



# **Materials on Growth Potential**

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**Medium-term Management Plan (FY2023-FY2025)**

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## **Medium-term Management Plan**

# Section 01

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## Corporate Overview / Review of the FY2023

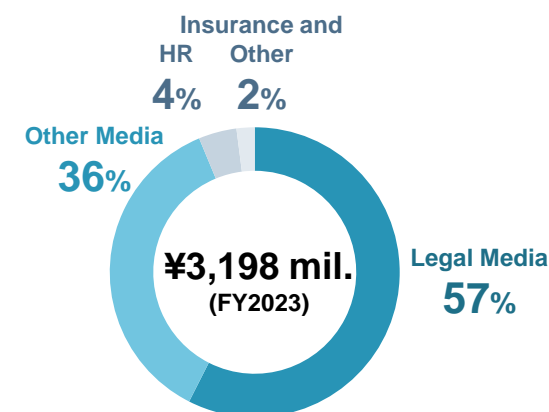
# Services

Operation of “BenNavi” Legal Media providing legal information is our main business. We are actively engaged in the development of new business and operating four businesses including Other Media meeting need related to Legal Media (such as career change need arising from labor problems), Human Resources that started from personnel referrals for attorneys, and Insurance handling insurance for attorney fees.

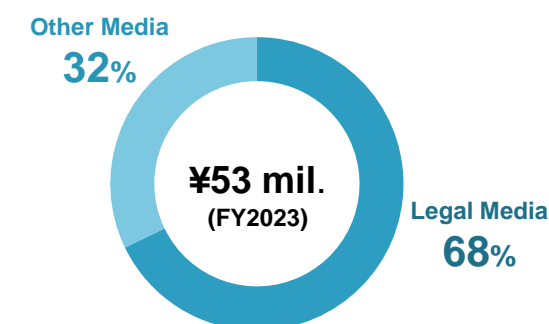
## Business Category

		Services	Main customers	Main services
Legal Media & Other	Legal Media (Started in 2012)	Operation of specialized sites for legal case fields	Law firms	ベンナビ 離婚 ベンナビ 相続 ベンナビ 刑事事件 ベンナビ 債務整理 ベンナビ 労働問題 ベンナビ 債権回収 ベンナビ 交通事故 ベンナビ IT
	Other Media <sup>1</sup> (Started in 2014)	Affiliate sites and Operation of Apps Carism Bikkore FX Expert Search for Infidelity Investigation	Recruitment agencies, FX companies, Private detective offices	キャリズム  ビッコレ 浮気調査ナビ
Human Resources <sup>2</sup> (HR) (Started in 2020)		Recruitment business (Job placement of attorneys, accountants and administrative positions) Temporary staffing business	Professional firms, general companies	NO/LIMIT  XEXE BEET AGENT  Hi Standard ヒトタス
Insurance <sup>3</sup> (Started in 2022)		Sale of small-amount short-term insurance (insurance for attorney fees)	Individuals	ベンナビ 弁護士保険

## Revenue Composition



## Operating Profit Composition<sup>4</sup>



Note: 1 Shares of Bikkore Co., Ltd. were acquired on March 31, 2023, and it came under the scope of consolidation from FY2023 Q2.

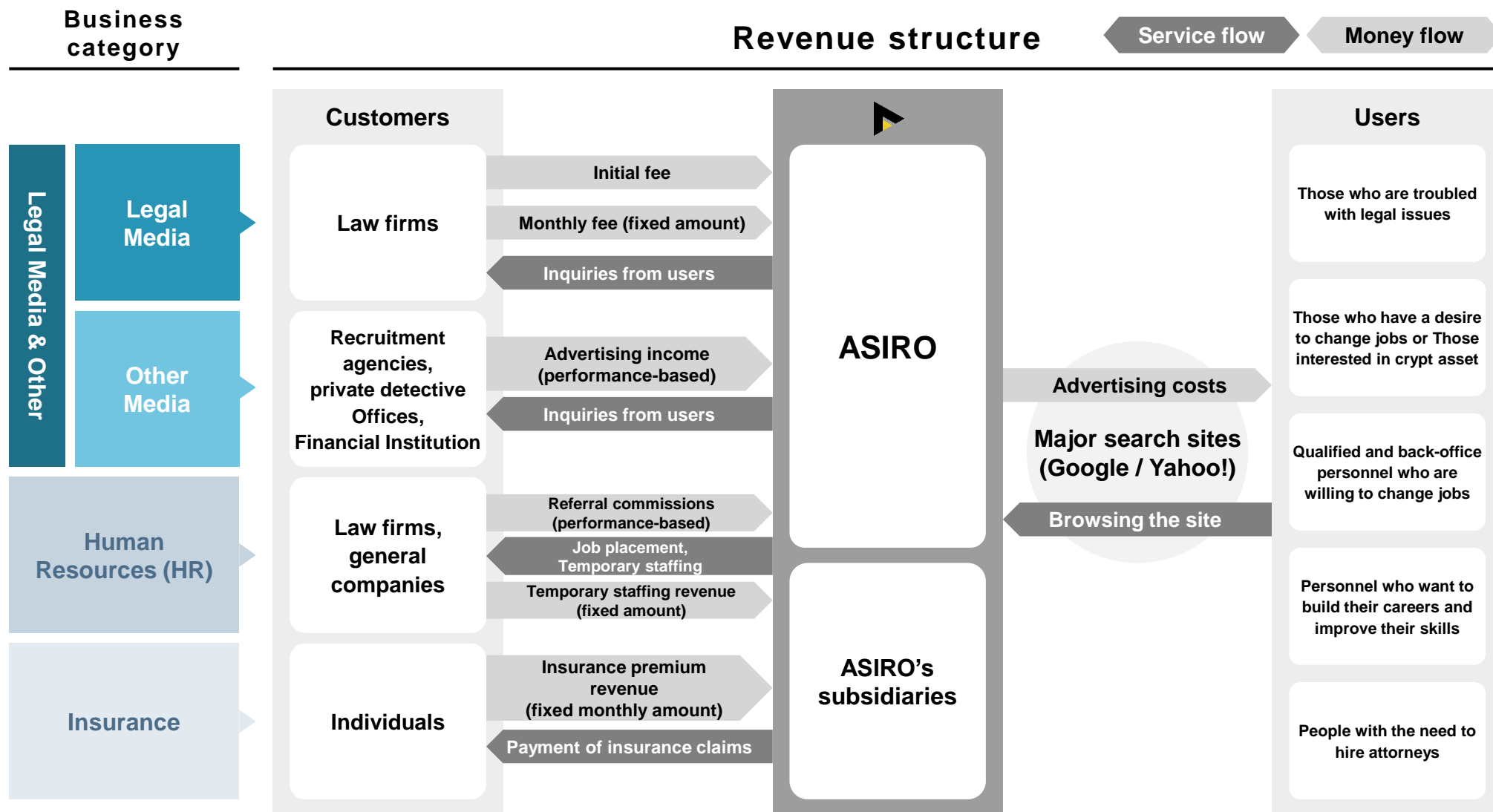
2 On August 1, 2023, we established a subsidiary, Hitotas Inc. and obtained a license under the Worker Dispatching Act, etc. on November 1, 2023.

3 The Company acquired shares in ASIRO SSI Inc. (formerly Kailash Small Amount and Short Term Insurance ) on April 28, 2022, bringing it under the scope of consolidation from FY2022 Q3.

Note: 4 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 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. In addition, since the HR business launched a temporary staffing service in Nov 2023, the HR business will also generate recurring revenue from FY2024.

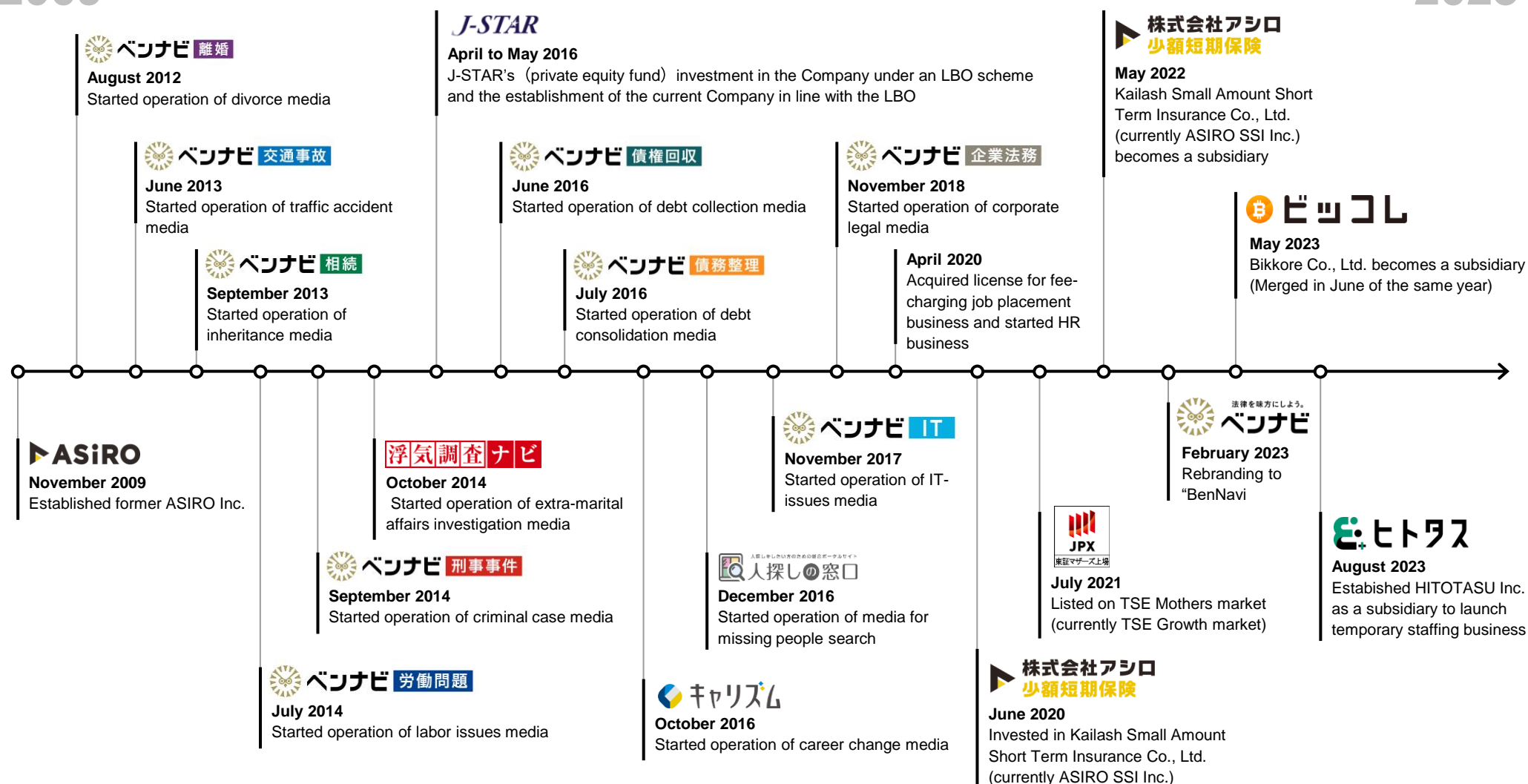


# History

Starting with the launch of Divorce attorney Navi (“ベンナビ離婚”) 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

2023



# 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	608million yen (as of October 31, 2023)
Number of employees <sup>1</sup>	80 (as of October 31, 2023)
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 and Risk mitigation Strategy for FY2023

The growth and risk mitigation strategies for each business, as described on page 37 of the medium-term management plan disclosed in December 2022, have been implemented, and revenue growth, which was the most important metrics in FY2023, exceeded the forecast significantly made at the beginning of the period.

