



FY2023 (Ending October 31, 2023)

First Quarter (Q1)

Material for Quarterly Financial Results Briefing

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Section 01

Corporate Overview

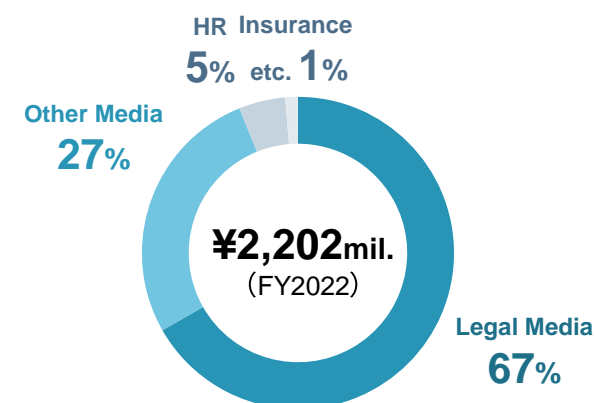
Services

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.

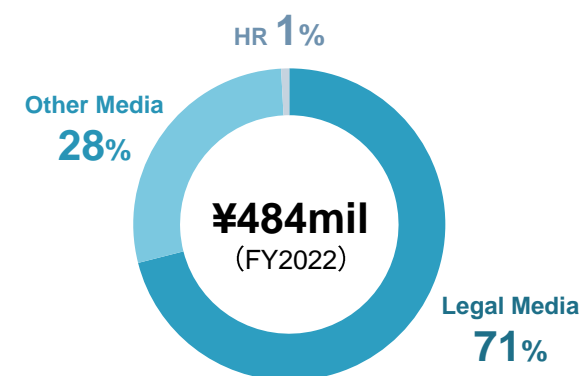
Business category

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

Revenue Composition



Operating Profit Composition²

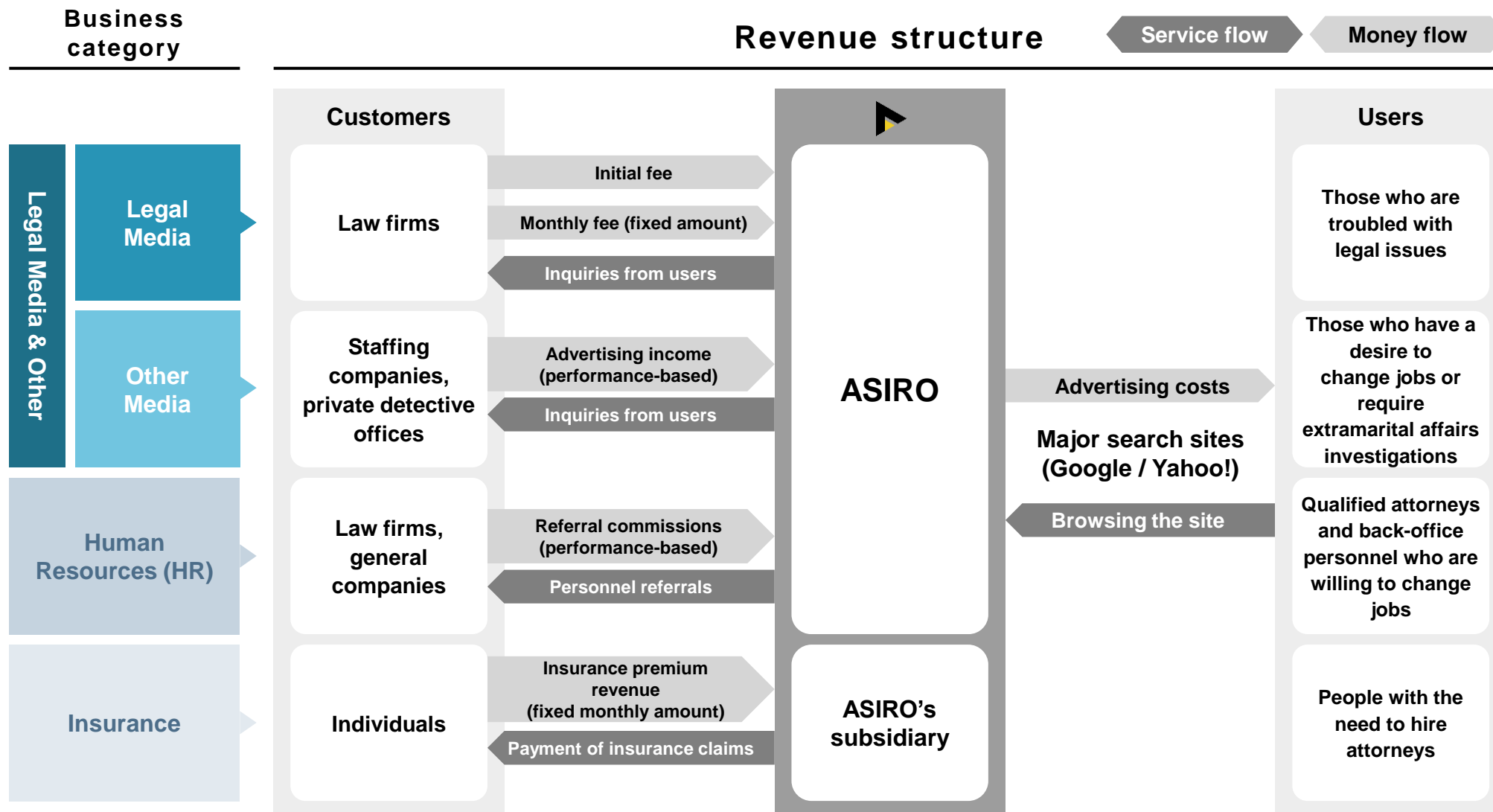


Note: 1 The Company acquired additional shares in ASIRO SSI Inc. (formerly Kailas Small Amount and Short Term Insurance) on April 28, 2022, making it a consolidated subsidiary. Inclusion in PL is mainly from Q3.

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.



Section 02

Financial Results Summary

Summary of Results for FY2023 Q1 (Nov. 22-Jan. 23)

Sales grew at a rate of over 40% YoY, growing steadily above the target of 30%. Operating profit decreased YoY due to this fiscal year being positioned as a “growth investment period” with the aim of achieving 10 billion yen in revenue as quickly as possible, but profit was higher than budgeted since sales exceeded the budget while costs were in line with the budget.

(unit: million yen)	FY2023 Q1	FY2022 Q1	YoY	FY2022 Q4	QoQ
Revenue	687	485	41.5%	613	11.9%
Operating profit	79	143	-44.7%	63	25.1%
Operating profit margin (%)	11.5	29.5	-17.9pt	10.3	1.3pt
Profit attributable to owners of parent	45	97	-54.3%	61	-27.5%
Profit margin attributable to owners of parent (%)	6.5	20.1	-13.6pt	10.0	-3.5%
Employees*	60(9)	49(6)	22.4%	57(9)	5.3%

Note: 1 The number of temporary employees is the average number of employees during the accounting period (working hours converted to 8 hours per day), which is shown in parentheses.

YoY and QoQ growth rates do not include the number of temporary employees.

Summary of FY2023 Q1 by Business

Revenue of business overall increased YoY, with an overall growth rate exceeding 40%. Although investment is being made for medium-to long-term growth, the decrease in operating profit was limited to 44.6% YoY, with operating profit generated exceeding the budget for Q1. Investment for branding of Legal Media is planned from Q2 onwards.

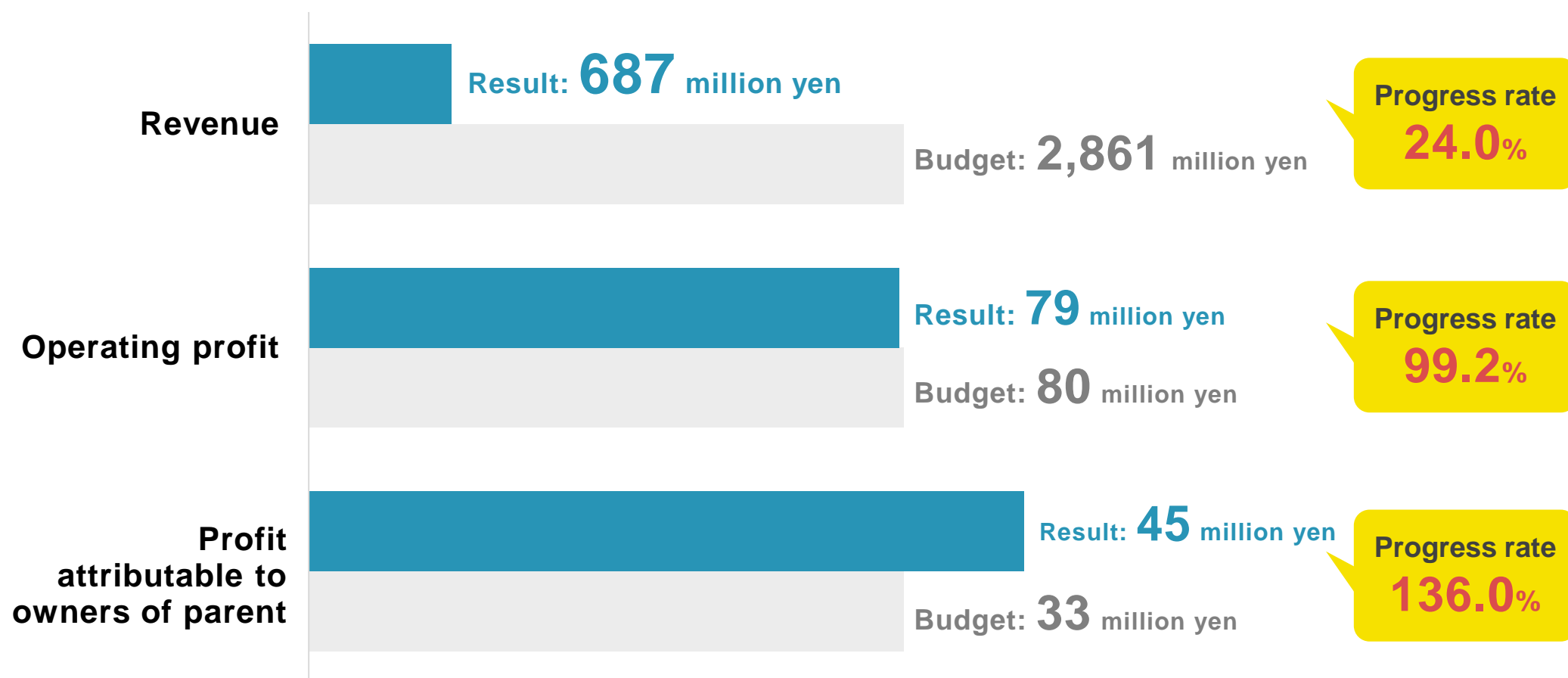
FY2023 Q1 Results	<p>Revenue increased by more than 40% YoY due to growth across all businesses. Although investment is being made for medium-to long-term growth, the decrease in operating profit was limited to 44.6% YoY partially due to the effect of increased revenue.</p> <p>Revenue: 687 million yen (41.5% increase YoY)</p> <p>Operating profit: 79 million yen (44.7% decrease YoY)</p>
Legal Media	<p>Achieved growth in sales in excess of 30% through increases in the number of ad slots posted and recurring revenue, and profit also grew.</p> <p>Revenue: 435 million yen (31.4% increase YoY)</p> <p>Operating profit: 176 million yen (17.6% increase YoY)</p>
Other Media	<p>Although revenue increased significantly, operating profit decreased due to investment for the launching new media.</p> <p>Revenue: 206 million yen (61.3% increase YoY)</p> <p>Operating profit: 51 million yen (20.7% decrease YoY)</p>
HR	<p>Revenue steadily grew. Operating profit decreased due to investment aimed at business growth.</p> <p>Revenue: 30 million yen (14.3% increase YoY)</p> <p>Operating profit: -24 million yen (36 million yen deterioration YoY)</p>
Insurance and Other¹	<p>Started including an insurance subsidiary in scope of P/L consolidation from Q3 of previous fiscal year. In the red at present due to being in the investment phase.</p> <p>Revenue: 15 million yen (15 million yen increase YoY)</p> <p>Operating profit: -33 million yen (33 million yen deterioration YoY)</p>
Company-wide	<p>Labor costs and other expenses (office rent, etc.) increased due to the expansion of business.</p> <p>Operating profit: -91 million yen (17 million yen deterioration YoY)</p>

Note: 1 Figures for the Insurance business and other divisions.

