In addition, based on internal rules, such as the “MIXI Group Business Conduct Guidelines” and “Ethical Code,” the Company provided officers and employees of the Company Group with compliance and information security education and other training tailored to duties.

In addition, the Company operated a whistleblower system whose contact point is an external law firm and, at an early stage, the Company identified acts that might violate a law or regulation, the articles of incorporation or an internal rule and responded to those acts in an appropriate and timely manner.

(3) Risk management initiatives

The Company continued to conduct risk management activities with respect to important business of the Company Group, which involved, for example, ascertaining, assessing, and giving directions regarding countermeasures for risk, by electing a corporate officer in charge of management and the like and also establishing a risk management committee overseen by the officer in charge of management and the like. In addition, the Company is making efforts to strengthen the risk management for risks that are thought might greatly affect management by reporting at the board of directors meeting and at other important meetings and consulting about these risks, and by conducting other activities.

(4) Administering the Company Group

In accordance with the rules for administrating group companies, the Company Group has established a department for the administration of group companies and monitors the status of the progress of business and the status of execution of duties by directors and the like at each company of the Company Group. In addition, information regarding important matters concerning the execution of business of the Company Group is shared with directors, audit and supervisory board members, senior corporate officers, corporate officers, and the like.

However, in the fiscal year ended March 31, 2025, the Company identified suspicions that the former representative director and a former employee of its subsidiary, Chariloto Co., Ltd., may have taken part in improper financial transactions with their service provider.

The Company formed an investigation team comprising outside experts, received an investigation report from the investigation team on December 26, 2024, and published the investigation report on that day. As a result of the investigation, it was discovered that the former representative director received 357 million yen, and the former employee received 668 million yen, totaling 1,026 million yen in cash, from their service provider. Further, the investigation team indicated the possibility that governance regarding transactions with

service providers may not have been fully functioning at the Company's subsidiary Chariloto, among other issues.

The Company has formulated, and been implementing, reoccurrence prevention measures based on the recommendations for such reoccurrence prevention measures by the investigation report.

The Company has taken the findings of the investigation team very seriously, formulated reoccurrence prevention measures, and published those measures on January 14, 2025. The Company will reliably implement the prevention reoccurrence measures and monitor the status of progress.

(5) Implementing internal audits

Based on the internal audit plan, the internal audit office inspects documents and implements an onsite inspection to check whether the Company and each company of the Company Group is executing its duties in accordance with laws and regulations, the articles of incorporation and internal rules. In addition, the internal audit office seeks to mutually coordinate with the audit and supervisory board, reports on the status of internal auditing to the audit and supervisory board, and holds meetings as necessary at which opinions and information were exchanged.

(6) Auditing by audit and supervisory board members

Based on the annual plan formulated by the audit and supervisory board, audit and supervisory board members of the Company attended board of directors meetings and other important meetings, exchanged opinions with the Company's directors, directors of corporate groups, the internal audit office, and other employees as necessary, and audited the duties executed by the directors.

VII. Policy for determining dividends from surplus

The Company recognizes that providing a return to shareholders is an important management issue, and the Company's basic policy is to aim for dividend payouts totaling 20% of the Company's consolidated net income or a dividend on equity ratio (DOE) of 5% while seeking to achieve sustained increases in corporate value by making investments (including business development, research and development and M&As) that are necessary for future growth.

Based on the above policy, the annual dividend for the fiscal year ended March 31, 2025 is 120 yen per share. The Company has distributed an interim dividend of 55 yen per share in the interim period, and the year-end dividends for the fiscal year ended March 31, 2025 are 65 yen per share.

The annual dividends for the following fiscal year (ending March 31, 2026) are expected to be 120 yen per share (of which, 60 yen are interim dividends), based on the policy above.

With respect to acquisition of the Company's own shares, the Company has adopted a new policy of acquisition until a return on equity (ROE) level that exceeds the recognized cost of shareholders' equity is achieved based on a three-year average and then conducting the acquisition of more of the Company's own shares and the like if the total payout ratio falls below 100%. The Company's policy for holding treasury shares is to hold approximately 5% of the total number of shares outstanding and, in principle, to cancel any excess shares.

While seeking to achieve continued increases in corporate value and taking into consideration the business performance in each fiscal year, the Company will continue to review dividend policy and provide returns to shareholders.

Consolidated Financial Statements

Consolidated Balance Sheets

(As of March 31, 2025)

(Unit: ¥ million)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	169,931	Current liabilities	31,380
Cash and deposits	110,666	Short-term borrowings	1,865
Notes and accounts receivable - trade	15,812	Accounts payable - other	10,143
Operational investment securities	30,571	Income taxes payable	7,686
Securities	2,807	Accrued consumption taxes	2,203
Merchandise	622	Provision for bonuses	1,816
Other	9,692	Other	7,664
Allowance for doubtful accounts	(241)	Non-current liabilities	12,829
Non-current assets	55,612	Long-term borrowings	10,587
Property, plant and equipment	20,020	Deferred tax liabilities	1,632
Buildings	9,755	Other	609
Tools, furniture and fixtures	3,291	Total liabilities	44,210
Other	111	Net Assets	
Land	2,699	Shareholders' equity	175,026
Construction in progress	4,162	Paid-in capital	9,698
Intangible assets	14,793	Capital surplus	9,669
Goodwill	7,265	Retained earnings	173,149
Customer-related assets	4,284	Treasury shares	(17,491)
Trademark right	1,937	Accumulated other comprehensive income	3,954
Other	1,305	Valuation difference on available-for-sale securities	3,070
Investments and other assets	20,798	Foreign currency translation adjustment	883
Investment securities	6,023	Subscription rights to shares	1,082
Long-term loans receivable	7,540	Non-controlling interests	1,270
Deferred tax assets	3,328		
Other	5,789		
Allowance for doubtful accounts	(1,883)	Total net assets	181,333
Total assets	225,544	Total liabilities and net assets	225,544

Note: Figures have been rounded down to the nearest million yen.