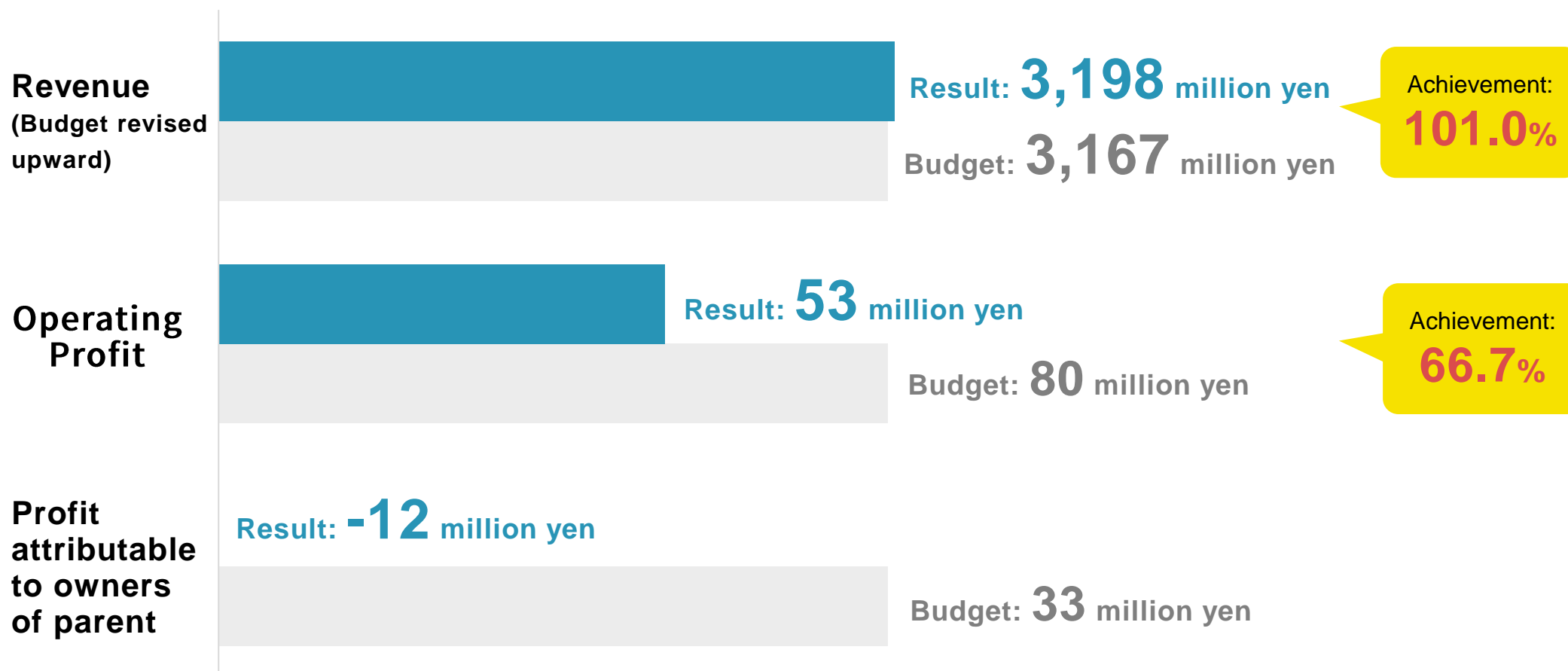
<b>Legal Media</b>	<p><b>【Growth and Risk mitigation strategy】</b> Develop new customers and reduce churn rate／Raise awareness of "BenNavi"</p> <ul style="list-style-type: none"> <li>● In line with the growth strategy, In addition to focusing on operations emphasizing customer satisfaction, the acquisition of new customers also progressed well, resulting in the number of ad slots posted increasing 25.5% YoY and the number of customers increasing 27.8% YoY as of October 31, 2023, achieving higher growth than anticipated.</li> <li>● As a risk mitigation strategy, The transition to the new "BenNavi" brand was completed, and we implemented mass advertising as test marketing in Q3. Going forward, we intend to focus on advertising measures for actualized users without conducting large-scale mass advertising such as television commercials for potential users.</li> </ul>
<b>Other Media</b>	<p><b>【Growth and Risk mitigation strategy】</b> Growth of Carism, development of new businesses／Expansion of Carism's job categories</p> <ul style="list-style-type: none"> <li>● In line with the growth and risk mitigation strategies, the company focused on the "quality" of clients for its mainstay job-transfer media "Carism" to obtain favorable conditions and expand the types of job categories, resulting in a significant doubling of sales in FY2023 compared to the previous year.</li> <li>● In addition to starting consolidation of Bikkore through M&amp;A from April 2023, we have focused on creating new media such as investing in the launch of financial media as a new area.</li> </ul>
<b>HR</b>	<p><b>【Growth and Risk mitigation strategy】</b> Increase the job placement rate by strengthening the personnel structure／Promote direct recruiting</p> <ul style="list-style-type: none"> <li>● In line with the growth strategy, we planned to increase the job placement rate by strengthening our personnel structure, and although we succeeded in strengthening the structure by actively recruiting, there was a delay in raising the job placement rate because it took time to train.</li> <li>● As a risk mitigation strategy, we were considering developing a direct recruiting service, but considering our current resources and the amount of investment required, we decided not to develop this service and decided to develop our business based on two pillars: recruitment and temporary staffing.</li> </ul>
<b>Insurance</b>	<p><b>【Growth and Risk mitigation strategy】</b> Increase product and market recognition／Develop new insurance products</p> <ul style="list-style-type: none"> <li>● In line with growth strategy, Implemented branding in collaboration with legal media to increase recognition.</li> <li>● Restructuring of the business management system, including the appointment of a new business manager from May 2023, to accelerate business growth. Promote development of new insurance products as a risk mitigation strategy.</li> </ul>



# Achievement of FY2023 Full-year Targets

Revenue budget was achieved in line with the forecast revised upward during the period. Operating profit ended up below the full-year budget due to recording 114 million yen in impairment losses (impairment loss of 98 million yen on goodwill pertaining to the acquisition of ASIRO SSI and impairment loss of 16 million yen on non-current assets in HR).

## Achievement of Full-year Forecast



## Section 02

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

# Section **02-A**

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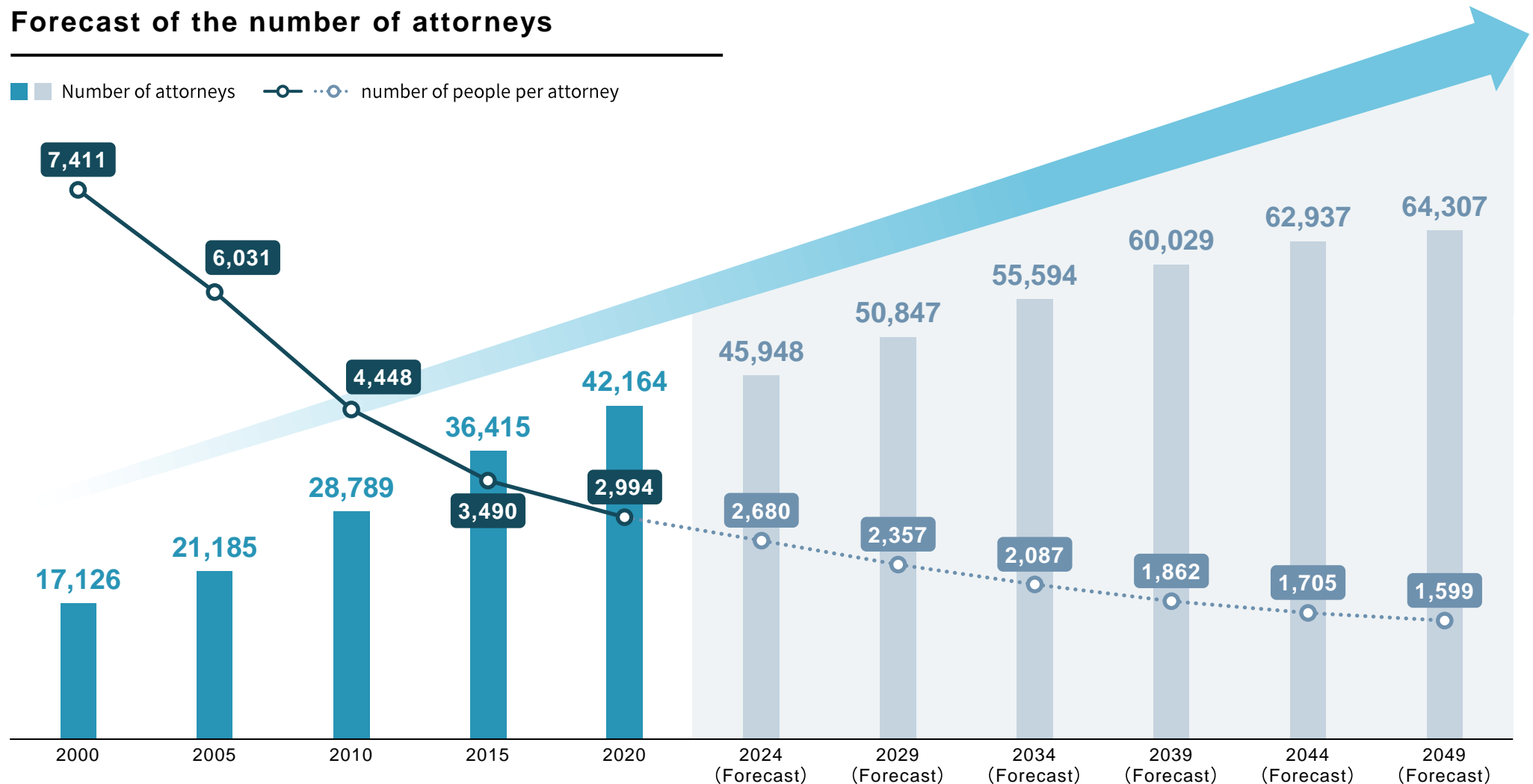
## **Business environment**

# 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

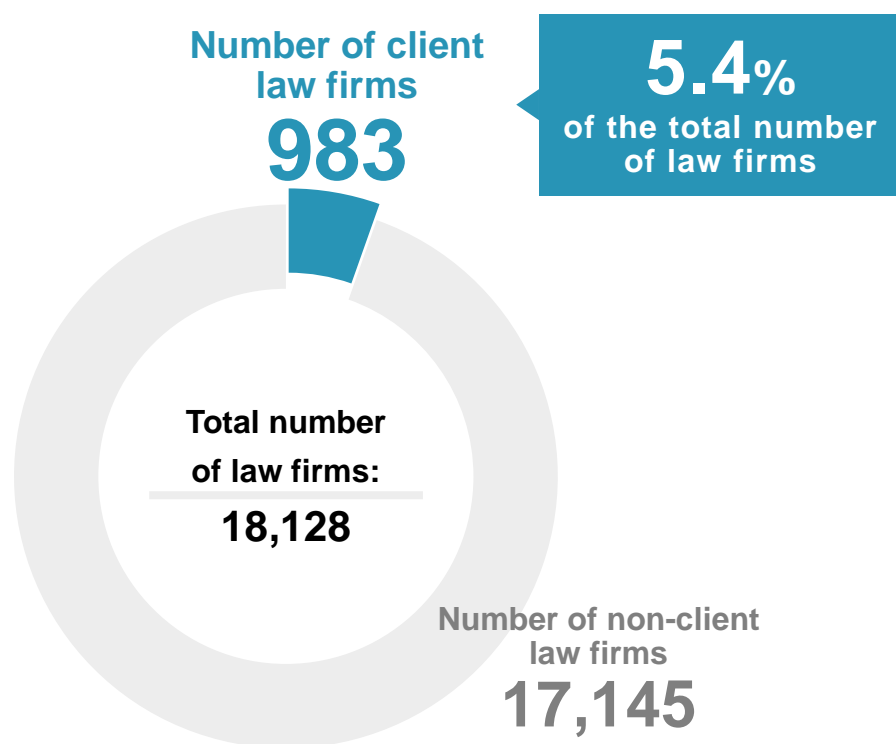
■ Number of attorneys    —○— number of people per attorney