FY2023 Q1 Results vs Full-year Targets

Revenue in 1Q exceeded the budget, and since our main business is recurring revenue, we are making good progress toward achieving the full-year budget. As sales exceeded the budget and costs were in line with the budget, we almost achieved the full-year budget in terms of profit.

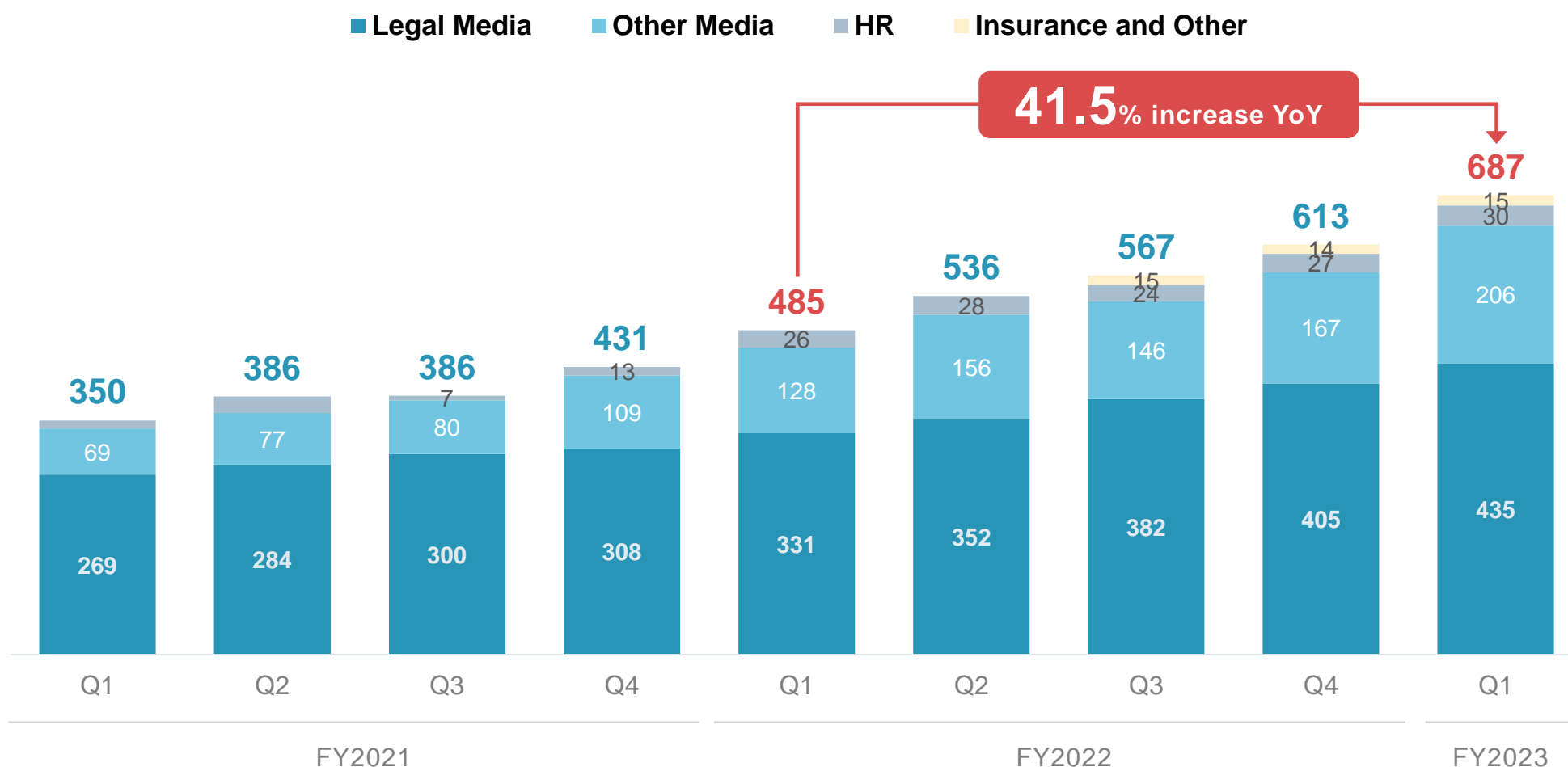
Q1 Results and Full-year Target Progress Rates



Revenue (Quarterly Changes by Business Area)

In addition to sustained growth of Legal Media, Other Media grew significantly, and both businesses and Human Resources achieving record quarterly revenue resulted in posting record overall revenue for the sixth consecutive quarter, increasing 41.5% YoY.

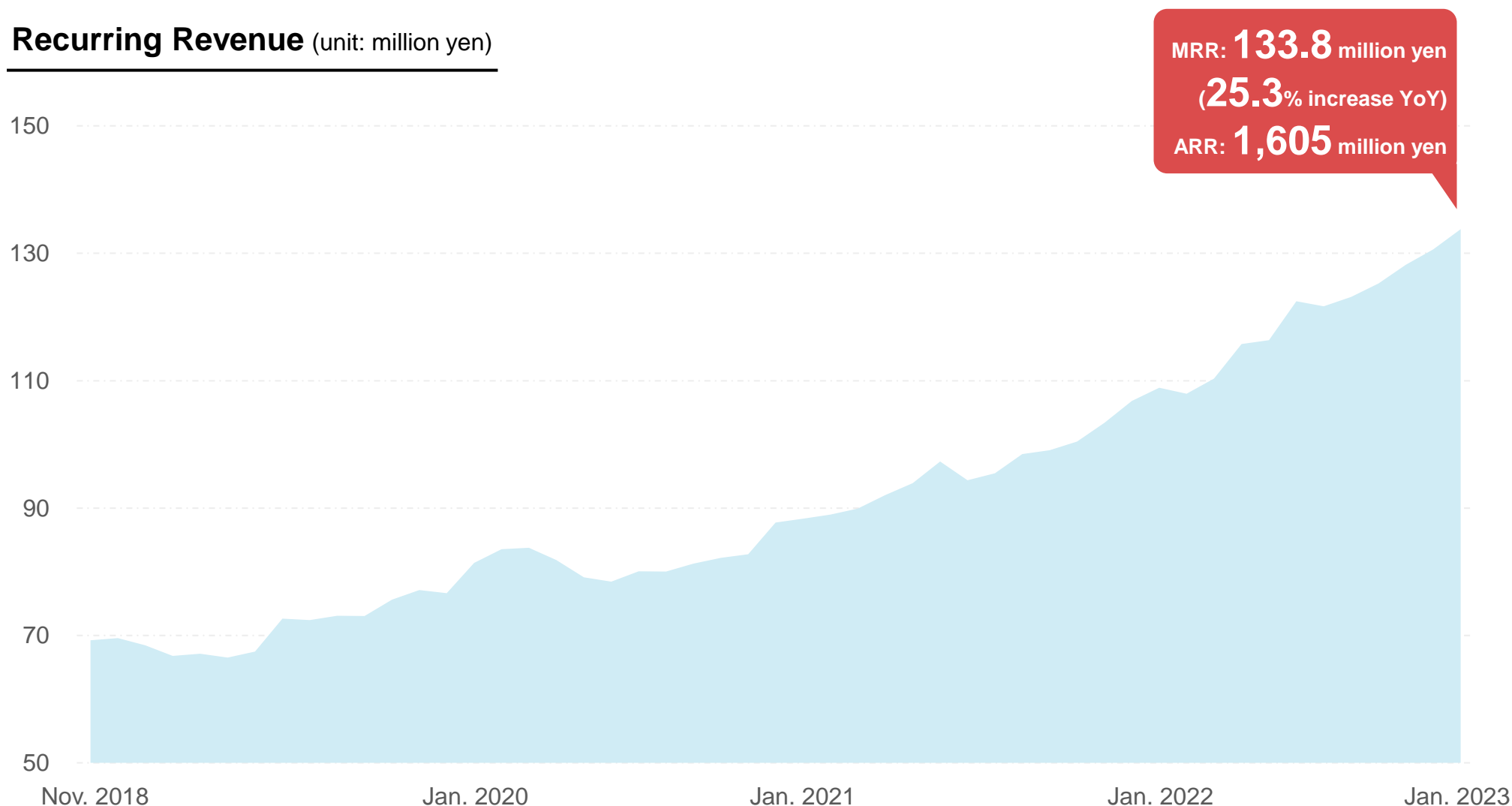
Revenue by Business Area (unit: million yen)



Reference: Recurring Revenue (Monthly Changes)

MRR for the recurring revenue for January 2023 (monthly fee income for Legal Media and insurance premium revenue of Insurance segment) grew steadily with a 25.3% increase YoY, and ARR reached 1,600 million yen.

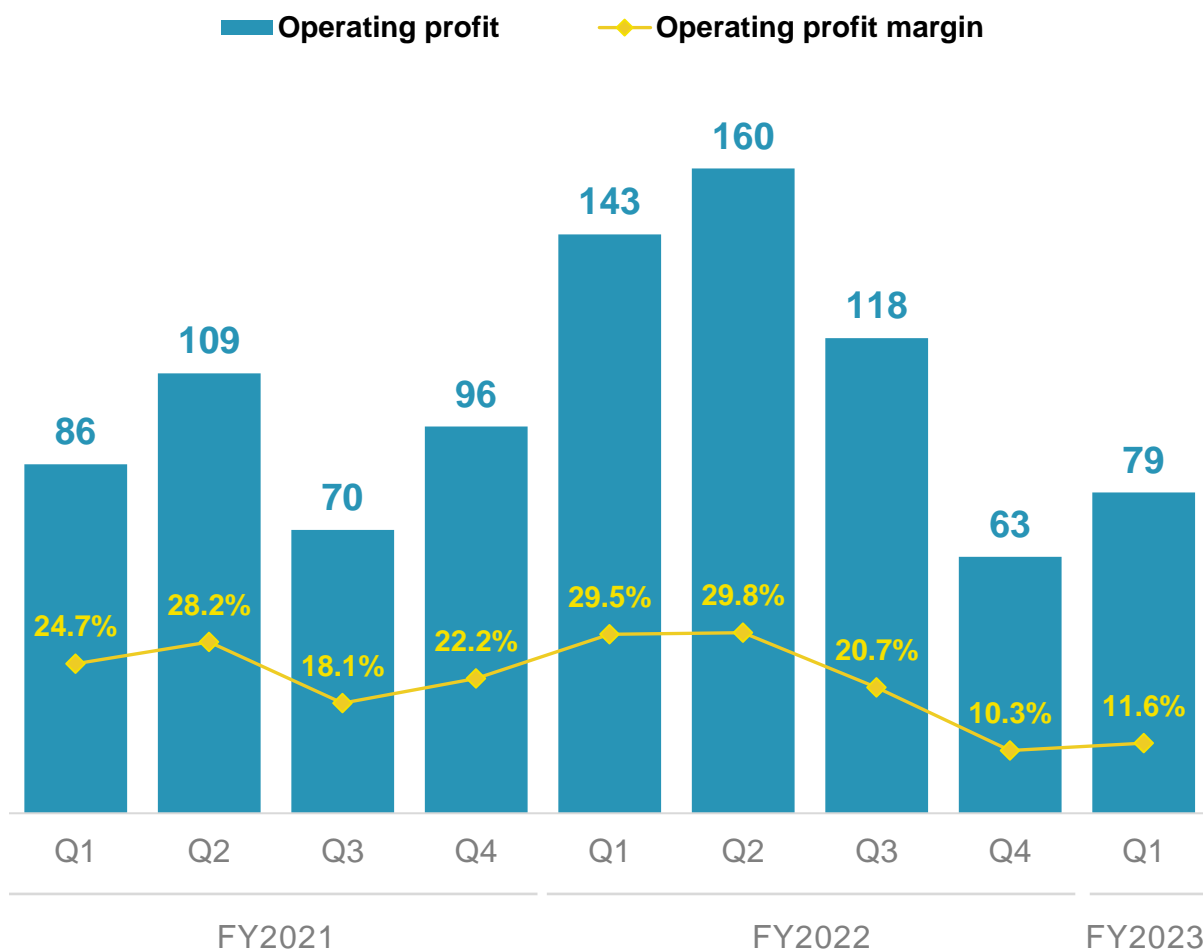
Recurring Revenue (unit: million yen)



