



Explanatory Materials regarding Growth Potential

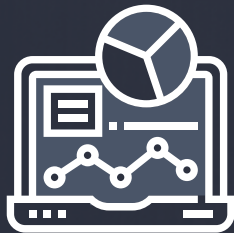
D e c e m b e r 1 4 , 2 0 2 1

A S I R O I n c .

Executive Summary



Law and legal industry



Digital technology,
web marketing
know-how

Legal
Media

 **ASIRO**

Services

Other
Media

Legal
Human
Resources

Key Metrics

Key indicators of the ASIRO Group

Revenue
(FY2021)

¥1,553 million

Revenue CAGR¹
(Compound average
growth rate)

23.1 %

**Operating profit
margin**
(FY2021)

23.2 %

**Number of
employees²**
(End of October 2021)

51

Key indicators of Legal Media (recurring revenue business)

Revenue
(FY2021)

¥1,161 million

**Recurring revenue
ratio³**
(FY2021)

95.5 %

**Number of
customers⁴**
(End of October 2021)

596

**Average monthly
churn rate⁵**
(FY2021)

2.0 %

Notes: 1 The compound average growth rate for the three accounting periods from the fiscal year ended October 2018 to the fiscal year ended October 2021 is shown.

2 This number includes the average number of temporary employees (including casual workers and part-timers, excluding dispatched employees from staffing companies) for the last year (working hours converted based on an 8-hour day)

3 Excludes one-off revenue and performance-based revenue, and the monthly fixed amount of posting fee income generated recurrently is divided by the revenue for all of Legal Media.

4 This is the number of customers who are posting in paid advertising slots, and does not include customers who are posting in free advertising slots.

5 This is the average monthly churn rate calculated by dividing the number of cancelled ad slots for the month concerned for 10 Legal Media sites (9 sites in the Attorney Search series and Your Attorney) by the number of ad slots at the end of the preceding month.



Section 1

Corporate Overview

Services

ASIRO is engaged in businesses that link the law and legal industry to the Internet. Our main business is the operation of Legal Media websites providing legal information and information on attorneys over the Internet by utilizing digital technology and web marketing know-how.

Business category

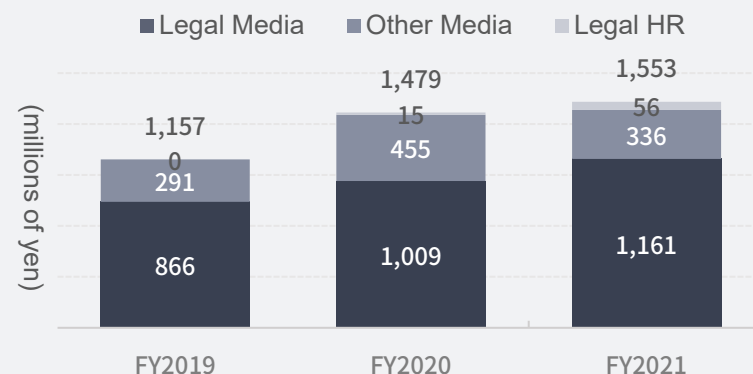
Legal Media & Other	Legal Media	
	Services	Operates 9 sites in the “Attorney Search” series, specialized in each legal case field, and a comprehensive type site.
	Main customers	Law firms
Legal Media & Other	Main sites	<div>離婚弁護士ナビ</div> <div>IT弁護士ナビ</div> <div>交通事故弁護士ナビ</div> <div>あなたの弁護士</div> <div>相続弁護士ナビ</div> <div>労働問題弁護士ナビ</div> <div>債権回収弁護士ナビ</div> <div>刑事事件弁護士ナビ</div> <div>債務整理ナビ</div> <div>企業法務弁護士ナビ</div>
	Other Media	
	Services	Operates “Carism,” the career change media, and private detective media “Expert Search for Infidelity Investigation” and “Hotline for Missing Person Search”, etc.
Legal Media & Other	Main customers	Staffing companies, private detective offices
	Main sites	<div>キャリアズム</div> <div>溜気調査ナビ</div> <div>人探し窓</div>

Legal Human Resources(HR)

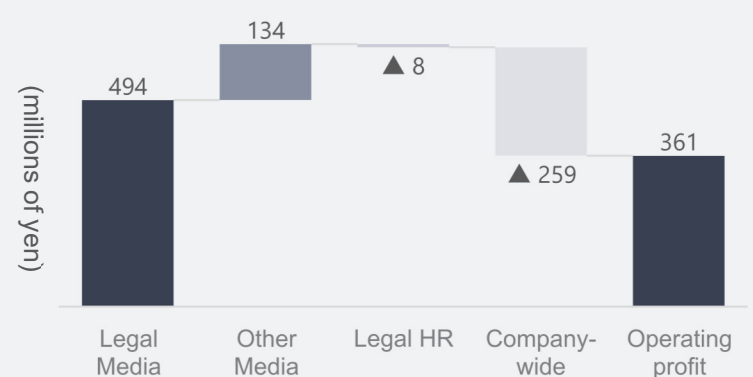
Services	HR recruitment business for qualified attorneys
Main customers	Law firms, general companies
Main sites	NO/LIMIT XEXE

Business composition

Revenue composition

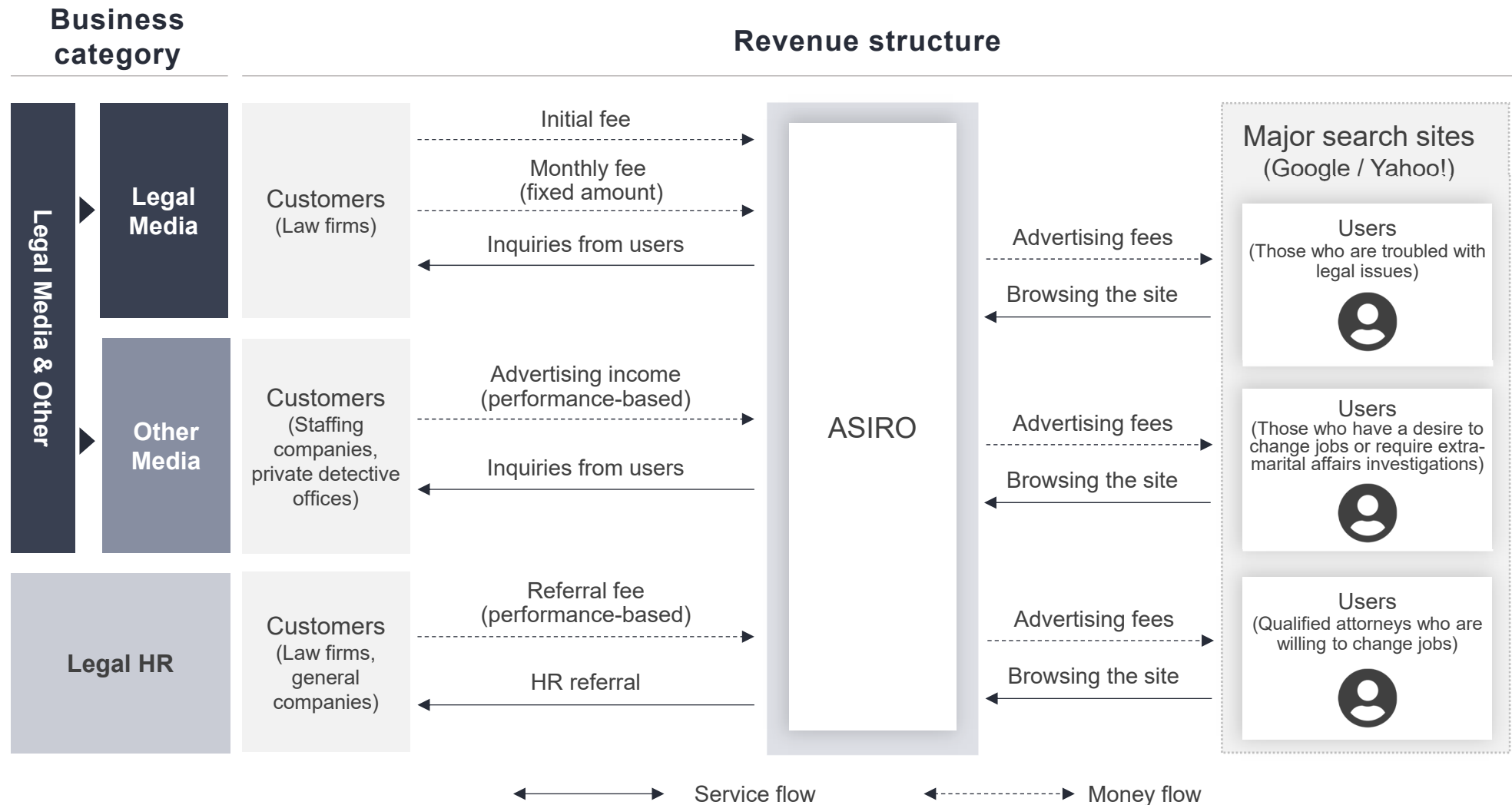


Operating profit composition (FY2021)



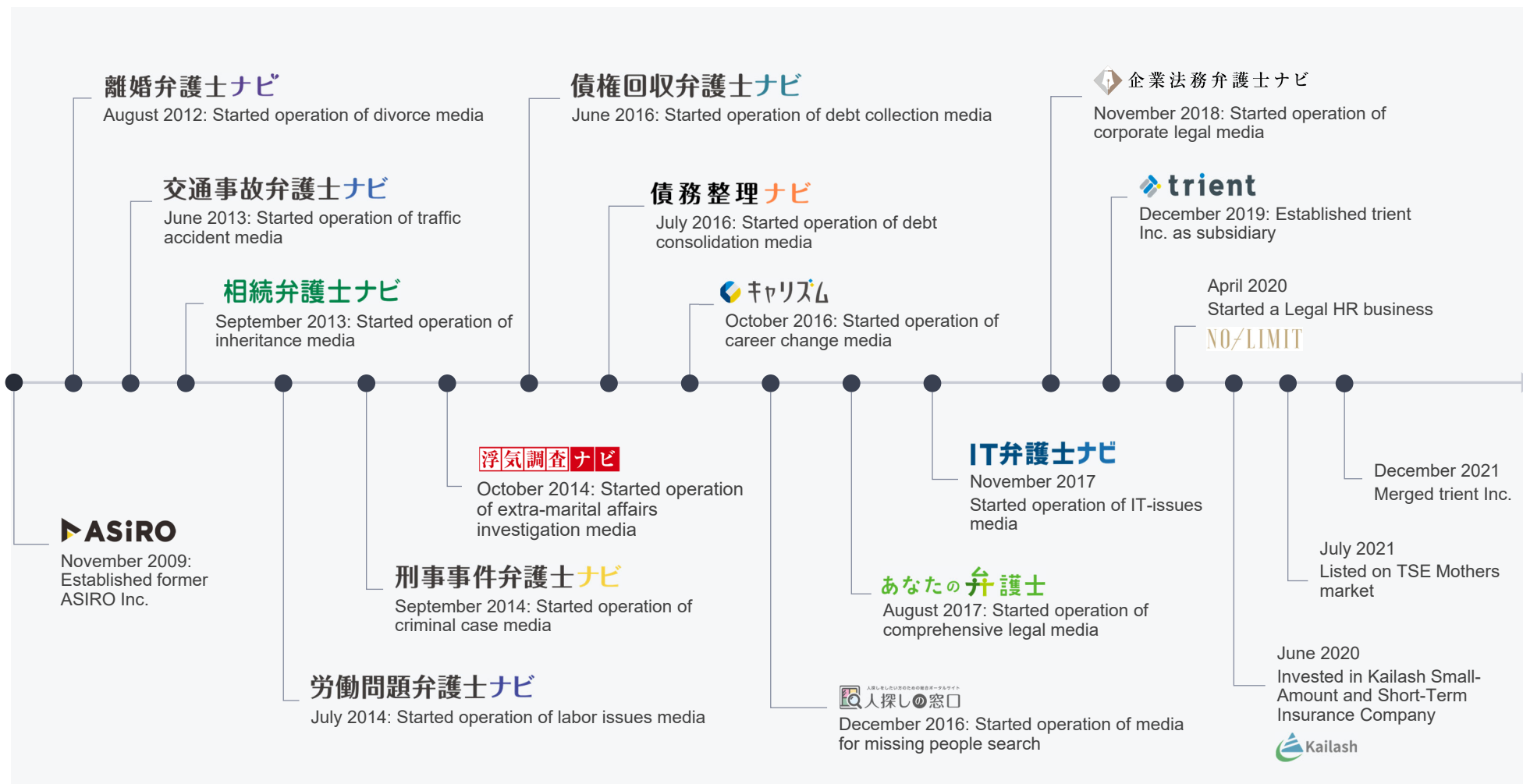
Business model

Legal Media revenue consists primarily of monthly fixed-rate fee income, and it adopts a business model in which revenue increases in the number of ad slots posted. Other Media and Legal Human Resources adopt a performance-based business model based on the number of inquiries and the number of new employees.