Consolidated Statements of Income

(April 1, 2024 to March 31, 2025)

(Unit: ¥ million)

Description	Amount	
Net sales		154,847
Cost of sales		48,803
Gross profit		106,043
SG&A expenses		79,443
Operating income		26,600
Non-operating income		
Interest income	67	
Dividend income	39	
Foreign exchange gains	3	
Share of profit of entities accounted for using equity method	148	
Gain on sale of businesses	181	
Other	242	682
Non-operating expenses		
Interest expenses	111	
Provision of allowance for doubtful accounts	135	
Loss on withdrawal from business	47	
Donations	113	
Special investigation expenses	213	
Other	150	770
Ordinary income		26,511
Extraordinary income		
Gain on sales of non-current assets	17	
Gain on redemption of investment securities	156	
Reversal of allowance for doubtful accounts	210	
Gain on step acquisitions	89	
Gain on reversal of share acquisition rights	17	
Other	0	491
Extraordinary losses		
Loss on sales and retirement of non-current assets	14	
Impairment losses	0	
Loss on valuation of investment securities	81	
Amortization of goodwill	396	
Loss on change in equity	72	
Other	4	568
Income before income taxes		26,434
Income taxes – current	9,383	
Income taxes – deferred	(594)	8,788
Period net income		17,645
Profit attributable to non-controlling interests		43
Profit attributable to owners of parent		17,601

Note: Figures have been rounded down to the nearest million yen.

Consolidated Statements of Changes in Shareholders' Equity

(April 1, 2024 to March 31, 2025)

(Unit: ¥ million)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance on April 1, 2024	9,698	9,662	163,190	(10,310)	172,240
Changes of items during period					
Dividends of surplus			(7,635)		(7,635)
Profit attributable to owners of parent			17,601		17,601
Purchase of treasury shares				(7,458)	(7,458)
Disposal of treasury shares		(6)		276	270
Transfer to capital surplus from retained earnings		6	(6)		—
Change in ownership interest of parent due to transactions with non-controlling interests		7			7
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	7	9,959	(7,181)	2,785
Balance on March 31, 2025	9,698	9,669	173,149	(17,491)	175,026

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance on April 1, 2024	366	803	1,170	1,109	1,209	175,730
Changes of items during period						
Dividends of surplus						(7,635)
Profit attributable to owners of parent						17,601
Purchase of treasury shares						(7,458)
Disposal of treasury shares						270
Transfer to capital surplus from retained earnings						—
Change in ownership interest of parent due to transactions with non-controlling interests						7
Net changes of items other than shareholders' equity	2,703	80	2,783	(27)	61	2,817
Total changes of items during period	2,703	80	2,783	(27)	61	5,603
Balance on March 31, 2025	3,070	883	3,954	1,082	1,270	181,333

Note: Figures have been rounded down to the nearest million yen.

Notes to Consolidated Financial Statements

1. Notes on Important Matters That Form the Basis of Preparing Consolidated Financial Statements

(1) Matters related to the scope of consolidation

1) Number and names of consolidated subsidiaries

- Number of consolidated subsidiaries: 26
- Names of the major consolidated subsidiaries: Chariloto Co., Ltd.
Net Dreamers Co., Ltd.

During the consolidated fiscal year ended March 31, 2025, picon, Inc. has been included in the scope of consolidation due to the acquisition of shares, and MIXI Australia Pty Ltd. has been included in the scope of consolidation due to its establishment.

In addition, during the consolidated fiscal year ended March 31, 2025, Tech Growth Capital LLP and one other company have been removed from the scope of consolidation due to their liquidation.

2) Name of the major non-consolidated subsidiary

E-Mercury, Inc.

(Reason for exclusion from the scope of consolidation)

E-Mercury, Inc. and four other companies have been excluded from the scope of consolidation as they are small-scale companies and their total assets, net sales, profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) and others have no significant impact on the consolidated financial statements.

(2) Matters related to the application of equity method

1) Number and names of entities accounted for using the equity method

- Number of equity-method associates: 5
- Names of the major equity-method associates: bitbank, inc.
HUB CO., LTD.
Decollte Holdings Corporation

During the consolidated year ended March 31, 2025, CALL DOCTOR Co., Ltd. was excluded from the scope of equity method application due to the sale of shares.

2) Names, etc. of non-consolidated subsidiaries and associates to which the equity method is not applicable

Names, etc. of major companies

E-Mercury, Inc.

(Reason for not applying the equity method)

E-Mercury, Inc. and four other companies are excluded from the scope of application of the equity method since their exclusion has an insignificant impact on the consolidated financial statements in terms of profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) and others.

3) Matters deemed necessary to be specifically stated regarding the procedure for applying the equity method

For equity-method associates with different balance sheet dates, financial statements corresponding to their respective fiscal years are used.

(3) Matters related to the fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, the balance sheet date of Scrum Ventures Fund I, L.P. and four other companies is December 31, the balance sheet date of TOKYO FOOTBALL CLUB Co., Ltd. is January 31, and the balance sheet date of AA Fund Investment LPS and one other company is the end of February, and their financial statements as at their respective balance sheet dates are used. However, necessary adjustments are made to reflect important transactions that occurred between their balance sheet dates and the consolidated balance sheet date. In addition, the balance sheet date of Chiba Jets Funabashi Co., Ltd. and one other company is June 30, although it uses the financial statement based on a provisional settlement of accounts.

(4) Matters related to accounting policies

1) Valuation standards and valuation methods of significant assets

Valuation standards and valuation methods of securities

Available-for-sale securities (including operational investment securities)

Securities other than shares, etc. without market value:

Stated at fair value based on market price as of the balance-sheet date (valuation differences are included directly in net assets, and cost of sales is measured using the moving average method)

Shares, etc. without market value:

Stated at cost using the moving-average method.

Investments in investment partnerships and others are based on the financial statements for the most recent balance sheet date using the net amount proportionate to MIXI's ownership interests.

Valuation standards and valuation methods of inventories

Merchandise:

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).

2) Depreciation and amortization methods of significant depreciation assets

a. Property, plant and equipment (excluding leased assets):

The declining balance method is primarily applied.

However, the straight-line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.

The principle useful lives are as follows:

Buildings: 2 to 50 years

Tools, furniture and fixtures: 2 to 20 years

b. Intangible assets (excluding leased assets):

The straight-line method is applied.

The principle useful lives are as follows:

Software for internal use: 5 years

Trademark rights: Amortized based on economic useful life (5 to 13 years)

Customer-related assets: Amortized based on economic useful life (5 to 18 years)

Other intangible assets: Amortized based on economic useful life (5 years)

c. Leased assets:

Leased assets pertaining to finance leases not involving the transfer of ownership

The straight-line method, substituting the lease term for the useful life, assuming no residual value.

d. Goodwill:

Amortization of goodwill is estimated for each period in which it is expected to emerge, and then equally amortized over the designated amortization period (4 to 13 years).