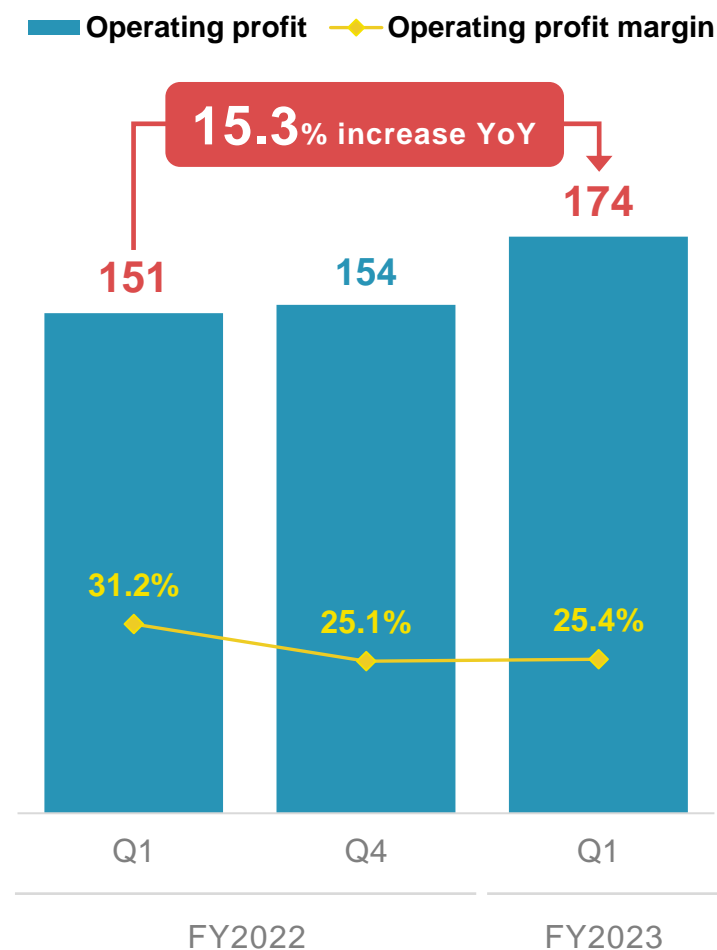
Operating Profit (Quarterly Changes)

Q1 operating profit was 79 million yen, and the operating profit margin was 11.6%. In addition, operating profit excluding investment amount increased by 15.3% YoY, absorbing the increase in costs due to the start of consolidation of the insurance subsidiary from Q3 of the previous fiscal year.

Operating Profit (unit: million yen)



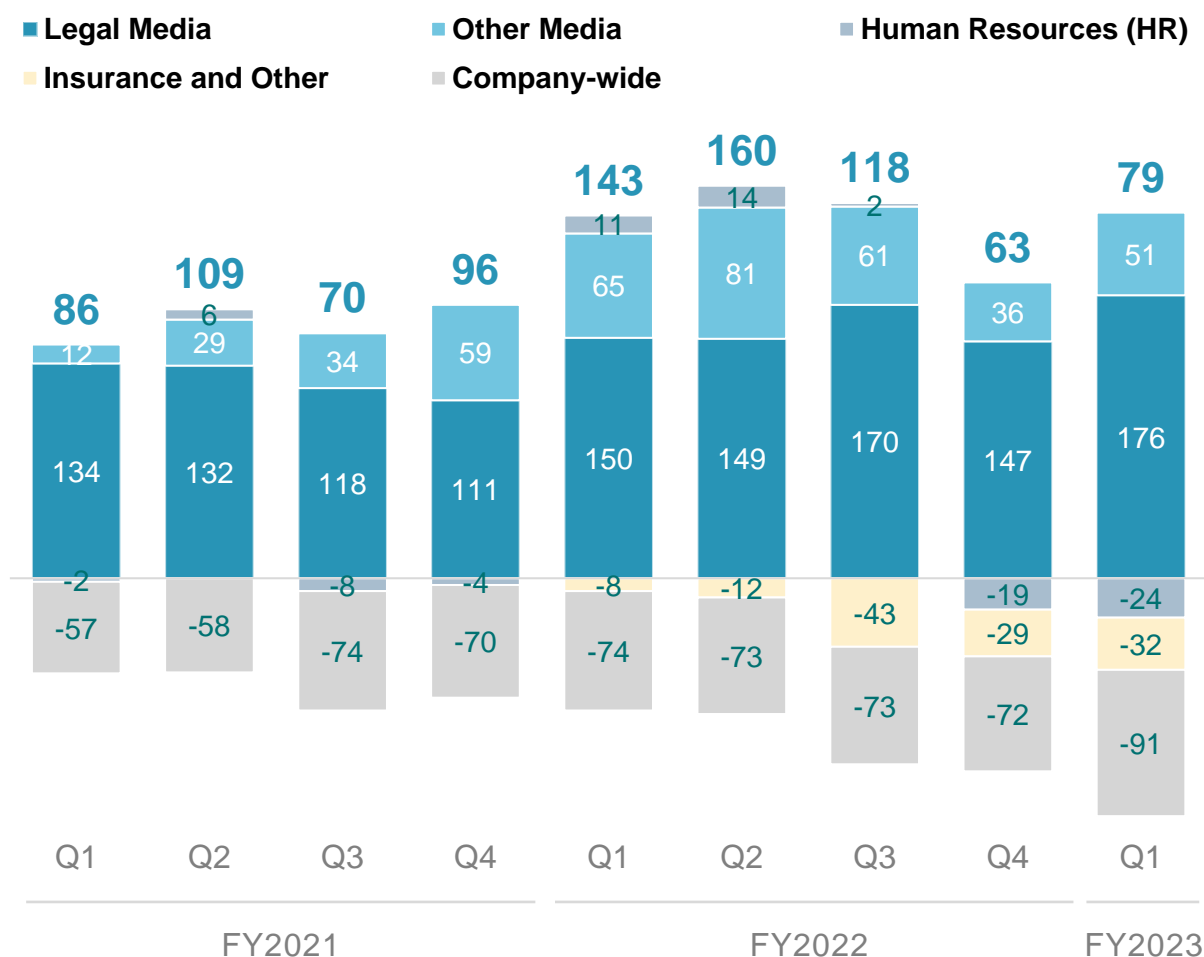
Operating Profit Excluding Investment Amount (unit: million yen)



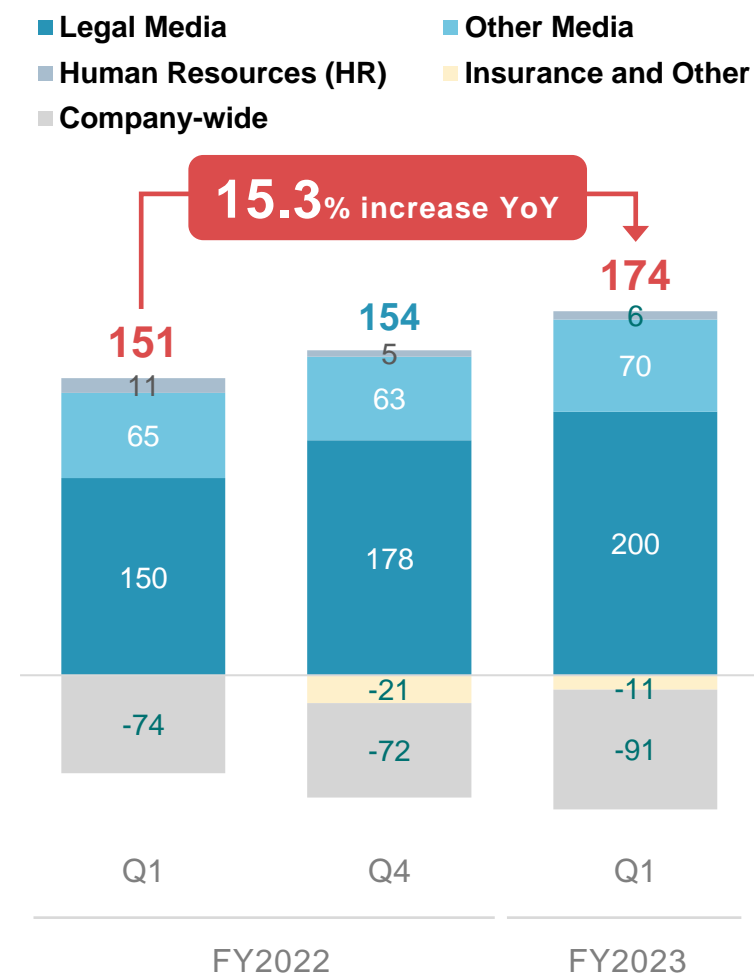
Reference: Operating Profit (Quarterly Changes by Business Area)

Q1 operating profit decreased YoY this year due to active investment, but Q1 operating profit this year when combining the two main businesses (Legal Media and Other Media) was 227 million yen, absorbing the investment amount and exceeding operating profit of 214 million yen in Q1 of the previous year.

Operating Profit by Business Area (unit: million yen)



Operating Profit by Business Excluding Investment Amount (unit: million yen)

