



FY2023-FY2025

Medium-term Management Plan and Materials on Growth Potential

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Section 01

Corporate Overview / Review of the FY2022

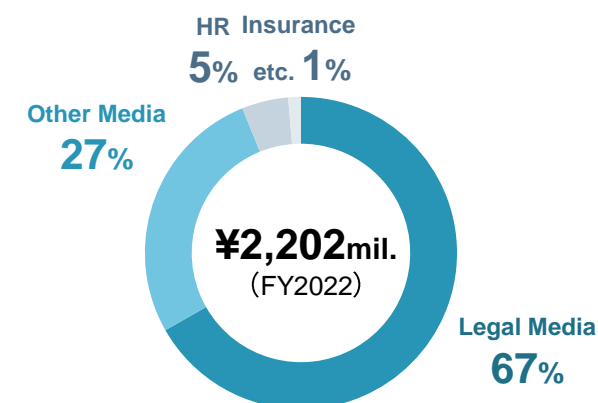
Services

Our main business activity involves the operation of Legal Media sites. By utilizing digital technology and web marketing expertise, we help provide legal and attorney-related information online.

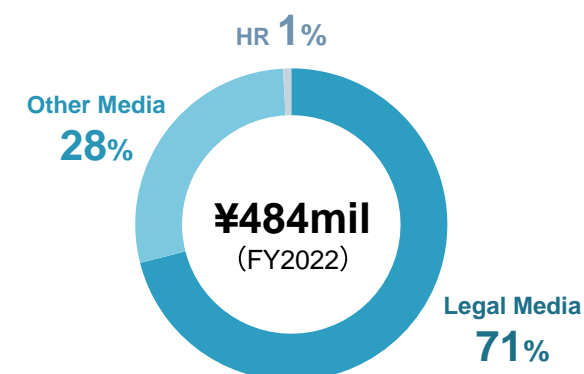
Business category

		Services	Main customers	Main services
Legal Media & Other	Legal Media (Started in 2012)	Operation of specialized sites for legal case fields	Law firms	離婚弁護士ナビ 相続弁護士ナビ 刑事事件弁護士ナビ IT弁護士ナビ 労働問題弁護士ナビ 債務整理ナビ 交通事故弁護士ナビ 債権回収弁護士ナビ 企業法務弁護士ナビ
	Other Media (Started in 2014)	Operates "Carism," the career change media, Detective media "Expert Search for Infidelity Investigation" and "Hotline for Missing Person Search," etc.	Staffing companies, private detective offices	キャリアズム 浮気調査ナビ 人探しの窓口
Human Resources (HR) (Started in 2020)		HR recruitment business (placement of attorneys, certified public accountants, back-office personnel, etc.)	Professional firms, general companies	NO/LIMIT XEXE New Standard BEET DIRECT BEET AGENT
Insurance ¹ (Started in 2022)		Sale of small-amount short-term insurance	Individuals	ベンナビ 弁護士保険

Revenue Composition



Operating Profit Composition²

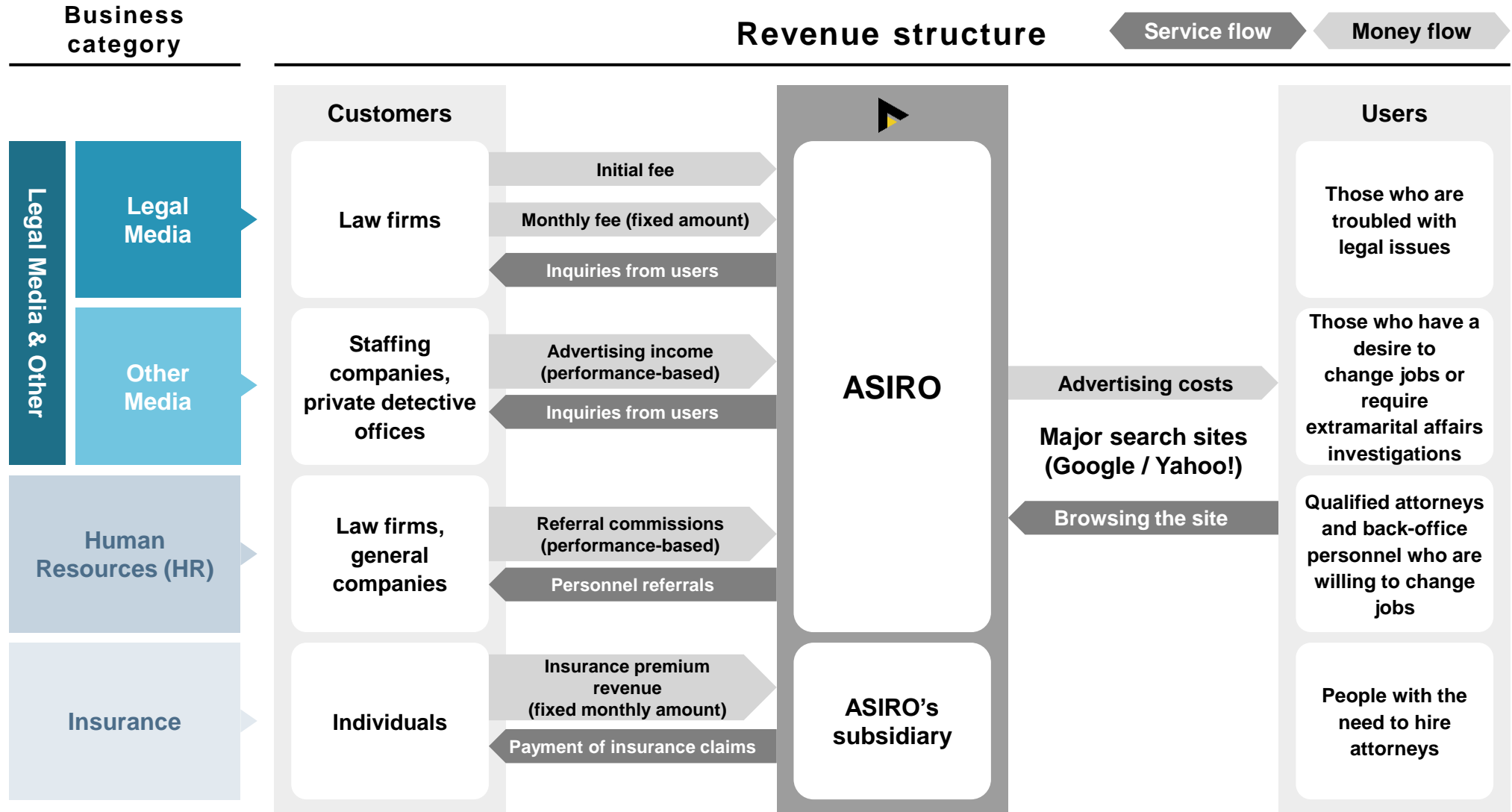


Note: 1 The Company acquired additional shares in ASIRO SSI Inc. (formerly Kailas Small Amount and Short Term Insurance) on April 28, 2022, making it a consolidated subsidiary. Inclusion in PL is mainly from Q3.

Note: 2 Divisions with negative operating profit (e.g. Insurance) are assumed to be zero and their composition ratios are calculated.

Business model

Revenue from Legal Media and Insurance is basically made up of fixed monthly income in a model with increasing recurring revenue. Other Media and HR business adopt a performance-based business model based on the number of inquiries and the number of new employees.

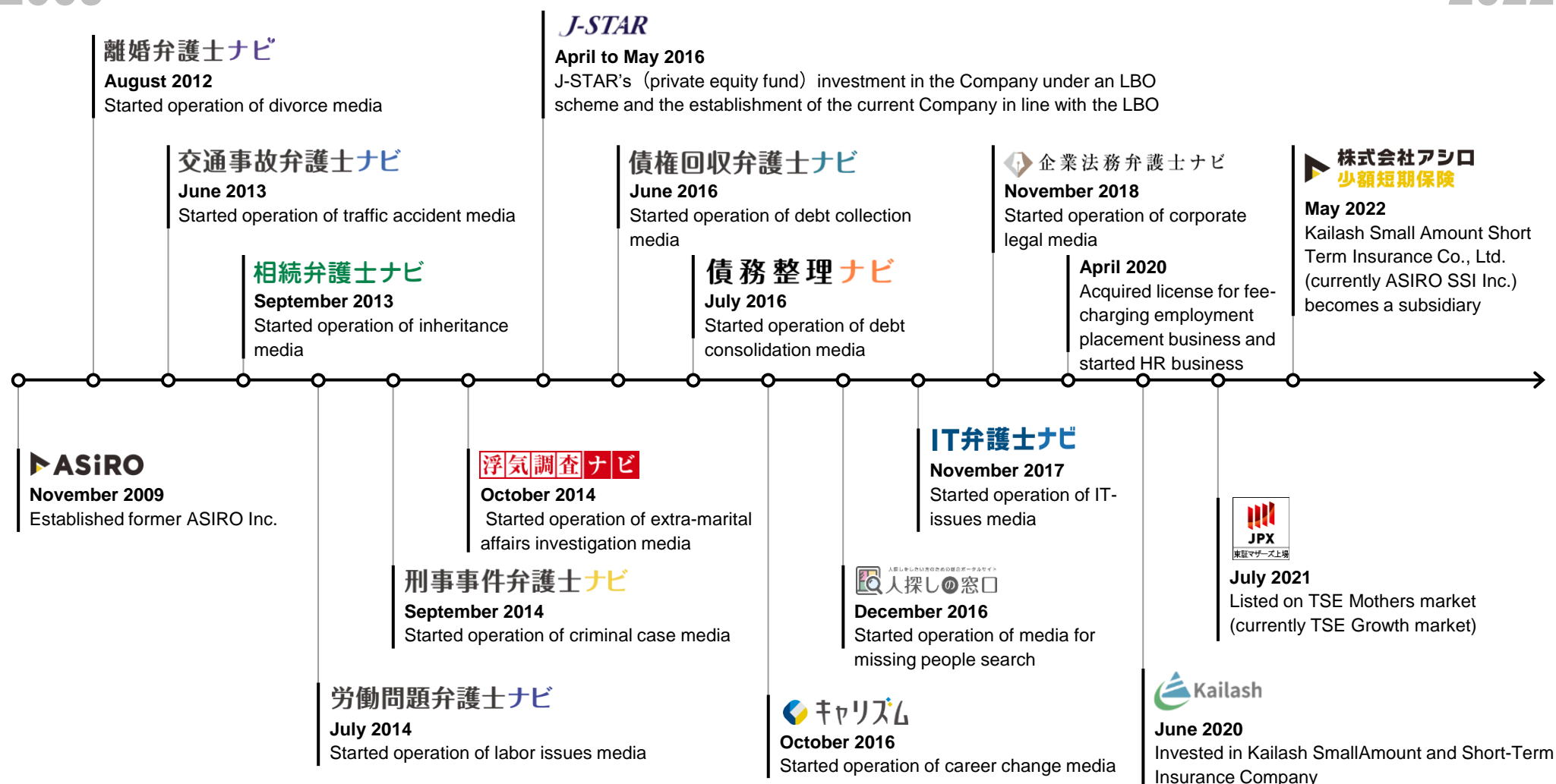


History

Starting with the launch of Divorce attorney Navi (“離婚弁護士ナビ”) in 2012, we started a legal media-related business, and have continued to develop the business ever since. In addition to horizontal development of media, we are also expanding into HR and insurance businesses.

2009

2022



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	4F Shinjuku I-Land Wing, 6-3-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, 160-0023, Japan
Representative	Hiroto Nakayama, Representative Director and President
Capital	606million yen (as of October 31, 2022)
Number of employees ¹	64 (as of October 31, 2022)
Foundation (*)	November 2009
Established (*)	April 2016
Major shareholders	Hiroto Nakayama
Award history	Deloitte Japan Technology Fast 50 2019 & 2020 & 2021 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)

Review of Growth Strategy for the FY2022

The results of growth strategy have enabled us to achieve sales growth of over 40% in the FY 2022. We are also planting seeds for sales growth and aiming for sales growth of over 30% in the FY2023 as well.

Legal Media	<ul style="list-style-type: none"> ● By strengthening the team structure of sales and CS, new contract acquisitions have been strong and the churn rate has been decreasing due to increased customer satisfaction. As of the end of FY2022, the number of ad slots posted and customers grew 30.2% and 29.0% YoY, respectively, recording higher-than-expected growth rates. ● Although the transition to the new "Ben-Navi" brand (e.g. "Ben-Navi Divorce") was delayed, but the transition will be completed in FY2023 and brand recognition measures will be promoted.
Other Media	<ul style="list-style-type: none"> ● With respect to the mainstay job-transfer media "Carism," we succeeded in raising the average unit price per inquiries as a result of cultivating user segments such as specialists and medical, who have a higher unit price per inquiries, resulting in sales growth. ● Preparation and investment for new media in 4Q to plant seeds for growth in the FY2023.
HR	<ul style="list-style-type: none"> ● After having established a business foundation with "No-Limit", a career change support service for attorneys, launched "Hi-Standard", a career change support service for CPAs and tax accountants, and "BEET AGENT", a career change support service for back office personnel. ● The number of new registrations has increased significantly as a result of the above development. Efforts are underway to strengthen the personnel structure to link the increase in the number of registrants to revenue.
Insurance	<ul style="list-style-type: none"> ● In April 2022, Kailash Short Term Insurance(SSI) (currently Asiro SSI) became a consolidated subsidiary, and the group newly started a insurance business. ● We are strengthening web marketing, including ad placement, by implanting our web marketing know-how, and will also strengthen our sales structure from the next fiscal year.