History

Starting with the launch of Attorney Search for Divorce in 2012, we started Legal Media & Other business, and are expanding our business domain as we obtained a license through a subsidiary to start a Legal HR business in 2020 and also invested in a small-amount short-term insurance company that handles attorney's fee insurance.



Corporate overview

Aiming to create a service that can serve as the foundation and infrastructure for daily life, we borrow the name of a deep-sea fish found surviving at the deepest point in the world's oceans, and we are engaging in business that connects the law and legal industry, which is part of the social infrastructure, to the Internet.

Origin of the company name

Based on the desire to “have deep relationships with users and customers to make them happier than anyone else in the world” and “take our services to a deep level where they become part of the social infrastructure,” the company was named after a deep-sea fish found surviving at the deepest point of the world's oceans (Abyssobrotula Galathea, or Yomino Asiro in Japanese). This intent has never changed since the company was founded.

Management philosophy

ASIRO will contribute to a better society by making the people involved with the company happier than anyone else.

Company overview

Trade name	ASIRO Inc.
Address	3F Towa Nishi-Shinjuku Building, 7-7-6, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan
Representative	Hiroto Nakayama, Representative Director and President
Capital	542 million yen (as of October 31, 2021)
Number of employees ¹	51 (as of October 31, 2021)
Foundation (*)	November 2009
Established (*)	April 2016
Major shareholders	J-STAR No. 2 Limited Investment Partnership, etc., Hiroto Nakayama
Award history	Deloitte Japan Technology Fast 50 2019 & 2020 Award

(*) Former ASIRO Inc., the predecessor of our company, was established in November 2009. After this, in order to implement leveraged buy-out (LBO) by J-STAR No. 2 Limited Investment Partnership managed and operated by J-STAR and other funds, the Company was established in April 2016 as a receiver company for investment by the funds, and the Company acquired shares of the former ASIRO Inc. in May 2016 and made it a subsidiary, and then succeeded its business entirely by merger by absorption in October 2016.

Note: 1 This number includes the average number of temporary employees (including casual workers and part-timers, excluding dispatched employees from staffing companies) for the last year (working hours converted based on an 8-hour day)

Executive composition

The following 9 people (number of independent outside officers > number of full-time directors) have established a governance system to make decisions and supervise the management of ASIRO.

Director Full-time



Hiroto Nakayama
Representative Director and President

After gaining experience in the HR business at WORKPORT, Inc. and the media business at Ishin Co., Ltd., he established ASIRO in November 2009 and became the representative director.



Satoshi Kawamura
Director and CFO

After working as an investment banker at UBS Securities Japan Co., Ltd. and Macquarie Capital Securities (Japan) Limited, he joined ASIRO in April 2017 and was appointed CFO. Appointed director in January 2018.



Yuta Kawahara
Director

After working in the media businesses, etc. at Recruit HR Marketing Co., Ltd. (currently Recruit Co., Ltd.) and Ishin Co., Ltd., he joined ASIRO in July 2011. Appointed director in January 2018.



Jun Taketatsu
Director

Joined ASIRO as an intern while studying at university, and joined ASIRO as a new graduate in 2016. He was appointed general manager of the Marketing Department in 2018 and director of the company in May 2020.

Director Part-time



Yoichi Aso
Outside Director

After working for in-house business development, etc. at Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.), he became an entrepreneur and founded multiple companies. He also serves as an executive, etc. for other companies, and was appointed outside director of ASIRO in March 2019.



Yukiko Omura
Outside Director

After her legal apprenticeship, she joined Nagashima Ohno & Tsunematsu. After studying and training abroad, and being dispatched to the Financial Services Agency, she joined Miura & Partners as a partner. She was appointed outside director of ASIRO in January 2020.

Corporate Auditor Full-time

Kazuyoshi Tanaka
Full-time Outside Corporate Auditor

After working as a risk consultant at Tokio Marine & Fire Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd., and working as a head of the internal audit division at Dinosaurs Cecile Co., Ltd., he was appointed corporate auditor of ASIRO in September 2017.

Corporate Auditor Part-time

Kenji Miyako
Outside Corporate Auditor

After working as a tax accountant at Arthur Andersen LLP, he founded Miyako Accountant Office. He was appointed corporate auditor of ASIRO in June 2017. He also serves as a corporate auditor at Globis Corporation, istyle Inc., Trenders, Inc. and CyberBuzz, Inc.

Shin Yokoyama
Outside Corporate Auditor

After doing IPO support consulting services, etc. at JAFCO Co., Ltd., he was appointed corporate auditor of ASIRO in April 2017. He also served as a corporate auditor at HCM Co., Ltd. (currently ALSOK Care Co., Ltd.), HONEST Co., Ltd., and Medical Care Comfort Co., Ltd.



Section 2

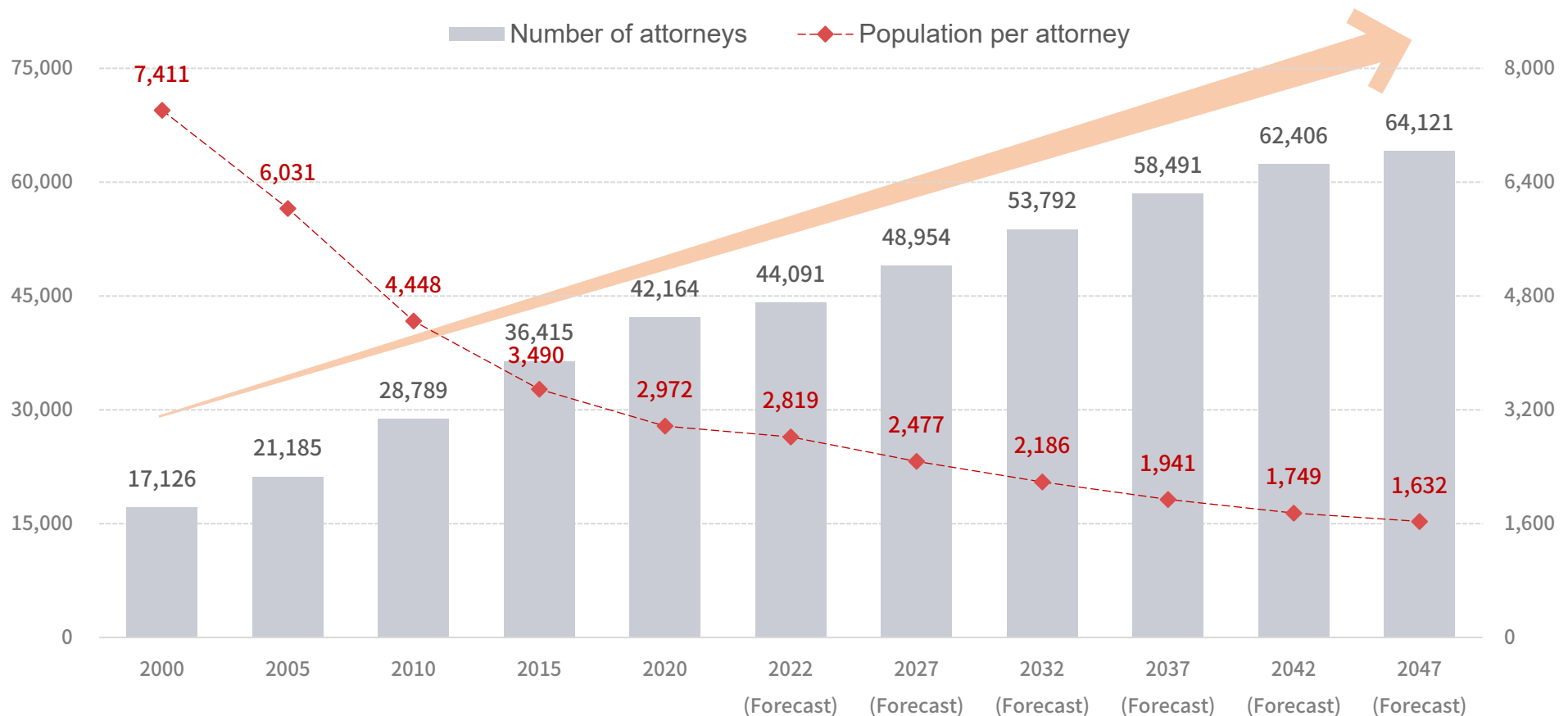
Business Environment

Continued increase in the number of attorneys

The number of attorneys is expected to increase in the future as well, and the population per attorney is expected to continue to decrease accordingly, intensifying the competitive environment among attorneys. Therefore, we anticipate an increase in demand for placement of advertising in the Legal Media.

Forecast of the number of attorneys

Left axis: Number of attorneys (persons) / Right axis: Population per attorney (persons)



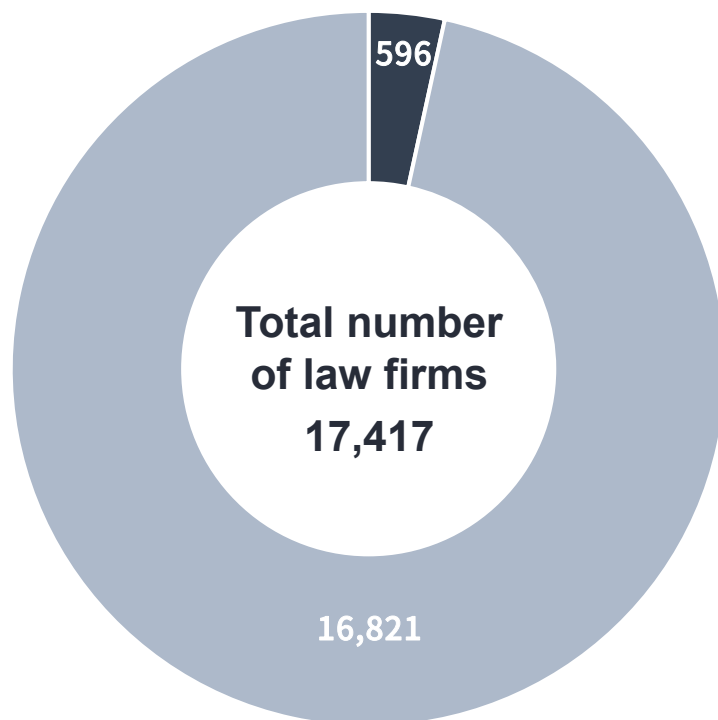
Source: Japan Federation of Bar Associations White Paper on Attorneys 2020. Statistics Bureau of Japan "Population Estimate"

Our customer base and market potential¹

We have about 600 customers, but that is still about 3% of the total number of law firms, and there is a lot of room for growth. In addition, the market size of legal fees is expanding, and we anticipate an increase in advertising investment due to the above-mentioned intensification of the competitive environment and some other reasons.

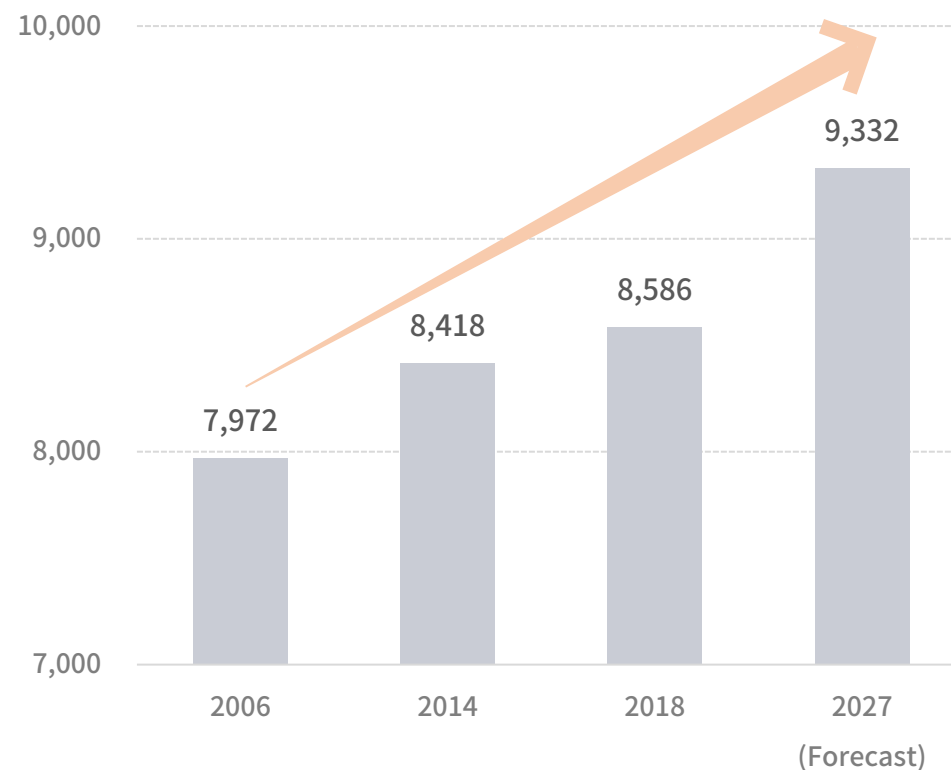
Our customer base²

■ Number of client firms ■ Number of non-client firms



Estimated market size of legal fees³

Left axis: Legal fees market size (100 million yen)



Notes: 1 This calculation is not for the purpose of indicating the objective market size relating to the businesses operated as of December 2021. As shown in the note below, the information is based on external statistical data and published materials, but the actual market size may differ.