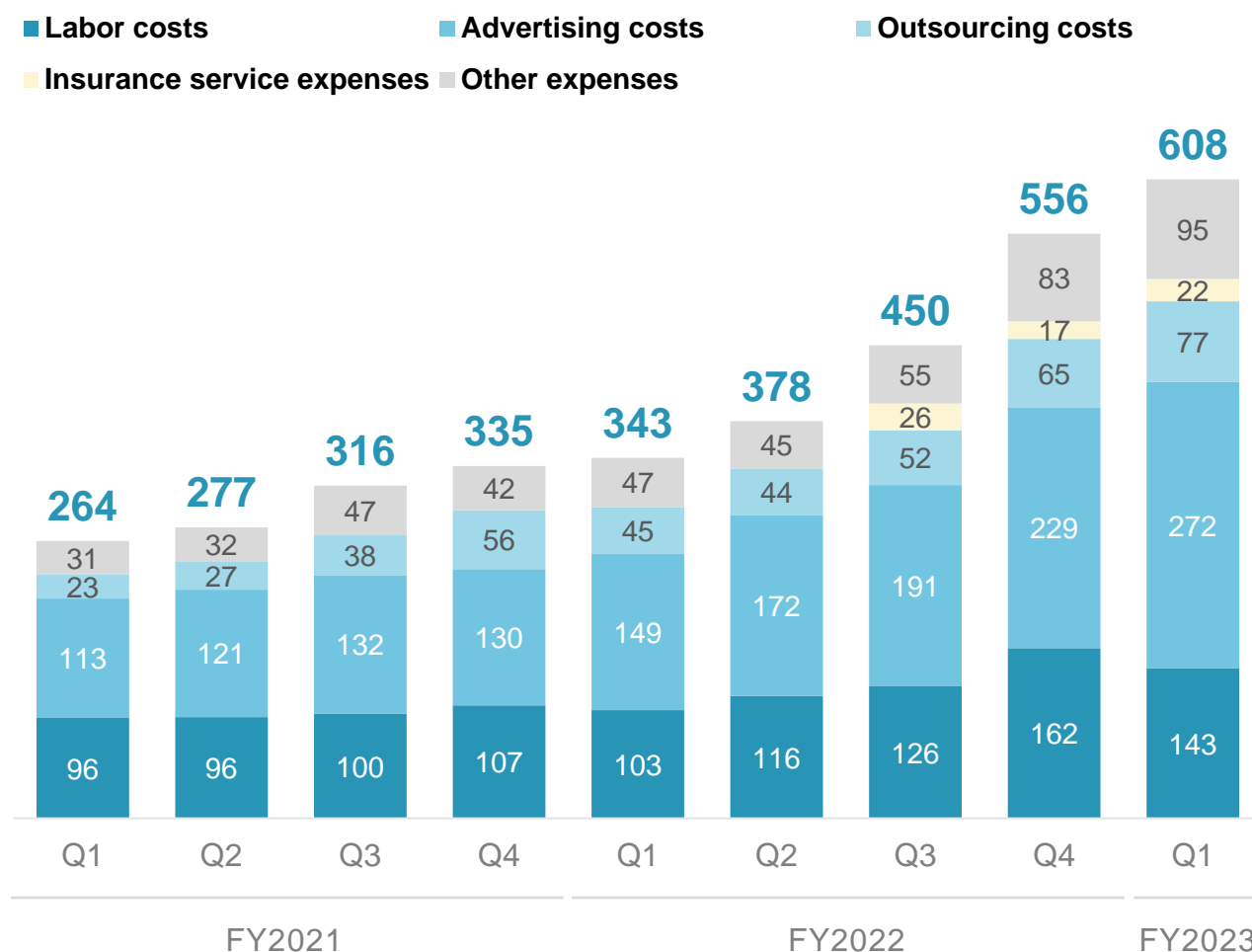


Cost Structure (Quarterly Changes)

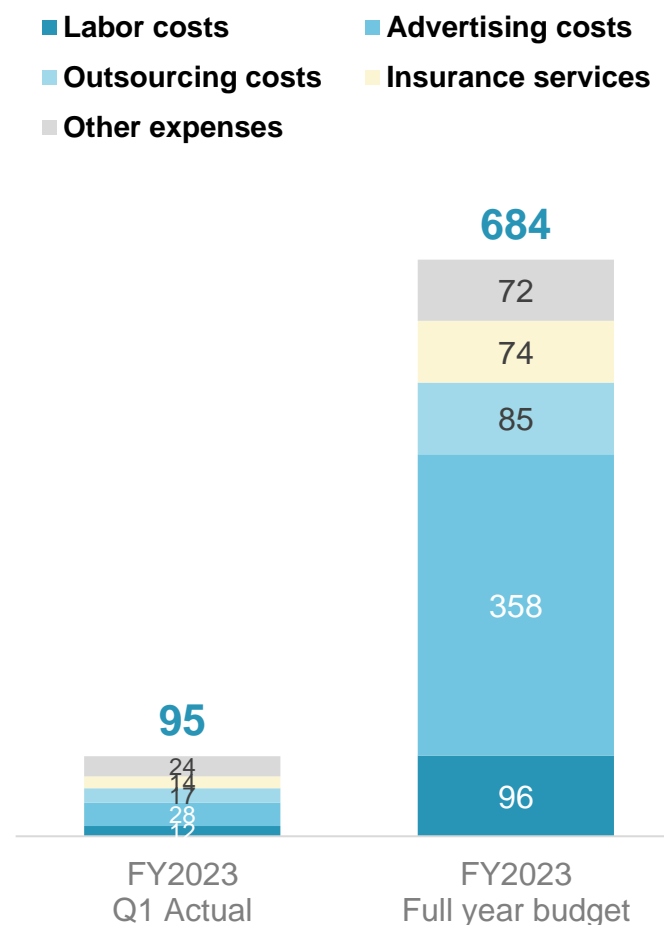
Although costs increased by 52 million yen QoQ, the main causes were increases in advertising costs (43 million yen) and outsourcing costs (12 million yen) aimed at business growth, and these are expenses that can be limited because they are variable expenses and not fixed expenses.

Total costs and investments are almost in line with the budget

Cost Structure¹ (unit: million yen)



Usage of Investment¹ (unit: million yen)



Note: 1 Until now, insurance service expenses (or investment in insurance services) were presented to be included in other expenses (or investment in other expenses), but these are now presented separately. Insurance service expenses are expenses based on IFRS17 including advertising costs and agency fees for acquiring policyholders, in addition to claims paid and reserves for the payment of claims.

Section 03

Business Highlights

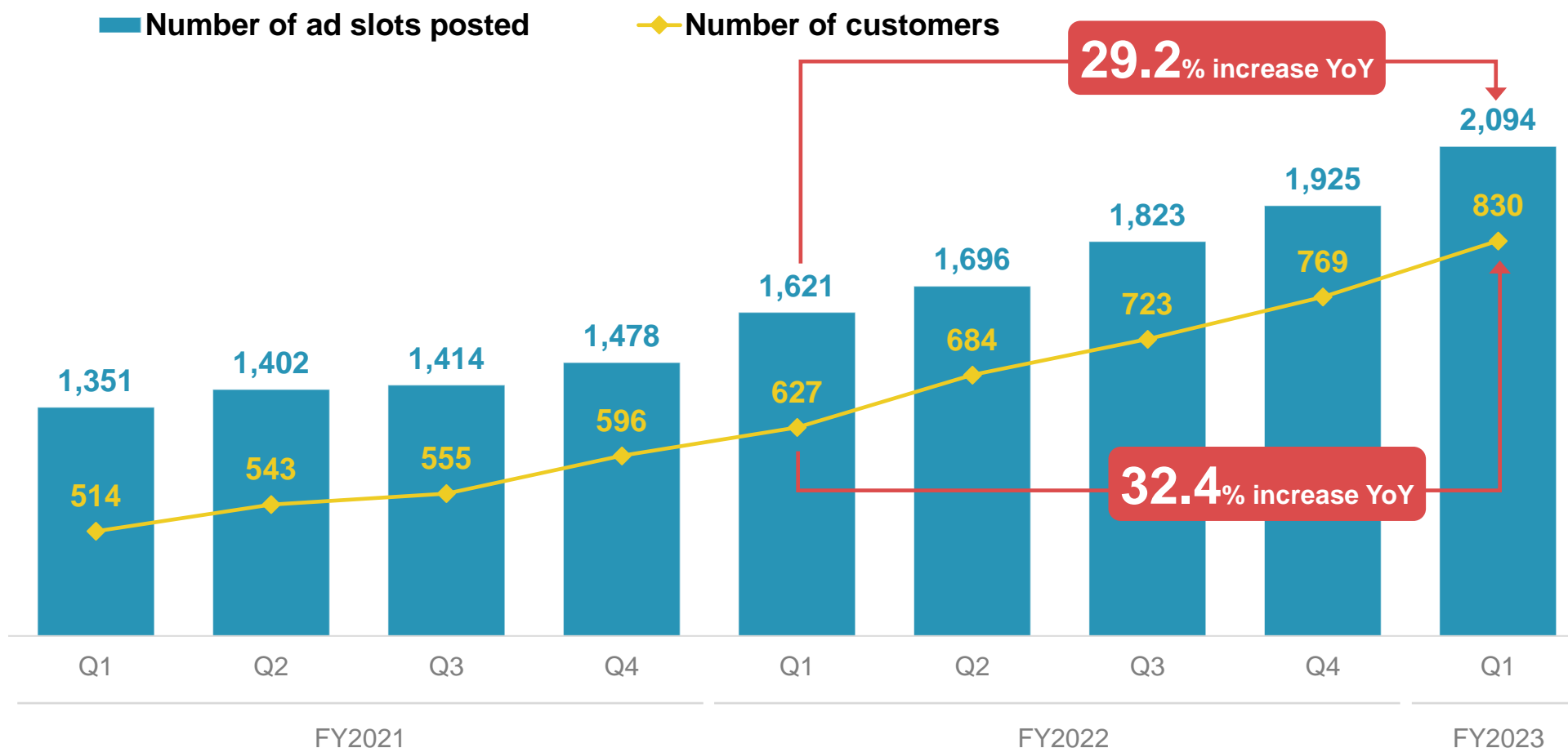
FY2023 Q1 Business Highlights

Measures aimed at accelerating revenue growth and strengthening competitiveness of services progressed in each business, and measures continue to be implemented to achieve Medium-term Management Plan targets and reach 10 billion yen in revenue as soon as possible.

Legal Media	<ul style="list-style-type: none"> ● Due to steady progress in new acquisitions and the low cancellation rate, the number of ad slots posted increased by 29.2% YoY, and the number of customers grew by 32.4%, recording a stable high growth rate. ● Service sites are being changed to the new “BenNavi” brand (“IT Attorney Navi” has already been renewed to “BenNavi IT”). ● Preparing for the start of new brand recognition measures from 2Q onwards.
Other Media	<ul style="list-style-type: none"> ● Revenue of the mainstay “Carism”, career change media, continued to grow. The unit price per inquires rose due to progress in development of cases with a high unit price such as high class and medical cases, and the highest revenue on record was posted due to being favorably affected by seasonal factors. ● We continued active investment aimed at the launching new media.
HR	<ul style="list-style-type: none"> ● Although the number of new registrants on the career change support service increased, the policy has shifted from placing the greatest emphasis on the number of new registrants to seeking to acquire users who are likely to change job due partly to constraints on consultant resources mentioned later. ● Although the hiring of consultants is progressing, education and training are required, and contributions to figures will be in the next phase. We continued to focus on securing personnel and ensuring they can quickly perform work.
Insurance	<ul style="list-style-type: none"> ● The number of contracts is steadily increasing due to web marketing such as advertising posts and strengthening of the sales system. ● We have developed and begun selling derivative plans for BenNavi Attorney Insurance to differentiate from the competition.

The number of ad slots posted as of January 31, 2023 was 2,094, and the number of customers was 830, each growing by around 30% YoY.

Number of ad slots posted number of customers (unit: ad slots)

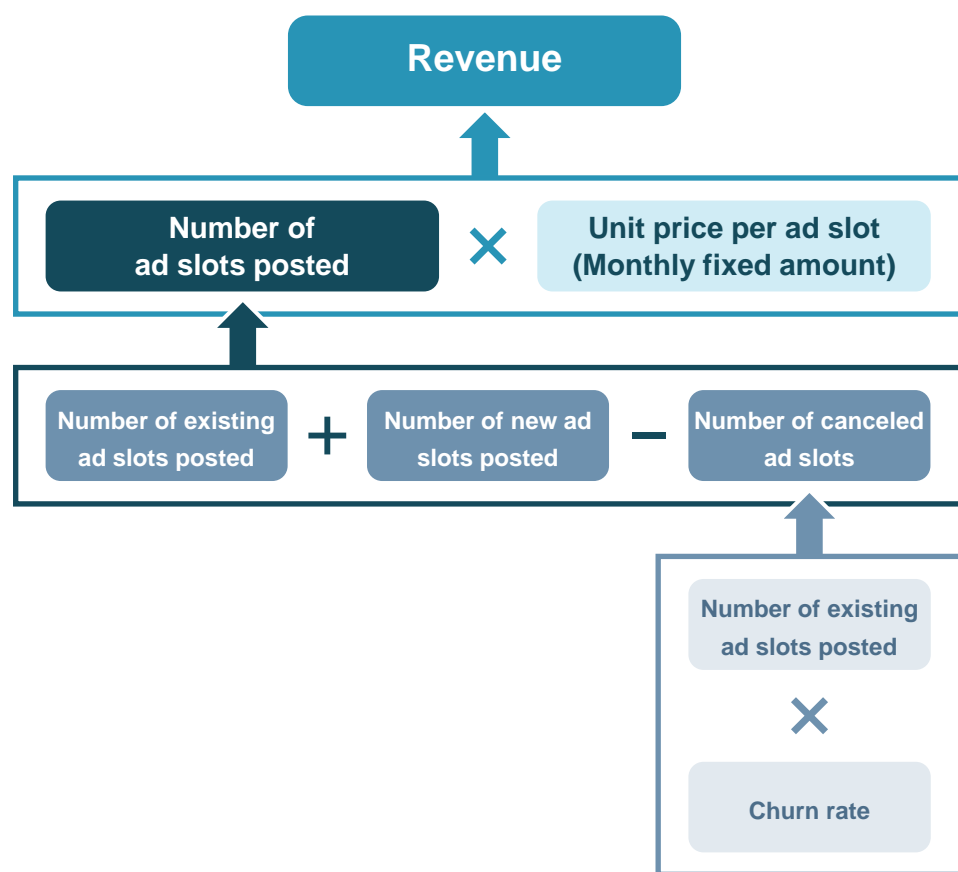


Note 1: The number of ad slots posted at the end of each quarter is shown.