Section 02

**Business environment / Barriers to entry
and comparison with competitors**

Section **02-A**

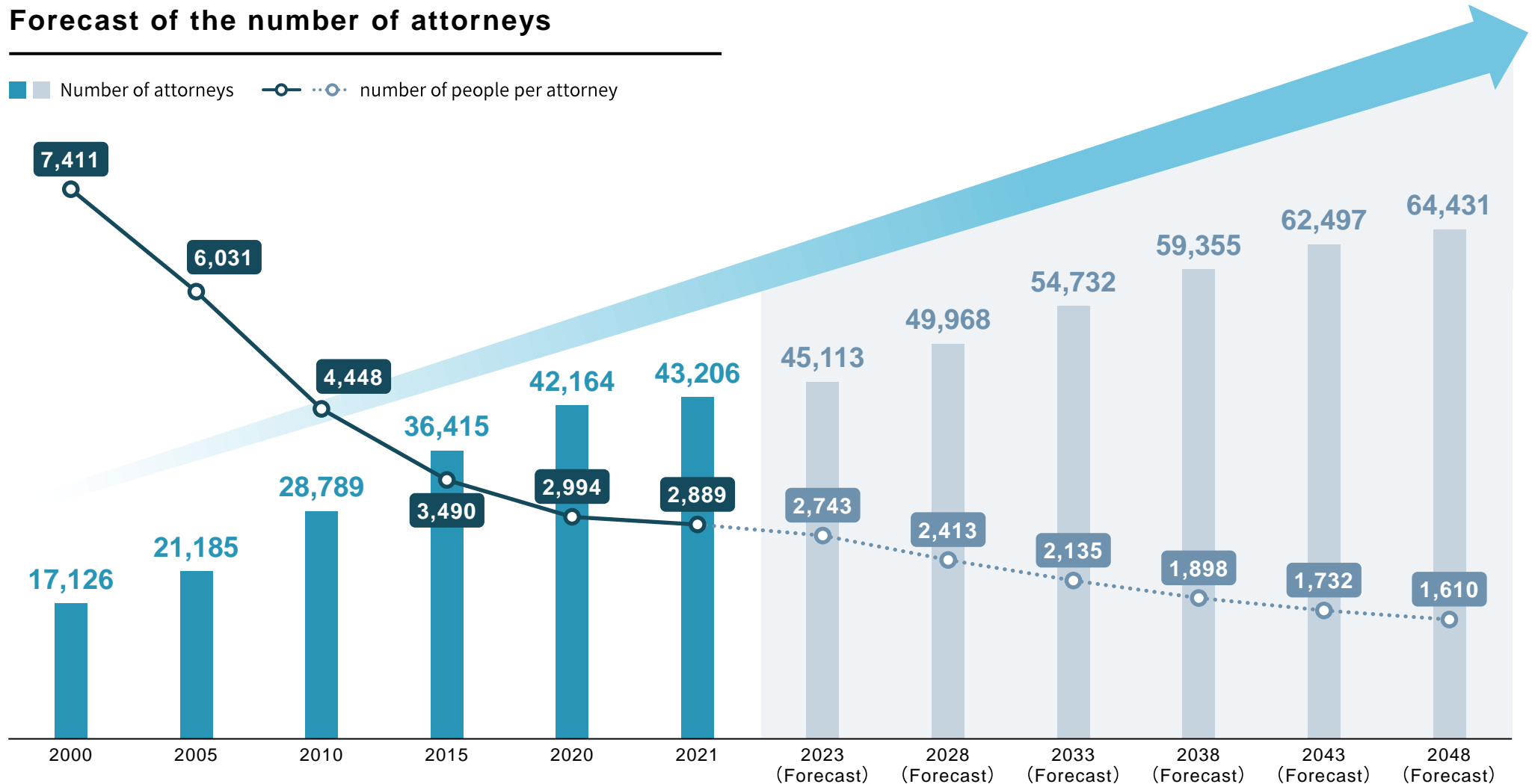
Business environment

Increase in the Number of Attorneys

The number of attorneys is expected to continue to increase, and due to the number of people per attorney decreasing as a result, the competitive environment between attorneys will intensify, leading to an increase in demand for advertising.

Forecast of the number of attorneys

■ Number of attorneys —○— number of people per attorney

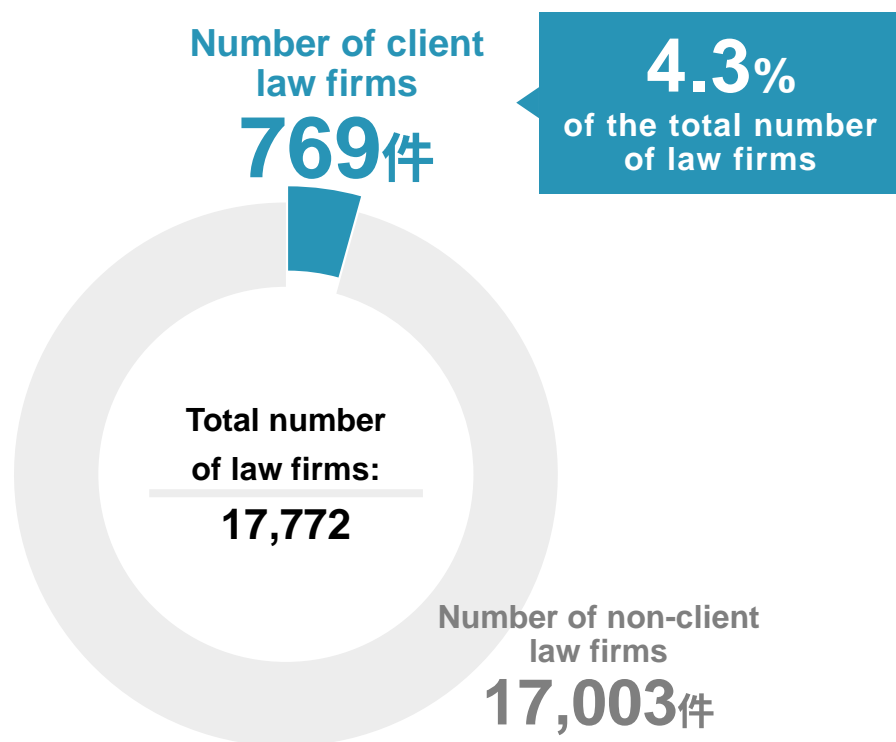


Source: Japan Federation of Bar Associations "White Paper on Attorneys 2021," Bureau of Statistics of the Ministry of Internal Affairs and Communications "Population Estimates"

Our customer base and market potential¹

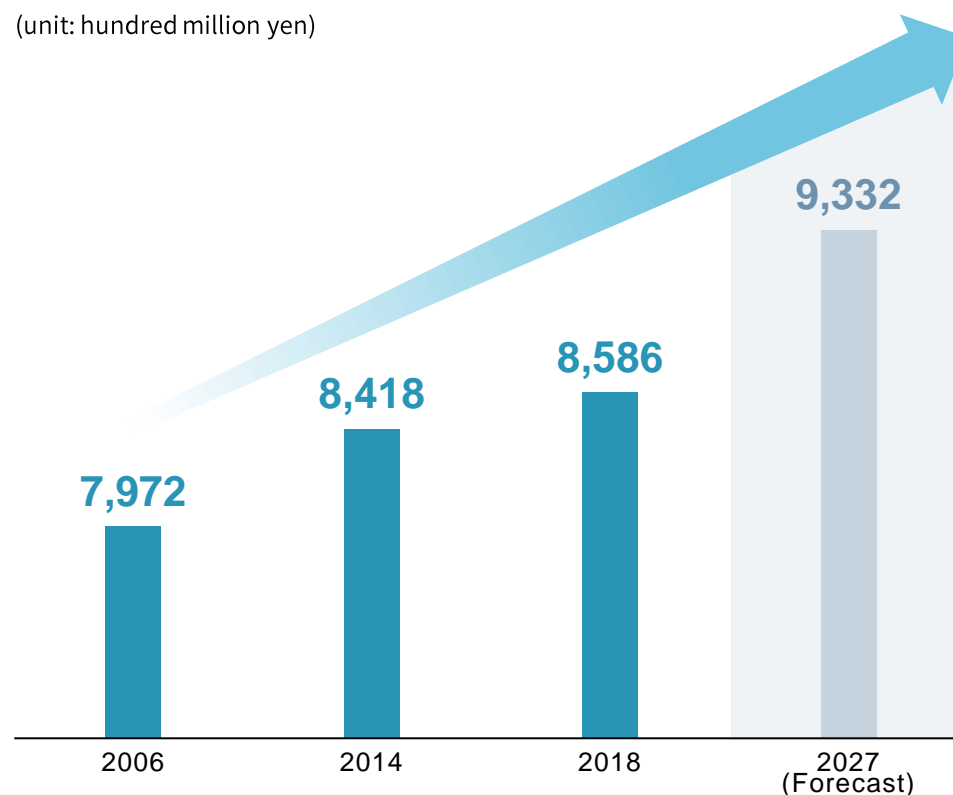
We have about 770 customers, but that is only about 4% of the total number of law firms in Japan, so there is a lot of room for growth. As the market size for attorneys' fees is also expanding making the environment more competitive, we anticipate an increase in advertising investment by law firms.

Our customer base²



Estimated market size for attorneys' fees³

(unit: hundred 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 2022. 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 2022. The total number of law firms is the number of law firms in the Japan Federation of Bar Associations White Paper on Attorneys 2021.

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.

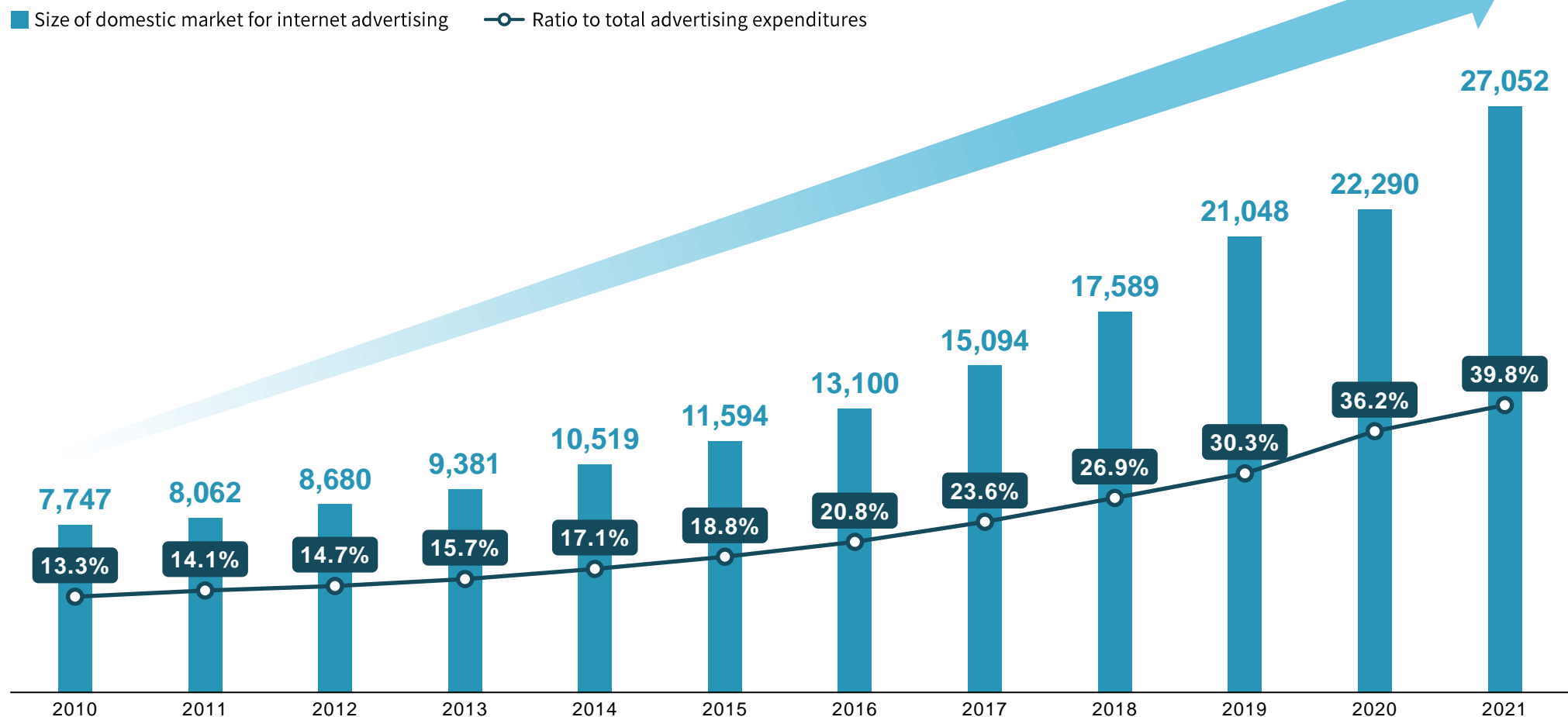
In addition, the market size and average income in 2027 are estimated by applying the forecast value of the number of attorneys in 2027 based on the average income decrease rate with respect to the increase rate in the number of attorneys from 2006 to 2018.

Source: ASIRO Inc., Japan Federation of Bar Associations White Paper on Attorneys 2018, White Paper on Attorneys 2021.

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.