2 The number of our customer law firms is the number of customers who had placed paid ads as of the end of October 2021. The total number of law firms is the number of law firms in the Japan Federation of Bar Associations White Paper on Attorneys 2020.

3 The market size from 2006 to 2018 is calculated by multiplying the average income per attorney for each year by the number of attorneys. In addition, the market size and average income in 2027 are estimated by applying the forecast value of the number of attorneys in 2027 based on the average income decrease rate with respect to the increase rate in the number of attorneys from 2006 to 2018.

Source: ASIRO Inc., Japan Federation of Bar Associations White Paper on Attorneys 2018, White Paper on Attorneys 2020.

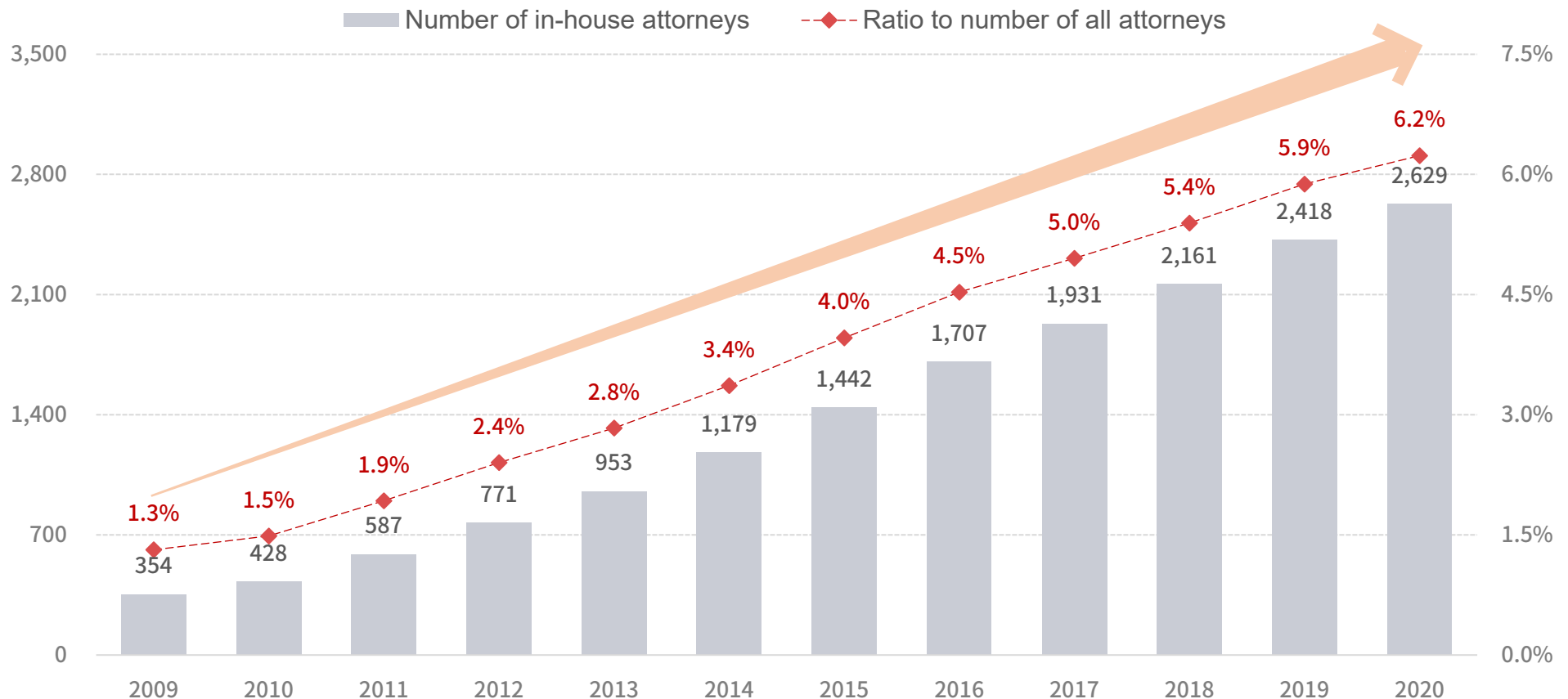
Copyright © ASIRO Inc. All Rights Reserved. P. 12

Increasing number of in-house attorneys

Amid the intensifying competitive environment among attorneys, the percentage of those who change careers to become in-house attorneys is increasing year by year mainly among young people. We have seized this opportunity and entered the Legal HR business in April 2020.

Changes in the number of in-house attorneys

Left axis: Number of in-house attorneys in the company (persons) / Right axis: Ratio of the number of in-house attorneys to the total number of attorneys (%)



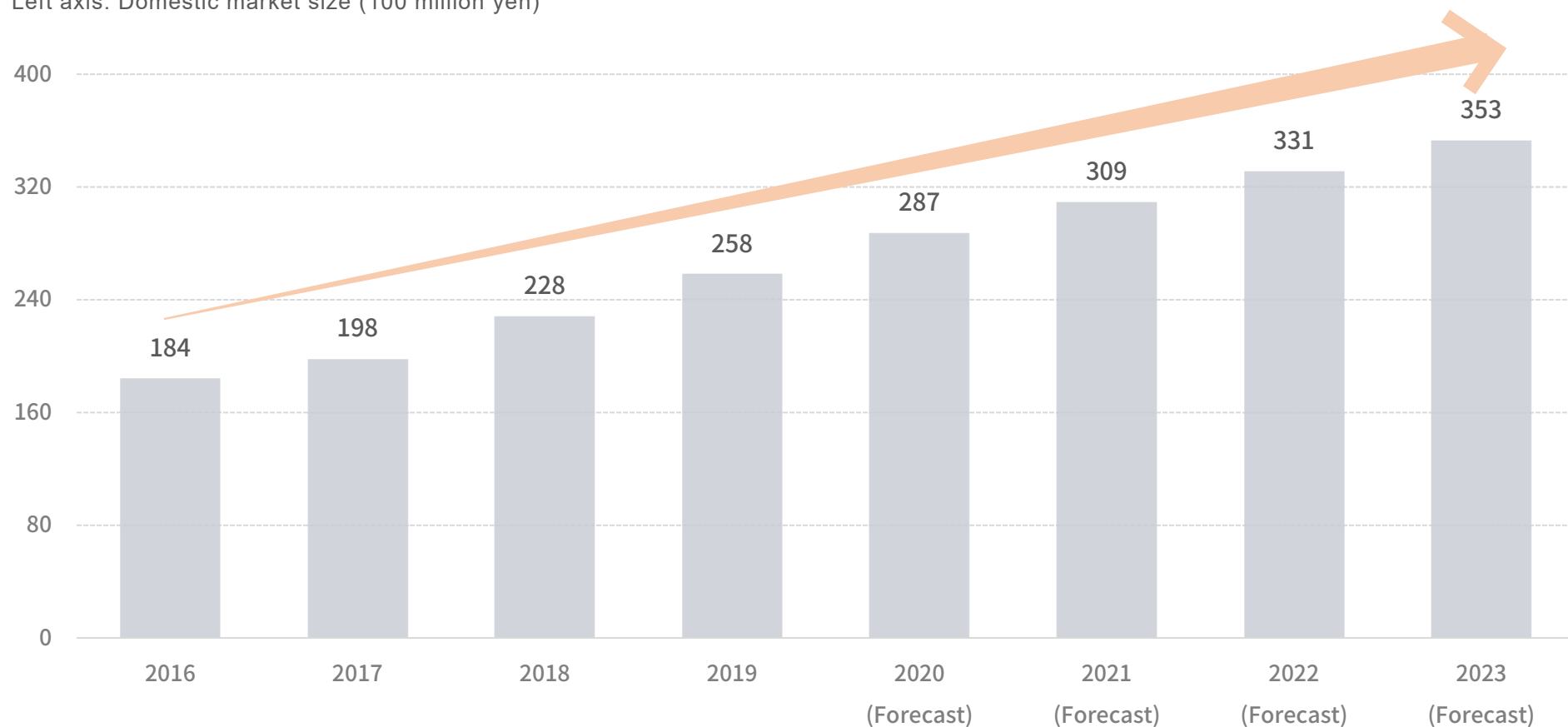
Source: Japan Federation of Bar Associations White Paper on Attorneys 2020.

Expansion of legal tech market¹

We provide a search service for legal and attorney information for individuals in the legal tech market. The legal tech market, which enhances the convenience of legal-related services through technology, is currently in its infancy, and the market size is expected to expand.

Legal Tech Domestic Market Size Estimate

Left axis: Domestic market size (100 million yen)



Note: 1 This is a statistical survey that includes products / services related to contract creation, conclusion and management, registration or recording, legal advice, intellectual property, evidence or fraud investigation, class litigation, and laws, regulations, and judicial precedent search.

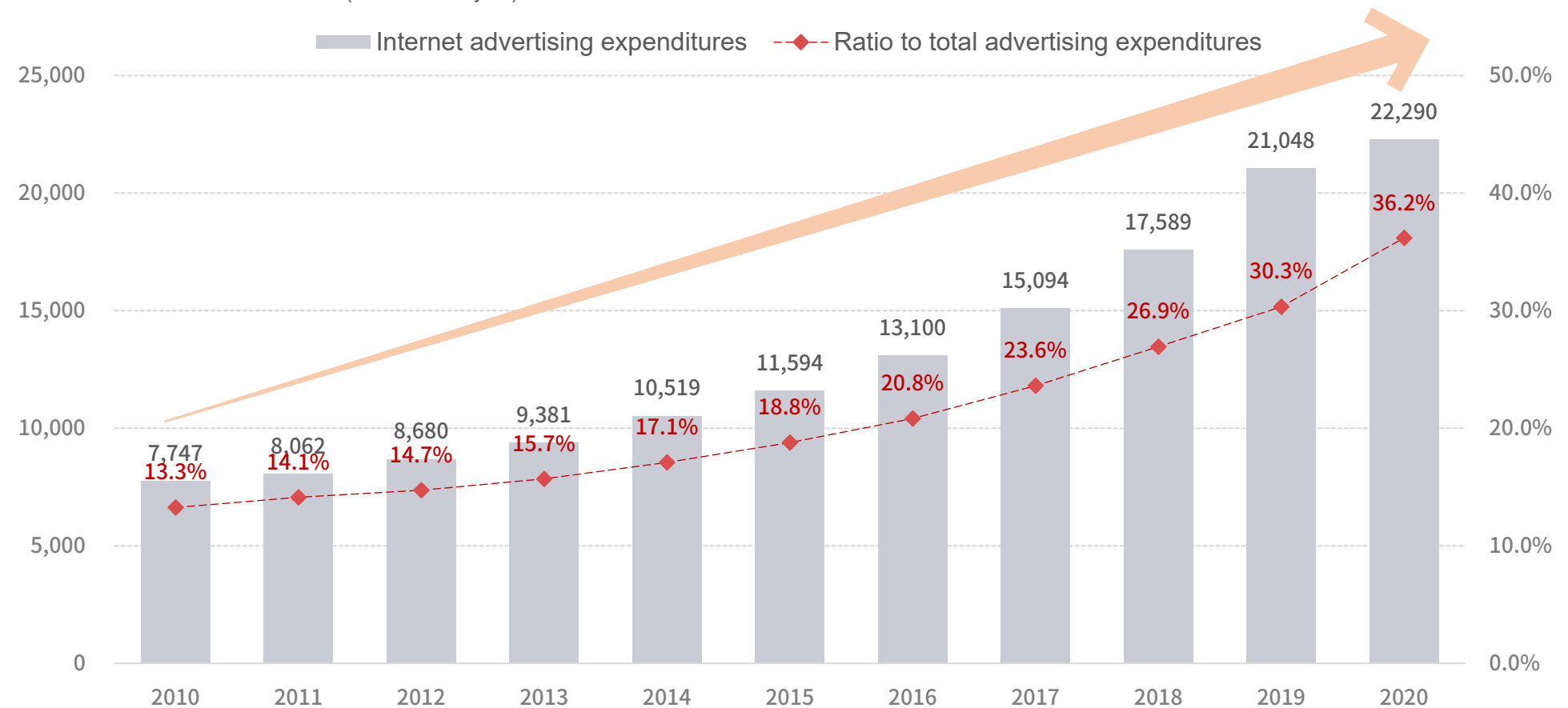
Source: Yano Research Institute Ltd. "2019 Legal Tech Watch"

Expansion of the Internet advertising market

The Legal Media & Other business, including Other Media, has the Internet advertising market as its business domain. The Internet advertising market has been consistently growing, and its share of total domestic advertising expenses is increasing year by year.