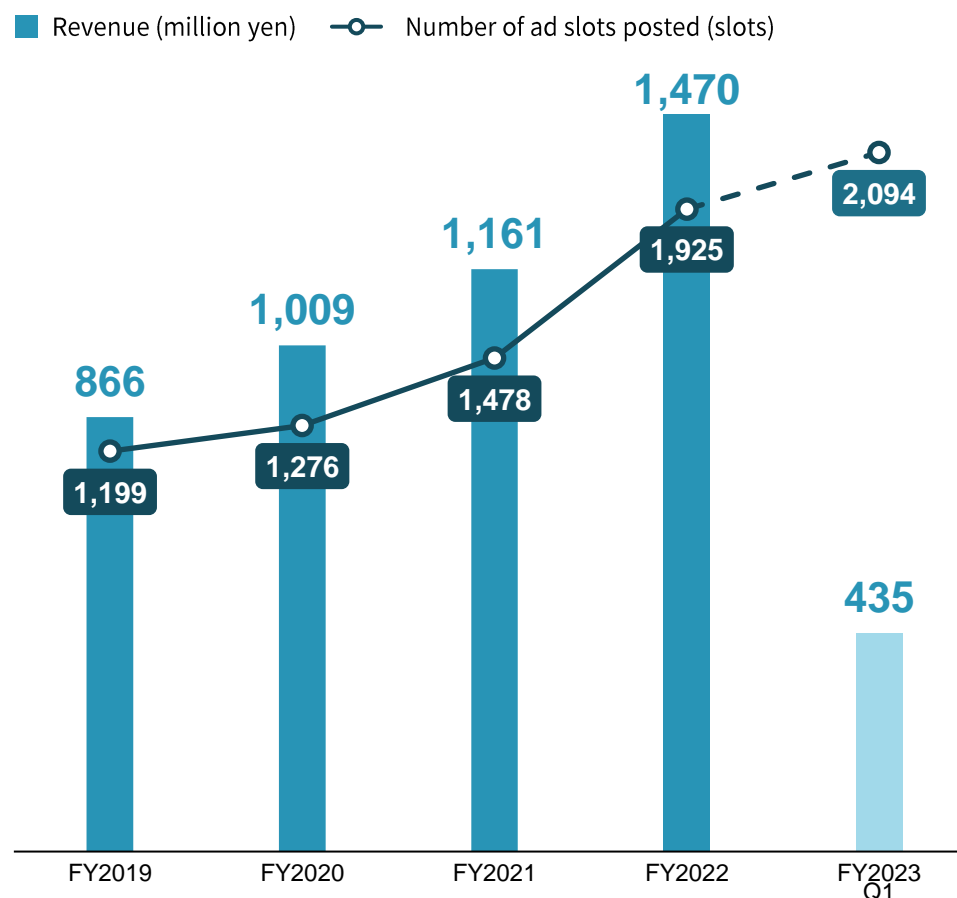
Revenue Model

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)

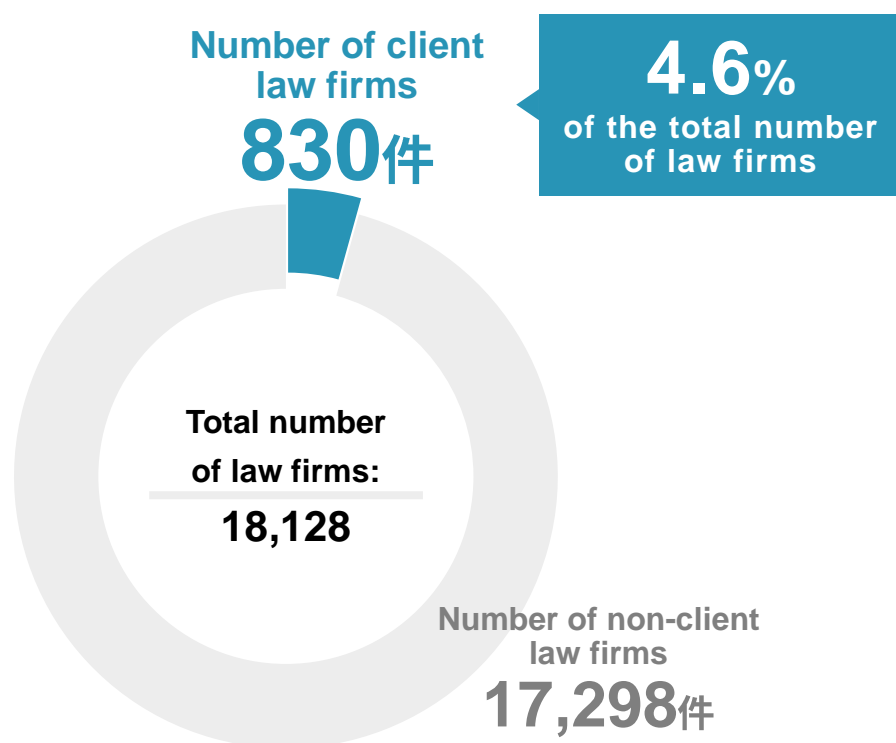


Note: 1 The number of ad slots posted is the total aggregated number of posted paid advertisements, and if the same customer places to multiple paid advertisement slots, those are counted as multiple slots. Although Legal Media does accept free posts, the number of ad slots posted does not include the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

Reference: Our customer base and market potential¹

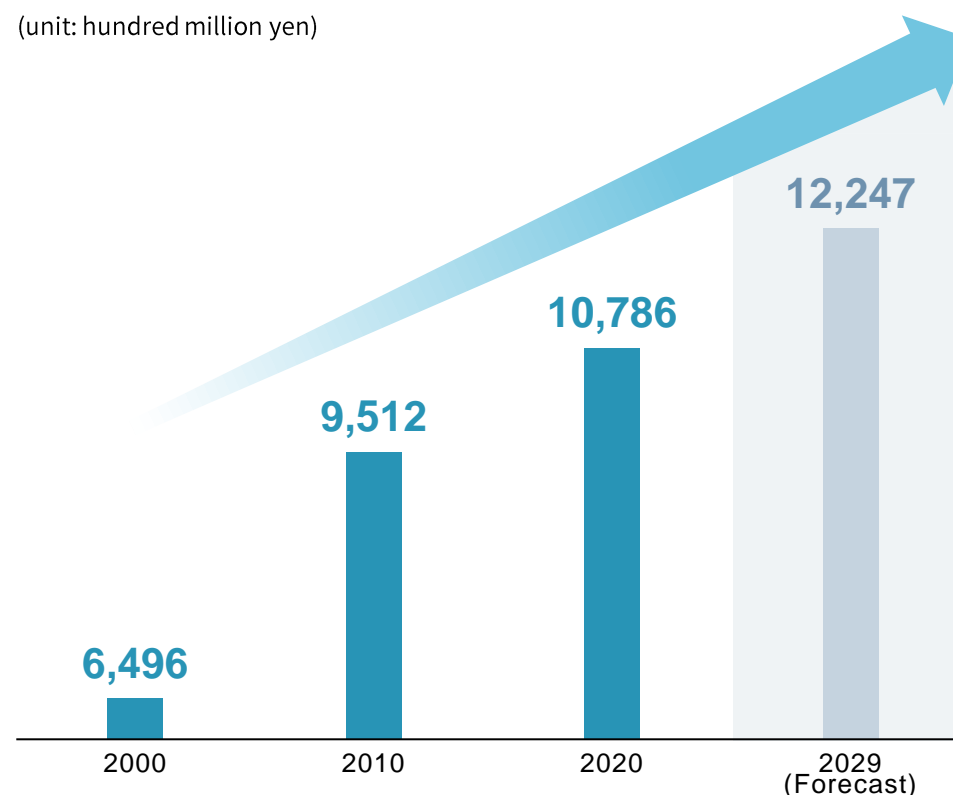
We have 830 customers as of January 31, but that is only 4.6% of the total number of law firms in Japan, so there is a lot of room for growth. As the market size for attorneys' fees is also expanding making the environment more competitive, we anticipate an increase in advertising investment by law firms.

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 March 2023. 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 January 2023. The total number of law firms is the number of law firms in the Japan Federation of Bar Associations White Paper on Attorneys 2022.

3 The market size from 2000 to 2020 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 2029 are estimated by applying the forecast value of the number of attorneys in 2029 based on the average income decrease rate with respect to the increase rate in the number of attorneys from 2010 to 2020.

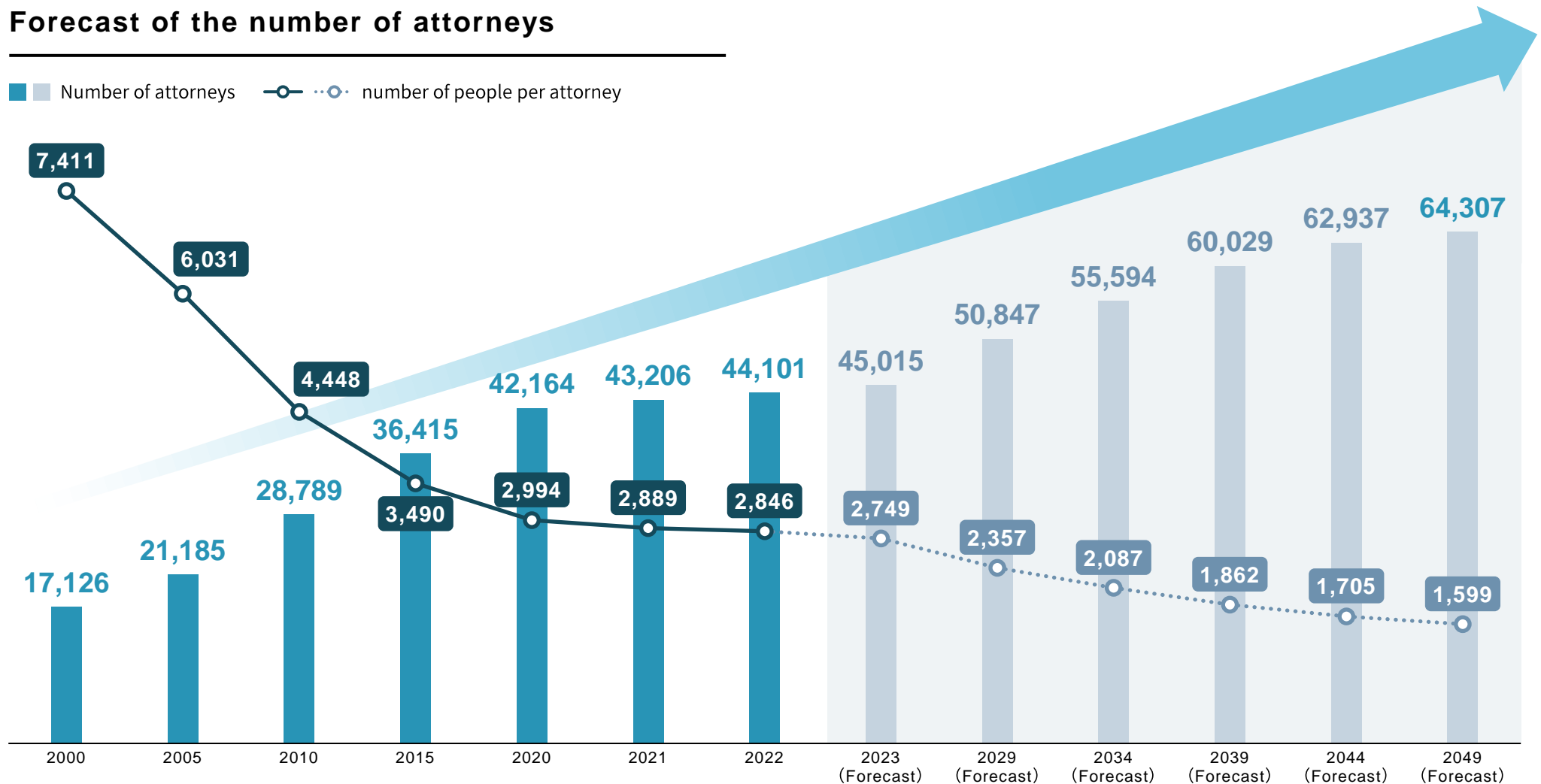
Source: ASIRO Inc., Japan Federation of Bar Associations White Paper on Attorneys 2022.