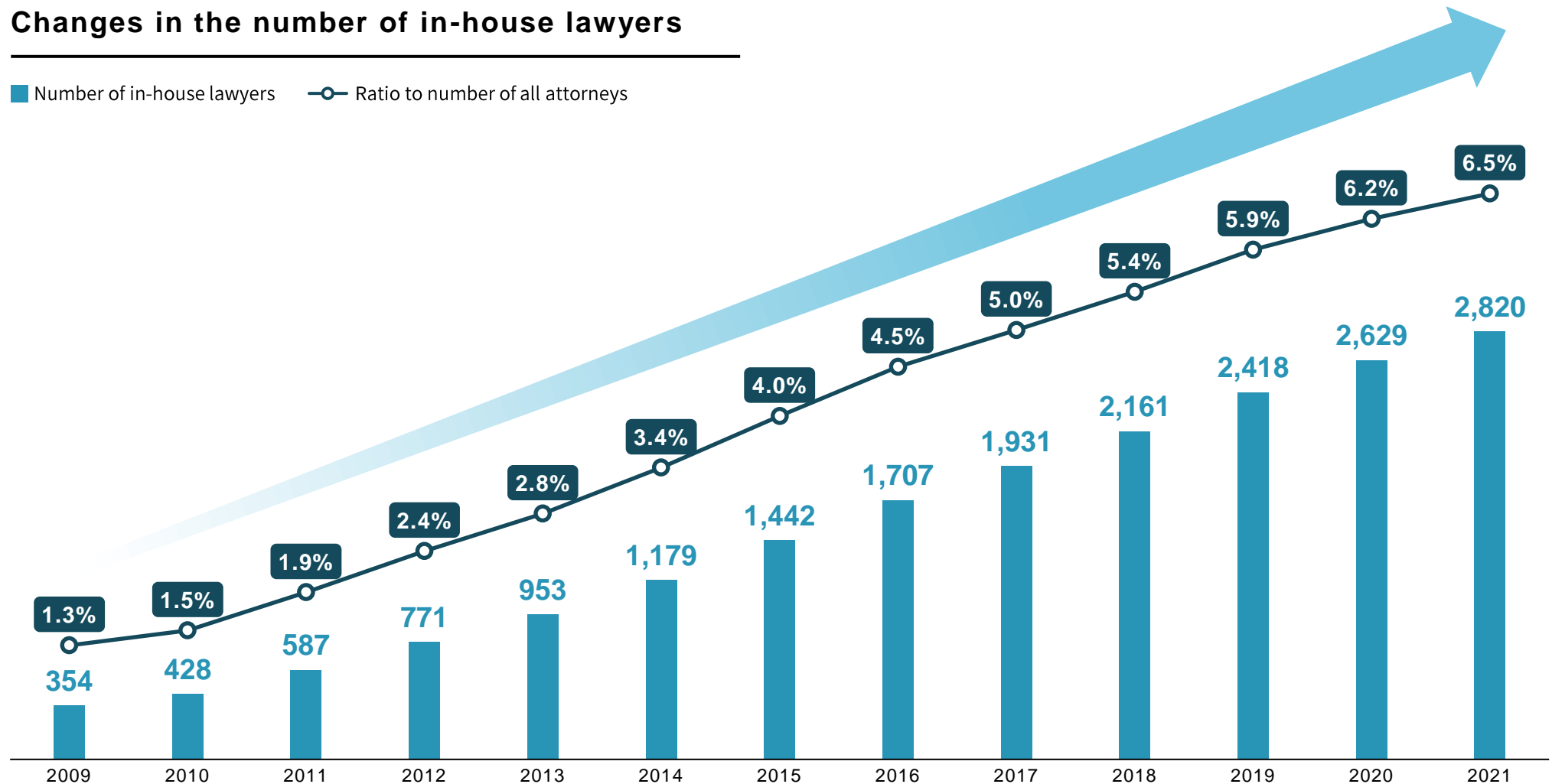
Estimating the size of the domestic market for Internet advertising



Increase in the number of in-house lawyers

In the process of intensifying competition among lawyers, the percentage of young people who become in-house lawyers is increasing year by year. Taking advantage of the growing demand for career change support services for lawyers, we have started HR business in April 2020.

Changes in the number of in-house lawyers



Section 02-B

Barriers to entry 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 attorneys, and attract users while maintaining profitability, it is necessary to have both a sales team and a marketing team that has SEO strengths.

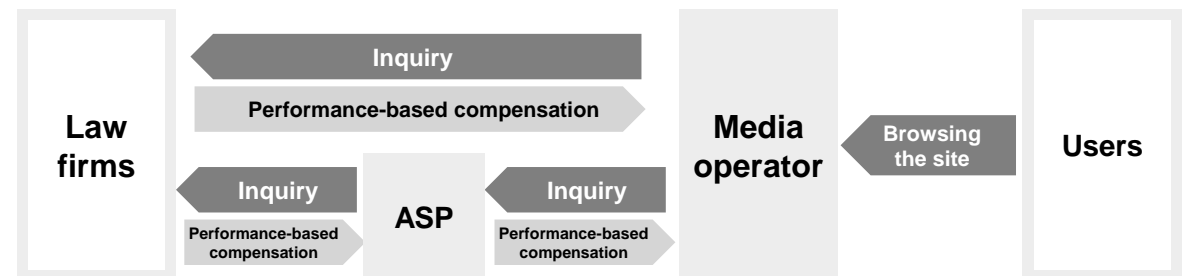
Regulatory environment

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

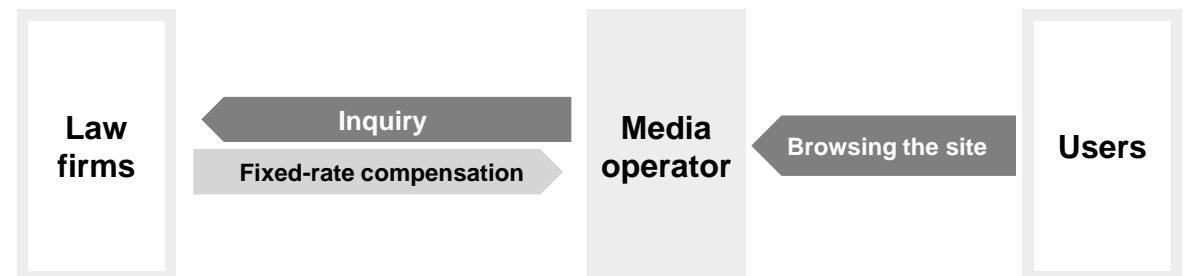
No person other than an attorney or a legal professional corporation may, for the purpose of earning compensation, engage in the legal services such as provision of an expert opinion, representation, mediation, or settlement of the case for which an appeal is filed with the administrative authority, including a request for administrative review, objection, request for reexamination 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



Comparison with competing companies

Although Competitor A has a lower ARPU due to mainly posting for individual attorneys, ASIRO uses law firms as the main listing unit and has high ARPU, and achieved higher growth in revenue than competitors by establishing a competitive advantage as described on the following page.

Comparison of Legal Media¹

	Competitor A		
Major posting unit	Individual attorneys	Law firms	•----- Our main posting unit is law firms, and it tends to be easy to obtain the advertising budget of firms.
Revenue	¥2,303 million	¥1,470 million	
Revenue growth rate (past year)	-1.7%	26.6%	•----- Due to high ARPU, it is possible to invest adequate funds in service operating costs and advertising costs, and revenue has grown stably by achieving a low churn rate.
Number of customers posting ads (annual average)	5,179 ³	673	
ARPU ²	¥37 thousand	¥179 thousand	•----- We obtained a higher unit price than competitors due to the high matching precision and stable advertising effect provided by using vertical sites independent for each area.
Number of sites	1 site	11 sites	
Other Media	No	Yes	•----- 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 FY2022. In addition, for competitor A we aggregate the figures for attorney support service for a similar period (3Q of FY2022 to 2Q of FY2023) 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 3), and divided by 12.

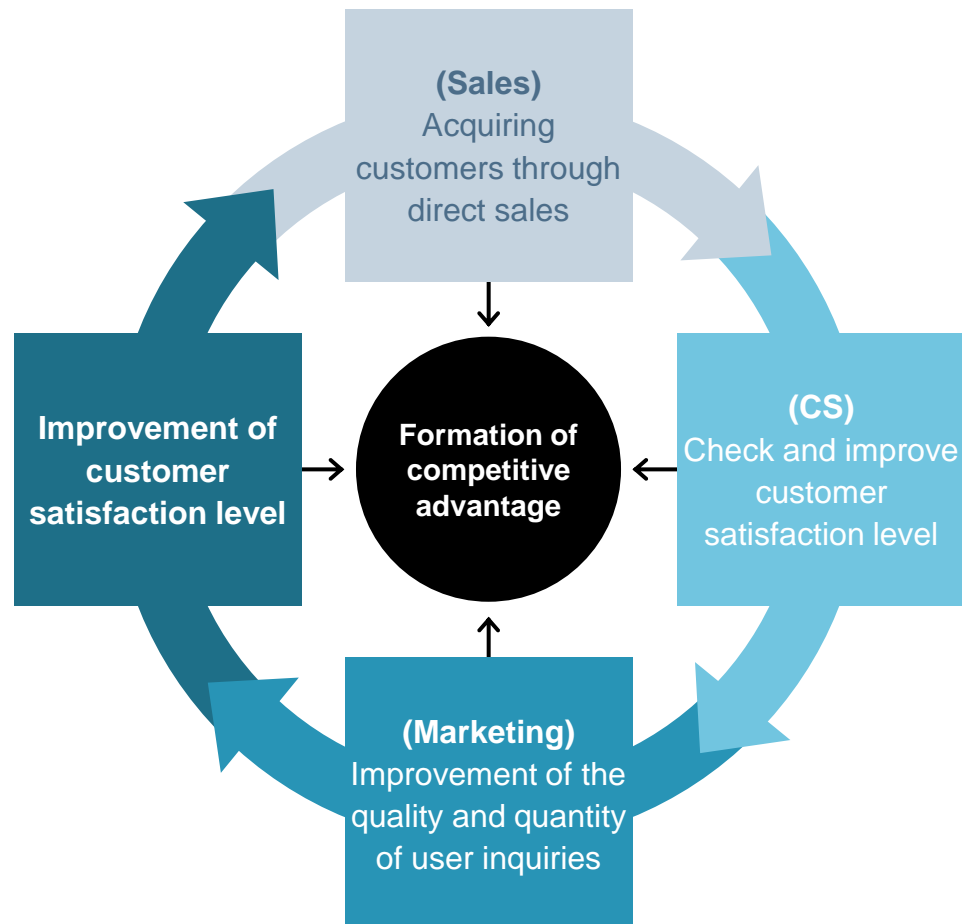
3 The number of paid registered attorneys of competitor A is stated.

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

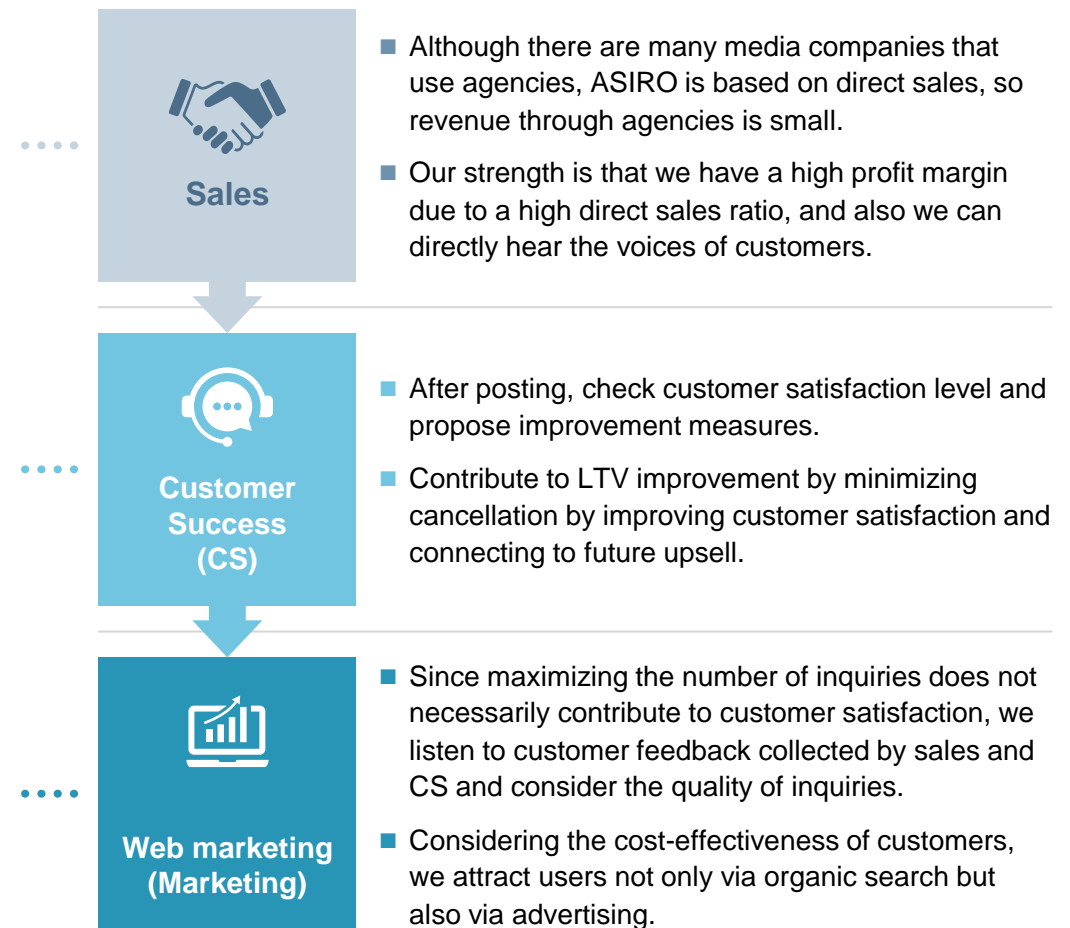
Competitive advantage

Utilizing high ARPU enables investment of adequate funds in service operating costs and advertising costs, leading to the formation of competitive advantage. A specific example is the creation of the following value chain, steadily growing revenue by proceeding with improvement of customer satisfaction and reduction of churn.