## Reference: Our customer base and market potential<sup>1</sup>

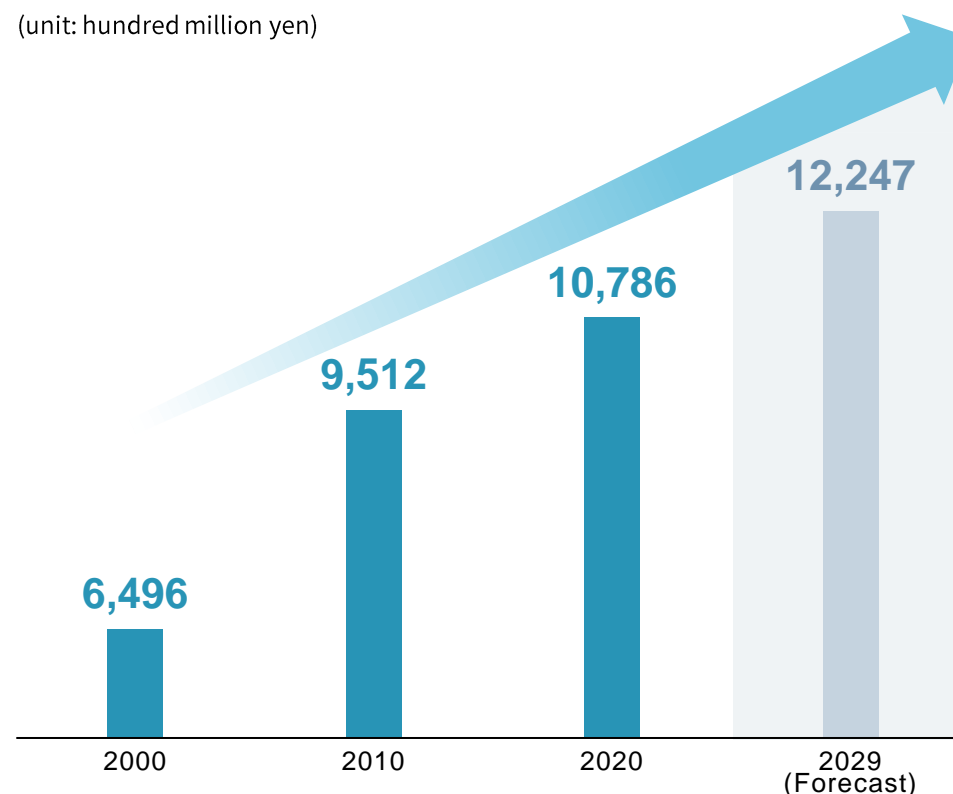
We have 983 customers as of October 31, but that is only 5.4% of the total number of law firms in Japan, so there is a lot of room for growth. As the market size for attorneys' fees is also expanding making the environment more competitive, we anticipate an increase in advertising investment by law firms.

### Our customer base<sup>2</sup>



### Estimated market size for attorneys' fees<sup>3</sup>

(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 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 October 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.

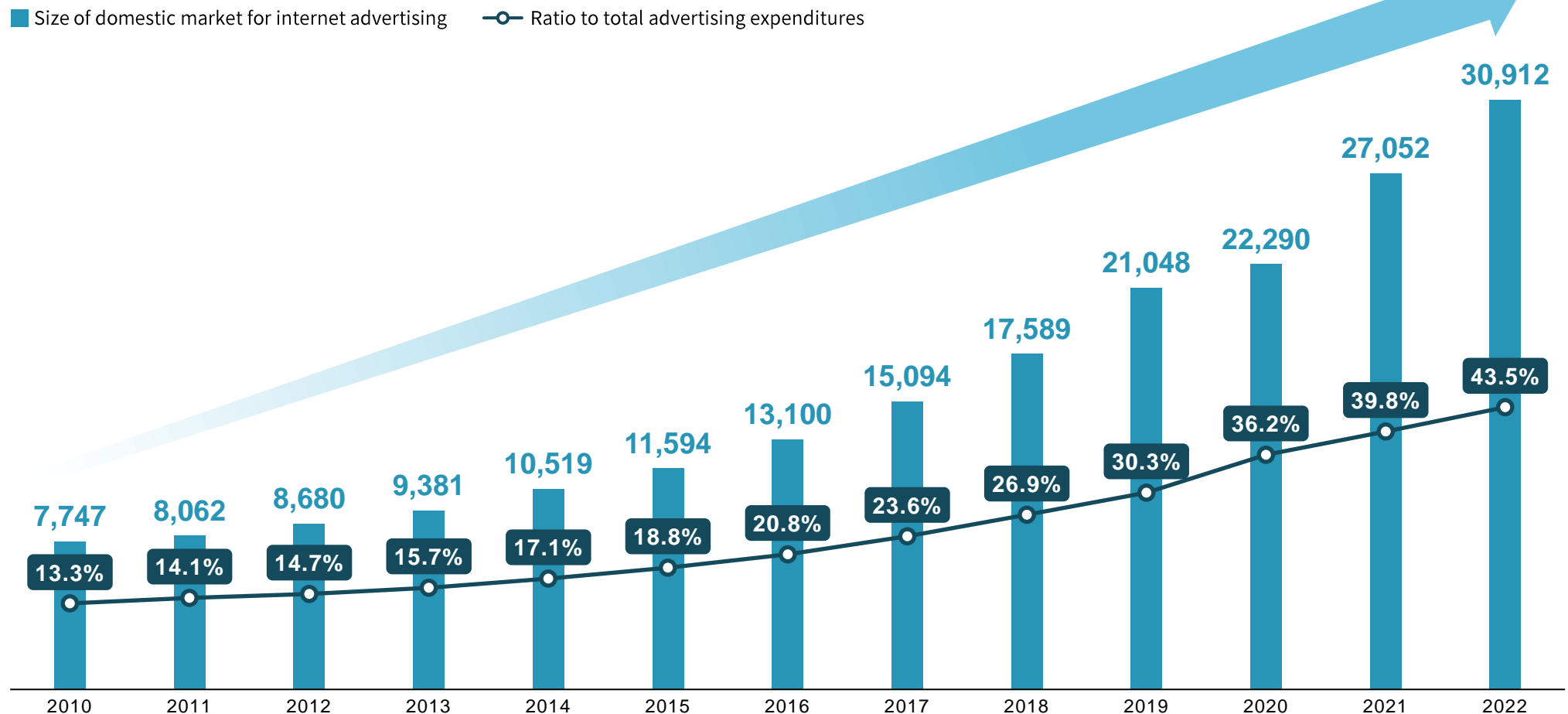
In addition, the market size and average income in 2029 are estimated by applying the forecast value of the number of attorneys in 2029 based on the average income decrease rate with respect to the increase rate in the number of attorneys from 2010 to 2020.

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

# 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.

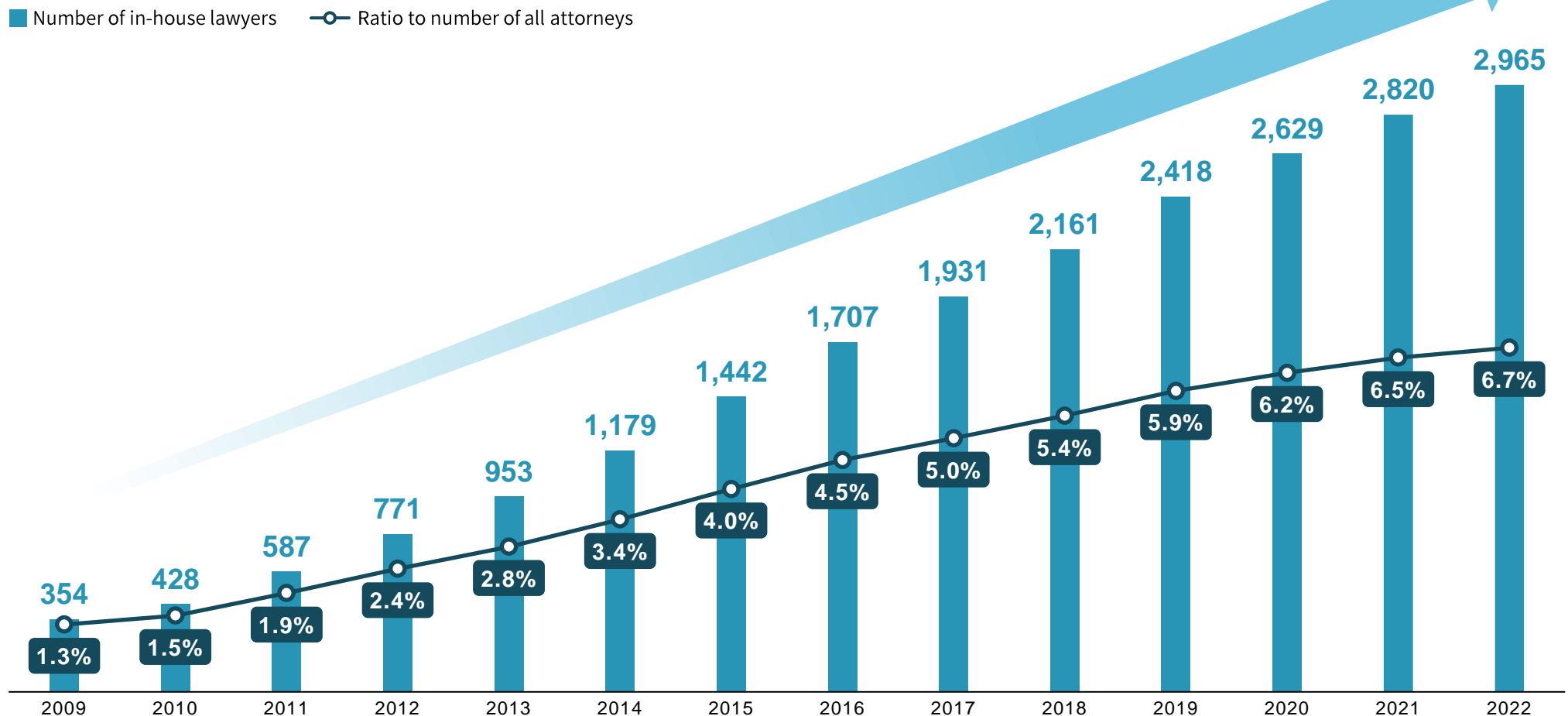
## Estimating the size of the domestic market for Internet advertising



## 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**

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# **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.

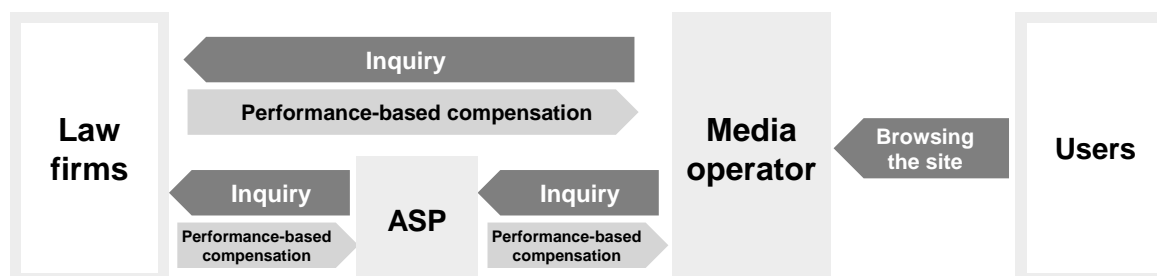
## Regulatory environment

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

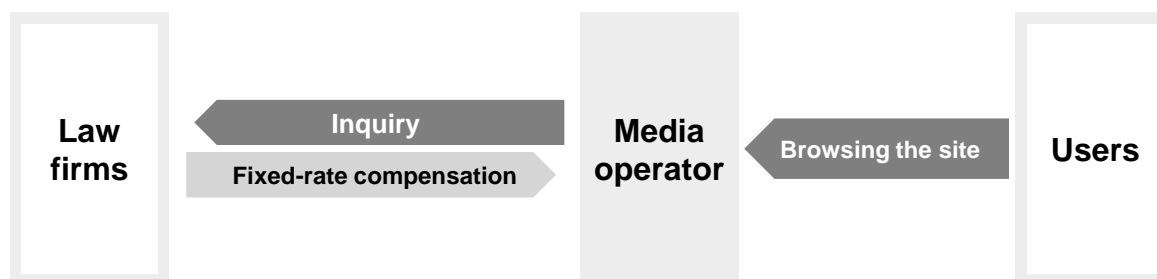
No person other than an attorney or a legal professional corporation may, for the purpose of earning compensation, engage in the legal services such as provision of an expert opinion, representation, mediation, or settlement of the case for which an appeal is filed with the administrative authority, 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 Media<sup>1</sup>

	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	¥2,376 million	¥1,838 million	
Revenue growth rate (past year)	3.2%	25.1%	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)	5,295 <sup>3</sup>	890	
ARPU <sup>2</sup>	¥37 thousand	¥172 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 + α	10 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 FY2023. In addition, for competitor A we aggregate the figures for attorney support service for a similar period (3Q of FY2023 to 2Q of FY2024) 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.