3) Accounting standards for significant allowances and provisions

a. Allowance for doubtful accounts:

In order to provide for losses due to bad debt, including on notes and accounts receivable – trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

b. Provision for bonuses:

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the consolidated fiscal year under review is recorded.

4) Accounting standards for revenue and expenses

The Group recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

a. Operation of services for smart device games such as “Monster Strike”

The Group operates services for smart device games such as “Monster Strike.” The Group determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, the Group recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency “orbs” etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, the Group determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when “orbs” are consumed.

Under the revenue recognition standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

b. Operation of services for a horse racing information website “netkeiba.com”

The Group provides services that provide information for paying members and race forecast information from tipsters “Umai Baken” through the use of a horse racing information website “netkeiba.com.” Revenue related to the flat-rate service of information provision for paying members is recognized over a contract period as performance obligations are satisfied over time. Revenue related to “Umai Baken” is recognized when information is delivered, as performance obligations are deemed to be satisfied mainly when the Group presents relevant information.

c. Operation of services for “Chariloto,” an online voting website for keirin and auto race betting tickets, and “TIPSTAR,” a sports betting service

The Group provides online voting systems to users through the use of “Chariloto,” an online voting website for keirin and auto race betting tickets, and “TIPSTAR,” a sports betting service. Revenue related to them is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

d. Operation of professional sport teams

The Group operates two professional sport teams, Chiba Jets Funabashi and F.C.Tokyo. With respect to advertising fee revenue, which is the principal source of revenue, the Group provides uniforms, signage at game venues, and other printed materials as advertising media. Revenue is recognized over time such as the contract period, because the performance obligation is deemed to be satisfied over time when the advertisement or project is placed over time. On the other hand, when the advertisement is placed for a single game or project, the performance obligation is deemed to be satisfied at the time of the event, and revenue is recognized at a point in time of the end of the event.

e. Operation of services for “FamilyAlbum”

The Group provides a monthly service “FamilyAlbum Premium” that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of “FamilyAlbum.” Revenue related to “FamilyAlbum Premium” is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

f. Operation of services for the New Year Cards app “FamilyAlbum New Year Cards”

The Group provides a service of creating New Year’s cards for printing through the use of the New Year Cards app “FamilyAlbum New Year Cards.” With respect to this service, while performance obligations are deemed to be satisfied by manufacturing New Year’s cards for printing according to the order received from a user and delivering them to the user, the Group determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

g. Operation of services for a beauty staff direct appointment app “minimo”

The Group provides a salon reservation support service to users through the use of a beauty staff direct appointment app “minimo.” Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

2. Notes on Changes in Accounting Policies

(Application of “Accounting Standard for Current Income Taxes”, etc.)

MIXI applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the consolidated fiscal year ended March 31, 2025.

Regarding the amendments to the classification of income tax, etc. (taxation on other comprehensive income), the Group follows the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). In addition, regarding the amendments related to the review of treatment in consolidated financial statements when gains and losses arising from the sale of shares in subsidiaries between consolidated companies are deferred for tax purposes, the 2022 Revised Guidance has been applied from the beginning of the consolidated fiscal year ended March 31, 2025. This change in accounting policy has no impact on the consolidated financial statements.

3. Notes on Accounting Estimates

(Impairment of operational investment securities and investment securities)

Operational investment securities and investment securities stood at ¥30,571 million and ¥6,023 million, respectively, as of March 31, 2025. Of these, the Group assess impairment on non-listed shares, etc. (excluding shares of equity-method associates) of ¥15,834 million as described below.

In the valuation of non-listed shares, etc., if the net asset value or market value of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such non-listed shares of a company were purchased at a price higher than the net asset value per share, which can be obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or unrecoverability of the book value may arise owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

(Impairment of goodwill and other intangible fixed assets)

Goodwill, customer-related assets, trademark right, etc. stood at ¥13,369 million as of March 31, 2025. The Group assesses whether it is necessary to recognize an impairment. Assessment is carried out by means of the following four steps.

(1) Identification of the asset or the asset group to which the intangible fixed assets belong (hereinafter referred to as “asset group”)

Events that indicate the possibility of impairment of an asset (hereinafter referred to as “indication of impairment”) are identified according to asset groups. The Company groups assets mainly by each subsidiary because the businesses operated by the Company’s subsidiaries are different from one another.

(2) Identification of indication of impairment

Indication of impairment is identified if profit or cash flows from operating activities for which the asset group is used have remained negative or are expected to remain negative, or deterioration of the business environment is recognized.

(3) Recognition of impairment

For an asset group with indication of impairment, undiscounted future cash flow is calculated based on the mid- to long-term business plan etc. If it is below the asset group's book value, an impairment loss is recognized.

(4) Measurement of impairment

For an asset or an asset group regarding which it is judged that an impairment loss should be recognized, the book value is reduced to the recoverable value and the amount of the reduction is recognized as an impairment loss and recorded for the current fiscal year.

Forecasts of future sales and expenses and the operating income margin and other assumptions used for the above calculations of cash flow are determined according to management's best estimates and judgment based on the historical data and the business plan approved by the Company's management, which is based on the business plan at the time of acquisition and incorporates changes reflected in the budget for the next fiscal year approved by the management, and changes that are likely to persist. Assumptions may be affected by change of the business strategy and change of the market environment. If any change to assumptions is required, there may be a significant impact on the amount of an impairment loss to be recognized.

4. Notes on Consolidated Balance Sheets

(1) The balances of receivables from contracts with customers

Accounts receivable – trade ¥15,812 million

(2) Accumulated depreciation of property, plant and equipment: ¥7,846 million

(3) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings ¥4,781 million

Land ¥2,698 million

Total ¥7,480 million

2) Secured liabilities

Short-term borrowings ¥516 million

Long-term borrowings ¥5,803 million

Total ¥6,320 million

(4) Balance of investment securities pertaining to non-consolidated subsidiaries and affiliates

Investment securities (shares) ¥4,650 million

(5) Balance of contract liabilities included in “Other” under current liabilities: ¥4,180 million

(6) Loan commitment agreement

Chariloto Co., Ltd., a consolidated subsidiary, has entered into a loan commitment agreement with one bank for the efficient procurement of business funds.