Schematic diagram of roles for each value chain



Value chain



Section 03

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 and Insurance
(Recurring revenue business)

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

3 **Uniqueness** of distributed business portfolio

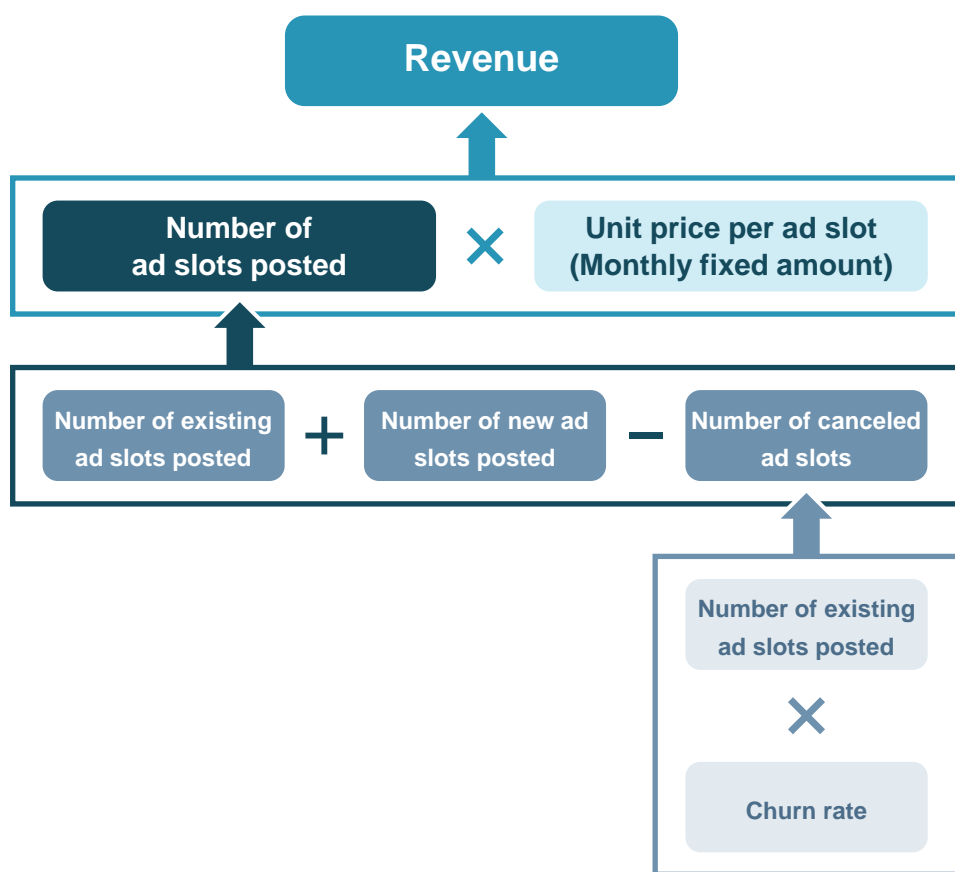
4 Achievements in Market-oriented **business development**

5 **High profitability** represented by disciplined operation

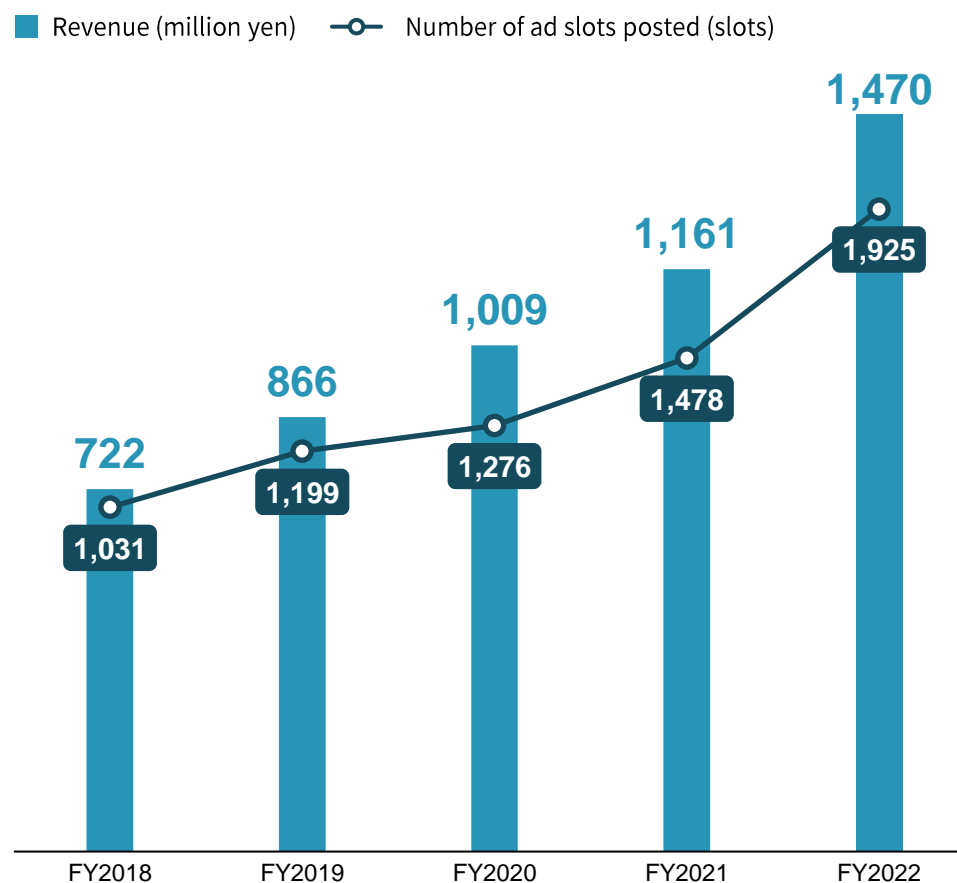
1 Stability of Legal Media (Recurring revenue business)

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 steadily increased even during the COVID-19 pandemic and we expect stable growth going forward.

Revenue model (Legal Media)



Revenue/Number of ad slots posted¹ (Legal Media)

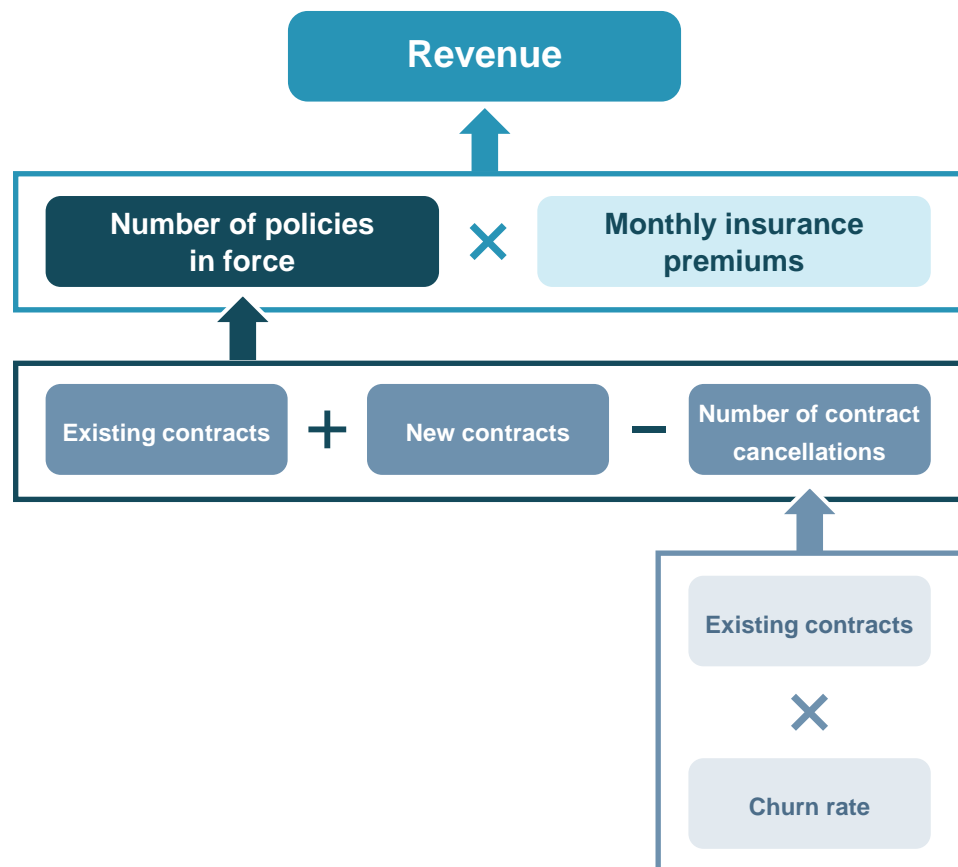


Note: 1 The number of ad slots posted is the total aggregated number of posted paid advertisements, and if the same customer places to multiple paid advertisement slots, those are counted as multiple slots. Although Legal Media does accept free posts, the number of ad slots posted does not include the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

1 Stability of Insurance (Recurring revenue business)

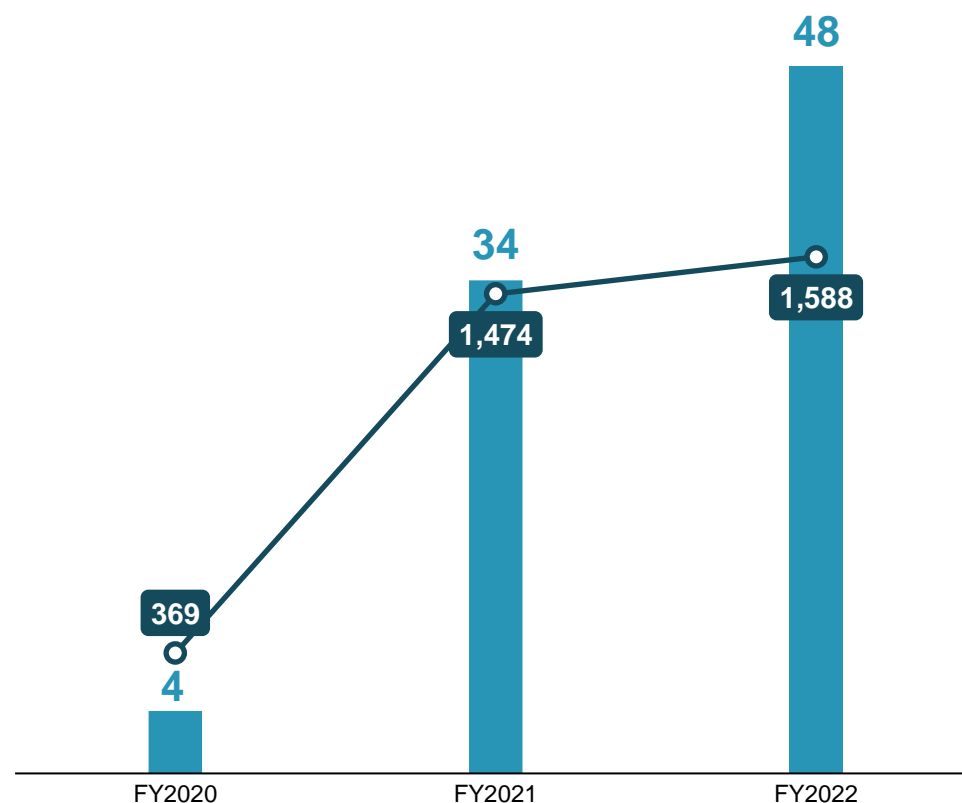
The insurance business is a recurring revenue business models in which revenue grows in proportion to the number of policies in force. The insurance product was revised in March 2022, and growth of the number of policies in force slowed due to intentionally weakened marketing for approximately six months around this time. However, the number of policies in force will be increased by transferring our marketing know-how and strengthening sales structure.

Revenue model (Insurance)



Revenue / Number of policies in force¹ (Insurance)

■ Revenue (million yen) —○— Number of policies in force

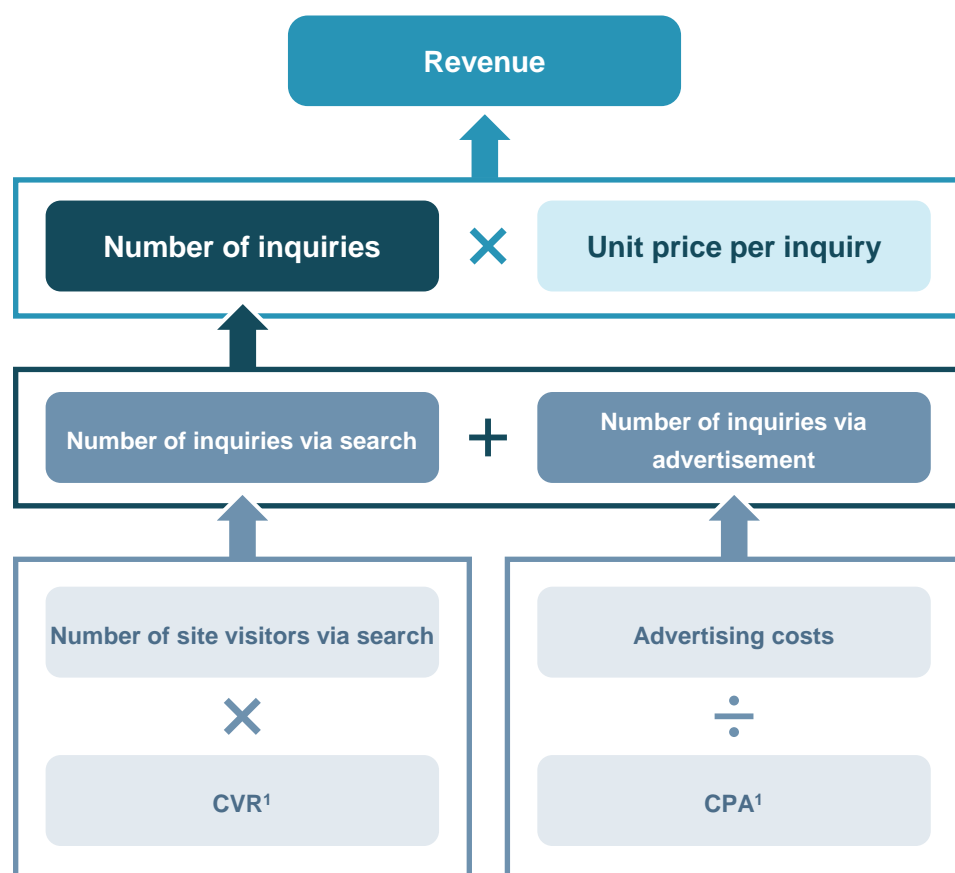


Note: 1 Asiro Small Amount and Short Term Insurance Co., Ltd., a consolidated subsidiary that operates insurance business in the Group, has a fiscal year end of March, but the figures are aggregated according to the Company's fiscal year end. The company started the insurance business in April 2020, and figures for the fiscal year ending October 2020 are from April to October.