Estimating the size of the domestic market for Internet advertising

Left axis: Domestic market size (100 million yen)



Source: Dentsu Inc. "2020 Advertising Expenditures in Japan"



Section 3

Company Highlights

Company highlights

We have five strengths: (1) stability of Legal Media, (2) growth potential of Other Media and Legal HR business, (3) uniqueness of distributed business portfolio, (4) achievements in market-oriented business development, and (5) high level of profitability.

1 **Stability**
of Legal Media
(Recurring revenue business)

2 **Growth potential**
of Other Media & Legal HR
(Non-recurring revenue business)

3 **Uniqueness**
of distributed business
portfolio

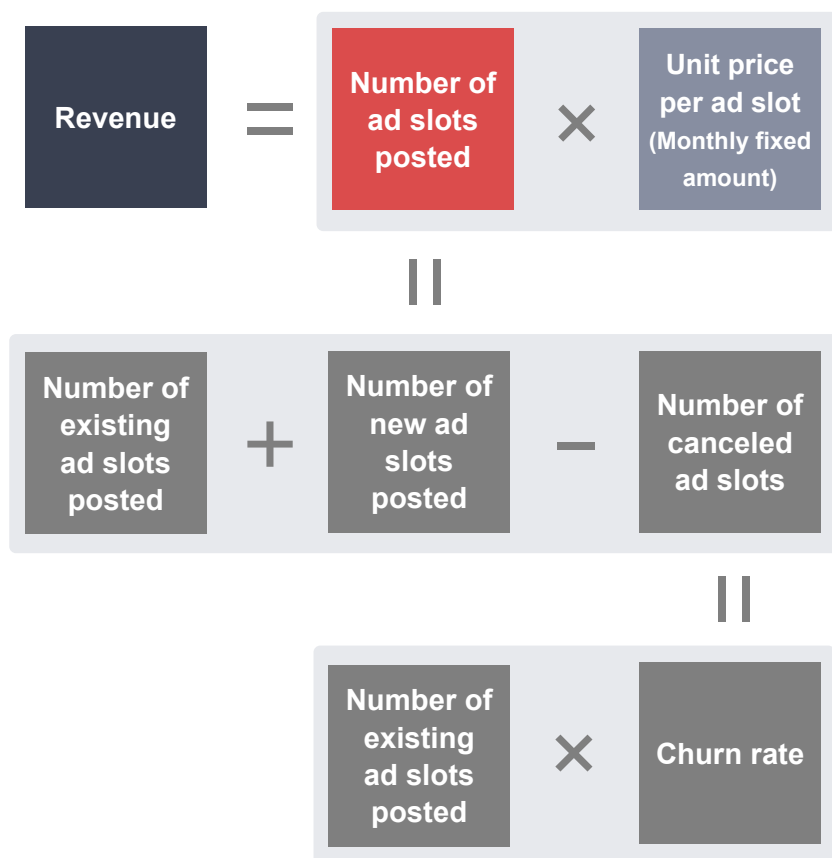
4 Achievements in Market-oriented
business development

5 **High profitability**
represented by disciplined operation

1 Stability of Legal Media (Recurring revenue business)

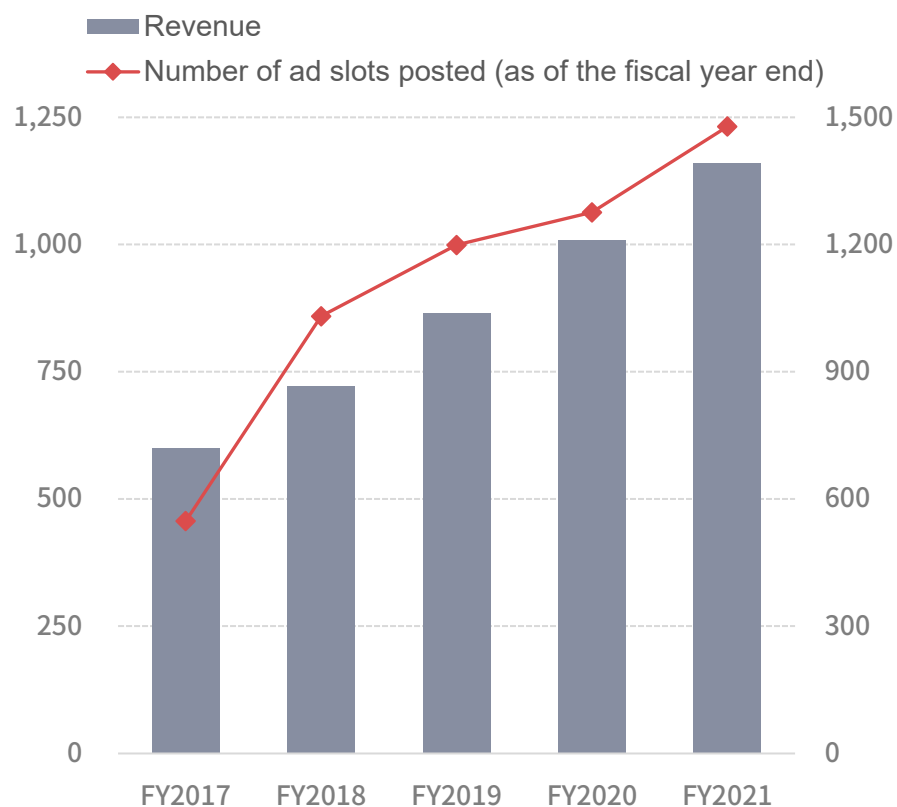
Since the unit price per legal media ad slot is a fixed monthly amount, revenue will increase in proportion to the increase in the number of ad slots posted. The number of ad slots posted has been steadily increasing in the FY2020, which was hit by the Covid-19, and the current fiscal year as well, and we expect stable growth in the future.

Revenue model (Legal Media)



Revenue/Number of ad slots posted¹ (Legal Media)

Left axis: Revenue (million yen) / Right axis: Number of ad slots posted (slots)

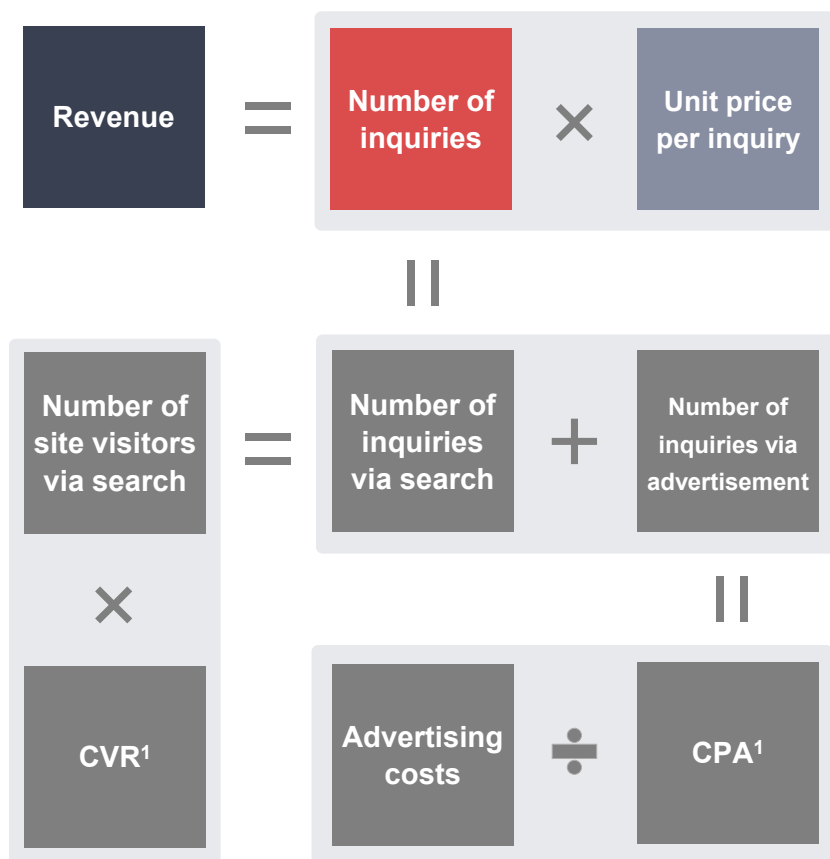


Note: 1 The number of ad slots posted is the total aggregated number of posted paid advertisements, and if the same customer places to multiple paid advertisement slots, those are counted as multiple slots.
Although Legal Media does accept free posts, the number of ad slots posted does not include the number of slots for free posts.

2 Growth potential of Other Media (Non-recurring revenue business)

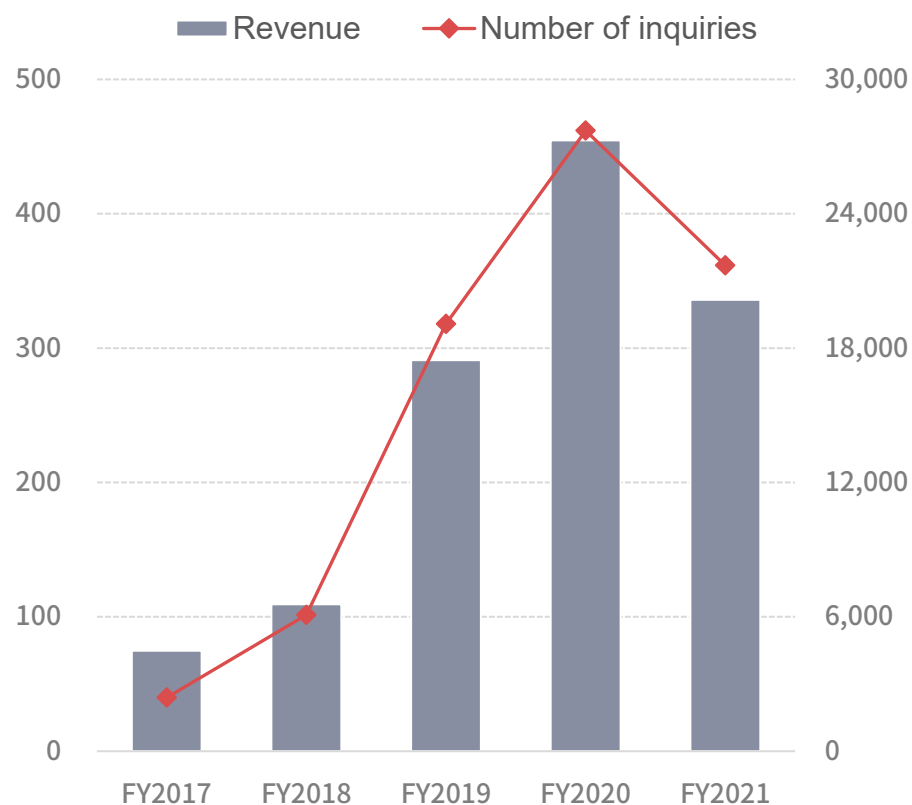
Other Media is a performance-based business based on the number of inquiries. Although it has high growth potential, in the FY2021, revenue decreased from the previous fiscal year due to adverse effects such as a deterioration in the ratio of job offers to applicants due to the Covid-19 on career change media (Carism).

Revenue model (Other Media)



Revenue/Number of inquiries² (Other Media)

Left axis: Revenue (million yen) / Right axis: Number of inquiries (cases)



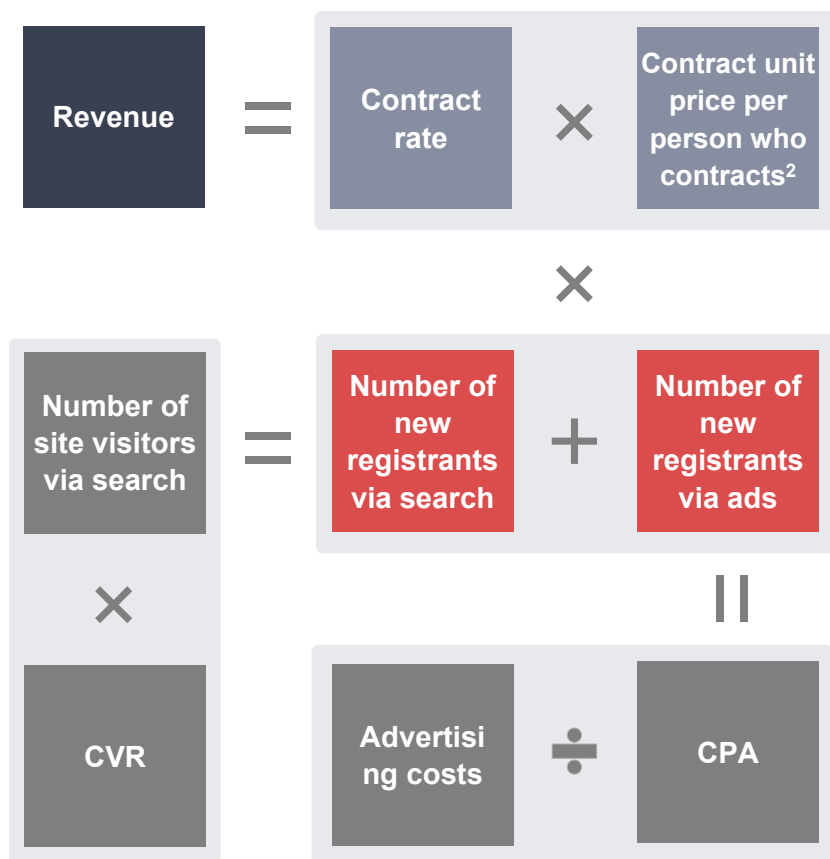
Note: 1 CVR is an abbreviation for Conversion Rate, which is the number of inquiries divided by the number of site visitors. CPA is an abbreviation for Cost Per Acquisition, which is the inquiries acquisition cost by dividing advertising costs by the number of inquiries.