The unexecuted balance of the loan under the loan commitment agreement is as follows:

Total amount of loan commitment agreement ¥9,000 million

Executed balance ¥4,700 million

Net balance ¥4,300 million

5. Notes on Consolidated Statements of Income

Not applicable

6. Notes on Consolidated Statements of Changes in Shareholders' Equity

(1) Matters related to the total number of issued shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares	73,730,850 shares	- shares	- shares	73,730,850 shares

(Summary of causes of changes)

Not applicable

(2) Matters related to dividends of surplus

1) Dividends paid

Resolution	Class of shares	Total amount of dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Board of Directors Meeting on May 10, 2024	Common shares	3,867	55	March 31, 2024	June 11, 2024
Board of Directors Meeting on November 8, 2024	Common shares	3,783	55	September 30, 2024	December 9, 2024

2) Dividends with record dates within the year ended March 31, 2025, but with effective dates in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Board of Directors Meeting on May 14, 2025	Common shares	Retained earnings	4,404	65	March 31, 2025	June 11, 2025

(3) Matters related to the subscription rights to shares as of March 31, 2025

	Class of shares to be issued	Number of shares to be issued
13 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 5, 2016)	Common shares	47,000 shares
14 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 8, 2017)	Common shares	28,500 shares
15 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on August 9, 2018)	Common shares	120,800 shares
17 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 26, 2019)	Common shares	222,400 shares
19 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 26, 2020)	Common shares	196,300 shares
21 st issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 25, 2021)	Common shares	98,600 shares
22 nd issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 25, 2021)	Common shares	2,800 shares
23 rd issuance of subscription rights to shares (resolved at the Board of Directors Meeting on June 28, 2022)	Common shares	93,200 shares
24 th issuance of subscription rights to shares (resolved at the Board of Directors Meeting on February 27, 2023)	Common shares	78,000 shares

7. Notes on Financial Instruments

(1) Matters related to status of financial instruments

1) Policy on financial instruments

In regard to fund management, the Company's group only invests its funds in highly safe short-term financial assets. The policy on financing for consolidated subsidiaries is to use internal funds and loans from banks and other financial institutions.

2) Details of financial instruments, related risks, and risk management system

The main financial assets are cash and deposits, accounts receivable – trade, operational investment securities, investment securities and securities. Deposits are mainly composed of ordinary deposits and short-term time deposits, and are exposed to the credit risk of parties holding the deposits but these parties are banks with high creditworthiness. Accounts receivable – trade are exposed to the credit risk of customers but in addition to regular management of the due dates and balance of each client by credit management personnel in accordance with credit management policies, the Company's group also strives for the early detection and mitigation of concerns for recovery due to reasons such as the deterioration of a client's financial situation. Operational investment securities and investment securities are composed mainly of shares in companies with which the Company's group has business relationships and investments in investment partnerships and are exposed to credit risk but the Group monitors the financial situation of issuers and investment partnerships on a regular basis. Securities are foreign currency-denominated MMFs and are highly safe financial products, but are exposed to the risk of exchange rate fluctuations.

Financial liabilities consist mainly of accounts payable – other, income taxes payable, and long-term borrowings (including the current portion of long-term borrowings). Accounts payable – other are mainly due within one month. Long-term borrowings (including the current portion of long-term borrowings) are mainly for financing capital investment of subsidiaries. In regard to liquidity risk whereby financing is no longer possible, the Company has abundant cash reserves and has secured liquidity. For consolidated subsidiaries, the department responsible manages the liquidity risk by preparing and updating the cash management plan in a timely manner.

3) Supplementary explanation concerning matters related to fair value of financial instruments, etc.

The measurement of fair value of financial instruments incorporates variable factors, and the adoption of different assumptions may result in different fair values.

(2) Matters related to fair value, etc. of financial instruments

The amounts recorded in the consolidated balance sheets, fair value and the difference between the two as of March 31, 2025 are as follows. Furthermore, notes on cash and deposits, notes and accounts receivable – trade, securities (MMF), short-term borrowings (excluding the current portion of long-term borrowings), accounts payable – other, income taxes payable and accrued consumption taxes are omitted as they are settled in a short period of time, and therefore their fair values approximate their book values.

(Unit: ¥ million)

	Amount recorded on consolidated balance sheet (*1)	Fair value (*1)	Difference
Operational investment securities	6,896	6,896	–
Investment securities			
Shares of subsidiaries and associates	1,027	2,351	1,324
Available-for-sale securities	1,331	1,331	–
Long-term loans receivable	7,750		
Allowance for doubtful accounts (*2)	(2,076)		
	5,674	5,674	–
Lease and guarantee deposits (*3) (*4)	1,436	1,390	(46)
Total assets	16,366	17,644	1,277
Long-term borrowings (including the current portion of long-term borrowings)	[11,113]	[11,113]	(0)
Long-term accounts payable - other (including the current portion of long-term accounts payable - other)	[207]	[202]	(5)
Total liabilities	[11,320]	[11,315]	(5)

(*1) Items recorded as liabilities are denoted by [].

(*2) Allowance for doubtful accounts related to long-term loans receivable has been deducted.

(*3) The unamortized balance of lease and guarantee deposits that are recognized as ultimately unrecoverable (the estimated cost of restoring leasehold buildings) has been deducted.

(*4) ¥500 million in lease and guarantee deposits is not included in “Lease and guarantee deposits” because it is difficult to calculate the fair value as the repayment date is undecided.

(*5) Shares, etc. without market value are not included in “Operational investment securities” or “Investment securities.” The amounts recorded on consolidated balance sheet of such financial assets are as follows:

(Unit: ¥ million)

Category	Amount recorded on consolidated balance sheet
Shares of subsidiaries and associates (non-listed)	3,622
Operational investment securities (non-listed)	13,015
Investment securities (non-listed)	41

(*6) Investments in partnerships and other similar entities for which the amount corresponding to equity interest is recorded on the consolidated balance sheet are omitted. The amount recorded on consolidated balance sheet of such financial assets is as follows:

(Unit: ¥ million)

Category	Amount recorded on consolidated balance sheet
Investments in investment partnerships	10,659

(Note 1) Redemption schedule for monetary receivables after the consolidated balance sheet date

(Unit: ¥ million)

	Within one year	Over one year within five years	Over five years within ten years	Over ten years
Cash and deposits	110,666	—	—	—
Notes and accounts receivable – trade	15,812	—	—	—
Long-term loans receivable (*1)	—	—	—	5,674
Total	126,479	—	—	5,674

(*1) ¥2,076 million is not included because the redemption amount cannot be estimated.