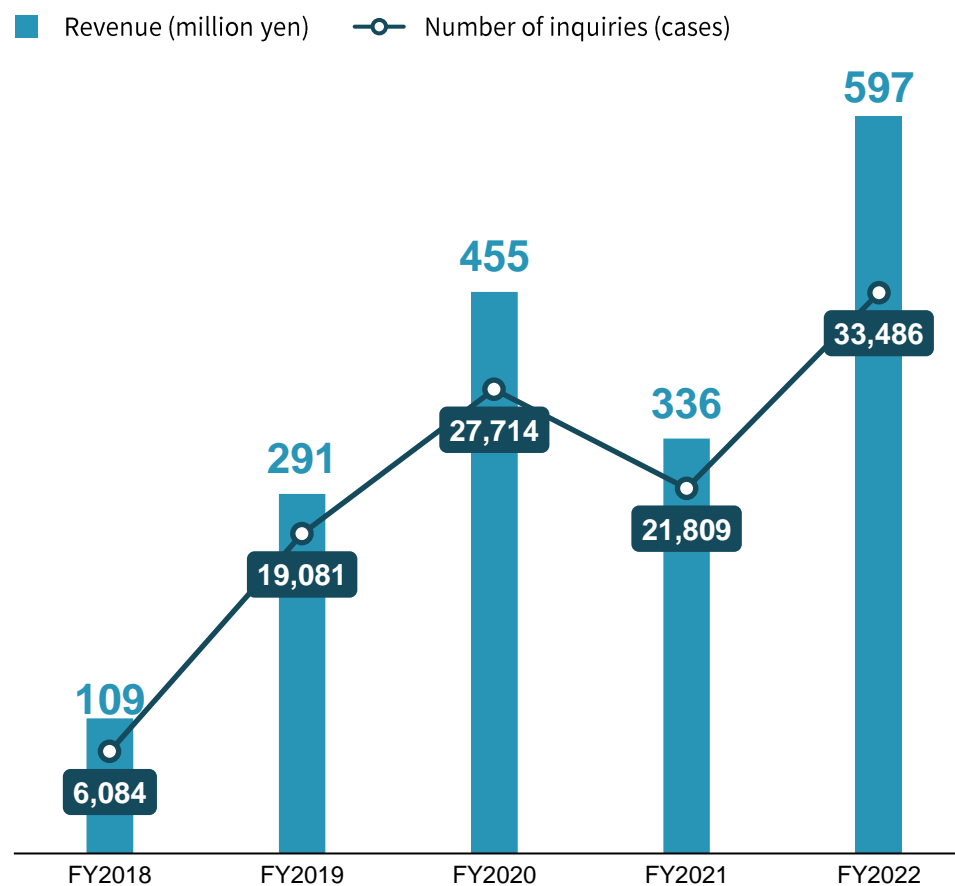
2 Growth potential of Other Media

Other Media is a performance-based business based on the number of inquiries. Although the business declined in FY2021 due to the negative impact of the pandemic, the business environment has recovered as the economy has normalized, and is currently growing significantly.

Revenue model (Other Media)



Revenue/Number of inquiries² (Other Media)



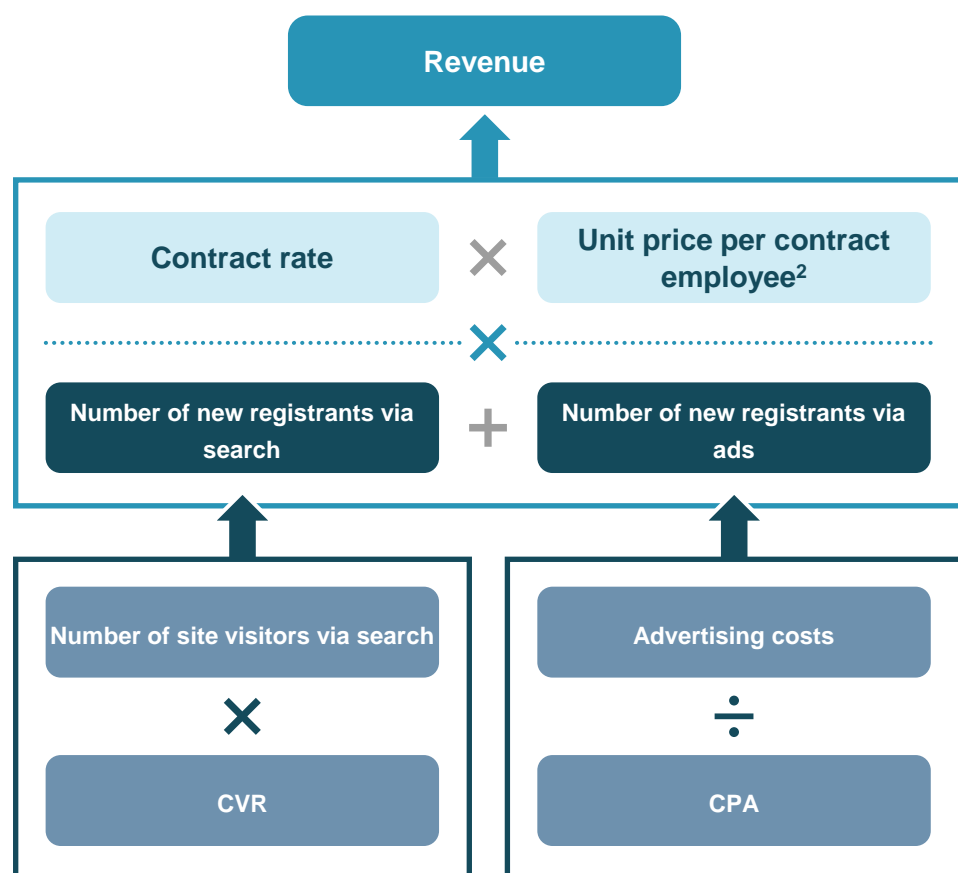
Notes: 1 CVR stands for "conversion rate," which is the number of inquiries divided by the number of site visitors. CPA is an abbreviation for Cost Per Acquisition, which is the inquiries acquisition cost by dividing advertising costs by the number of inquiries.

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

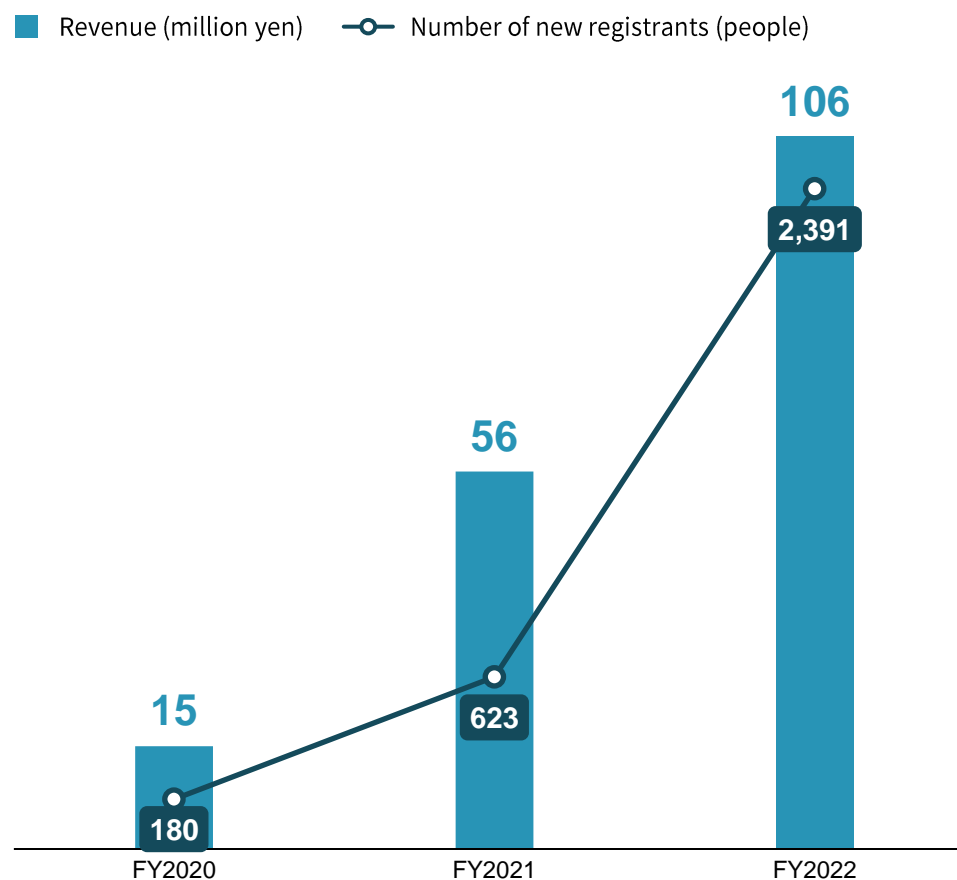
2 Growth potential of HR

The HR business is a performance-based business based on the number of new hires (number of new registrants¹ x contract rate). In addition to the referral of attorneys to law firms, we also referral of professional and back-office personnel to general companies and the number of new registrants who are job seekers increase significantly.

Revenue model (HR)



Revenue/Number of new registrants (HR)



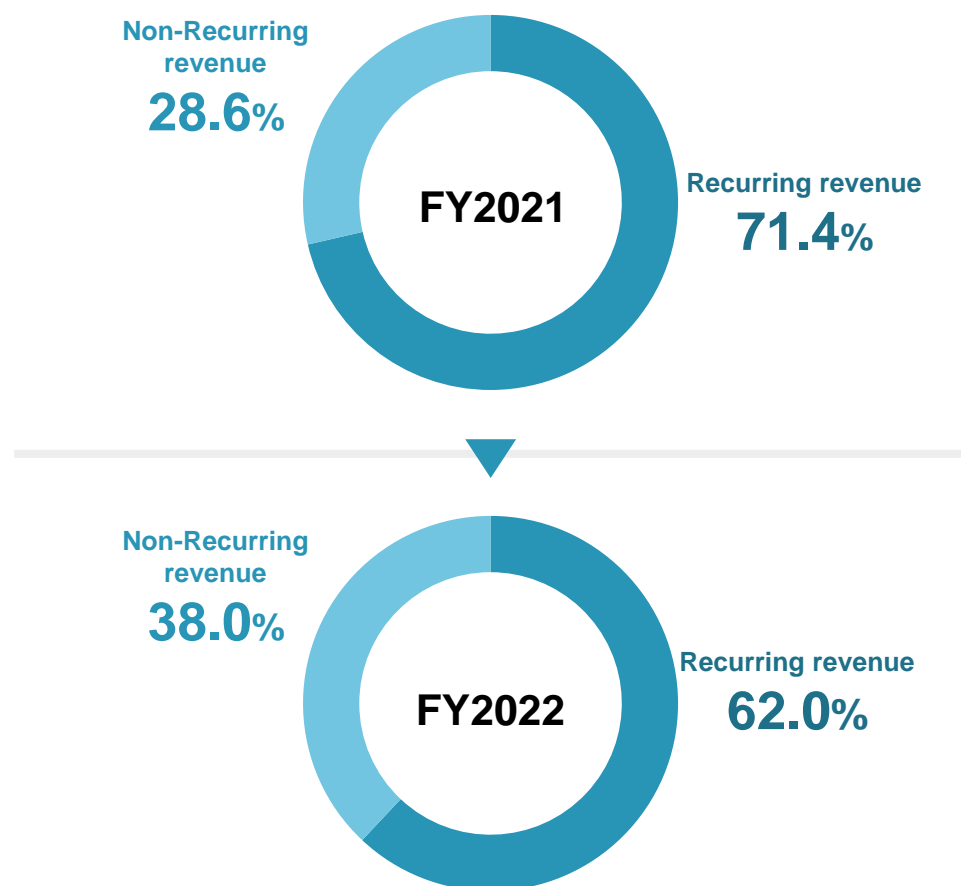
Notes: 1 Refers to the number of new registrations for the recruitment service from job seekers.

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

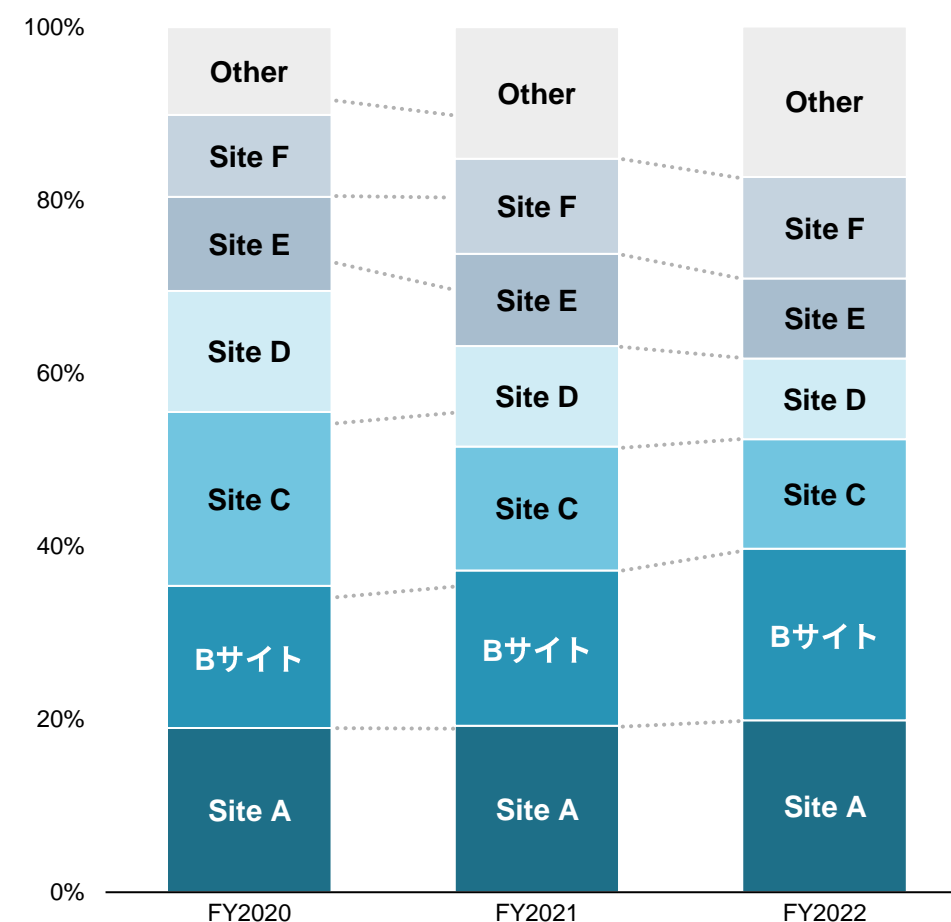
3 Uniqueness of distributed business portfolio

Revenue from Legal Media and Insurance business is mainly recurring revenue, and revenue from Other Media and HR is non-recurring revenue, with recurring revenue accounting for 60% of the company's overall revenue. In addition, Legal Media, which has the highest revenue and source of recurring revenue, is composed of vertical sites for each field, and sales are distributed without major concentrations in specific fields.