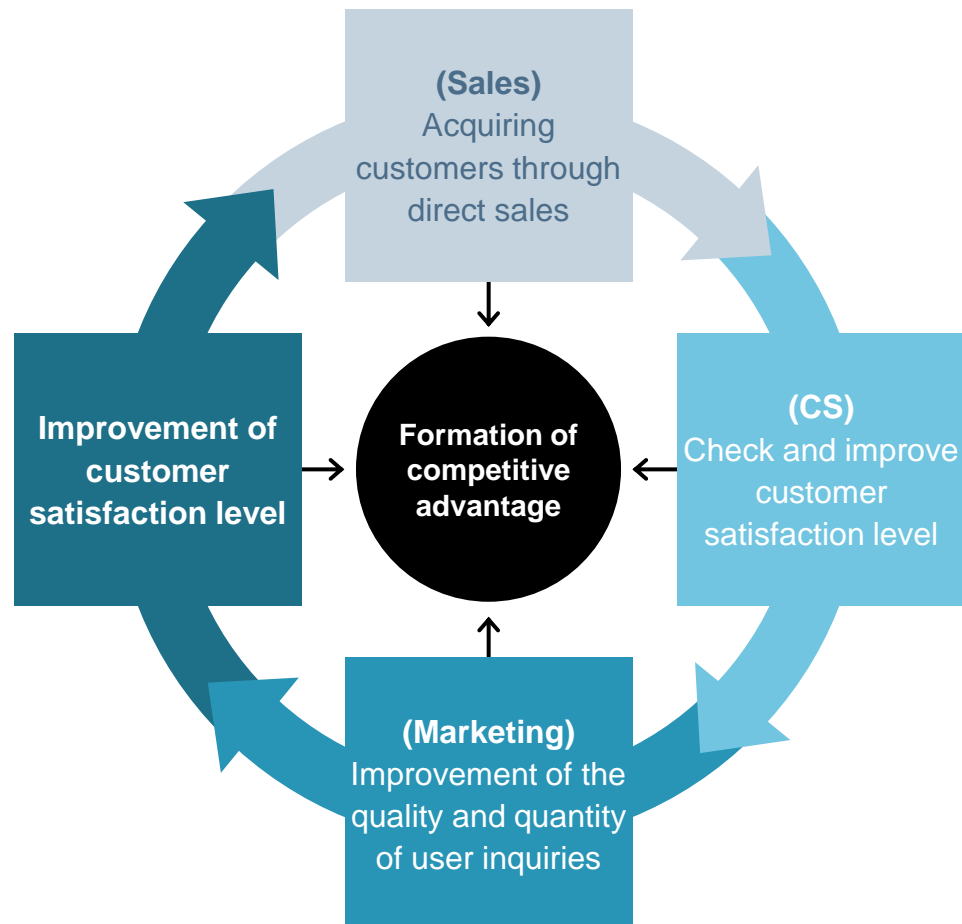
3 The number of paid registered attorneys of competitor A is stated.

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

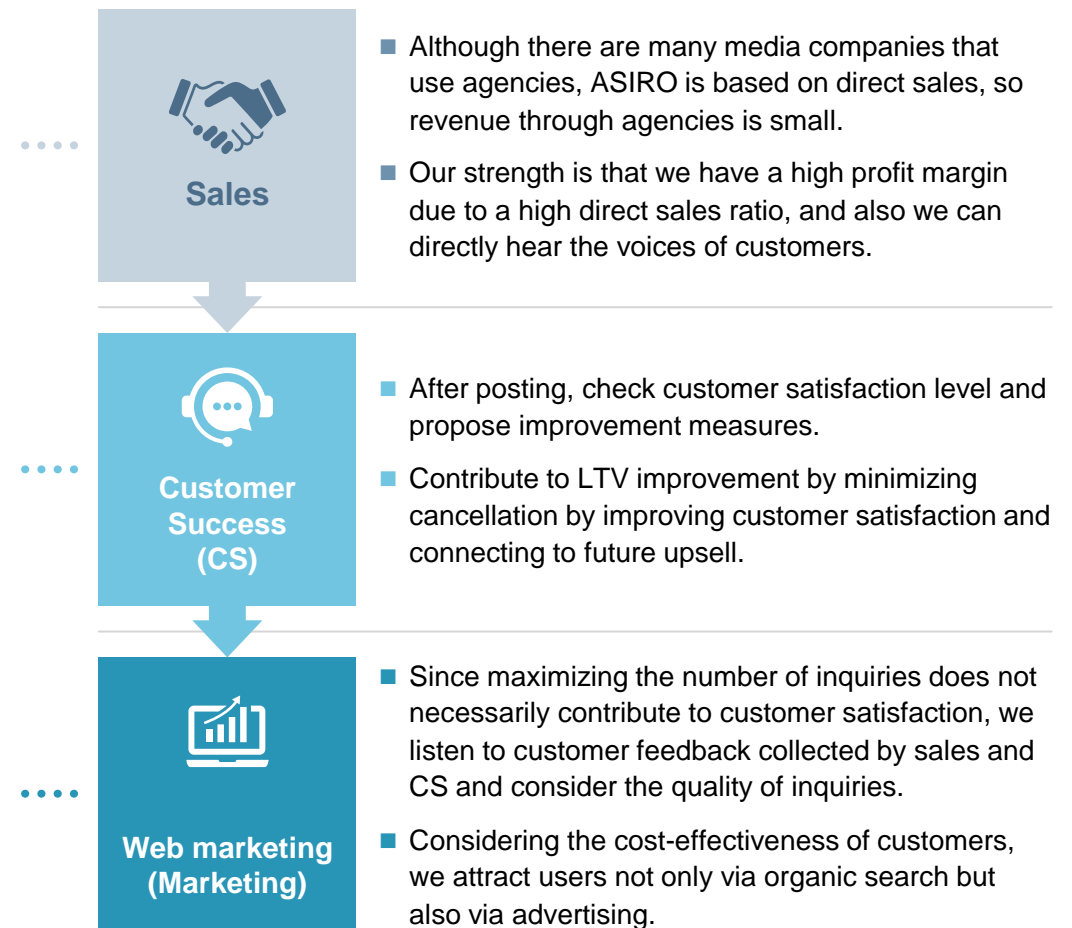
# Competitive advantage

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

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## 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

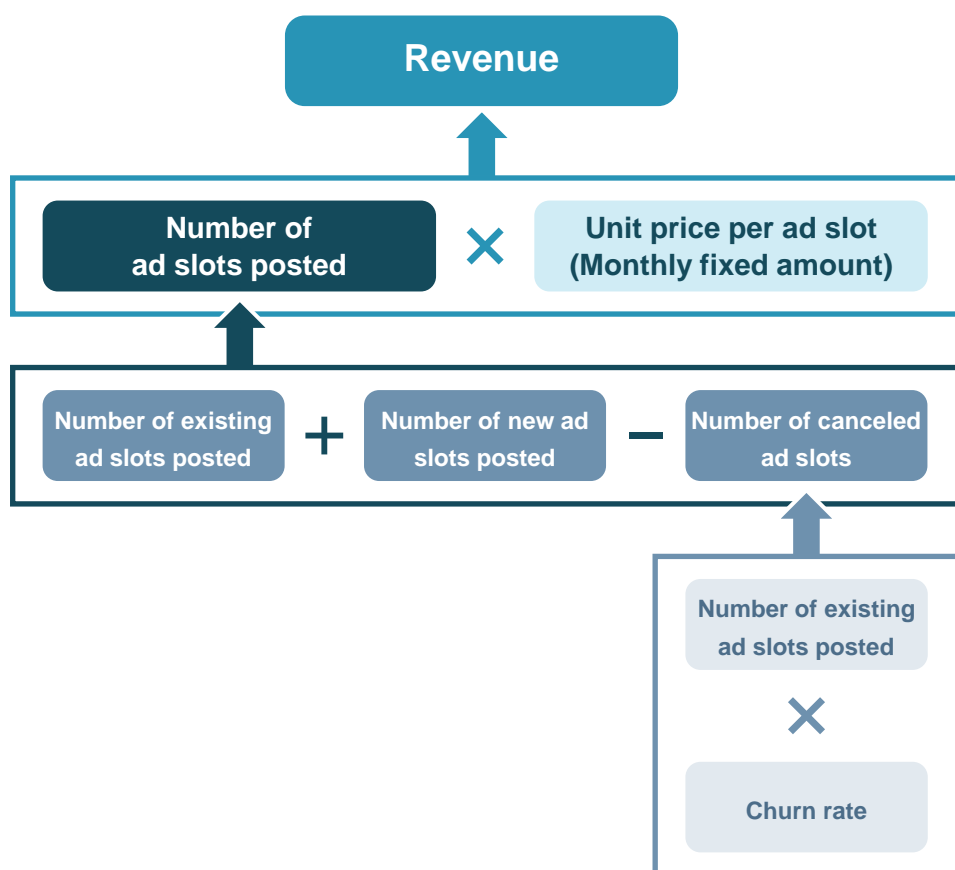
**4** Achievements in Market-oriented **business development**

**5** **High profitability** represented by disciplined operation

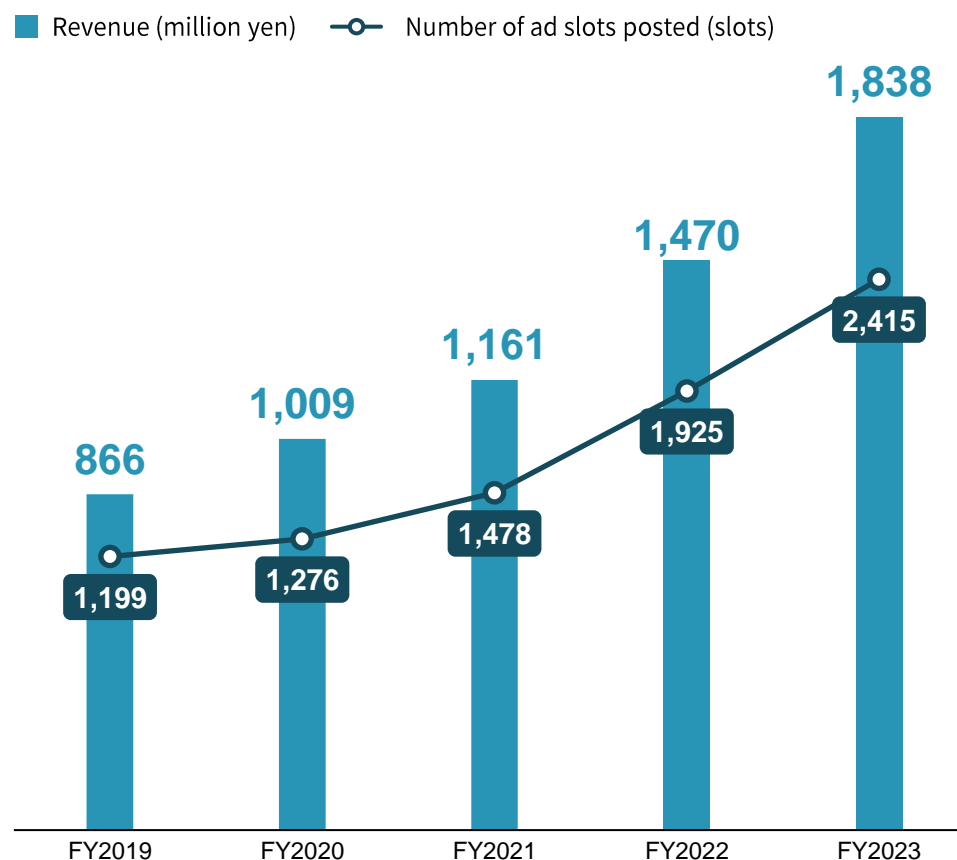
# 1 Stability of Legal Media (Recurring revenue business)