(Note 2) Repayment schedule for short-term borrowings and long-term borrowings (including the current portion of long-term borrowings) after the consolidated balance sheet date

(Unit: ¥ million)

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
Short-term borrowings	1,340	—	—	—	—	—
Long-term borrowings (including the current portion of long-term borrowings)	525	1,996	507	507	507	7,067
Total	1,865	1,996	507	507	507	7,067

(3) Matters related to the breakdown of fair value of financial instruments, etc. by appropriate category

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using significant unobservable inputs

If multiple inputs that significantly impact the fair value measurement are used, the fair value is categorized in its entirety in the lowest level of priority for fair value measurement to which those inputs belong.

1) Financial instruments recorded on the consolidated balance sheet at fair value

(Unit: ¥ million)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities				
Available-for-sale securities	5,131	—	1,764	6,896
Investment securities				
Available-for-sale securities	319	—	1,012	1,331
Total assets	5,450	—	2,777	8,227

2) Financial instruments other than those recorded on the consolidated balance sheet at fair value

(Unit: ¥ million)

Category	Fair value (*1)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Shares of subsidiaries and associates	2,351	—	—	2,351
Long-term loans receivable	—	5,674	—	5,674
Leasehold and guarantee deposits	—	1,390	—	1,390
Total assets	2,351	7,064	—	9,416
Long-term borrowings (including the current portion of long-term borrowings)	—	[11,113]	—	[11,113]
Long-term accounts payable - other (including the current portion of long-term accounts payable - other)	—	[202]	—	[202]
Total liabilities	—	[11,315]	—	[11,315]

(*1) Items recorded as liabilities are denoted by [].

(Note 1) Explanation of the valuation techniques and inputs used in the fair value measurements

Operational investment securities and investment securities

Listed shares are measured using stock exchange prices. As listed shares are traded in active markets, their fair values are classified as Level 1. If a quoted price is not available, the fair value is measured using a valuation method such as the discounted present value method based on future cash flows. If the fair value is measured using significant unobservable inputs, it is classified as Level 3.

Long-term loans receivable

The fair value of long-term loans receivable with floating interest rates is stated at the relevant book value, as they reflect market interest rates in a short period of time and their fair value approximates their book value unless the credit status of the borrower has changed significantly since the loan was made.

However, the fair value of receivables at risk of becoming bad debt is stated at the amount on the consolidated balance sheet as of the consolidated settlement date less current estimated bad debts, as such amount approximates the fair value.

The fair value of long-term loans receivable is therefore classified as Level 2.

Leasehold and guarantee deposits

The fair value of leasehold and guarantee deposits is measured at the present value of future cash flow discounted at the rate based on appropriate indicators including JGB yields, and is classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is measured at the present value of the total amount of principal and interest discounted at the interest rate that would be expected if a new similar loan were made, and is classified as Level 2. The current portion of long-term borrowings (on the consolidated balance sheet, ¥525 million is included in “short-term borrowings” under current liabilities) is included in long-term borrowings.

Long-term accounts payable – other

The fair value of long-term accounts payable – other is measured at the present value of future scheduled payments discounted at an appropriate interest rate such as JGB yields, and is classified as Level 2. The current portion of long-term accounts payable – other (on the consolidated balance sheet, ¥46 million is included in “accounts payable – other” under current liabilities) is included in long-term accounts payable – other.

(Note 2) Information about Level 3 fair value of financial instruments recorded on consolidated balance sheet at fair value

(1) Reconciliation of the beginning balances and the ending balances

(Unit: ¥ million)

	Operational investment securities and investment securities
Balance at beginning of period	5,251
Recorded in profit or loss (*1)	(1,280)
Recorded in other comprehensive income (*2)	(187)
Purchase, sales, issuance and settlement, etc.	(1,006)
Balance at end of period	2,777
Loss (gain) on valuation of financial assets and financial liabilities held on the consolidated balance sheet date, out of the amount recorded in profit or loss (*1)	(1,280)

(*1) The amount is included in “Cost of sales” and “Loss on valuation of investment securities” in the consolidated statements of income.

(*2) The amount is included in “Valuation difference on available-for-sale securities” in the consolidated statement of comprehensive income.

(2) Explanation of valuation processes used for fair value measurements

The department of the Group in charge of preparing financial statements has established policies and procedures for measuring fair value, as well as procedures related to the specifications of a fair value valuation model. MIXI verifies whether valid valuation techniques and inputs are used for the fair value obtained and level classification.

In measuring fair value, the fair value of financial instruments which have not been held for a specified period of time is measured using the most recent transaction price.

8. Notes on Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

(Unit: ¥ million)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Digital Entertain- ment Business	Sports Business	Lifestyle Business	Investment Business	Total		
Net sales							
Revenue from contracts with customers (Note 3)	94,082	40,206	14,795	—	149,084	66	149,151
Other revenue	—	—	—	5,696	5,696	—	5,696
Net sales to external customers	94,082	40,206	14,795	5,696	154,780	66	154,847
Inter-segment net sales or transfers	—	—	—	—	—	—	—
Total	94,082	40,206	14,795	5,696	154,780	66	154,847
Segment profit/loss	44,287	1,999	(128)	1,981	48,139	(21,539)	26,600
Other							
Depreciation	187	2,333	215	0	2,736	940	3,676
Amortization of goodwill	—	953	464	—	1,417	—	1,417
Amortization of goodwill (extraordinary losses)	—	—	396	—	396	—	396
Impairment loss	0	—	—	—	0	—	0

- (Notes) 1. The segment profit/loss adjustment of ¥(21,539) million includes depreciation of ¥(2,736) million, amortization of goodwill of ¥(1,417) million, company-wide net sales of ¥66 million, and company-wide expenses of ¥(17,452) million not allocated to each reportable segment. Company-wide items comprise mainly those relating to MIXI's administrative departments not belonging to any reportable segment.
2. Segment profit/loss is adjusted with operating income in the consolidated statements of income.
3. Net sales of MIXI Group mainly consists of Monster Strike, a game for smart devices in the Digital Entertainment Business.

(2) Basic information for understanding revenue

Please refer to “1. Notes on Important Matters That Form the Basis of Preparing Consolidated Financial Statements, (4) Matters related to accounting policies.”