2 The total number of inquiries for the main sites of Other Media (Carism, Expert Search for Infidelity Investigation, Hotline for Missing Person Search)

2 Growth potential of Legal HR (Non-recurring revenue business)

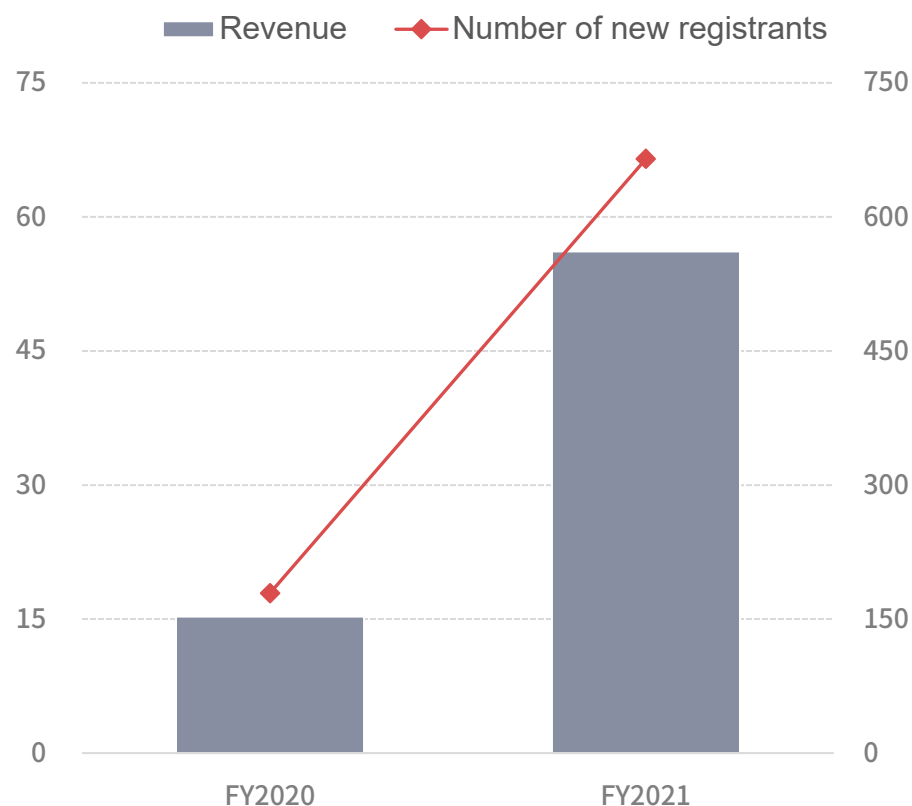
The Legal HR business is a performance-based business based on the number of new hires (number of new registrants¹ x contract rate). In addition to referral of attorneys to law firms utilizing our customer base, we also refer attorneys to general companies and also as outside officers.

Revenue model (Legal HR business)



Revenue/Number of new registrants (Legal HR business)

Left axis: Revenue (million yen) / Right axis: Number of new registrants (persons)



Note: 1 Refers to the number of new registrations for the recruitment service from job seekers.

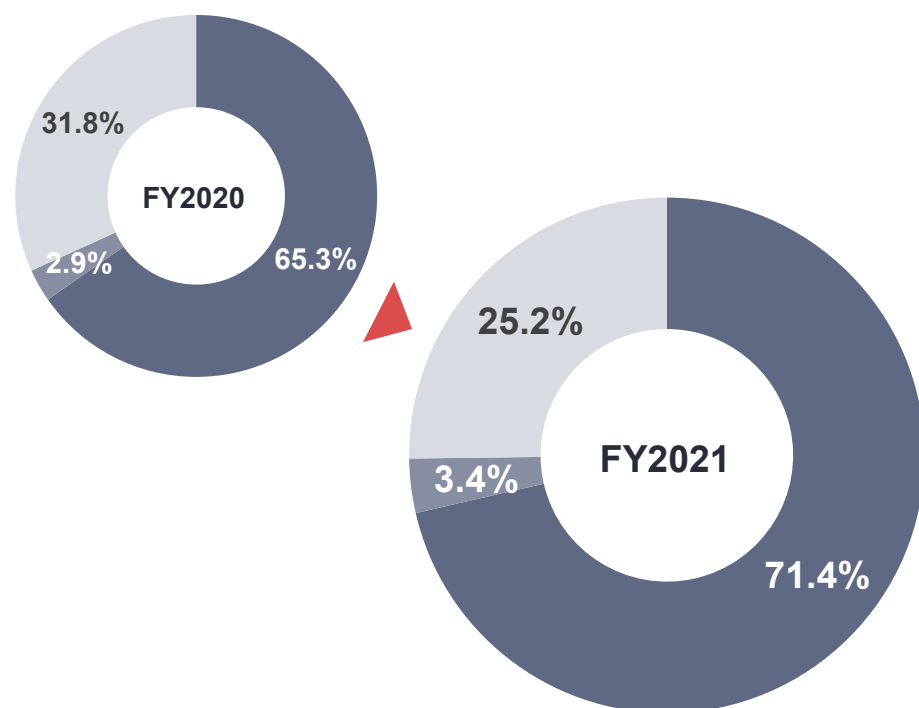
2 The contract unit price is the amount obtained by multiplying the estimated annual income of the new hire by the referral fee rate.

3 Uniqueness of distributed business portfolio

The ratio of recurring revenue to total sales has recently risen to over 70%, and revenue has become more stable. In addition, Legal Media is composed of vertical sites for each case field, and sales are distributed without major concentrations in specific fields.

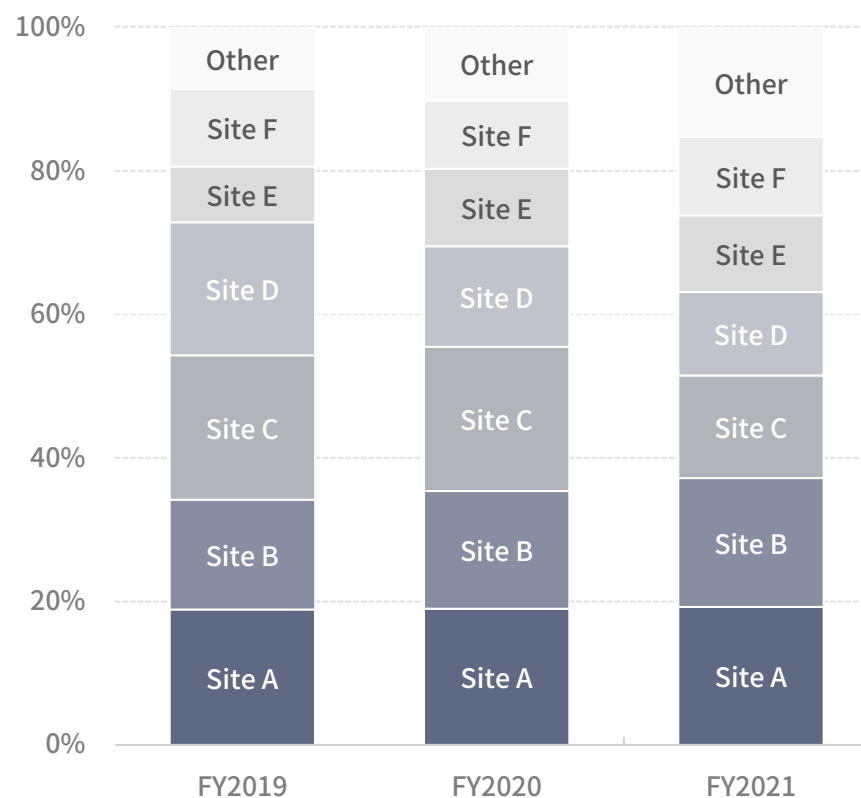
Revenue composition ratio

■ Legal Media (Recurring revenue) ■ Legal Media (Other revenue)
■ Othe Media & Legal HR



Legal Media revenue composition by site

Left axis: Revenue composition ratio (%)



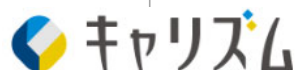
4 Achievements in market-oriented business development

We have been developing business by channeling management resources into fields with the needs of users and customers, and so far we have steadily promoted expansion of business having launched Other Media and Legal HR businesses as well as having invested in a small-amount short-term insurance company for attorney's fee insurance.

Launch of Other Media

Development of career change media

Needs	Management Resources
Some users of Attorney Search for Labor Issues need to change jobs	Marketing know-how cultivated through media management



Development of extra-marital affairs investigation media

Needs	Management Resources
Some users of Attorney Search for Divorce have a need for extra-marital affairs investigation	Marketing know-how cultivated through media management



Launch of Legal HR

Establishment of a Legal HR business

Needs	Management Resources
Law firms aiming to expand by placing advertisements, etc. have active recruitment needs	Marketing know-how + know-how for attracting job seekers through career change media



Investing in a small-amount short-term insurance company that handles attorney's fee insurance

Investing in a small-amount short-term insurance company

Needs	Management Resources
Both users and attorneys need intervention on fee insurance	Ability to attract users who are interested in legal issues

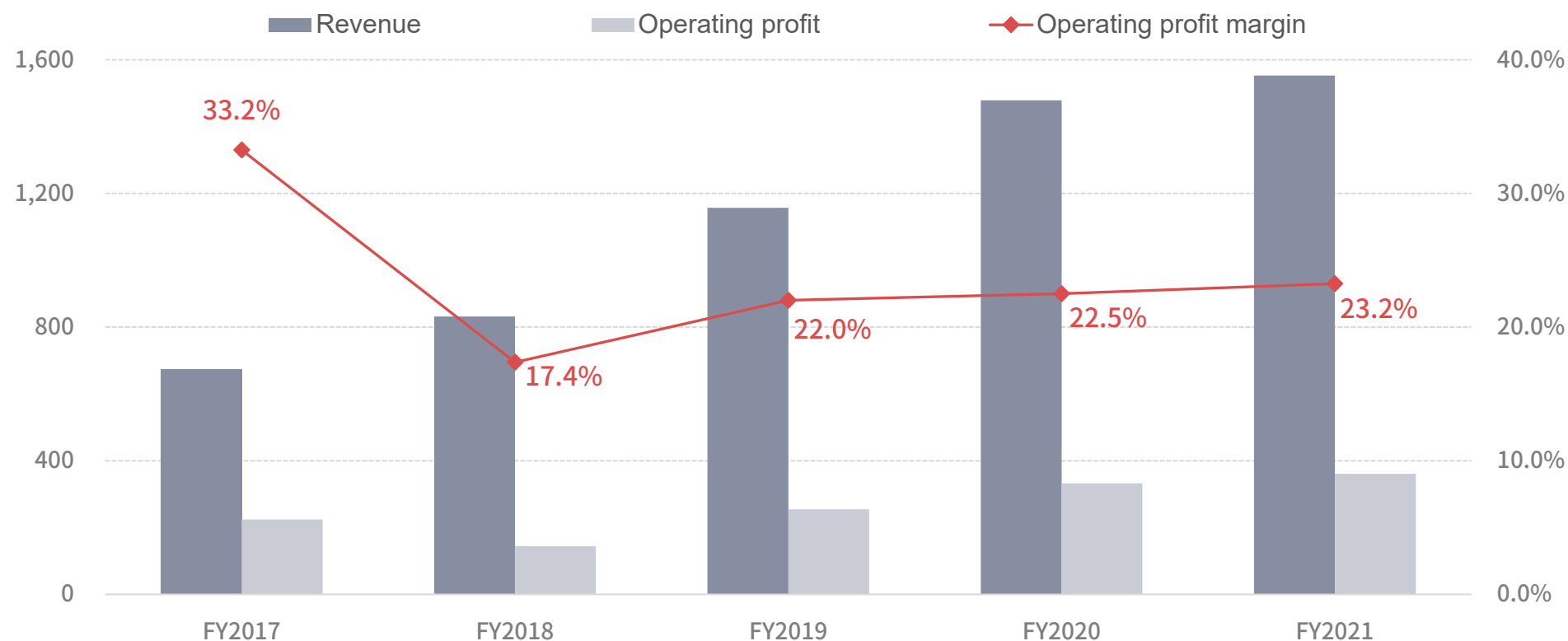


5 High profitability represented by disciplined operation

We manage our income and expenditures in a well-disciplined manner, and maintain a high level of profit margin, including the FY2020, in which we were hit by the Covid-19, and FY2021. Operating income declined in FY2018, and the main factors in that were the preparations for listing and the strengthening of the organizational structure.