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 posted<sup>1</sup> (Legal Media)

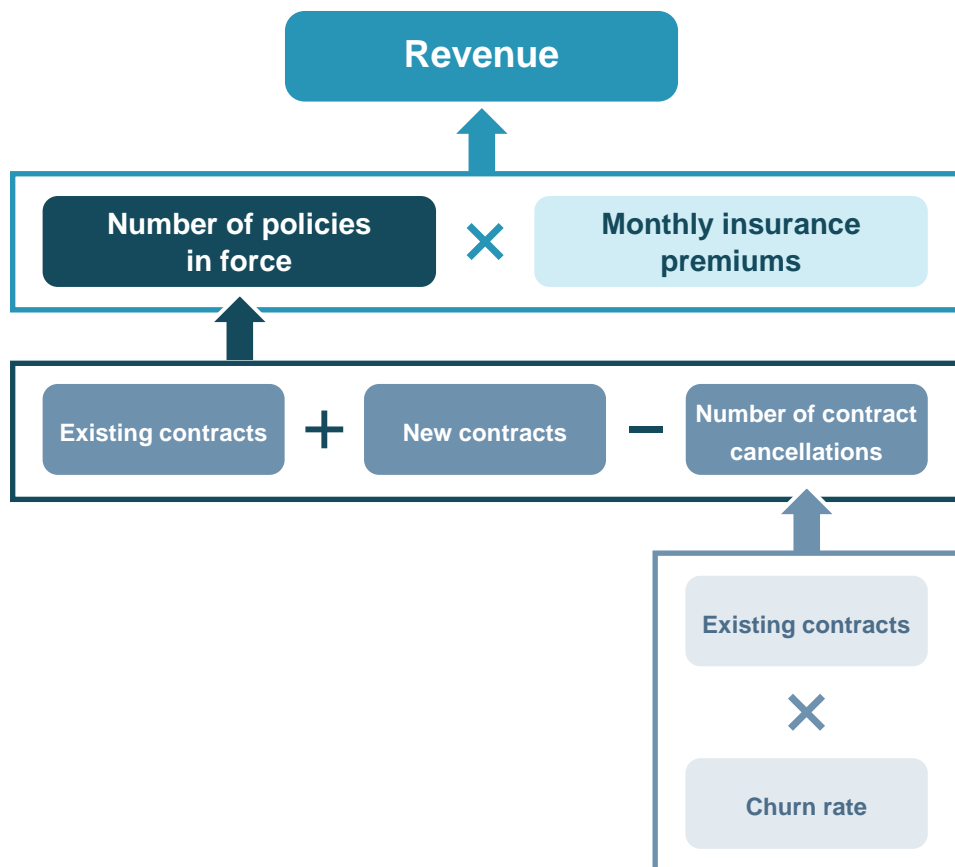


Note: 1 The number of ad slots posted is the total aggregated number of posted paid advertisements, and if the same customer places to multiple paid advertisement slots, those are counted as multiple slots. Although Legal Media does accept free posts, the number of ad slots posted does not include the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

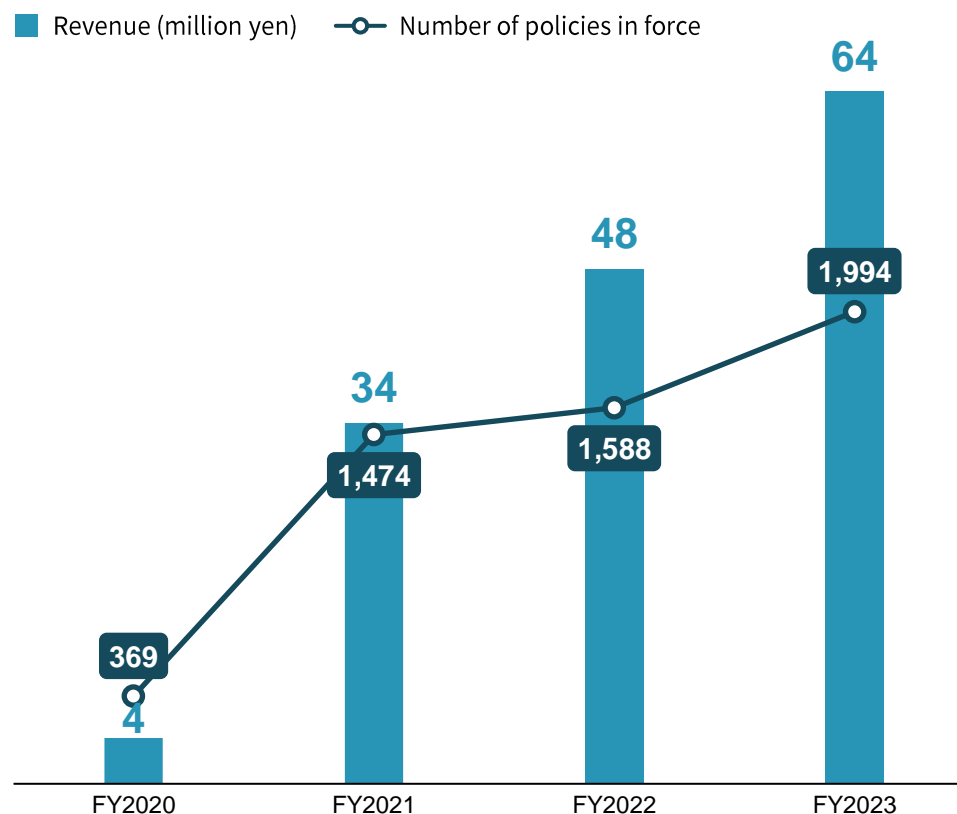
# 1 Stability of Insurance (Recurring revenue business)

The insurance business is a recurring revenue business models in which revenue grows in proportion to the number of policies in force. Although the number of contracts in force is steadily increasing, we will promote measures to further accelerate the speed of increase.

## Revenue model (Insurance)



## Revenue / Number of policies in force<sup>1</sup> (Insurance)

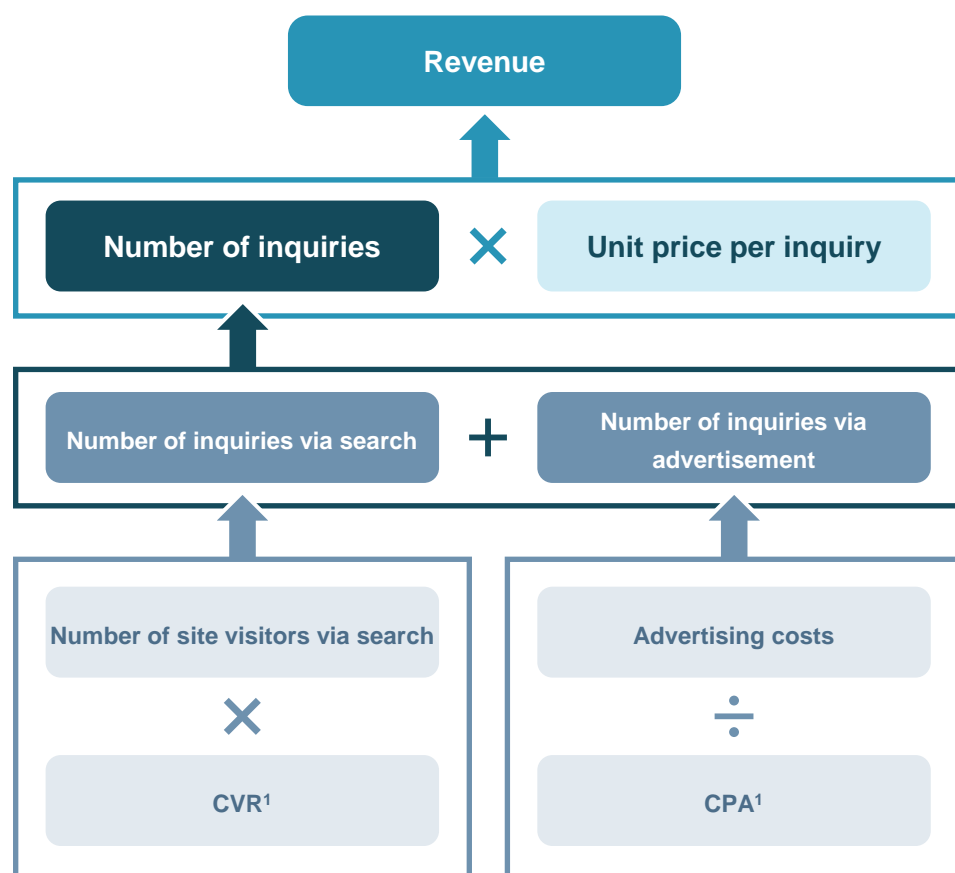


Note: 1 Asiro Small Amount and Short Term Insurance Co., Ltd., a consolidated subsidiary that operates insurance business in the Group, has a fiscal year end of March, but the figures are aggregated according to the Company's fiscal year end. The company started the insurance business in April 2020,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

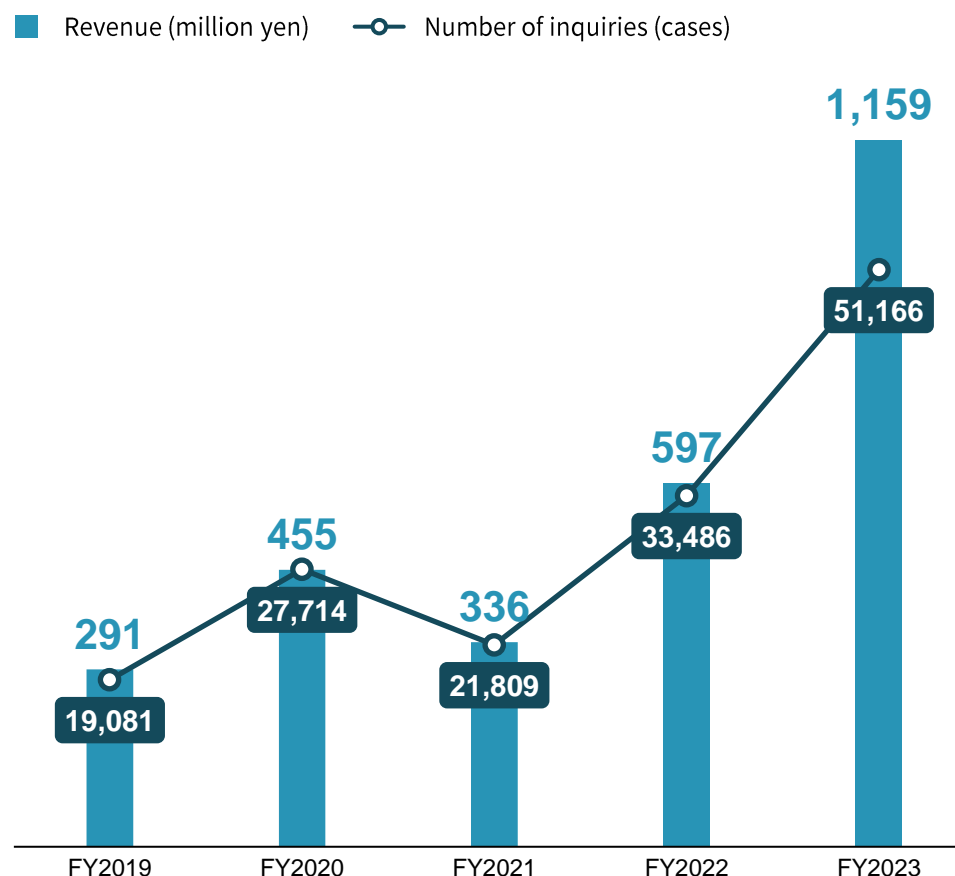
## 2 Growth potential of Other Media

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 inquiries<sup>2</sup> (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.