Revenue composition ratio



Legal Media revenue composition by site



4 Achievements in market-oriented business development

We have been developing businesses by combining management resources in areas where users and customers have needs, and have launched Other Media and HR businesses, and acquired a small amount short-term insurance company for attorney's fees insurance. We are steadily expanding our business, including the start of the insurance business.

Launch of Other Media

Development of career change media

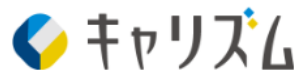
Needs

Some users of Attorney Search for Labor Issues need to change jobs



Management Resources

Marketing know-how cultivated through media management



Development of extra-marital affairs investigation media

Needs

Some users of Attorney Search for Divorce have a need for extramarital affairs investigation



Management Resources

Marketing know-how cultivated through media management



Launch of HR

Establishment of a HR business

Needs

Law firms aiming to expand by placing advertisements, etc. have active recruitment needs



Needs Management Resources

Marketing know-how + know-how for attracting job seekers through career change media



Acquisition of a small-amount short-term insurance company that handles attorneys' fees insurance

Acquisition of small-amount short-term insurance company

Needs

Both users and attorneys need intervention on fee insurance



Management Resources

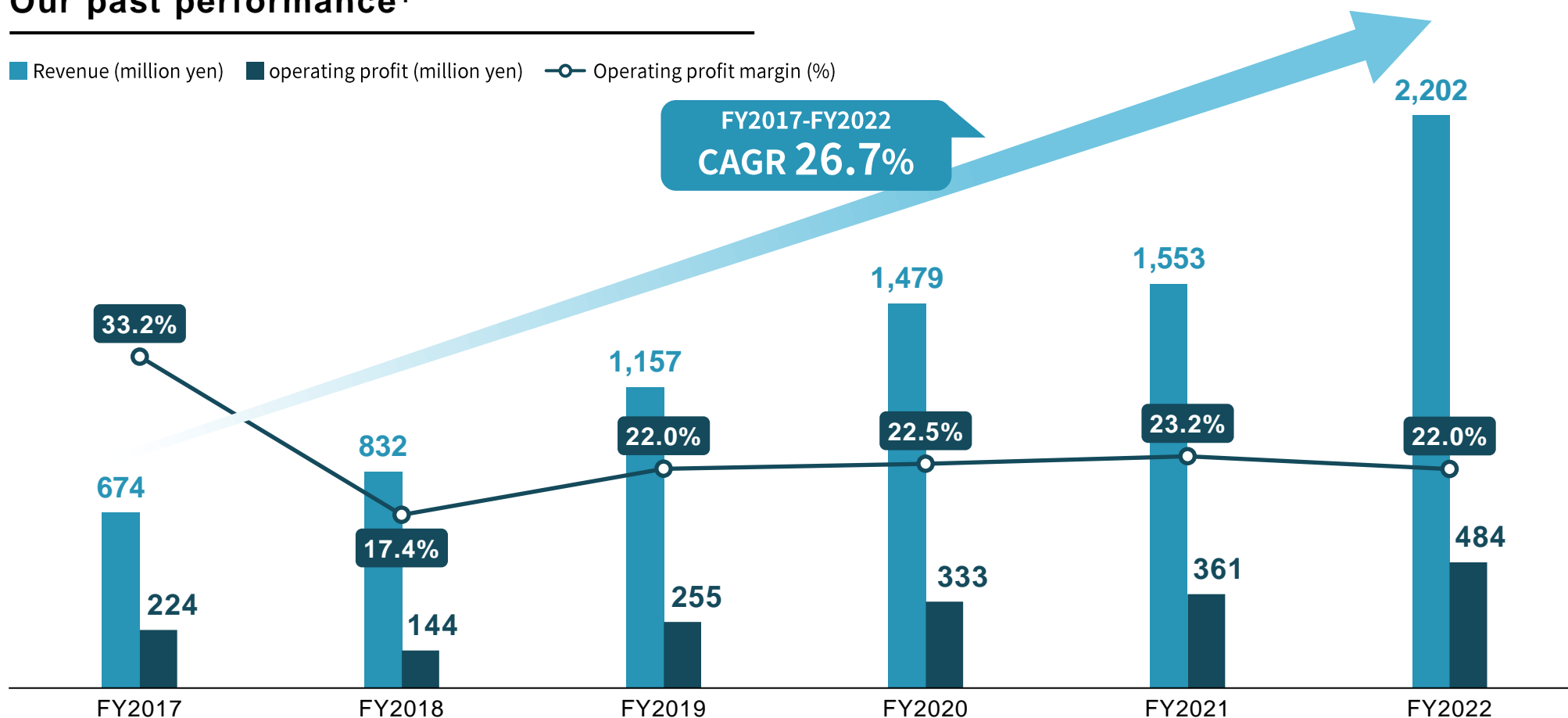
Ability to attract users who are interested in legal issues



5 High profitability represented by disciplined operation

Although the sales growth rate has temporarily slowed down due to the COVID-19 pandemic, we have achieved a sales growth rate of nearly 30% in the long term. Since we are conducting disciplined income and expenditure management, maintain an operating profit margin of around 20%.

Our past performance¹



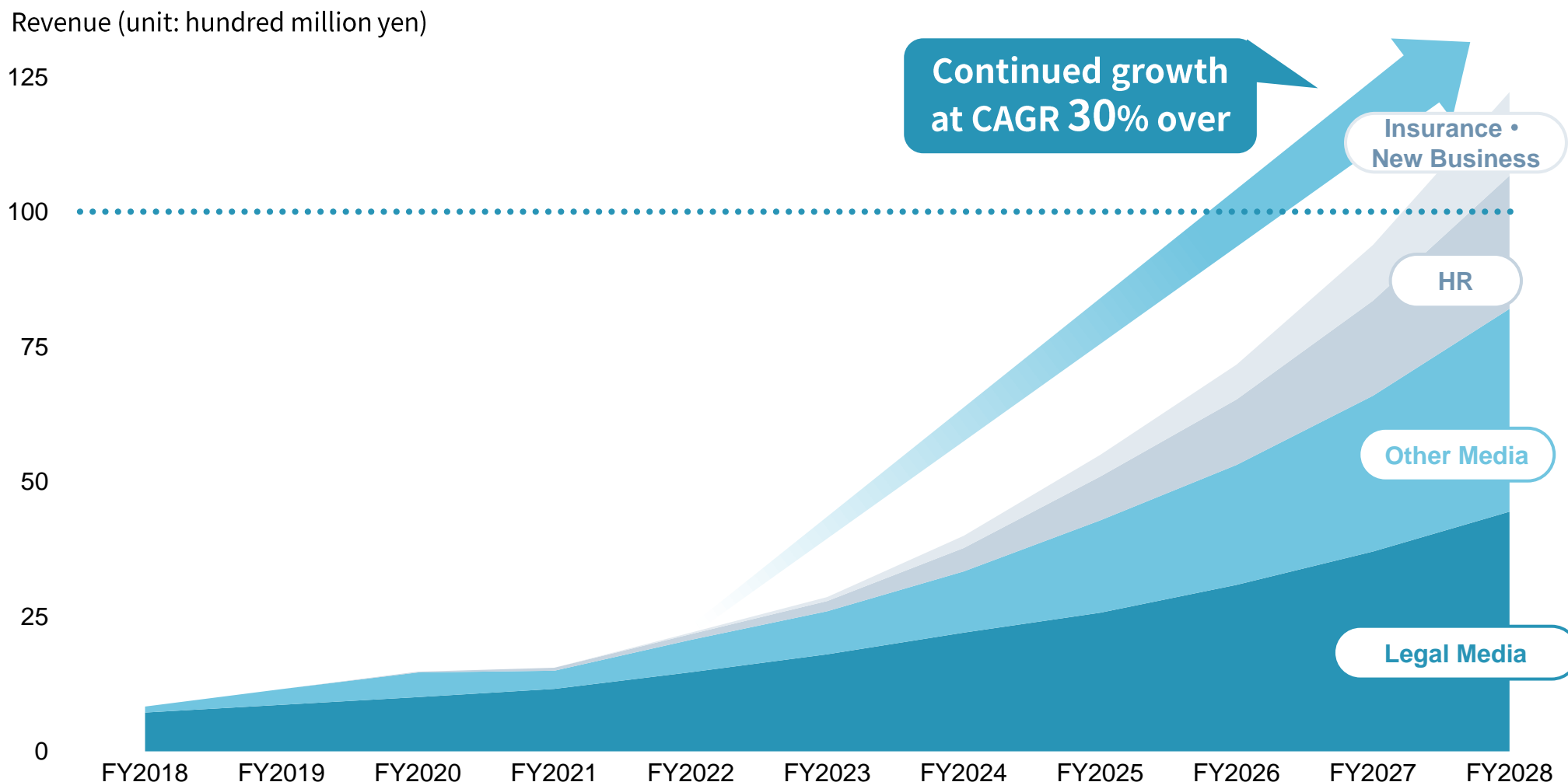
Note: 1 For the FY2018 and earlier, business results in compliance with Japanese GAAP (however, in order to adjust the impact of goodwill amortization due to the absorption-type merger with the former ASIRO, Inc., for the FY2018 and earlier, operating profit was adjusted with 142 million yen in goodwill 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 FY2019 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 04

Medium-term Management Plan

Reference: Long-Term Management Objectives

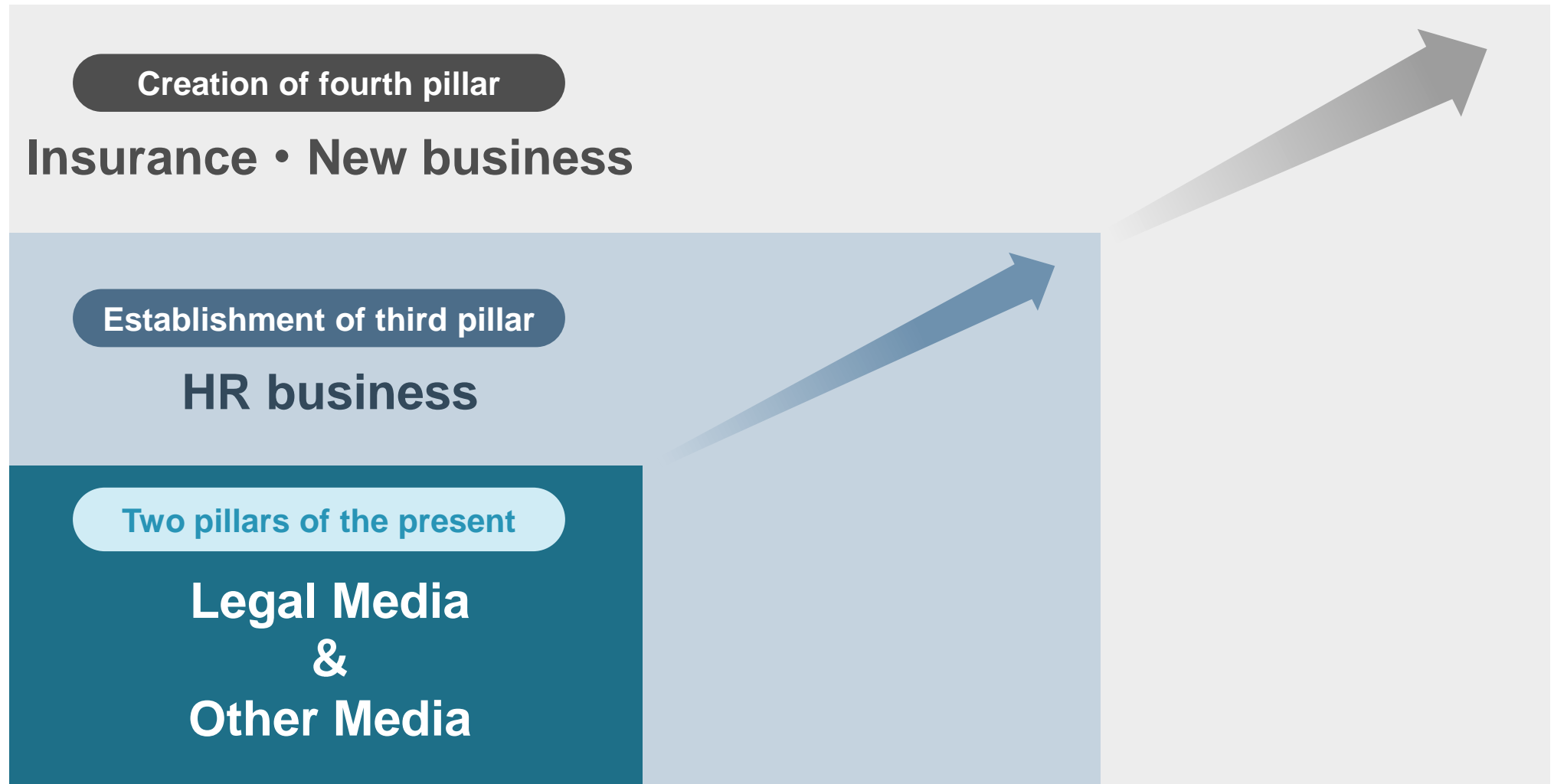
We aim to reach 10 billion yen in revenue as quickly as possible by continuing 30% growth. To achieve this goal, we will aggressively invest in the FY2023 & FY2024, and we will make FY2025 a profit generation period.



Note: 1 Includes the possibility of new business development through M&A

Direction in Medium-term Management Plan①

In order to achieve the management targets described on the previous page, this medium-term management plan aims to establish the HR business as the third pillar and to create insurance and new businesses to become the fourth pillar.