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

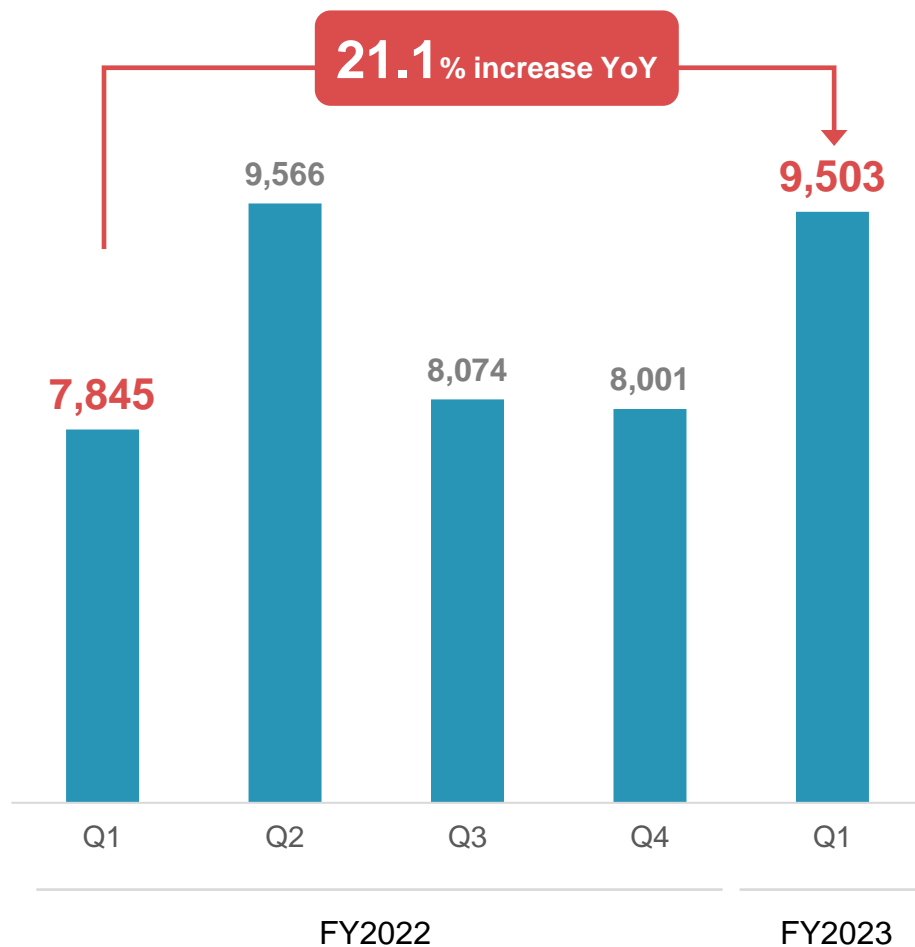


Major KPIs:

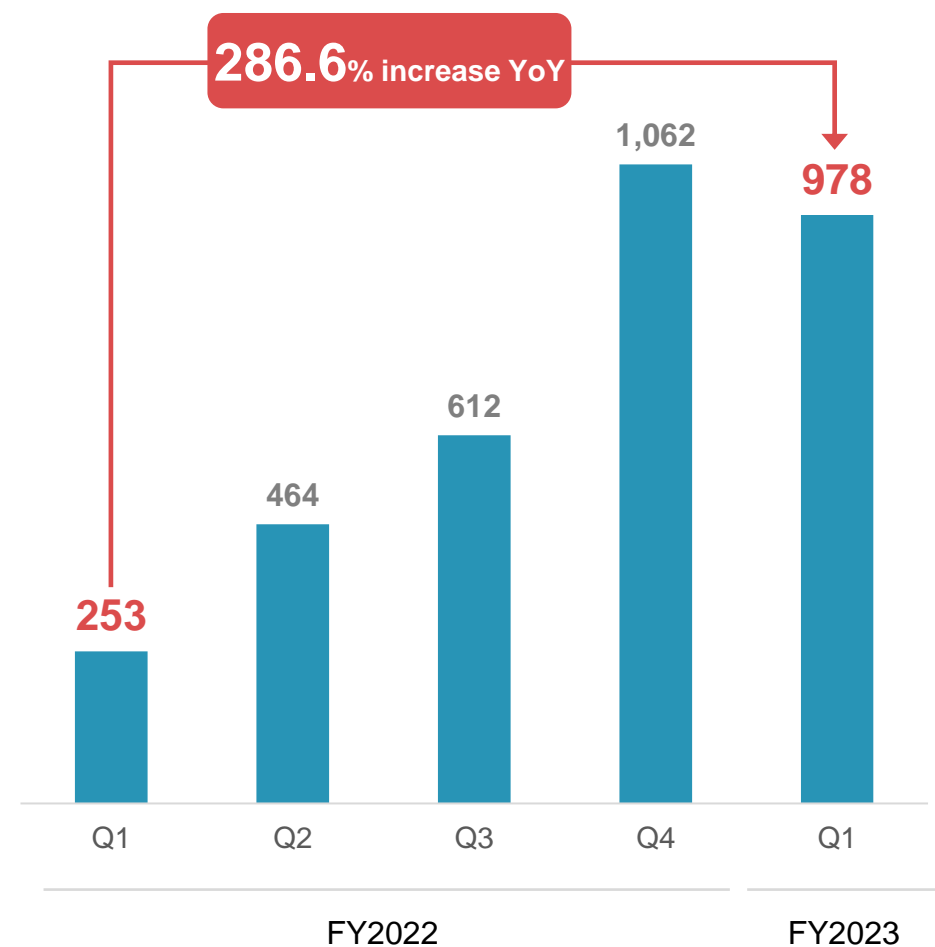
Number of Inquiries/ Number of New Registrants

The number of inquiries, which serves as a KPI for Other Media, increased by 21.1% YoY. The number of new registrants in the HR business increased by 286.6% in YoY, but declined in QoQ due to a shift in policy from maximizing the number of registrants to pursuing those who are more likely to change jobs.

Other Media: Number of Inquiries (unit: inquiries)



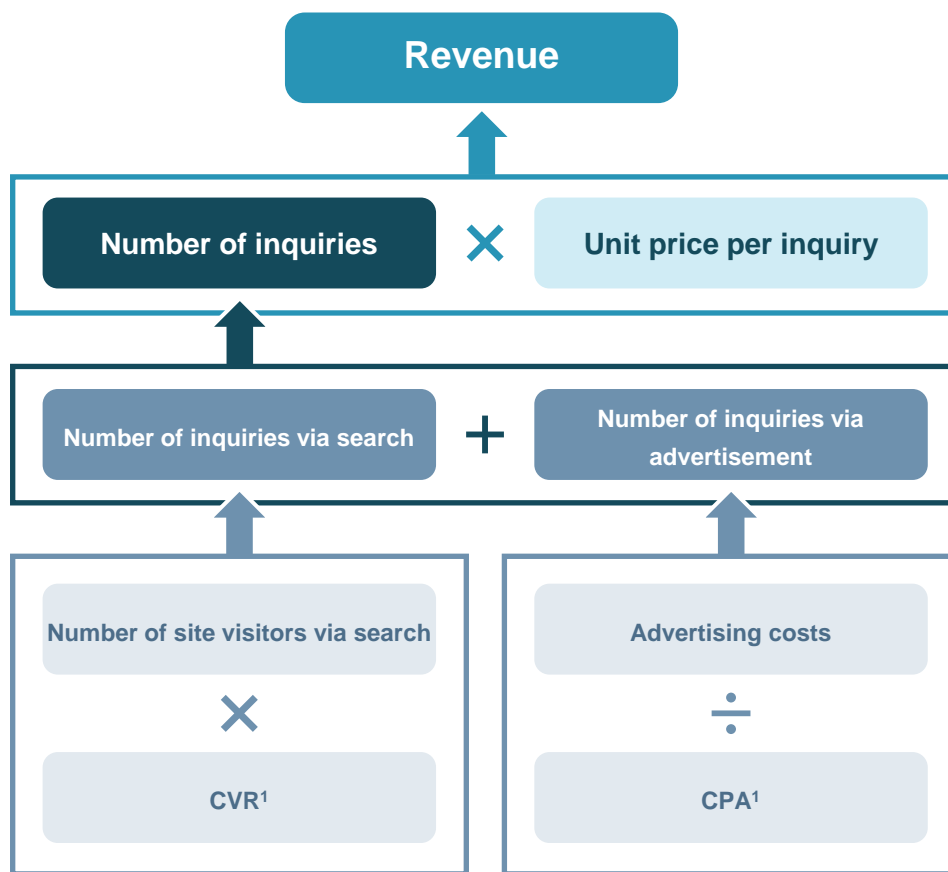
HR: Number of New Registrants (unit: people)



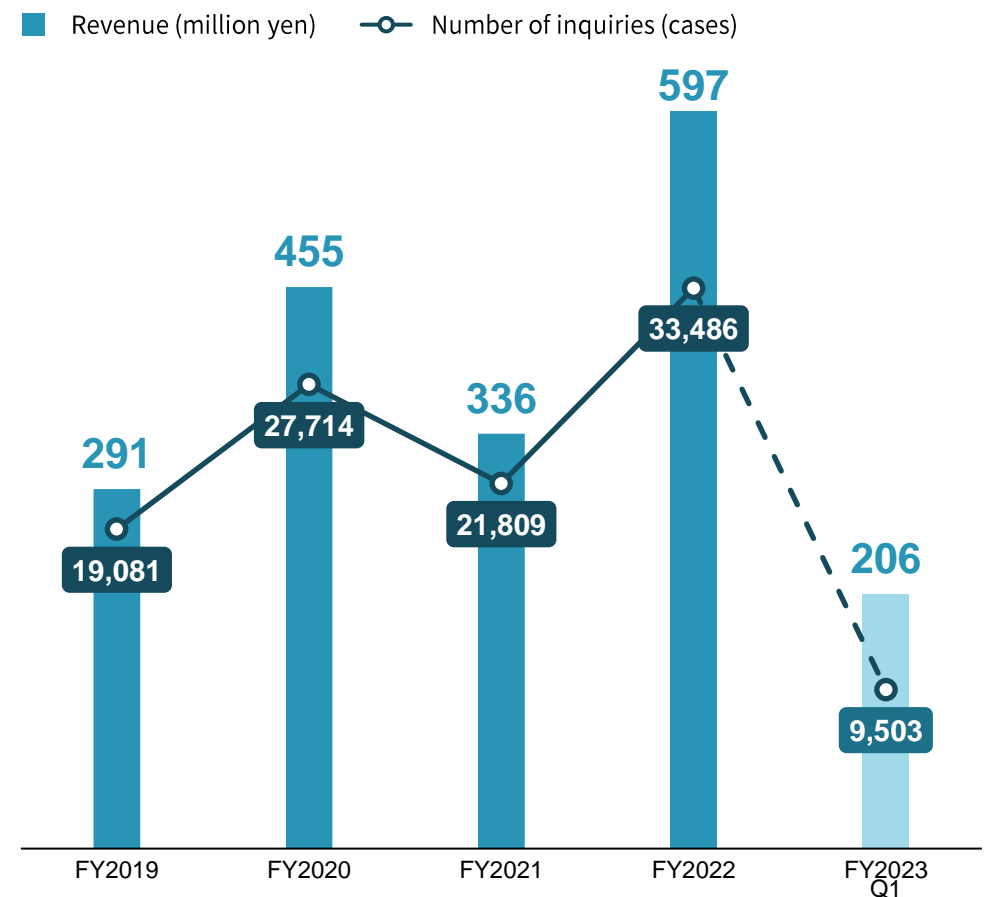
Revenue Model

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)