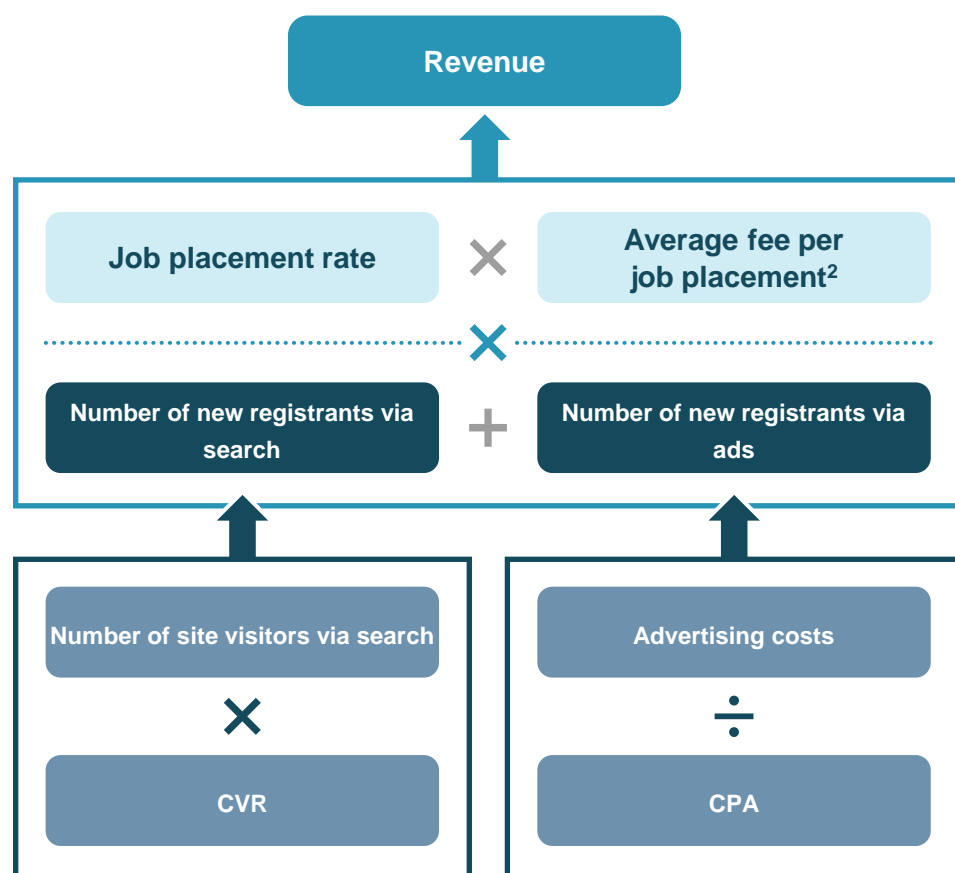
2 The total number of inquiries for main sites of Other Media (Carism, Expert Search for Infidelity Investigation, Hotline for Missing Person Search). The number of Bikkore inquiries is not included.



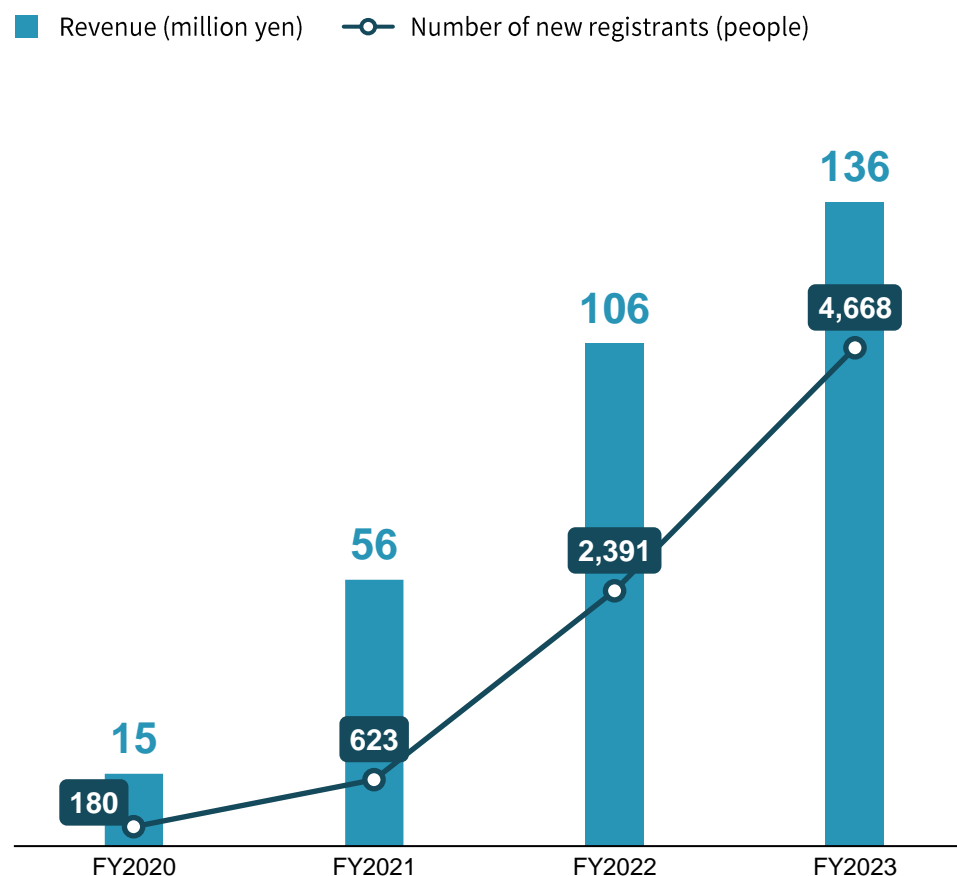
## 2 Growth potential of HR

The HR business is a performance-based business based on the number of new hires (number of new registrants<sup>1</sup> x job placement 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)



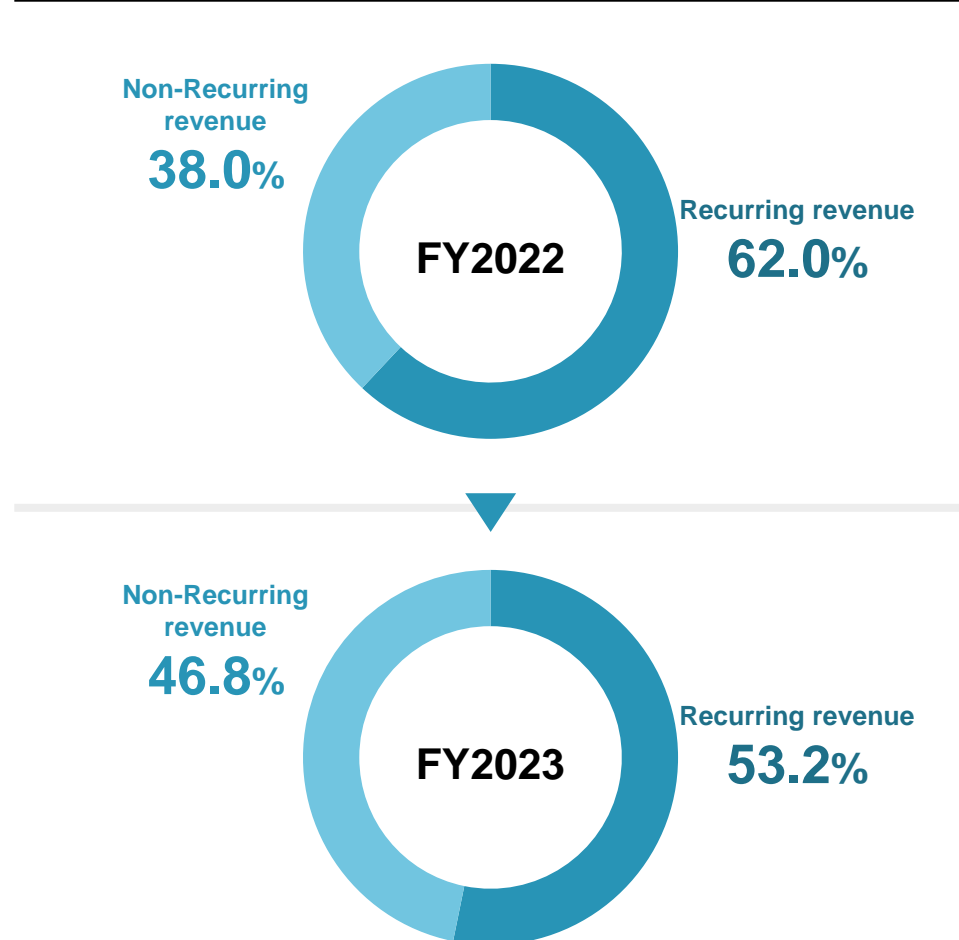
Notes: 1 Refers to the number of new registrations for the recruitment service from job seekers.

2 The average fee per job placement is the amount by multiplying the estimated annual salary of the new hires by the referral fee rate.

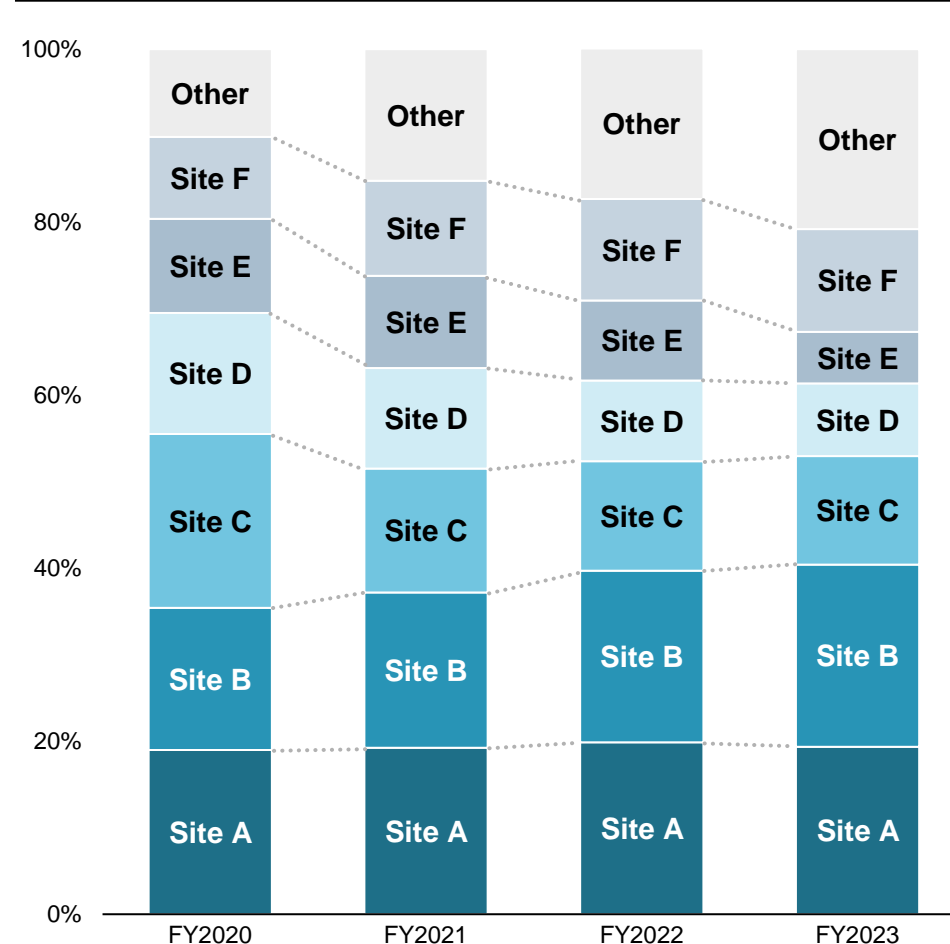
### 3 Uniqueness of distributed business portfolio

Revenue from Legal Media and Insurance business is mainly recurring revenue, and revenue from Other Media and HR is non-recurring revenue. Although the growth of Other Media was remarkable in the FY2023, the majority of sales revenue continued to come from recurring revenue, and legal media, the main 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