(3) Information for understanding revenue for the fiscal year ended March 31, 2025 and subsequent fiscal years

- Balances of contract assets and contract liabilities

(Unit: ¥ million)

	Amount
Receivables from contracts with customers (beginning of period)	13,227
Receivables from contracts with customers (end of period)	15,812
Contract liabilities (beginning of period)	2,888
Contract liabilities (end of period)	4,180

Revenue recognized in the fiscal year ended March 31, 2025 that was included in the contract liability balance at the beginning of the period was ¥2,888 million.

- Transaction prices allocated to the remaining performance obligations

The Group has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not include contracts with an original expected duration of one year or less in the notes.

9. Notes on Per Share Information

- (1) Net assets per share: ¥2,641.26
- (2) Profit per share: ¥255.43

10. Additional Information

(Regarding Improper Transactions by Consolidated Subsidiary's Officer and Employee)

In late October 2024, the Company identified suspicions that an officer and employee (hereinafter referred to as the "Officer and Employee") of Chariloto Co., Ltd., a consolidated subsidiary of the Company, may have taken part in improper transactions with their service provider. In response to this, we formed an investigation team comprising outside experts on October 30, 2024, and received the investigation report on December 26, 2024.

The investigation found that the amount of improper transactions by the Officer and Employee was 1,026 million yen, comprising 357 million yen in transactions by the former Representative Director and 668 million yen in transactions by the employee.

The impact on the consolidated financial statements, including an increase in corporate taxes, etc., was a loss of 452 million yen in net income attributable to shareholders of the parent. In addition, expenses related to the special investigation for this incident have been recorded as "Extraordinary investigation expenses" under "Non-operating expenses."

11. Notes on Significant Subsequent Events

(Repurchase of own shares)

At the Board of Directors meeting held on May 14, 2025, MIXI resolved matters relating to repurchase of own shares based on provisions of Article 459, Paragraph 1, Item 1 of the Companies Act.

(1) Reason for repurchase of own shares

In order to improve capital efficiency as well as to enhance returns to shareholders

(2) Outline of the matters relating to the repurchase

- 1) Class of shares to be repurchased: Common shares of MIXI
- 2) Total number of shares to be repurchased: Up to 4,750,000 shares
(7.01% of the total outstanding shares, other than treasury shares)
- 3) Total share repurchase cost: Up to ¥9,500 million
- 4) Repurchase period: From May 15, 2025 to March 31, 2026
- 5) Repurchase method: Market purchases on the Tokyo Stock Exchange

(Cancellation of own shares)

At the Board of Directors meeting held on May 14, 2025, MIXI resolved matters relating to cancellation of own shares based on provisions of Article 178 of the Companies Act.

(1) Overview of the matters relating to the cancellation

- 1) Class of shares to be cancelled: Common shares of MIXI
- 2) Total number of shares to be cancelled: 2,400,000 shares
(3.26% of the total outstanding shares prior to cancellation)
- 3) Scheduled date of cancellation: May 30, 2025
- 4) Total number of outstanding shares after cancellation: 71,330,850 shares

Non-consolidated Financial Statements

Balance Sheets

(As of March 31, 2025)

(Unit: ¥ million)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	135,891	Current liabilities	20,727
Cash and deposits	91,451	Accounts payable – other	6,803
Notes and accounts receivable – trade	8,961	Accrued expenses	0
Operational investment securities	19,210	Contract liabilities	1,835
Securities	2,807	Income taxes payable	6,755
Merchandise	345	Accrued consumption taxes	1,236
Advance payments – trade	59	Deposits received	2,462
Prepaid expenses	2,581	Provision for bonuses	1,601
Short-term loans receivable	5,259	Provision for point card certificates	31
Other	6,509	Other	0
Allowance for doubtful accounts	(1,293)	Non-current liabilities	163
Non-current assets	64,218	Long-term accounts payable	160
Property, plant and equipment	5,171	Long-term lease obligations	2
Buildings	3,557	Other	0
Tools, furniture & fixtures	1,606	Total liabilities	20,890
Construction in progress	2	Net assets	
Other	3	Shareholders' equity	175,210
Intangible assets	309	Paid-in capital	9,698
Software	164	Capital surplus	9,668
Other	144	Capital reserve	9,668
Investments and other assets	58,738	Retained earnings	173,334
Investment securities	1,124	Other retained earnings	173,334
Shares of subsidiaries and associates	31,525	Reserve for open innovation incentive	2,823
Investments in capital	112	Retained earnings brought forward	170,511
Investments in capital of subsidiaries and associates	10,257	Treasury shares	(17,491)
Long-term loans receivable	10,635	Valuation and translation adjustments	2,926
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	Valuation difference on available-for-sale securities	2,926
Long-term prepaid expenses	1,015	Subscription rights to shares	1,082
Lease and guarantee deposits	3,124		
Deferred tax assets	3,378		
Other	62		
Allowance for doubtful accounts	(2,501)	Total net assets	179,219
Total assets	200,110	Total liabilities and net assets	200,110

Note: Figures have been rounded down to the nearest million yen.

Statements of Income

(April 1, 2024 to March 31, 2025)

(Unit: ¥ million)

Description	Amount	
Net sales		118,052
Cost of sales		26,166
Gross profit		91,886
SG&A expenses		65,605
Operating income		26,280
Non-operating income		
Interest income	113	
Dividend income	39	
Foreign exchange gains	120	
Gain on sale of businesses	181	
Other	177	631
Non-operating expenses		
Loss on investments in investment partnerships	599	
Commission fee	22	
Donations	113	
Special investigation expenses	184	
Other	58	978
Ordinary income		25,934
Extraordinary income		
Gain on sales of non-current assets	17	
Gain on redemption of investment securities	156	
Other	17	191
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	
Impairment losses	0	
Loss on valuation of investment securities	81	
Loss on valuation of shares of subsidiaries and associates	1,478	
Provision of allowance for doubtful accounts	1,123	
Other	0	2,686
Income before income taxes		23,439
Income taxes - current	7,533	
Income taxes - deferred	(201)	7,331
Period net income		16,107

Note: Figures have been rounded down to the nearest million yen.