Our past performance¹

Left axis: Revenue, operating profit (million yen) / Right axis: Operating profit margin (%)



Note: 1 For the FY2018 and earlier, business results in compliance with Japanese GAAP (however, in order to adjust the impact of goodwill amortization due to the absorption-type merger with the former ASIRO, Inc., for the FY 2018 and earlier, operating profit was adjusted with 142 million yen in goodwill amortization expenses added back and adjusted operating profit margin based on that are used) are displayed, and business results in compliance with IFRS are displayed from the FY2019 (there are no adjustment items for the FY2019 and later, and the results are consistent with the consolidated income statement). The financial statements for the FY 2019 and thereafter have been audited by Ernst & Young ShinNihon LLC under the provisions of Article 193-2(1) of the Financial Instruments and Exchange Act; however, the financial statements for the FY2018 and earlier did not undergo the relevant audit by Ernst & Young ShinNihon LLC.



Section 4

Barriers to Entry / Competitive Advantage and Comparison with Competitors

Barriers to entry

Legal Media is subject to the Attorney Act and the bar association regulations, making it a business area with high barriers to entry. As an example, under Article 72 of the Attorney Act, a performance-based affiliate model can be illegal, and in order to obtain fixed amount compensation contracts from individual lawyers, and attract users while maintaining profitability, it is necessary to have both a sales team and a marketing team that has SEO strengths.

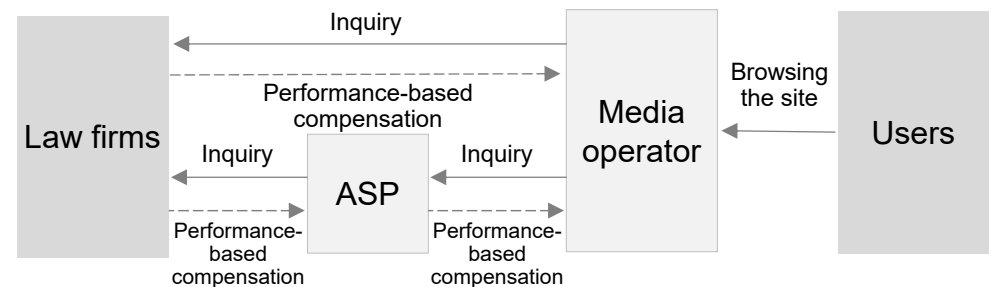
Regulatory environment

Attorney Act Article 72 (Prohibition of the Provision of Legal Services by Non-Attorneys)

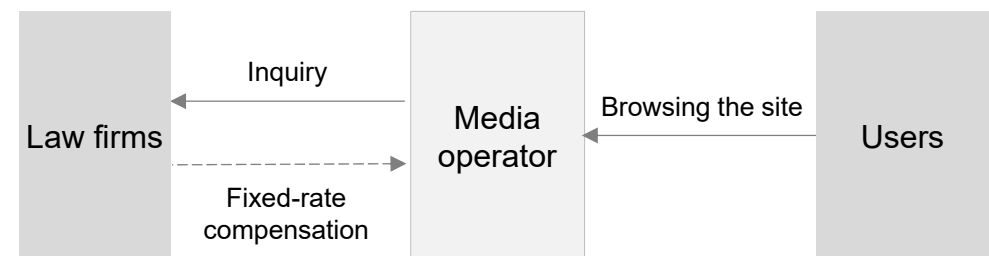
No person other than an attorney or a legal professional corporation may, for the purpose of earning compensation, engage in the legal services such as provision of an expert opinion, representation, mediation, or settlement of the case for which an appeal is filed with the administrative authority, including a request for administrative review, objection, request for re-examination or other general legal cases, or may engage in mediation services related to these cases; provided, however, this does not apply if otherwise provided in this Act or other laws.

Business model considered acceptable for attorney ads

✗ General affiliate model



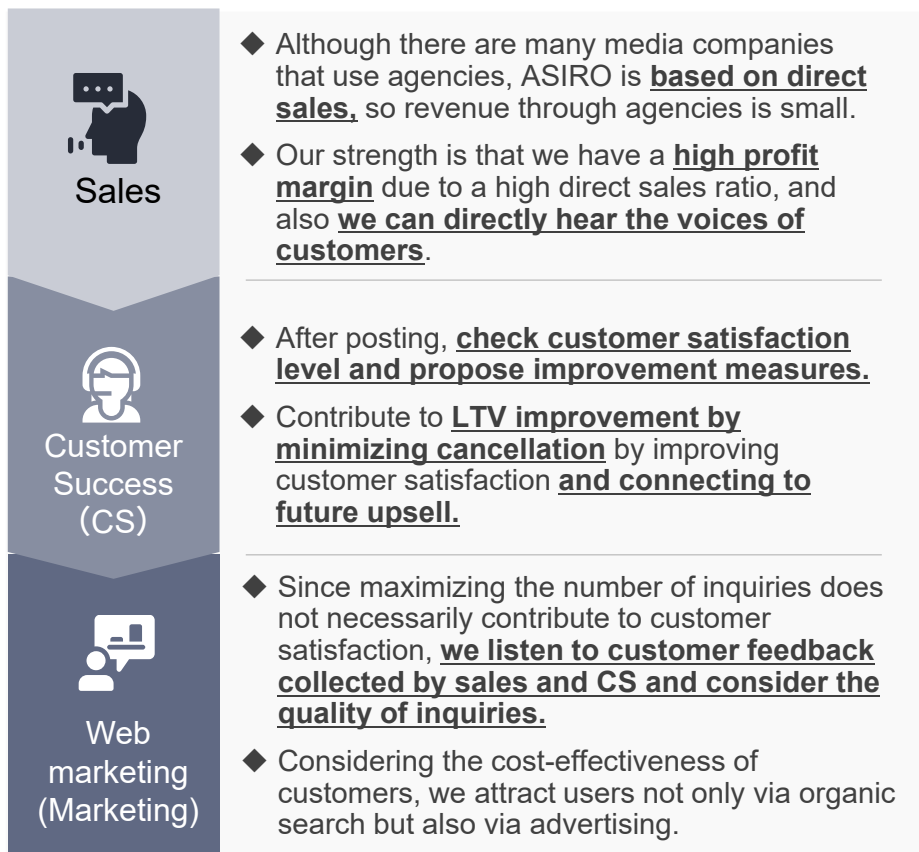
○ Attorney advertising model conforming to regulations



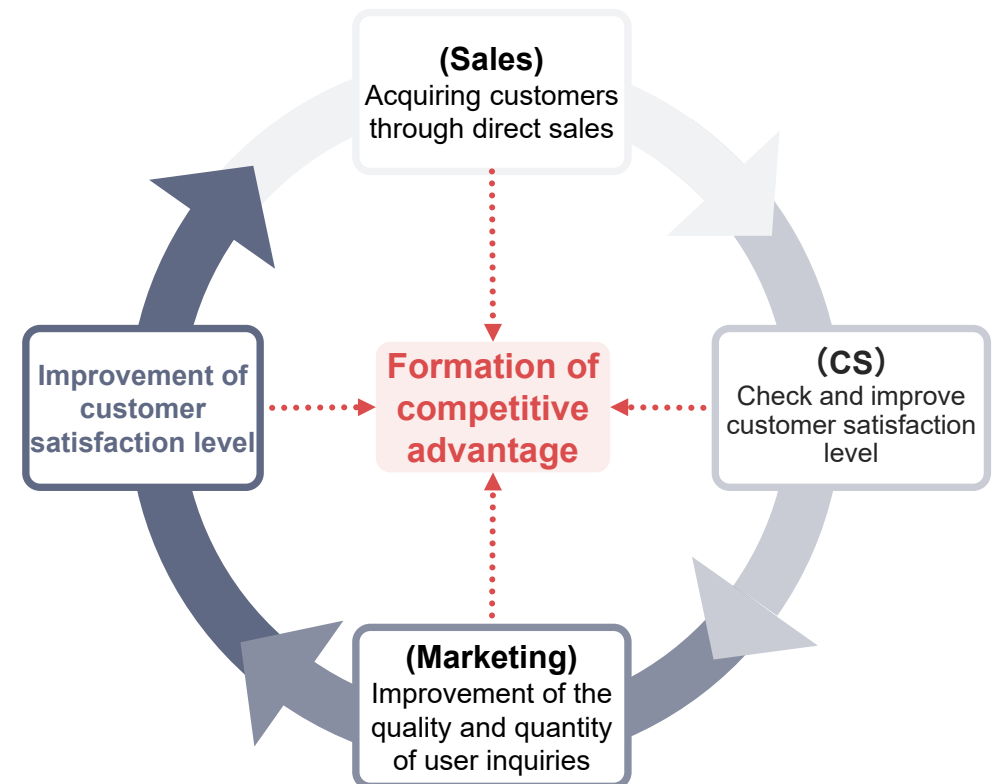
Competitive advantage

We have built a series of value chains in which, after gaining contact with customers through direct sales, CS follows up on customers after posting through interviews, and by making use of the opinions of customers in web marketing, enhance customer satisfaction. This has led to the formation of a competitive advantage.

Value chain



Schematic diagram of roles for each value chain



Comparison with competitors — Qualitative/quantitative

Competitor A has individual attorneys as the main posting units and has low ARPU, while our company has law firms as the main posting units and has high ARPU, establishing high value-added positioning as media for attracting customers and enabling efficient business operations.

Comparison of Legal Media¹

	ASIRO	Competitor A	
User comparison	Main site inflow routes	Organic search, advertising	n/a
	Interest in legal issues	High	n/a
Customer comparison	Major posting unit	Law firms	Individual attorneys
	Revenue	¥1,161 million	¥2,344 million
	Number of customers who post ads (annual average)	544	5,180 ³
Other comparison	ARPU ²	¥178 thousand	¥38 thousand
	Number of sites	10 sites	1 site
	Other Media	Exist	None

We attract users who are highly interested in legal issues and search for legal keywords, as there are many inflows via organic search through legal columns and via advertisements.

Our main posting unit is law firms, and it tends to be easy to obtain the advertising budget of firms.

Against the backdrop of high ads performance and the fact that there are sites for various case fields and advertisements can be posted on multiple sites, we achieve high ARPU and distribute sales among sites.

By referring the users we attract to Other Media, opportunities to earn revenue will increase (= advertising investment capacity for attracting users will increase)

Notes: 1 We have compiled the figures for Legal Media for the FY2021. In addition, for competitor A we aggregate the figures for lawyer marketing support services for a similar period (3Q of the FY2020 to 2Q of the FY2021) and compare each item.

2 Average monthly revenue per customer, calculated by dividing revenue by the annual average number of customers posting ads (for competitor A, the number of paid registered attorneys as shown in Note 5), and divided by 12.

3 The number of paid registered attorneys of competitor A is stated.

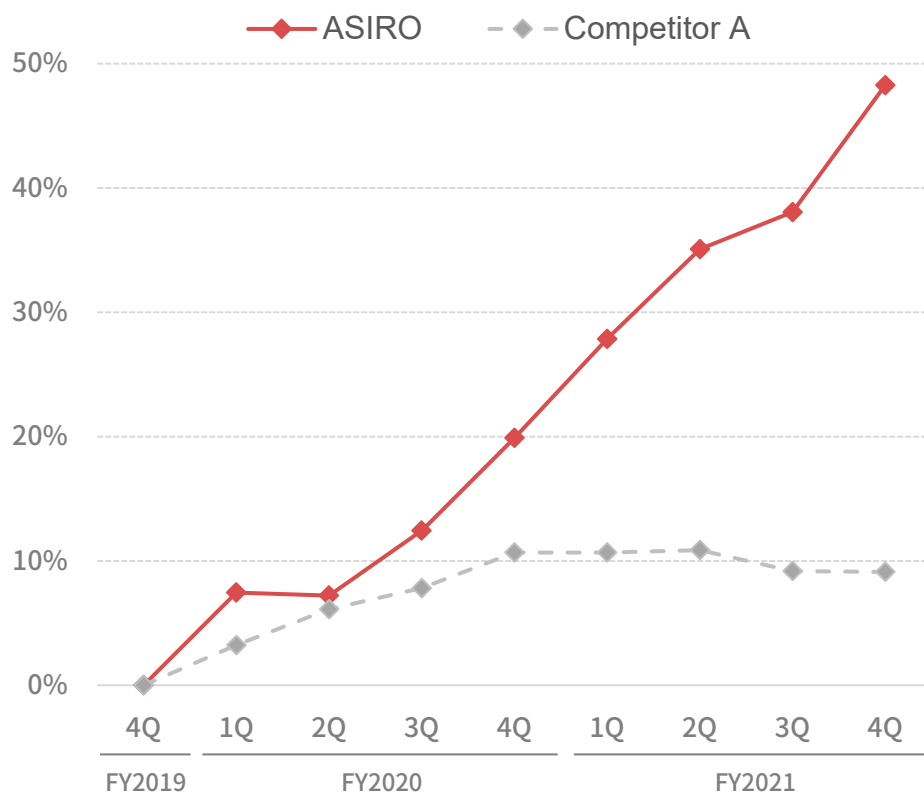
Source: For competitor A, the company's accounts settlement materials

Comparison with competitors — Rate of increase in number of customers

The increase rate in the number of customers over the last two years has relatively outperformed. As for the business environment, the percentage of attorneys belonging to large and medium-sized firms, which tend to invest advertising expenses on a firm-wide basis, is increasing, and the business environment is expected to continue as a tailwind.