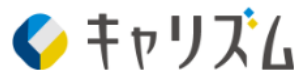
##### Needs

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

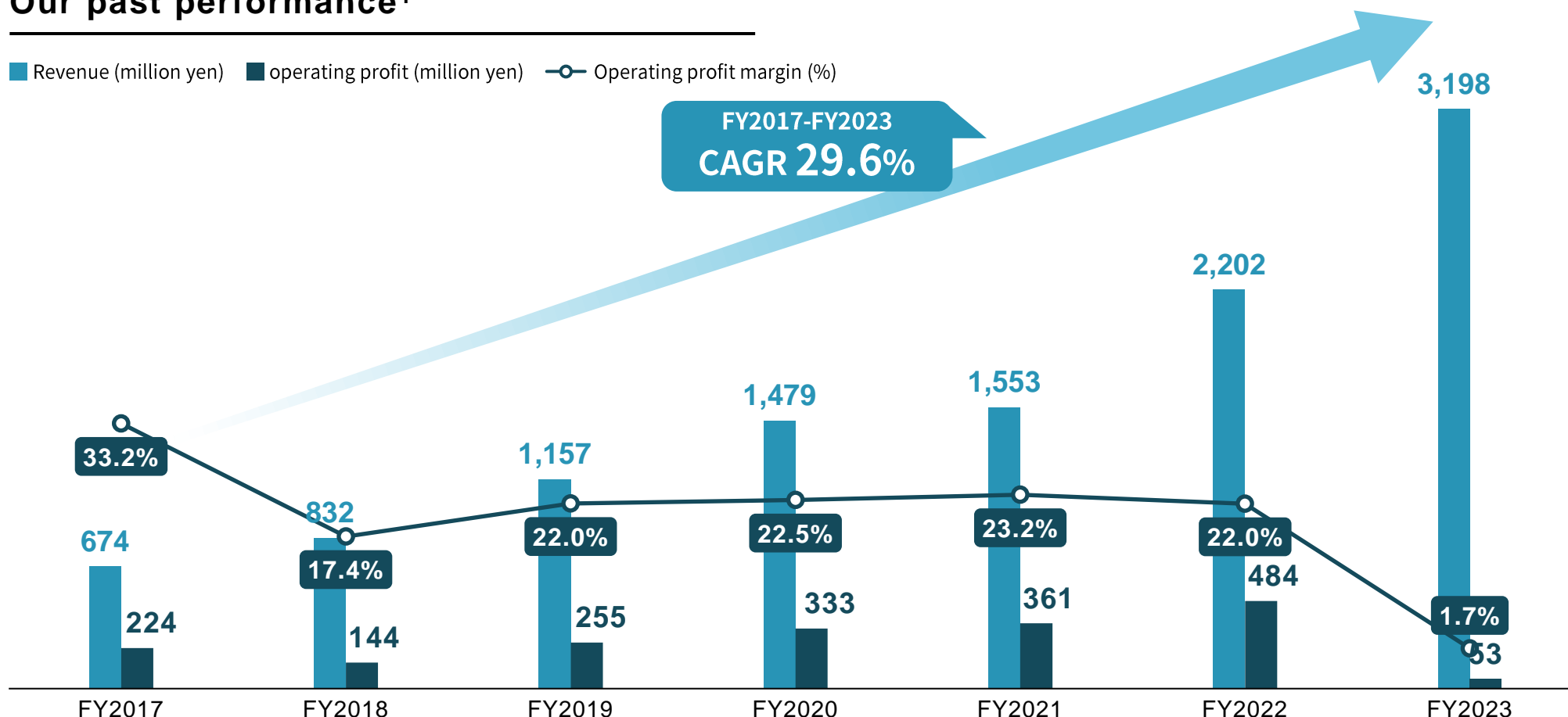
Ability to attract users who are interested in legal issues



## 5 High profitability represented by disciplined operation

Although the sales growth rate has temporarily slowed down due to the COVID-19, we have achieved a sales growth rate of nearly 30% in the long term. Except for the FY2023, which was positioned as a growth investment period in the Medium-term Management Plan, we have generated an operating profit of approximately 20% in the past fiscal years.

### Our past performance<sup>1</sup>



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.

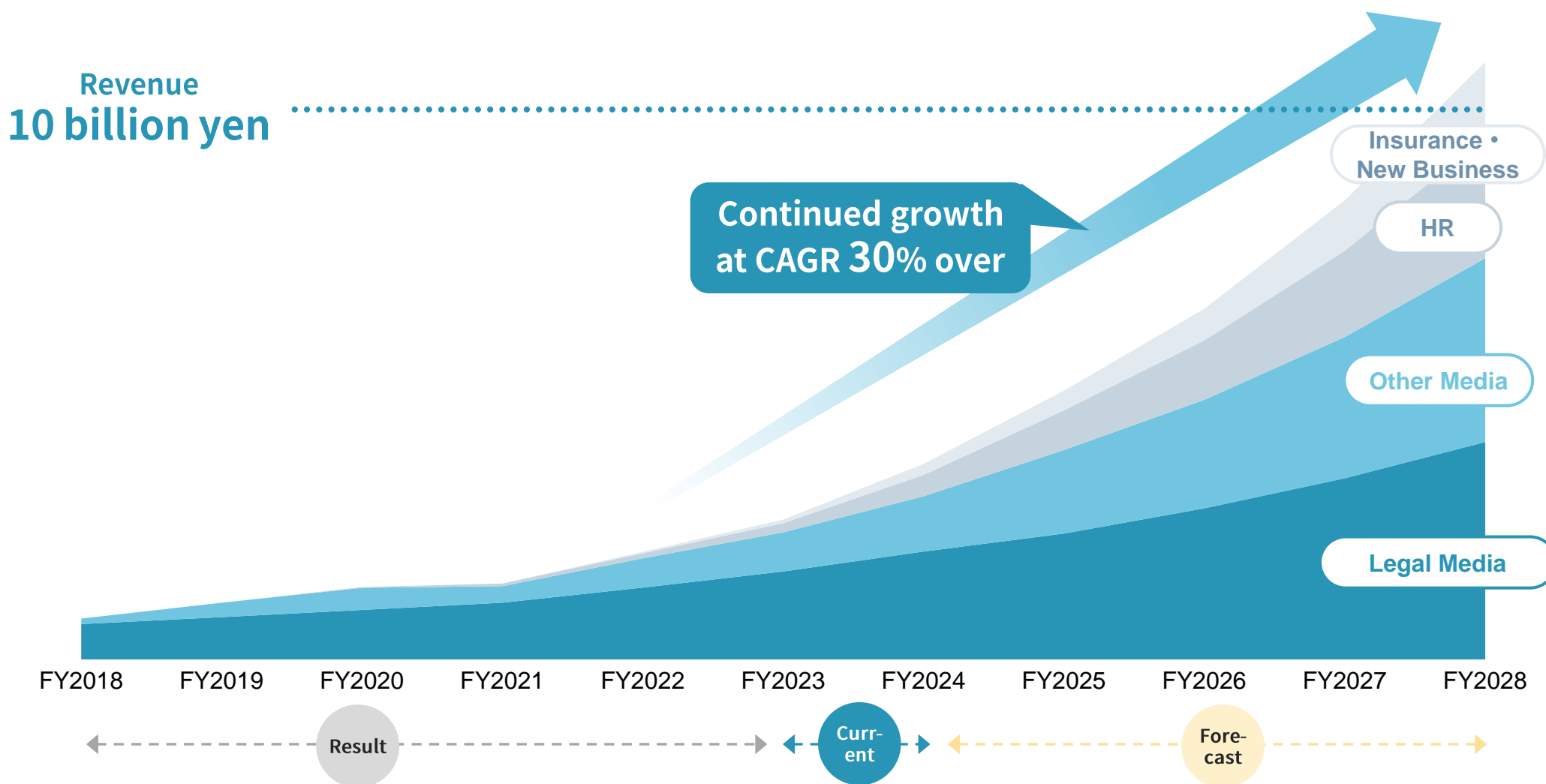
# Section 04

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## **Medium-Term Management Plan (FY2023 to FY2025) and Plan for the FY2024**

# Long-Term Management Objectives

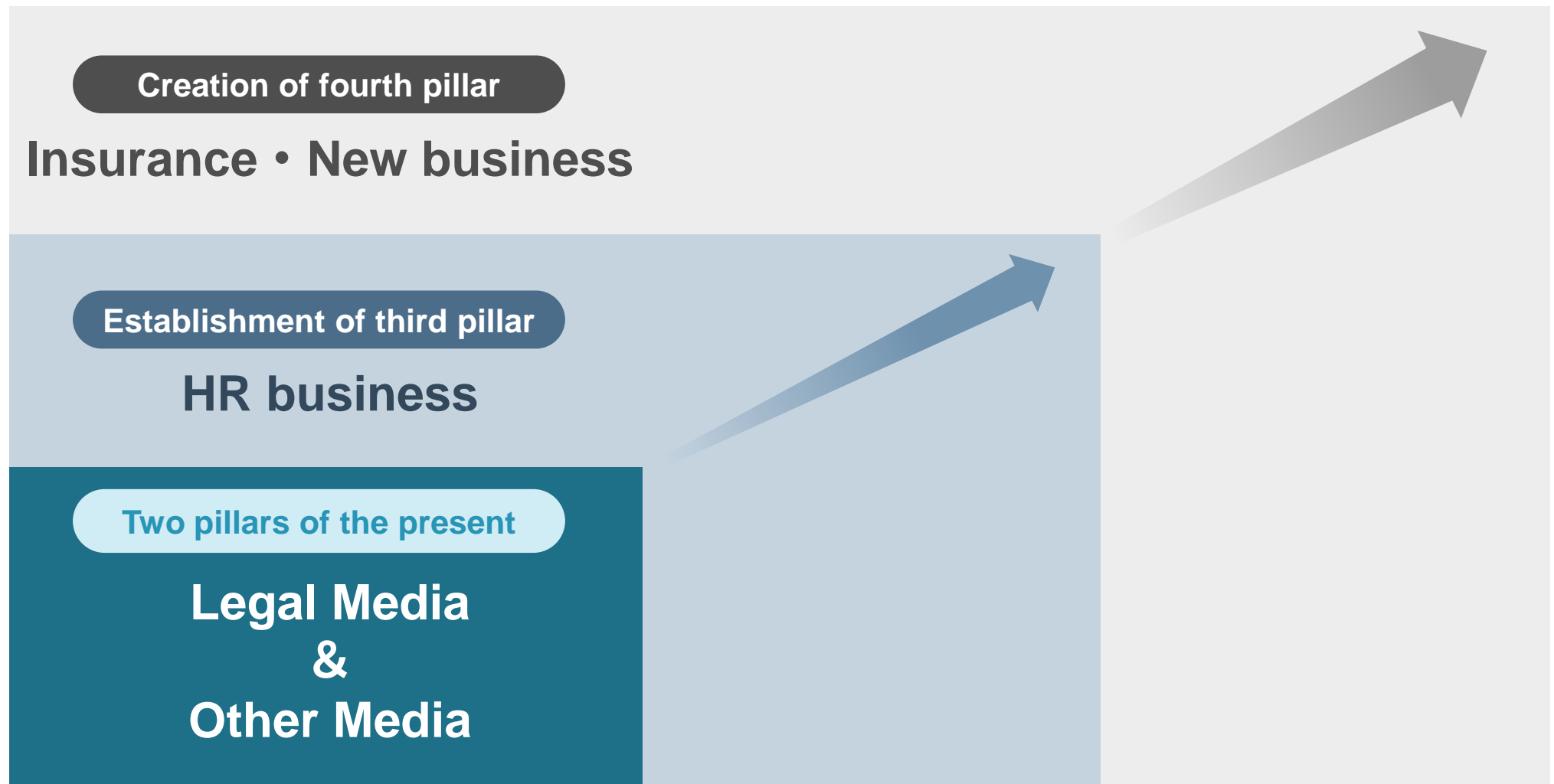
We aim to reach 10 billion yen in revenue as quickly as possible by continuing 30% growth. To achieve this goal, we will aggressively invest in the FY2023 & FY2024, and we will make FY2025 a profit generation period.