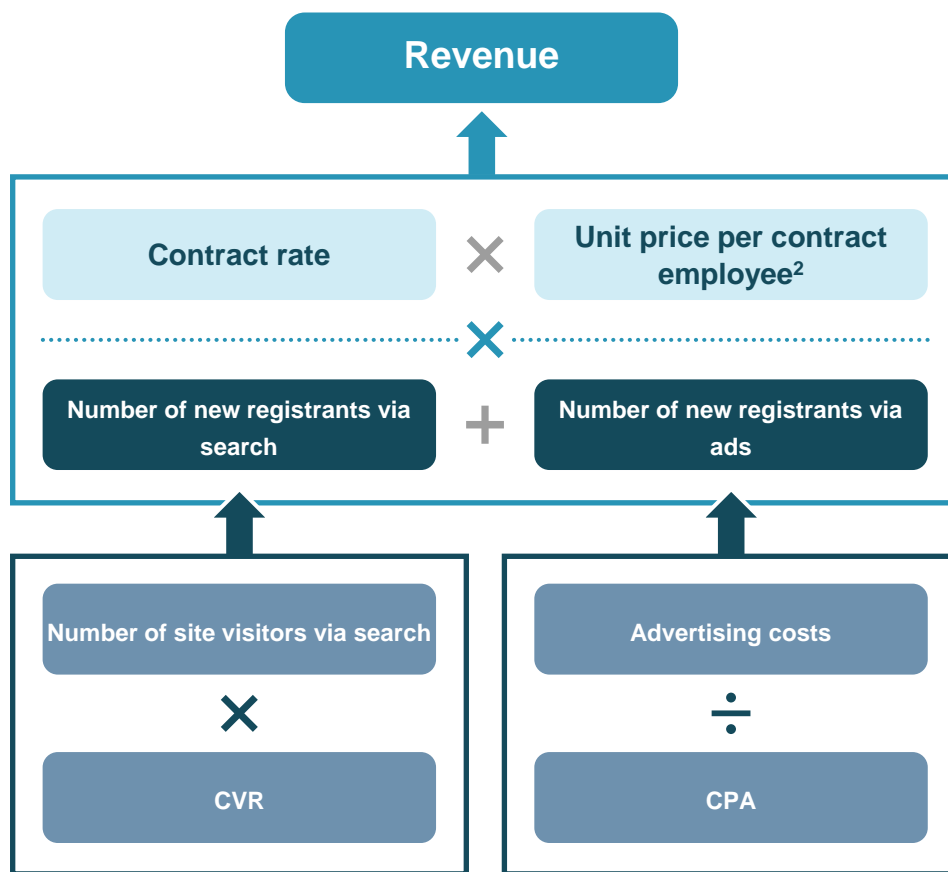
Notes: 1 CVR stands for "conversion rate," which is the number of inquiries divided by the number of site visitors. CPA is an abbreviation for Cost Per Acquisition, which is the inquiries acquisition cost by dividing advertising costs by the number of inquiries.

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

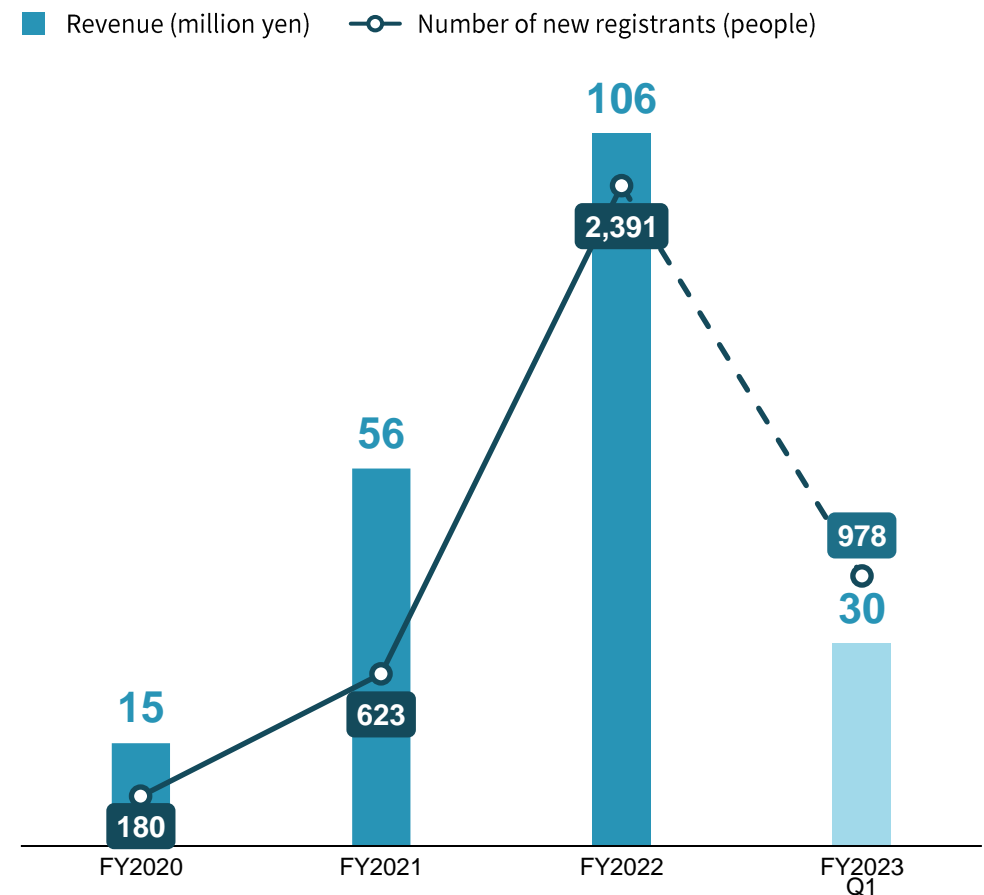
Revenue Model

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)



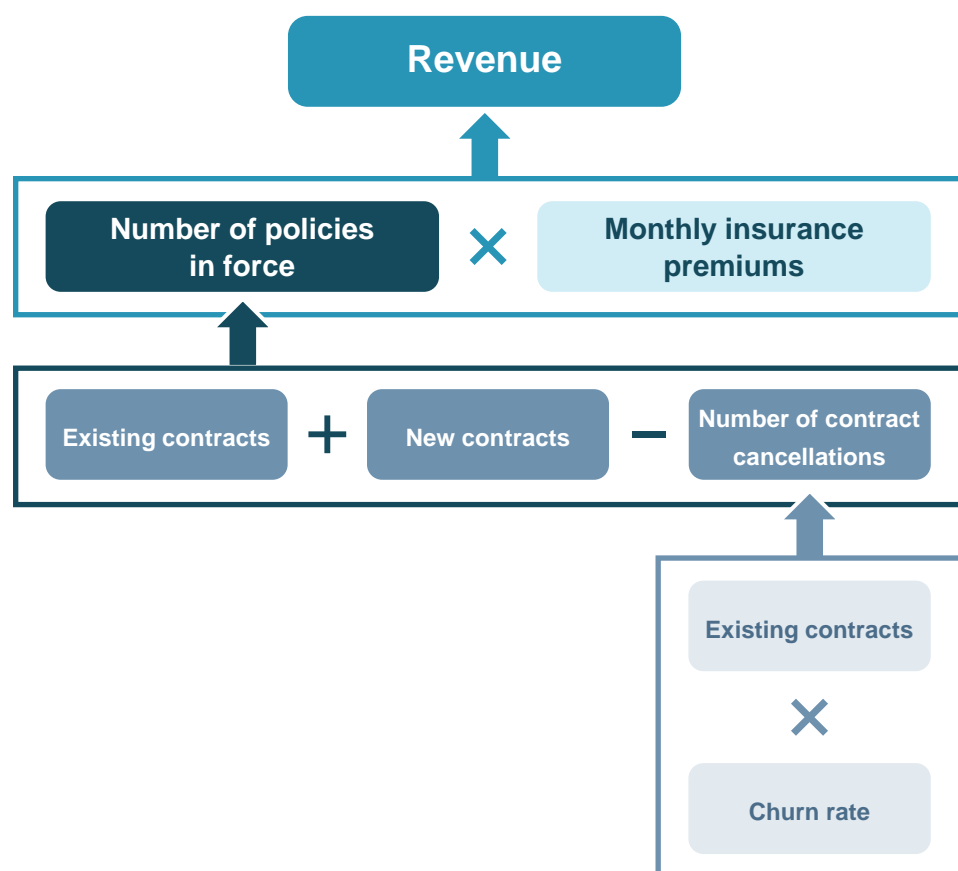
Notes: 1 Refers to the number of new registrations for the recruitment service from job seekers.

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

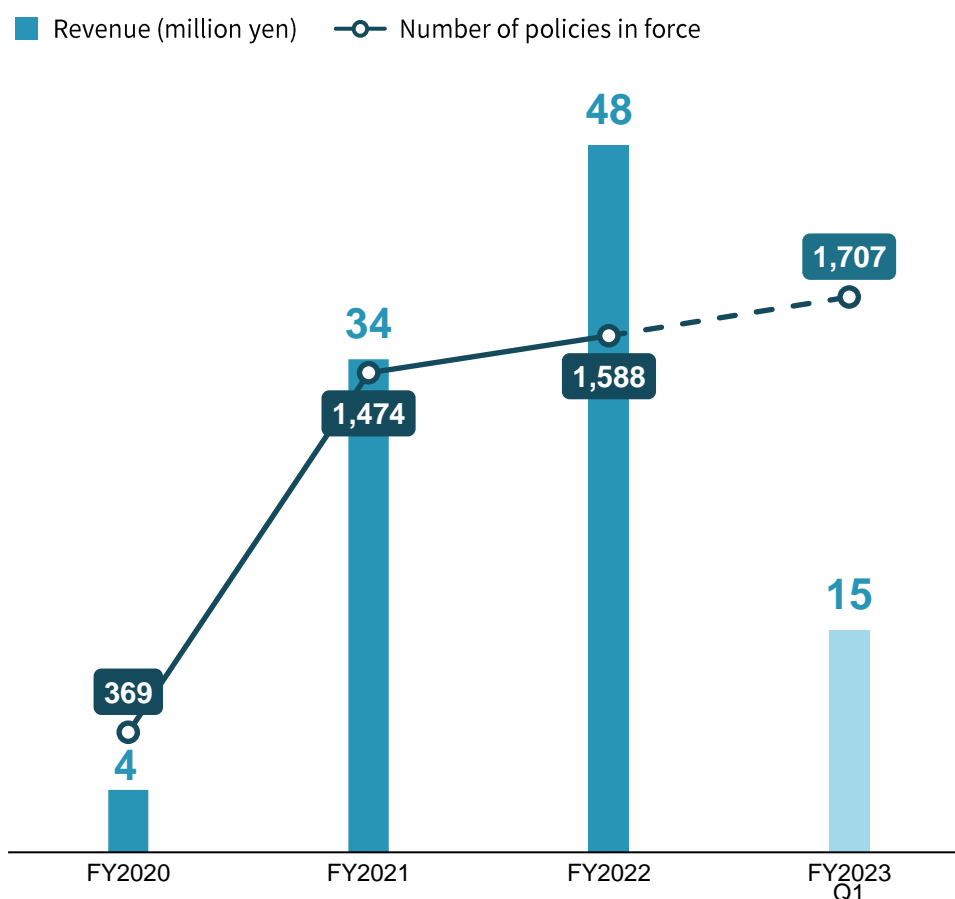
Revenue Model

The insurance business is a recurring revenue business models in which revenue grows in proportion to the number of policies in force. The growth in the number of policies in force slowed temporarily due to a review of insurance products in March 2022, but is now steadily increasing.