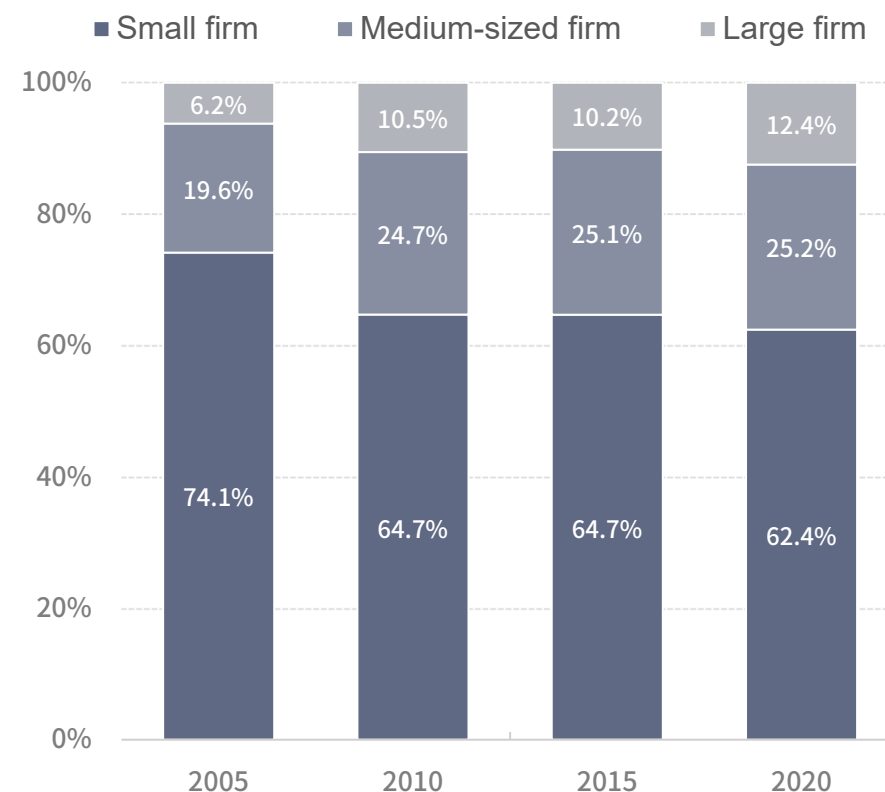
Comparison of rate of increase in the number of customers on Legal Media¹

Left axis: Increase rate (%)



(Reference) Changes in the ratio of law firms by scale²

Left axis: Ratio of the number of attorneys affiliated with firms of various sizes to the total number of attorneys.



Notes:1 Based on the number of customers 2 fiscal years ago, the rate of increase is compared for the number of customers who posted ads as of the end of each quarter thereafter. For competitor A, the number of paid registered attorneys for a similar period (2Q of the FY2019 to 2Q of the FY2021) is totaled.

2 Totaled as small firms having 1 to 5 attorneys, medium-sized firms having 6 to 30 attorneys, and large firms having 31 or more attorneys. The ratios of the number of attorneys belonging to firms of various sizes to the total number of attorneys are displayed.

Source: For competitor A, the company's accounts settlement materials, Japan Federation of Bar Associations White Paper on Attorneys 2010, White Paper on Attorneys 2015, White Paper on Attorneys 2020.



Section 5

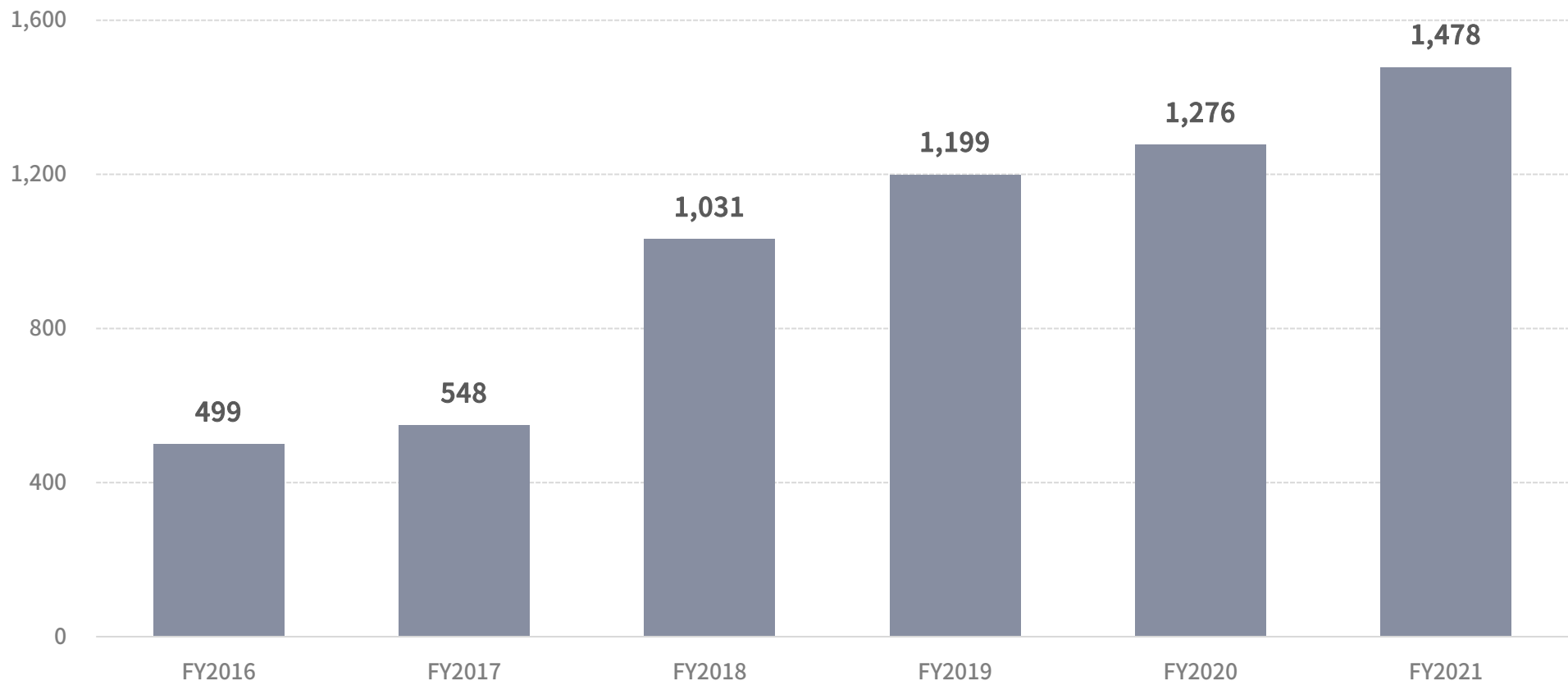
Growth Strategy

Important management indicators

We place importance on the number of Legal Media ad slots posted that are directly linked to recurring revenue as a management indicator. We will continue to expand the number of ad slots posted and invest in new businesses that can utilize our management resources atop a stable earnings base, and thereby realize ASIRO's continuous growth.

Changes in the number of Legal Media ad slots posted (as of the fiscal year end)

Left axis: Number of ad slots posted



Growth strategy direction

Against the backdrop of the tailwind and growth potential for our company surrounding the legal industry, we will promote the business expansion of Legal Media and create new businesses such as Legal HR by utilizing our management resources to achieve continuous growth.

Growth Strategy Direction

1 Legal Media business expansion

Growth as an extension of existing businesses

Work toward increasing the number of ad slots posted and customers through efforts to strengthen sales team and reduce churn rate.

2 Creating new pillars of revenue by utilizing management resources

Discontinuous growth from new businesses

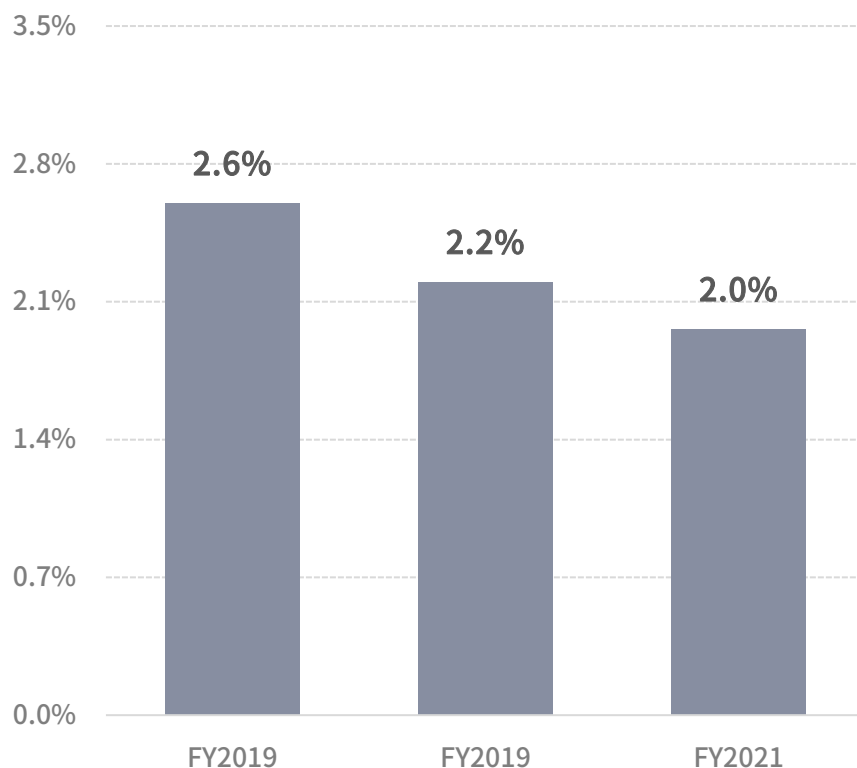
Taking advantage of the growing recognition and customer base due to the expansion of the Legal Media business, we plan to growth Legal HR businesses and launch other new business.

1 Legal Media business expansion

We established the Customer Success (CS) team in the FY2020 to strengthen sales and follow-up activities, and succeeded in reducing the churn rate despite the adverse effects of the Covid-19. By reducing the churn rate by expanding sales and CS teams, we aim to further increase the number of slots posted mentioned above, and build a more stable revenue base by increasing the number of customers.