Direction in Medium-term Management Plan②

We will not be a company that concentrates on the legal field, but rather a business creation company that utilize marketing as a source of competitiveness in order to continue to expand into larger markets and grow permanently.



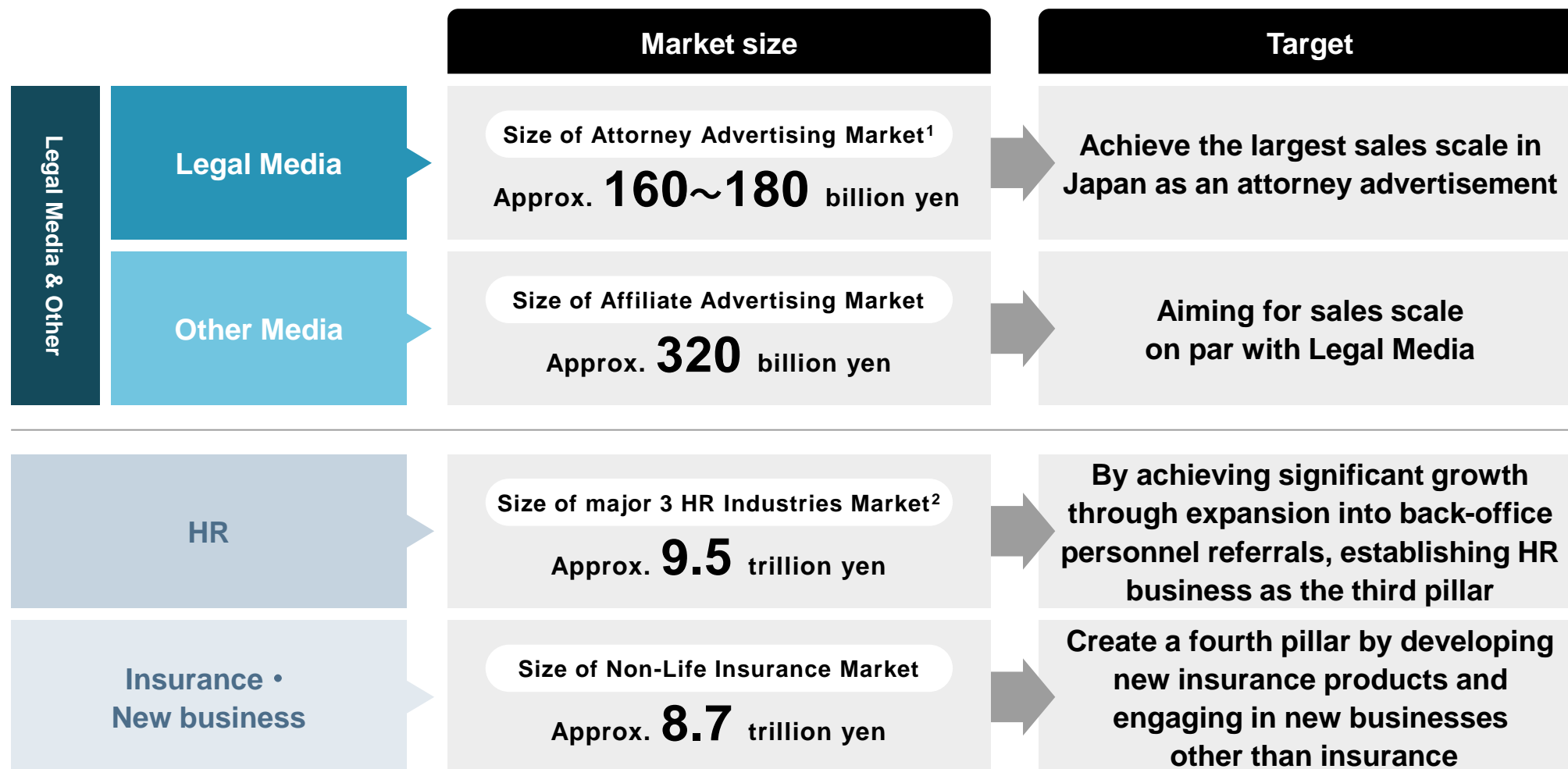
**Business Creation
Company that utilize
marketing as a source of
competitiveness**



**Company that
concentrates on the
legal field**

Target of each business in Medium-term Management Plan

During the period of the medium-term plan, we will aim for the largest sales scale in Japan for Legal Media, significantly raise the scale of the HR business and establish it as the third pillar, and create a business that can become the fourth pillar.



Note 1: The percentage of the attorney's fee market that can be invested in advertising is calculated as 20%.

Note 2: Refers to temporary staffing business, recruitment business and re-employment support business.

Source: ASIRO Inc., Yano Research Institute Ltd. 「Affiliate Market Trends and Outlook 2022」 「Current Status and Outlook of HR Business 2022」 ,
The General Insurance Association of Japan. 「Factbook 2021」

Numerical targets in Medium-term Management Plan①

By continuing annual revenue growth of over 30%, we aim to reach revenue of ¥5.5 billion or more and operating profit of ¥1.1 billion or more in FY2025 which is the final year of the medium-term management plan and is positioned as a profit generation period.

1

**Annual revenue
growth rate**

30%
or more

2

**Revenue in
FY2025**
(Profit generation period)

5.5 billion yen
or more

3

**Operating profit in
FY2025**
(Profit generation period)

1.1 billion yen
or more

〔 Reference 〕 Paid stock options issued in July 2022

Officers and employees have paid approximately 1.4 million yen (2,030 stock options x 700 yen) to the Company for the issuance of paid SOs. Officers and employees are committed to achieving the exercise condition.

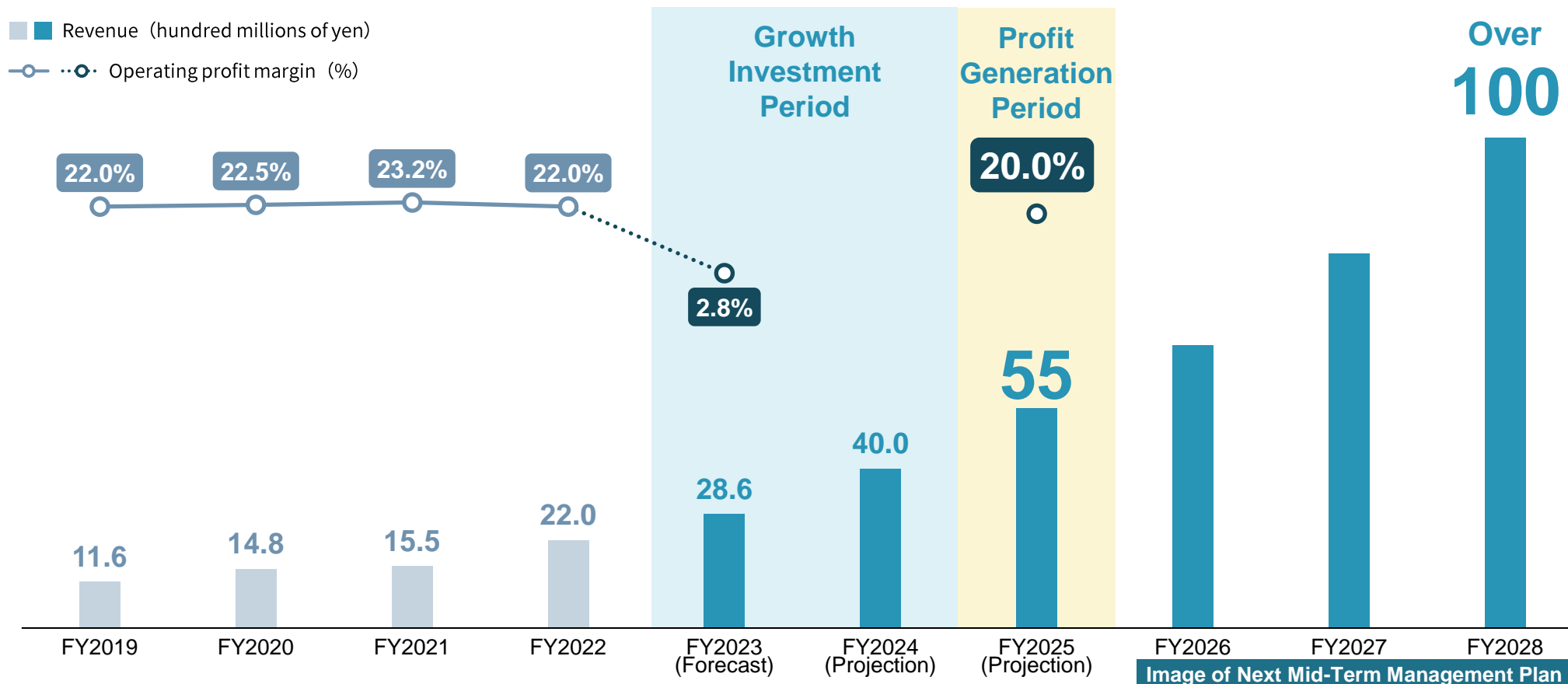
Overview of Paid Stock Options Issued in July 2022

Number of Stock Options	2,030 (The dilutive effect on the total number of shares outstanding after deduction of treasury stock is 2.66%)
Recipients of allotment of stock options	2 directors : 240 options 2 executive officers : 350 options 24 employees : 1,440 options
Issue price per stock option	¥700
Exercise price per stock option	¥959
Main conditions for exercising stock options	The stock options may only be exercised if revenue exceeds ¥5.5 billion and operating profit exceeds ¥1.1 billion in the FY2025 or FY2026.

Numerical targets in Medium-term Management Plan②

As indicated by past results, an operating profit margin of over 20% can be generated, so we will actively invest ample profits in growth while maintaining figure in the black for two years, with the aim of achieving revenue of ¥5.5 billion and operating profit of ¥1.1 billion in the FY2025 and by extension, achieve revenue of ¥10 billion yen as soon as possible.

Revenue • Operating profit margin¹

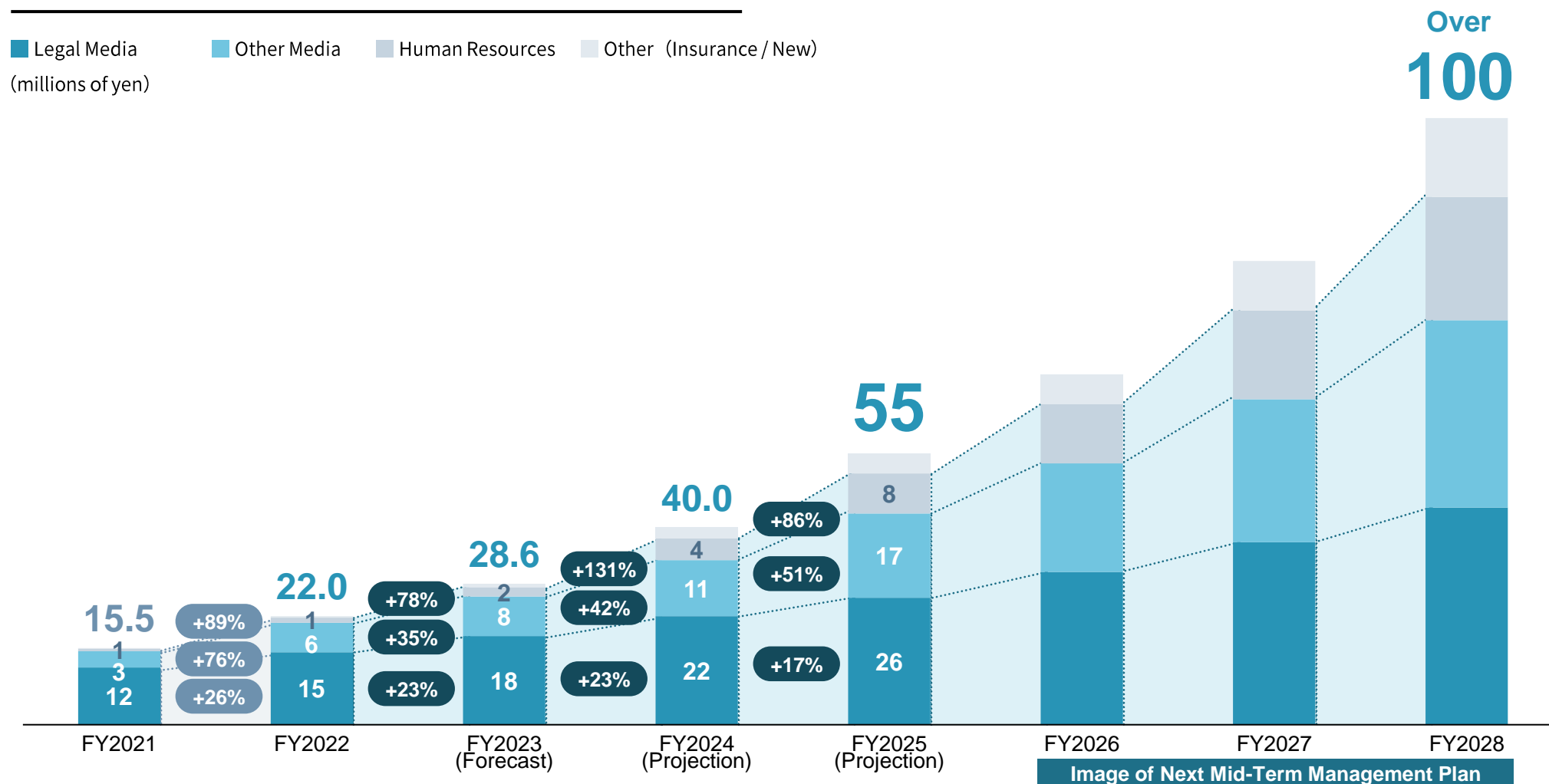


Note: 1 For the FY2018 and earlier, business results in compliance with Japanese GAAP (however, in order to adjust the impact of goodwill amortization due to the absorption-type merger with the former ASIRO Inc., for the FY 2018 and earlier, operating profit was adjusted with 142 million yen in goodwill amortization expenses added back) 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 FY2019 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.