Revenue model (Insurance)



Revenue / Number of policies in force¹ (Insurance)



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.

Section 04

Topics

Acquisition of Bikkore Co., Ltd. (1) (Company Overview)

Today, Asiro resolved to acquire all shares of Bikkore Co., Ltd. which operates a point site “Bikkore” and an FX demo trading app “Bikkore FX”.

Company Overview of Bikkore

Company name	Bikkore Co., Ltd.
Address	5F Hamamatsucho Building 2-10-1 Hamamatsucho, Minato-ku, Tokyo
Representative	Kohei Asai
Services	Operation of point site “Bikkore” and FX demo trading app “Bikkore FX”, etc.
Capital	10 million yen
Established	July 2022
Major shareholder and shareholding ratio	Media Beats Co., Ltd. 100%
Capital relationship with ASIRO	Not applicable
Personnel relationship with ASIRO	Not applicable
Business relationship with ASIRO	Not applicable

Main services

“Bikkore” point site

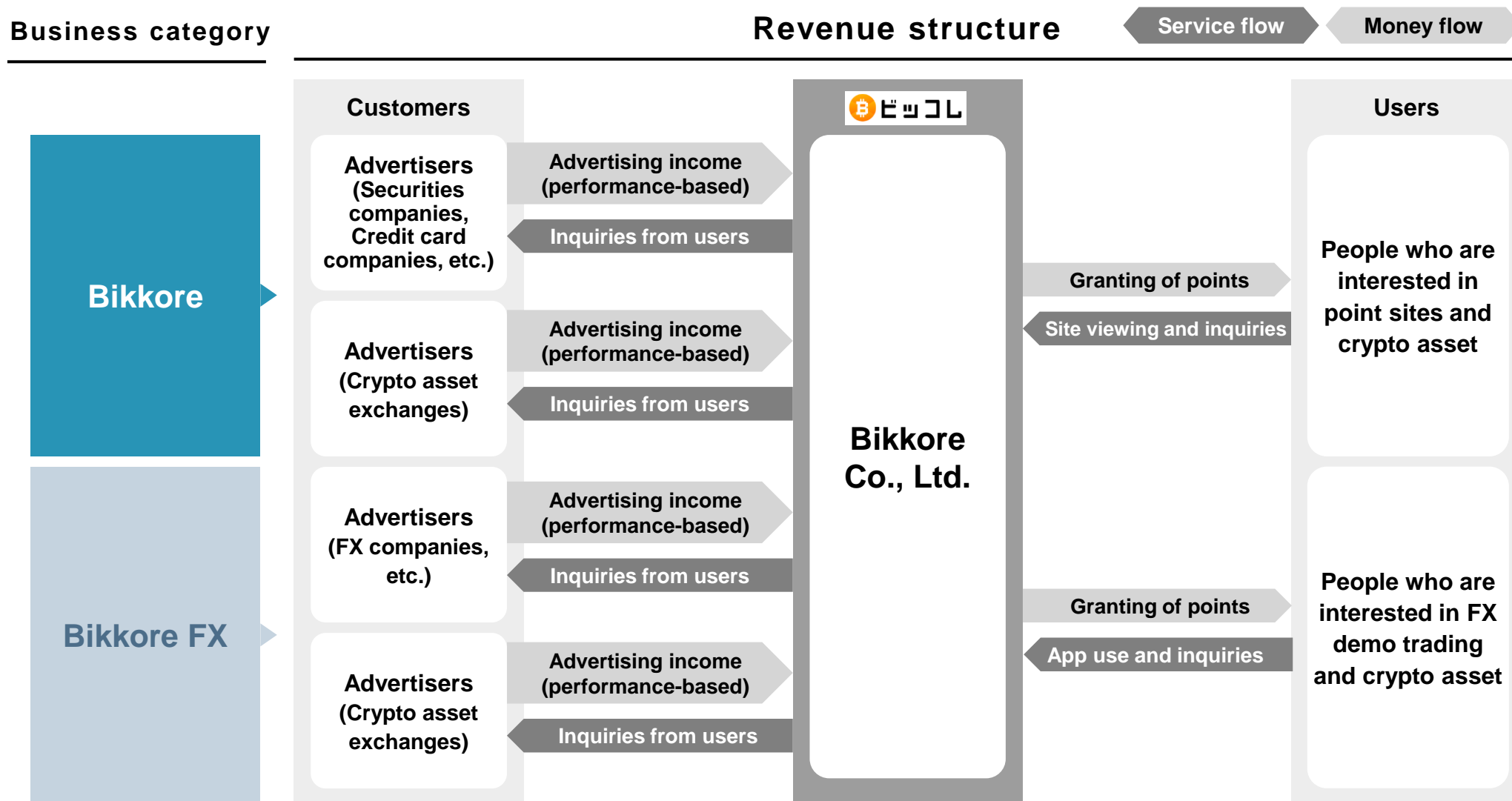


“Bikkore FX” FX demo trading app



Acquisition of Bikkore Co., Ltd. (2) (Business Model)

Bikkore services are characterized by enabling points granted to users to be exchanged for bitcoin. Bikkore does not hold an inventory of bitcoin and does not bear the risk of bitcoin price fluctuation.



Acquisition of Bikkore Co., Ltd. (3) (Transaction Overview)

Through this acquisition, ASIRO will enter the finance domain and will accelerate the growth of both ASIRO and the target company through the realization of synergies. After the acquisition of shares is completed, an absorption-type merger with ASIRO as the surviving company will be carried out in Q3.

Purpose/Synergies of the Acquisition

● Purpose/Synergies for ASIRO

[Entry into the finance domain in the Other Media business]

- The finance domain is large market size, and we will use this acquisition as an opportunity to enter the financial domain in our Other Media business.

[Acquisition of know-how on conducting business utilizing crypto assets]

- The target company designs user incentives by granting points exchangeable for crypto assets, and we will develop services with greater appeal for users by acquiring this know-how.

● Purpose/Synergies for the target company

[Strengthening of attraction of users via organic searches]

- The target company mainly attracts users via advertising, and SEO know-how, which is one of ASIRO's strengths, will be utilized to strengthen the attraction of customers via organic searches.

[Internalization of attraction of users via advertising]

- The target company outsources advertising, and internalizing this will result in advertising operation with excellent cost performance and speed.

Acquisition Conditions

Acquisition cost ¹	Common stock	300 million yen
	Brokerage fee, etc.	24 million yen
	Total	324 million yen
Acquisition cost approach ²	Although there are no financial figures for the previous fiscal year because the company is in its first fiscal year, the company's revenue as of the half year point was approx. 200 million yen and operating income was approx. 70 million yen, which we consider to be a reasonable operating income multiple. The acquisition cost is within the range of the stock valuation calculated by a third-party appraiser.	
Number of shares acquired/ shareholding ratio	10,000,000 shares/ 100%	

Schedule

Date of conclusion of share transfer agreement	March 17, 2023
Date of execution of acquisition of shares	March 31, 2023 (scheduled)
Date of remaining payment	May 31, 2023 (scheduled)

Notes: 1 The acquisition cost is subject to a price adjustment clause that adjusts the acquisition cost based on net cash, excluding working capital, as of the date of execution of acquisition of shares. The above acquisition cost is the amount that would have been paid if net cash had been zero. 300 million will be paid on the execution date of acquisition of shares, and the net cash portion will be paid on May 31, 2023, which is the date of remaining payment separately determined.

2 The target company has not been audited by an audit firm. The figures reflect adjustments based on financial DD.

Section 05

Appendix

Quarterly Financial Results (P&L)

	Q1 FY2023	Q1 FY2022		Q4 FY2022		Q1 FY2023 cumulative total	Q1 FY2022 cumulative total	
(unit: million yen)	(Nov 2022- Jan 2023)	(Nov 2021- Jan 2022)	YoY	(Aug 2022- Oct 2022)	QoQ	(Nov 2022- Jan 2023)	(Nov 2021- Jan 2022)	YoY
Revenue	687	485	+41.5%	613	+11.9%	687	485	+41.5%
Cost of sales	404	219	+84.4%	375	+7.7%	404	219	+84.4%
Gross profit	282	266	+6.1%	238	+18.6%	282	266	+6.1%
Gross profit margin	41.1%	54.8%	-13.7pt	38.8%	+2.3pt	41.1%	54.8%	-13.7pt
Sales, general, and administrative expenses	203	124	+64.6%	180	+12.9%	203	124	+64.6%
Other revenues / expenses	1	1	-36.3%	6	-88.5%	1	1	-36.3%
Operating profit	79	143	-44.6%	63	+25.0%	79	143	-44.6%
Operating profit margin	11.5%	29.5%	-18.0pt	10.3%	+1.2pt	11.6%	29.5%	-18.0pt
Financial revenue / expenses	-2	-1	+104.7%	-2	+0.7%	-2	-1	+104.7%
Profit before taxes	77	142	-45.7%	61	+26.0%	77	142	-45.7%
Tax expenses	40	45	-10.2%	6	+626.0%	40	45	-10.2%
Profit	37	97	-62.0%	56	-33.6%	37	97	-62.0%
Profit margin	5.4%	20.1%	-14.7pt	9.1%	-3.7pt	5.4%	20.1%	-14.7pt
Profit attributable to owners of parent	45	97	+54.3%	61	-27.5%	45	97	+54.3%
Profit margin attributable to owners of parent	6.5%	20.1%	-13.6pt	13.5%	-3.5pt	6.5%	20.1%	-13.6pt

Quarterly Financial Results (BS/CF)

	Q1 FY2023	Q4 FY2022	
(unit: million yen)	(Jan 2023)	(Oct 2022)	Change
Current assets	1,807	2,203	-397
Cash and cash equivalents	1,308	1,876	-568
Accounts receivable	356	304	+51
Other	143	23	+120
Non-current assets	1,745	1,798	-52
Property, plant and equipment	89	93	-4
Right-of-use assets	197	219	-22
Goodwill	1,302	1,302	+0
Other	158	184	-27
Total assets	3,552	4,001	-449
Liabilities	1,168	1,354	-186
Interest-bearing debt	554	569	-15
Lease liabilities	170	187	-17
Other	444	598	-154
Total equity	2,384	2,647	-263
Total liabilities and equity	3,552	4,001	-449

	Q1 FY2023	Q4 FY2022	
(unit: million yen)	(Nov 2022-Jan2023)	(Aug 2022-Oct2022)	Change
Cash flow from operating activities	-189	131	-319
Profit before tax	77	61	+16
Depreciation and amortization	33	31	+3
Income tax paid	-104	0	-104
Other	-195	38	-233
Cash flow from investment activities	-43	-79	+36
Purchase of property, plant and equipment	-31	-55	+24
Purchase of intangible assets	-1	-23	+22
Other	-11	-1	-10
Cash flow from financing activities	-335	110	-446
Payment of dividends	-95	0	-95
Purchase of treasury shares	-207	0	-207
Other	-33	110	-143
Change in cash and cash equivalents	-568	162	-731
Cash and cash equivalents at period end	1,308	1,876	-568
FCF	-232	52	-284

Cautions about this material

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

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.