Statements of Changes in Shareholders' Equity

(April 1, 2024 to March 31, 2025)

(Unit: ¥ million)

	Shareholders' equity						
	Paid-in capital	Capital surplus			Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for open innovation incentive	Retained earnings brought forward	
Balance on April 1, 2024	9,698	9,668	—	9,668	2,596	162,272	164,868
Changes of items during period							
Dividends of surplus						(7,635)	(7,635)
Period net income						16,107	16,107
Purchase of treasury shares							
Disposal of treasury shares			(6)	(6)			
Provision of reserve for open innovation incentive					227	(227)	—
Transfer to capital surplus from retained earnings			6	6		(6)	(6)
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	—	—	227	8,238	8,465
Balance on March 31, 2025	9,698	9,668	—	9,668	2,823	170,511	173,334

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance on April 1, 2024	(10,310)	173,925	140	140	1,109	175,175
Changes of items during period						
Dividends of surplus		(7,635)				(7,635)
Period net income		16,107				16,107
Purchase of treasury shares	(7,458)	(7,458)				(7,458)
Disposal of treasury shares	276	270				270
Provision of reserve for open innovation incentive		—				—
Transfer to capital surplus from retained earnings		—				—
Net changes of items other than shareholders' equity			2,786	2,786	(27)	2,759
Total changes of items during period	(7,181)	1,284	2,786	2,786	(27)	4,043
Balance on March 31, 2025	(17,491)	175,210	2,926	2,926	1,082	179,219

Note: Figures have been rounded down to the nearest million yen.

Notes to Non-consolidated Financial Statements

1. Notes on Matters Related to Significant Accounting Policies

(1) Valuation standards and valuation methods of securities

1) Shares of subsidiaries and associates and investments in capital of subsidiaries and associates:

Stated at cost using the moving-average method.

2) Available-for-sale securities (including operational investment securities)

Securities other than shares, etc. without market value:

Stated at fair value based on market price as of the balance-sheet date (valuation differences are included directly in net assets and cost of sales is measured using the moving average method).

Shares, etc. without market value:

Stated at cost using the moving-average method.

Investments in investment partnerships, etc. are based on the financial statements for the most recent balance sheet date using the net amount proportionate to the MIXI's ownership interests.

(2) Valuation standards and valuation methods of inventories

Merchandise:

Stated at cost determined by the first-in, first-out (FIFO) method (the book value in the balance sheet is written down based on the decline in profitability).

(3) Depreciation and amortization methods of non-current assets

1) Property, plant and equipment (excluding leased assets):

The declining balance method is primarily applied.

However, the straight-line method is applied for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings acquired on or after April 1, 2016.

The principle useful lives are as follows:

Buildings: 8 to 50 years

Tools, furniture and fixtures: 2 to 15 years

2) Intangible assets (excluding leased assets):

The straight-line method is applied.

However, the amortization period for software for internal use is based on the period available for internal use (5 years).

3) Leased assets:

Leased assets pertaining to finance leases not involving the transfer of ownership

The straight-line method, substituting the lease term for the useful life, assuming no residual value.

(4) Accounting standards for allowances and provisions

1) Allowance for doubtful accounts:

In order to provide for losses due to bad debt, including on notes and accounts receivable – trade, for general receivables, an estimated uncollectible amount is recorded according to the historical bad debt ratio. For specific receivables at risk of becoming bad debt, an estimated uncollectible amount is recorded by assessing the collectability of each receivable individually.

2) Provision for bonuses:

In order to provide for payment of bonuses to employees, the amount of bonuses estimated to be incurred in the fiscal year under review is recorded.

(5) Accounting standards for revenue and expenses

MIXI recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

The revenue recognition standard for each of the major revenue categories is as follows. The amount of variable considerations such as discounts, rebates and returns included in revenue is immaterial. In addition, the amount of considerations promised is generally received within one year and does not include significant financing component.

a. Operation of services for smart device games such as “Monster Strike”

MIXI operates services for smart device games such as “Monster Strike.” MIXI determines that the performance obligations under contracts with customers are to maintain an environment in which the users can use the characters, etc. Therefore, MIXI recognizes revenue over an estimated period of use of characters, etc. obtained by users by consuming the in-game currency “orbs,” etc. However, the characters, etc. that users continue to use are limited to those with high rarity, and other characters, etc. are rarely used for a long period of time after acquisition. Therefore, MIXI determines that there will be no significant differences between the amount of revenue recognized over an estimated period of use of characters, etc. obtained and the amount of revenue recognized when “orbs” are consumed.

Under the Revenue Recognition Standard, etc., paid orbs, etc. and free orbs, etc. do not have significant functional differences and are equivalent in value. Therefore, transaction prices are allocated regardless of whether consumed orbs, etc. are paid or free.

b. Operation of services for a sports betting service “TIPSTAR”

MIXI provides online voting systems to users through the use of “TIPSTAR,” a sports betting service. Revenue related to the service is recognized on the day when a race is finished, as performance obligations are deemed to be satisfied when the payout and settlement on betting tickets is completed on the same day after the race is held.

c. Operation of services for “FamilyAlbum”

MIXI provides a monthly service “FamilyAlbum Premium” that allows users to use the app more conveniently and sells photo books, DVDs and other merchandise through the use of “FamilyAlbum.” Revenue related to “FamilyAlbum Premium” is recognized over a contract period, as performance obligations are satisfied over time. With respect to the sale of photo books, DVDs and other merchandise, while performance obligations are deemed to be satisfied when goods are delivered to users, MIXI determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

d. Operation of services for the New Year Cards app “FamilyAlbum New Year Cards”

MIXI provides a service of creating New Year’s cards for printing through the use of the New Year Cards app “FamilyAlbum New Year Cards.” With respect to this service, while performance obligations are deemed to be satisfied by manufacturing New Year’s cards for printing according to the order received

from a user and delivering them to the user, MIXI determines that the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period and therefore recognizes revenue at the time of shipment.

e. Operation of services for a beauty staff direct appointment app “minimo”

MIXI provides a salon reservation support service to users through the use of a beauty staff direct appointment app “minimo.” Revenue related to this service is recognized on the day when a general consumer visits the salon, as performance obligations are deemed to be satisfied when the reservation made by the general consumer at the salon or other listed service provider is fulfilled.

2. Notes on Changes in Accounting Policies

(Application of “Accounting Standard for Current Income Taxes,” etc.)

MIXI applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the fiscal year ended March 31, 2025.

Regarding the amendments to the classification of income tax, etc., the Group follows the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard. This change in accounting policy has no impact on the financial statements.