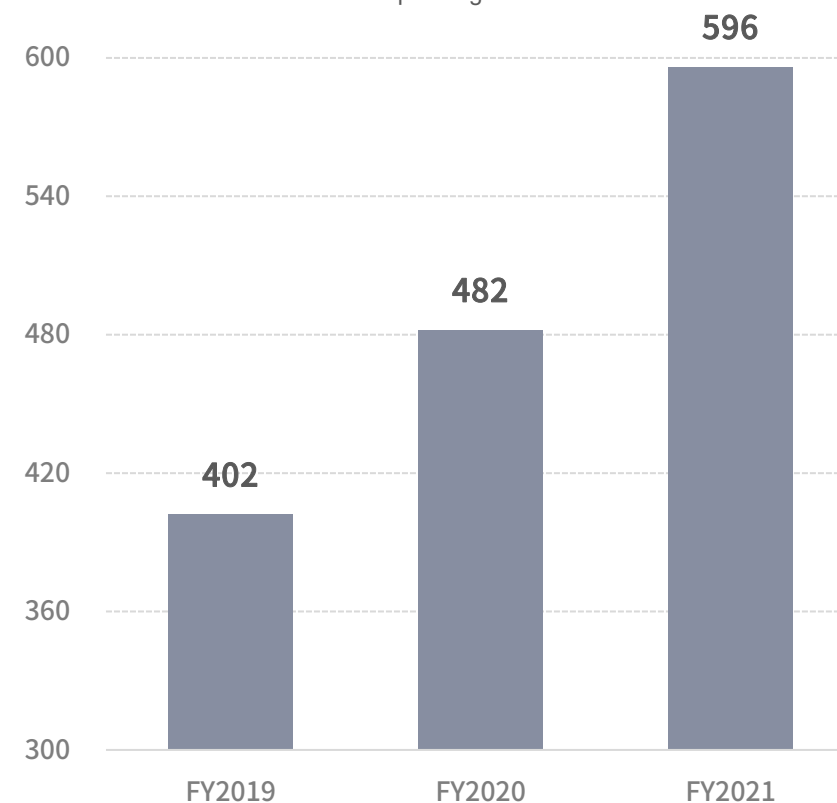
Monthly Legal Media churn rate trend¹ (average during the period)

Left axis: churn rate



Changes in the number of Legal Media customers (as of the fiscal year end)

Left axis: Number of customers posting ads



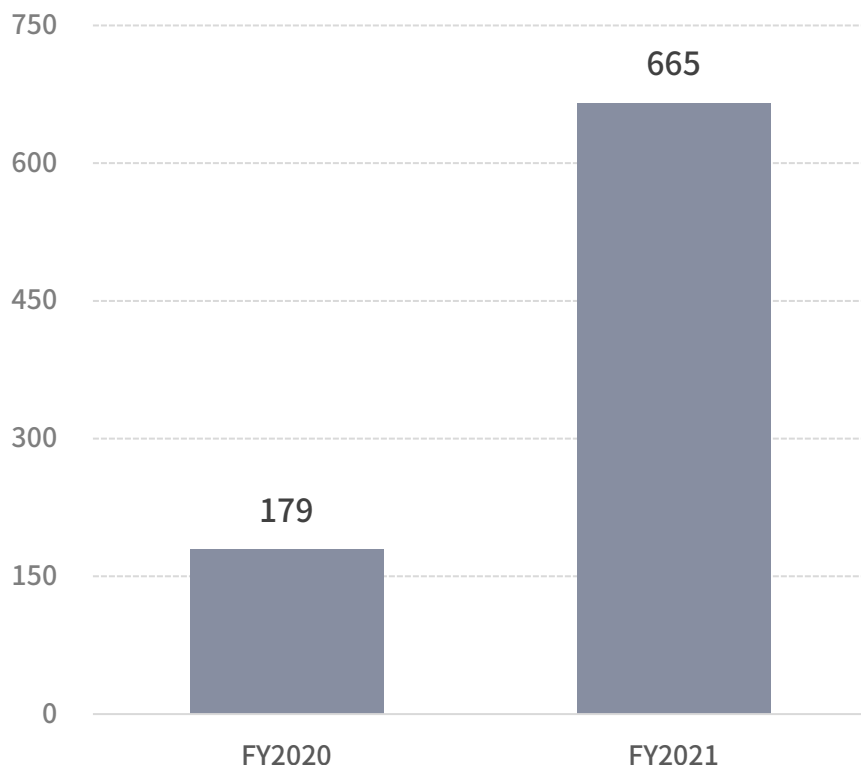
Note: 1 This is the average monthly churn rate calculated by dividing the number of cancelled ad slots for the month concerned for 10 Legal Media sites (9 sites in the Attorney Navi series and Your Attorney) by the number of ad slots posted at the end of the preceding month.

2 Creating new pillars of revenue by utilizing management resources

In the Legal HR business, which started in April 2020, we offer recruitment services for attorneys, and we are steadily acquiring new registrants by utilizing web marketing know-how and have also succeeded in obtaining recruitment orders from law firms utilizing our customer base. We will grow sales by taking advantage of synergies such as increased recognition within the legal industry by expanding the Legal Media business.

Changes in the number of new registrants in the Legal HR business

Left axis: Number of new registrants (persons)



[Utilization of know-how] Acquisition of new registrants

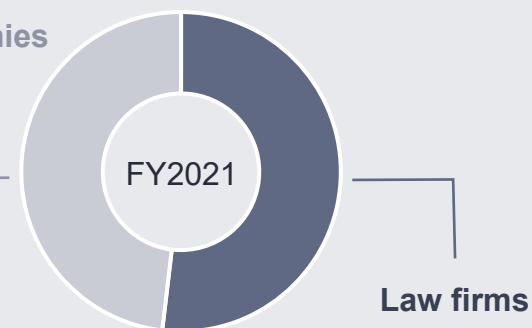
- ◆ By utilizing our knowledge of the legal industry and web marketing know-how in the operation of sites for job seekers, new registrations of qualified attorneys are steadily increasing.

[Utilization of customer base] Acquisition of recruiting companies

- ◆ In addition to recruiting information from law firms for which the existing customer base is used, we are steadily increasing the number of recruiting companies by responding to the needs for in-house and legal personnel of general companies.

Composition ratio of recruiting company

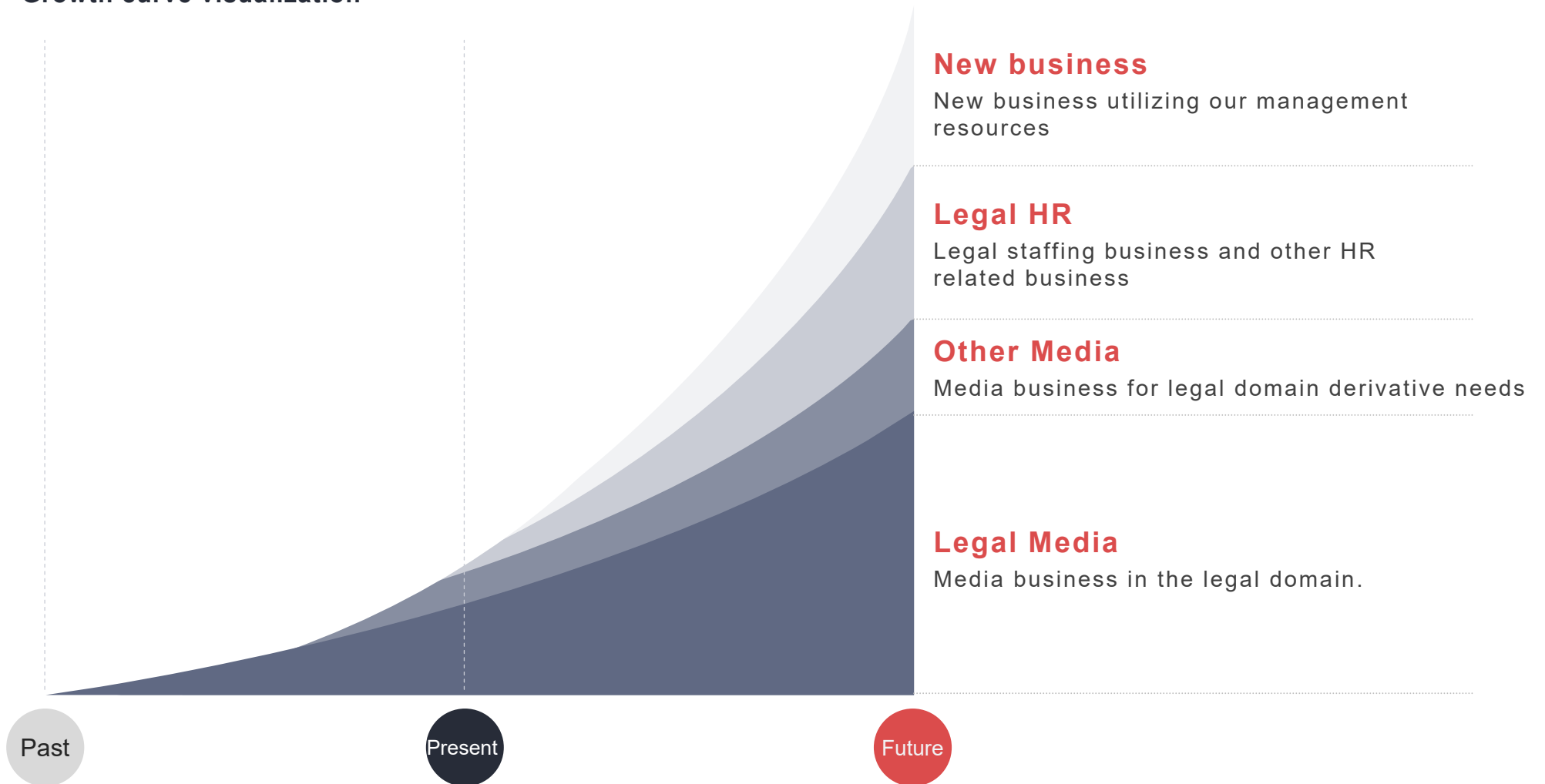
General Companies
(in-house)



Growth curve visualization

While steadily expanding the media business in the existing legal domain and derivative domains, we will create a third pillar of earnings by growing in the HR domain and aim for continuous growth by launching new businesses that utilize our management resources.

Growth curve visualization



Key risk factors that can affect growth

The key risk factors that can have a significant impact on the realization of growth and the execution of business plans are as follows. For other risks, please refer to "Business Risks" in the securities registration statement.

Item	Risk overview	Potential for manifestation	Degree of impact of manifestation	Our response policy
Dependence on specific business partners	If the business relationship changes due to a change in the customer's advertising placement policy, or if the development of new customers does not proceed as planned, it may affect the business results of the Group.	Middle	Middle	At the same time as striving to maintain good relationships with our customers, we are cultivating new customers in order to reduce our dependence on specific business partners.
Search algorithm	If the search algorithm of a major search site changes, it may cause a decrease in the number of users flowing in through organic search, which may affect the business results of the Group.	Middle	Middle	In addition to continuing human and capital investment, we are also focusing on attracting customers via advertisements by placing listing advertisements, etc. to diversify risks.
Spread of novel coronavirus infections (Covid-19)	If Covid-19 does not end and the situation becomes serious or prolonged, it may affect the business activities and business results of the Group.	Middle	Middle	We carry out remote work and staggered work, and strive to establish a system that allows us to continue our business flexibly.
Impairment of goodwill	In May 2016, we acquired 86.9% of the shares of the former ASIRO Inc. and recorded goodwill. We have determined that goodwill appropriately reflects future profitability, but if the future profitability of the Group declines, we will record an impairment loss against goodwill. It may have a significant impact on the Group's business results.	Small	Large	We are striving to build a stable earnings base by accumulating the number of ad slots posted for Legal Media, which is a source of recurring revenue. Specifically, we are working to increase the number of ad slots posted by increasing the number of new contracts and lowering the churn rate by strengthening sales activities and customer success activities that provide customer support after contracts. In addition, by utilizing our management resources such as web marketing know-how and digital technology cultivated in the Legal Media & Other business, as well as users and customer base, we are working on new business development in the Legal HR business, etc. to strengthen profitability and diversify revenue sources.



Appendix

A culture that places the highest priority on customer satisfaction



“ We will contribute to the realization of a better society by making people involved in ASIRO much happier than anyone else. ”

ASIRO is made up of independent members who **act before being told what to do.**

We share the basic values of contributing to society by making the customers before us as happy as possible.

We will continue to maintain the "spirit of accepting a challenge" without losing sight of our customer-first principle, and continue to aim to be a company that is loved by clients and users.

Voices of Customers¹



Nowadays, it is commonplace to find lawyers via the Internet and hold telephone consultations and make appointments for consultations. Furthermore, in the future, consultations themselves will be conducted online, so **tools for attracting clients using the Internet like your company's services are essential**, I think.

(Ikuo Otani, Attorney, Ginza Daiichi Law Firm (photo to the right))



I think one of the attractions of your service is that we can expect results immediately after posting, unlike SEO measures that take time to show results and listing advertisements that cost a great deal. **I also find the support system appealing.**

(Rui Sato, Attorney, Nexpart Law Office (photo to the left))



What I appreciate more than attracting clients is that the sales staff of your company treats our firm with a sense of attachment and ownership. I strongly feel that your company's staff are committed to **communicating with customers and contributing to their development.**

(Hirohide Nakagawa, Attorney, Tokyo Startup Law Office)



It is still difficult to find the right attorney to meet your needs, so I appreciate the fact that your service is a place where more ordinary users and small, medium-sized, and venture companies **can easily find the right attorney.**

(Yoshihiko Fuchibe, Attorney, Venture Lab Law Office)

Cautions about this material

This document contains forward-looking statements. These forward-looking statements are based on information as of the date of these materials. These statements do not guarantee future results or performance. Such forward-looking statements include known and unknown risks and uncertainties, and as a result, future actual performance and financial position may differ materially from forecasts of future performance and results shown explicitly or implicitly by such forward-looking statements.

Factors causing actual results differing materially from the results described in these statements include, but are not limited to, changes in domestic and international economic conditions and trends in the industries in which we operate business.

In addition, information on matters and organizations other than our company is based on information that is open to the public.

This document is provided for informational purposes only and is not intended to solicit the sale or purchase of securities in Japan, the United States or other regions.

Updates to this document will be disclosed around the time full-year financial results are announced.