Numerical targets in Medium-term Management Plan③

Due to the greatest emphasis being placed on customer satisfaction in Legal Media, we aim stable growth of around 20% and we plan to continue high growth as in the previous fiscal year particularly in HR. The growth rate is forecast to increase after FY2024 due to strengthening investment in growth in FY2023.

Revenue by business



Basic strategies of Medium-term Management Plan

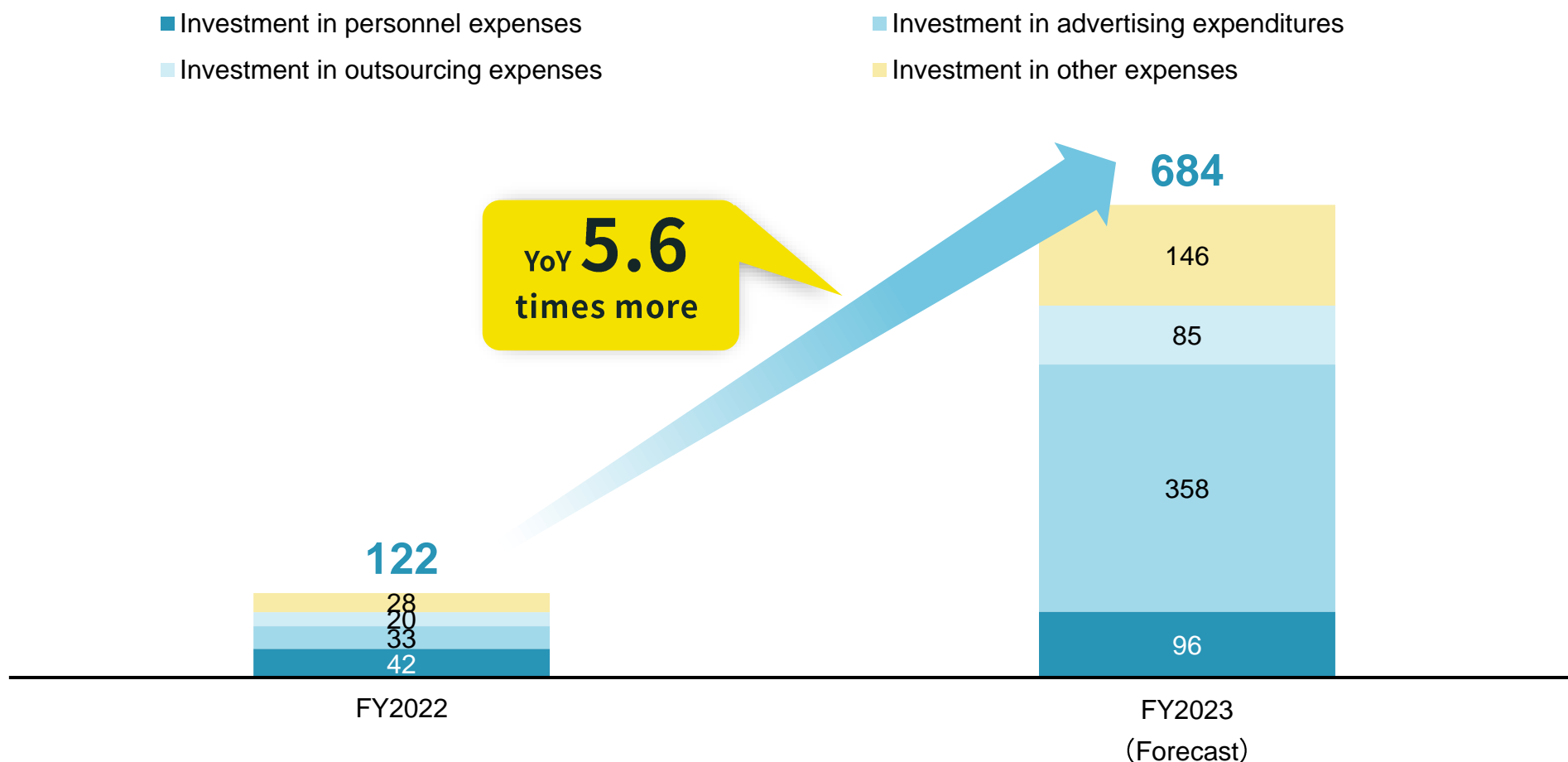
By promoting growth strategies and risk mitigation strategies in parallel in each business, we will achieve stable business growth and increase enterprise value.

	Growth Strategies	Risk Mitigation Strategies
Legal Media	<ul style="list-style-type: none"> Continue stable growth of about 20% per annum by developing new customers and reducing churn rate by strengthening the CS structure. 	<ul style="list-style-type: none"> Raise recognition of the new "Ben-Navi" brand and reduce the risk of Google algorithm update.
Other Media	<ul style="list-style-type: none"> Increase the number of inquiries by utilizing new advertising methods in the career change media "Carism". Expand the definition of Other Media to "derivative fields utilizing existing know-how" and promote new business development. 	<ul style="list-style-type: none"> Increase sales and diversify the risk of market deterioration for specific occupations by expanding the number of occupations referred to by the "Carism".
HR	<ul style="list-style-type: none"> Given the large increase in the number of new registrations, we aim to achieve significant sales growth by raising the contract rate through strengthening the staffing of consultants. 	<ul style="list-style-type: none"> Reduce the risk of dependence on manpower by developing direct recruiting services as well as placement services.
Insurance	<ul style="list-style-type: none"> Promote branding in collaboration with Legal Media to improve recognition of products and markets. 	<ul style="list-style-type: none"> As only one product (to C legal fees insurance) is handled, develop new insurance products to accelerate sales growth and diversify product risks.

Planned investment amount for FY2023

We plan to invest 5.6 times more in the FY2023 compared to the amount invested in the FY2022. In terms of the breakdown of the investment amount, we plan to promote brand recognition measures on the next page for medium- to long-term stable growth, so the amount of investment in advertising will be the largest.

Planned investment amount (millions of yen)



Branding in Legal Media “BenNavi”

Due to the lack of a common brand across sites in Legal Media and the low recognition of service names, a decision was made to form the BenNavi brand and take steps to increase the level of recognition. The names of sites will be changed to those starting with the new brand name after April(e.g. “BenNavi Divorce”).



Brand logo concept

It is a mark that combines the attorney's badge and an owl symbolizing wisdom.
The radiating design represents that the law is on the user's side by this service
And wish to illuminate each person's daily life.

“BenNavi” Brand Statement

The law is for everyone.

It is something we take for granted, but can we really take it for granted?

The law works for people who know more about it or have an attorney to consult.

Unfortunately, that is the reality we live in.

Here at BenNavi, we want to change that reality:

by providing legal services that people can rely on when in trouble or in case of something arising,

and by supporting the creation of an environment in which attorneys can fully exhibit their skills.

Even if trouble cannot be fully eliminated, it is possible to reduce concerns to almost zero.

Law provides the foundation for all kinds of happiness like this.

That is why we are here.



法律を味方にしよう。

ベンナビ

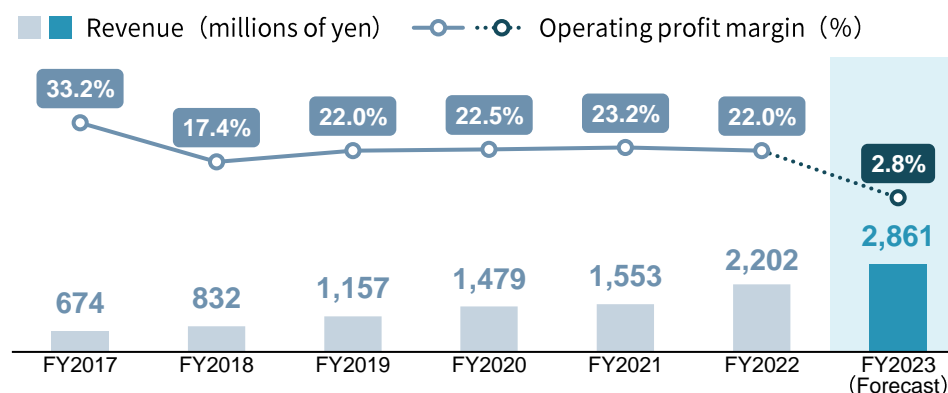
Policy on shareholder returns for FY2023

Although we anticipate a decline in operating profit, this does not mean that profitability has deteriorated, and that this is due to investments aimed at maximizing revenue and profits over the medium to long term. Based on our financial soundness, we plan to pay a dividend of 13.61 yen per share (up 9.3% from the previous year).

View of Shareholder Return Policy for FY2023

- Although we can generate an operating profit margin of over 20%, as we have done in the past, we plan to make investments to increase the growth rate, so we expect a temporary decrease in the operating profit margin.
- It is not that the profitability of our business has deteriorated, but that it is a decision to maximize revenue and profits over the medium to long term. Based on our financial soundness, we plan to pay dividends based on a profit margin of 20%.
- Specifically, by multiplying the revenue forecast for next fiscal year by the operating profit margin guideline of 20%, assumed operating profit is calculated to be ¥572 million. We calculate dividend per share by applying the assumed effective tax rate of 39%¹ and the payout ratio of 30% to calculate total dividends and dividing this by the total number of shares issued.
- As a result of the above calculation, we plan for dividend per share to be ¥13.61 in FY2023 (9.3% increase YoY).

Report Performance and Targets Each Fiscal Year



Financial soundness (FY2022)

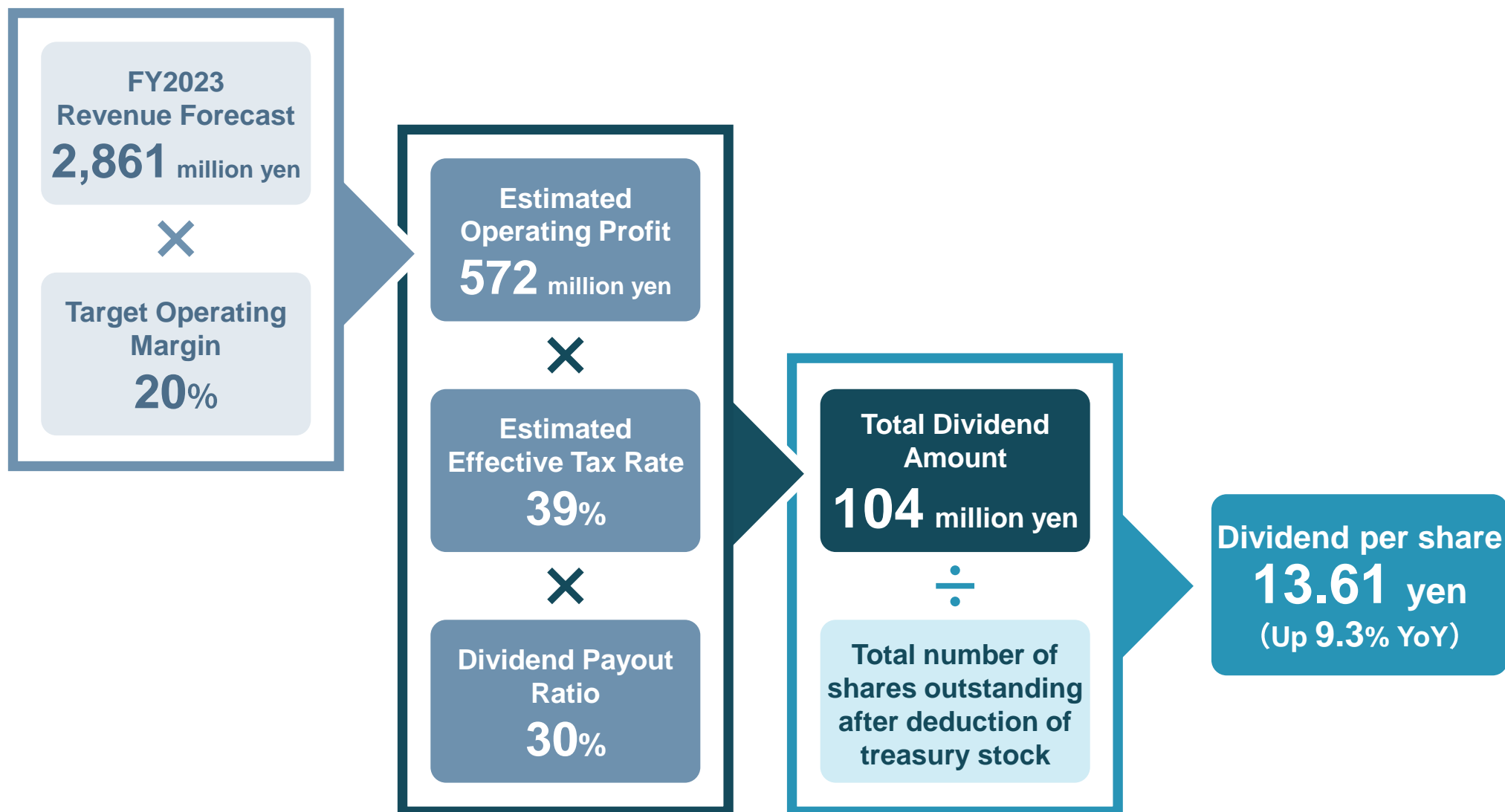
P L	Profit attributable to owners of parent 344 million yen
B S	Net cash 1.3 billion yen / Capital adequacy ratio 65.3%
C F	CF from operating activities 511 million yen / FCF 243 million yen

Note: 1 The assumed effective tax rate on a consolidated basis is assumed to be higher than usual because ASIRO Small Amount and Short Term Insurance, which is a consolidated subsidiary does not hold a 100% stake, is expected to make a loss.

2 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) 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.

FY2023 Dividend Forecast

Based on the following formula, which is based on the concept described on the previous page, we plan to pay a dividend of 13.61 yen per share for the FY2023 (an increase of 9.3% over the previous fiscal year).



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 report.

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	We are focusing on attracting customers via advertising such as placing listing advertisements, etc., and will also unify service names of Legal Media to BenNavi in future, implementing brand recognition measures to attract customers through specified searches in order to further diversify risk.
Spread of Covid-19 infections	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 HR business, etc. to strengthen profitability and diversify revenue sources.

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(December) are announced.