3. Notes on Accounting Estimates

(Impairment of operational investment securities, investment securities, and shares of subsidiaries and associates)

Operational investment securities, investment securities, and shares of subsidiaries and associates stood at ¥19,210 million, ¥1,124 million, and ¥31,525 million, respectively, as of March 31, 2025. Of these, non-listed shares, etc. account for ¥14,321 million of operational investment securities, ¥1,124 million of investment securities, and ¥29,569 million of shares of subsidiaries and associates, and the Group assesses impairment as described below.

In the valuation of non-listed shares, etc., if the net asset value or market values of the shares, etc. declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized unless recoverability is supported by sufficient evidence. In the case that such non-listed shares of a company were purchased at a price higher than the net asset value per share, which can be obtained from financial statements, reflecting excess earning power of the company, if the excess earning power can no longer be expected and if the net asset value reflecting the loss of excess earning power declined approximately 50% or more compared with the acquisition cost, an impairment loss is recognized.

Moreover, a loss that is not reflected in the current book value or unrecoverability of the book value may arise owing to future decline in fair value or poor performance or deterioration of the financial condition of an investee and it may become necessary to recognize an impairment loss.

4. Notes on Balance Sheets

(1) Accumulated depreciation of property, plant and equipment: ¥5,442 million

(2) Monetary receivables and payables in relation to subsidiaries and associates

Short-term monetary receivables: ¥7,661 million

Long-term monetary receivables: ¥9,794 million

Short-term monetary payables: ¥1,773 million

(3) Guarantee obligation

Commitment to guarantee for borrowings from financial institutions

Chariloto Co., Ltd. ¥9,367 million

Joint and several guarantees on contracts with local governments

Chariloto Co., Ltd. (Note) ¥500 million

Joint and several guarantees on trade payables

SFIDANTE Inc. (Note) ¥1,730 million

(Note) The total amount of joint and several guarantees is stated.

In addition to the above, MIXI has concluded a guarantee contract with a government authority that promises to maintain the bank guarantee for an affiliated company at a specified level in MIXI’s overseas business.

5. Notes on Statements of Income

Transaction volume with subsidiaries and associates

Transaction volume of operating transactions

Operating revenue: ¥7,494 million

Operating expenses: ¥4,442 million

Transaction volume of non-operating transactions (income): ¥98 million

Transaction volume of non-operating transactions (expenditure): ¥3 million

6. Notes on Statements of Changes in Shareholders' Equity

Class and number of treasury shares at the end of the year ended March 31, 2025

Common shares: 5,967,604 shares

7. Notes on Tax Effect Accounting

(1) Breakdown by main causes of deferred tax assets and deferred tax liabilities

Deferred tax assets

Software	¥2,591 million
Operational investment securities	2,235 million
Shares of subsidiaries and associates	3,306 million
Allowance for doubtful accounts	1,195 million
Provision for bonuses	490 million
Accounts payable – other	263 million
Enterprise tax payable	335 million
Rent expenses on land and buildings	64 million
Subscription rights to shares	329 million
Contract liabilities	162 million
Other	491 million
Subtotal of deferred tax assets	11,467 million
Valuation allowance	(6,741) million
Total deferred tax assets	4,726 million

Deferred tax liabilities

Valuation difference on available-for-sale securities	(1,347) million
Total deferred tax liabilities	(1,347) million

Net deferred tax assets	3,378 million
-------------------------	---------------

(2) Changes to deferred tax assets and deferred tax liabilities due to changes in income tax rates

The “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and a “Defense Special Income Tax” will be levied from fiscal years beginning on or after April 1, 2026.

Accordingly, the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities pertaining to temporary differences, etc. that are expected to be resolved in or after fiscal years beginning on or after April 1, 2026 has been changed from 30.62% to 31.52%.

As a result of this change, deferred tax assets (the amount after deducing deferred tax liabilities) for the fiscal year ended March 31, 2025 increased by 10 million yen, income taxes – deferred decreased by 49 million yen, and valuation difference on available-for-sale securities decreased by 39 million yen.

8. Notes to Related Party Transactions

(1) Subsidiaries and associates

Type	Company name	Location	Capital or investment	Business line	Voting rights	Relationship with related party	Details of transactions	Amount of transaction (¥million)	Account	Balance at year-end (¥million)
Subsidiary	Chariloto Co., Ltd.	Shinagawa Ward, Tokyo	¥110 million	Online sales of keirin and auto race betting tickets	Direct ownership 100.0%	Interlocking directorate Provision of loans	Provision of loans using CMS *1	-	Short-term loans receivable	1,377
							Other provision of loans *2	242	Long-term loans receivable	527
							Receipt of interest	11	-	-
							Commitment to guarantee *3	9,367	-	-
Associate	TOKYO-BAY Arena Management, Inc.	Shibuya Ward, Tokyo	¥50 million	Event management and operation of multi-purpose arena	Direct ownership 66.0%	Provision of loans	Provision of loans *2	1,518	Short-term loans receivable	2,310
							Receipt of interest	10	Accrued interest	10
Subsidiary	TOKYO-BAY Arena, Inc.	Chuo Ward, Tokyo	¥100 million	Construction of multi-purpose arena	Direct ownership 40.0%	Provision of loans	Provision of loans *2	4,000	Long-term loans receivable	5,800
							Receipt of interest	25	Accrued interest	24

Transaction terms and conditions and policy on determining the transaction terms and conditions

- (Notes) 1. Cash management system (CMS) agreement has been arranged whereby interest rate is determined reasonably in consideration of market rate. As lending and borrowing of funds are conducted repetitively, amounts of transactions are omitted. No collateral has been received.
2. The interest rate on loans is determined reasonably in consideration of the market rate. No collateral has been received.
3. Commitment to guarantee was entered into concerning borrowings of ¥9,367 million from Sumitomo Mitsui Banking Corporation.

9. Notes on Revenue recognition

Please refer to “1. Notes on Matters Related to Significant Accounting Policies, (5) Accounting standards for revenue and expenses” in the notes to non-consolidated financial statements.

10. Notes on Per Share Information

- (1) Net assets per share: ¥2,628.81
- (2) Net income per share: ¥233.75

11. Notes on Significant Subsequent Events

As the same information is provided in the “11. Notes on Significant Subsequent Events” in the notes to consolidated financial statements, the information is omitted here.