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**

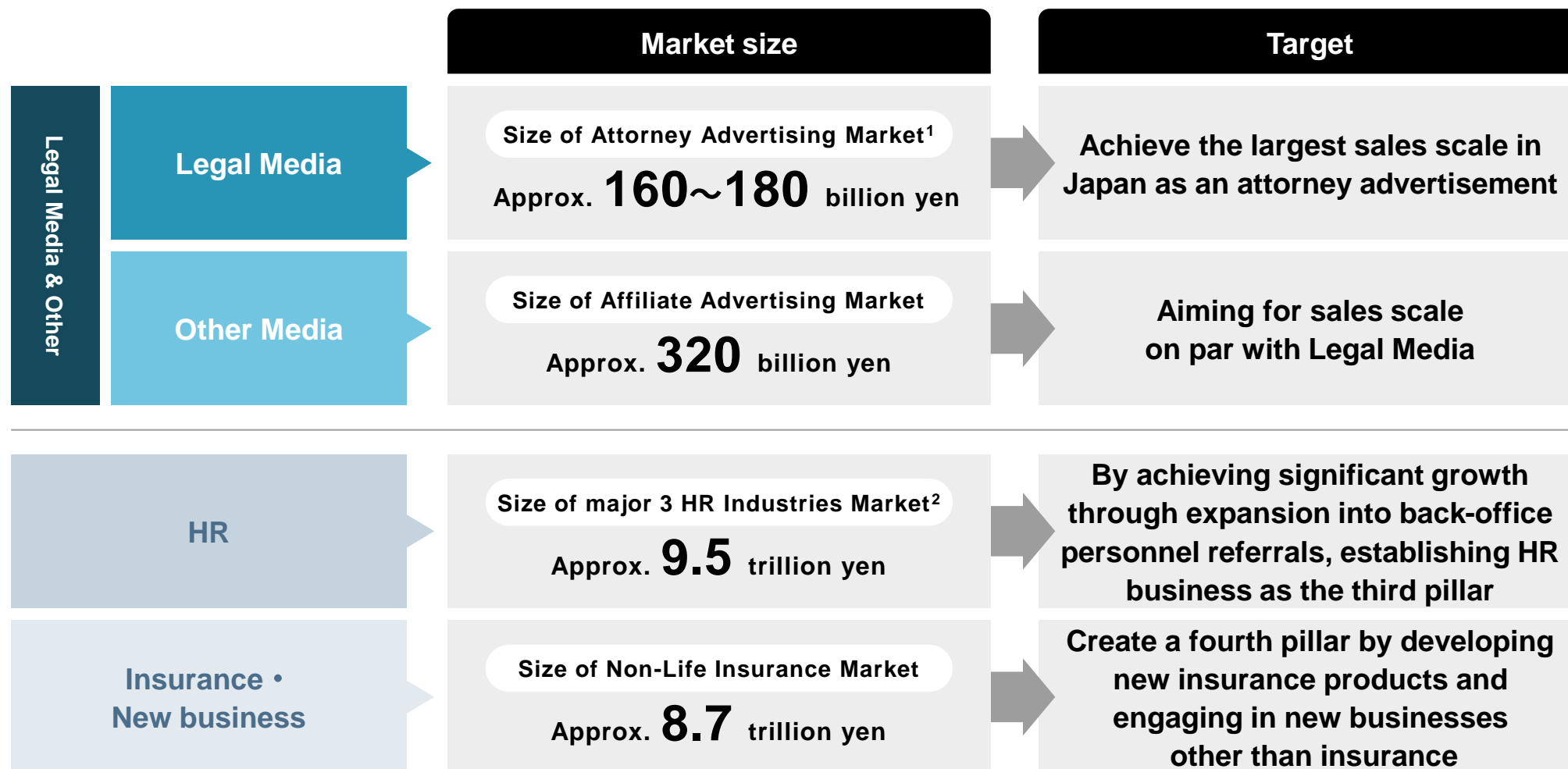


**Company that  
concentrates on the  
legal field**



# 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 Plan<sup>①</sup>

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)

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**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

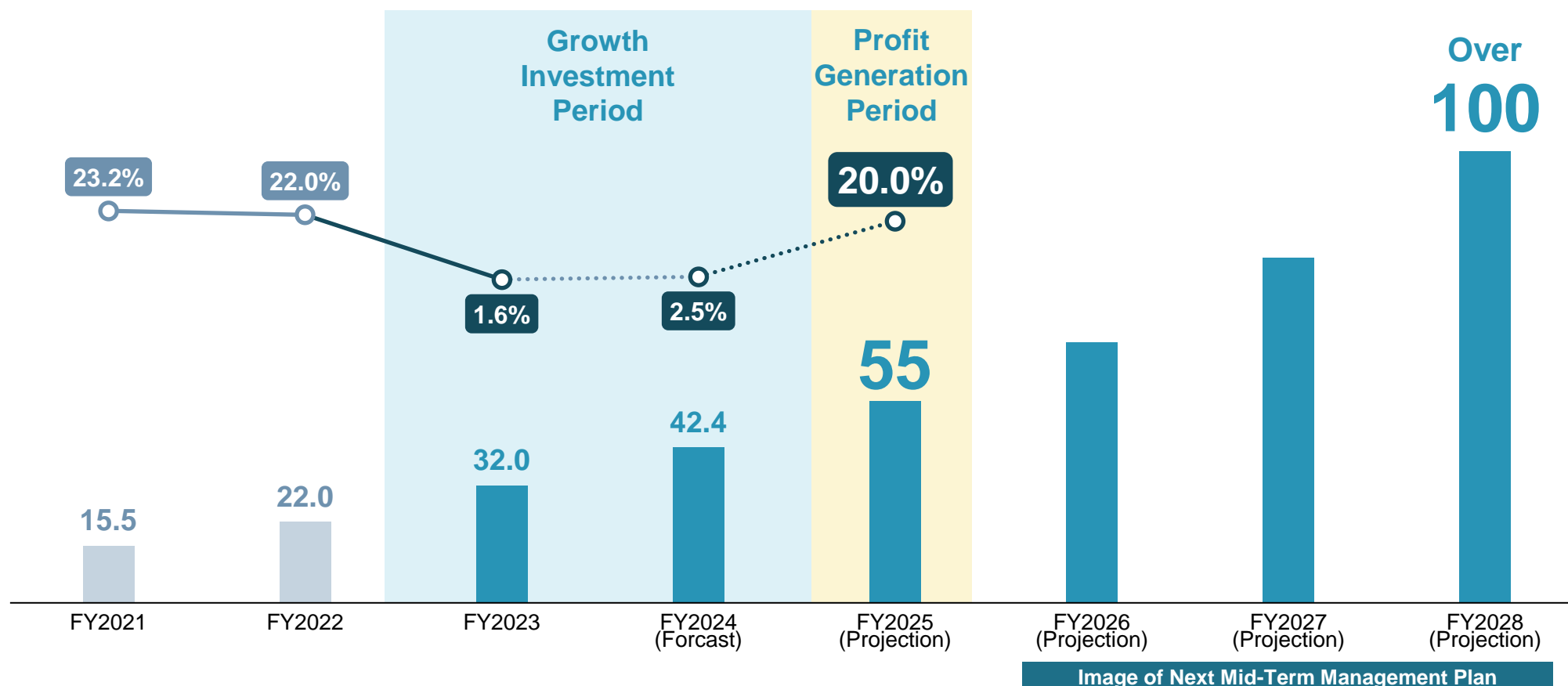
Number of Stock Options	2,030 (The dilutive effect on the total number of shares outstanding after deduction of treasury stock is 2.66%)
Recipients of allotment of stock options	2 directors : 240 options 2 executive officers : 350 options 24 employees : 1,440 options
Issue price per stock option	¥700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

# Numerical targets in Medium-term Management Plan②

In FY2023 and FY2024, we will actively invest in growth based on ample business profits, with the aim of achieving revenue of ¥5.5 billion and operating profit of ¥1.1 billion in the FY2025. Based on the stable and continued growth of current main businesses and the growth of new businesses that will be launched during this medium-term plan period, achieve revenue of ¥10 billion yen as soon as possible.

## Revenue • Operating profit margin<sup>1</sup>

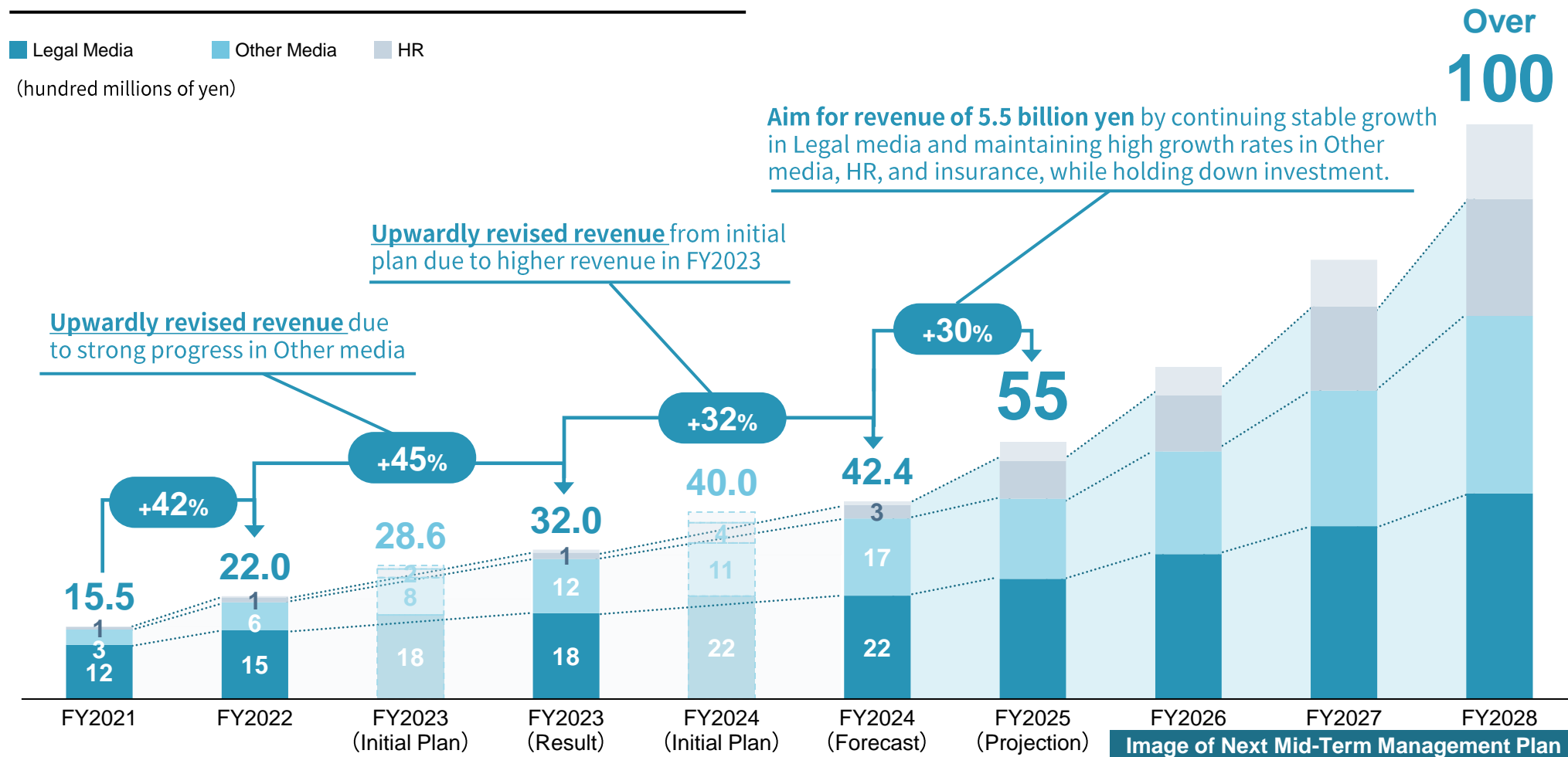
■ Revenue (hundred millions of yen) —○— Operating profit margin (%)



# Numerical targets in Medium-term Management Plan③

In FY2023, we revised our revenue forecast upward from 2.86 billion yen to 3.17 billion yen during the period based on strong business growth, and also increased the original Medium-term Management Plan target of 4 billion yen in revenue in FY2024 to 4.24 billion yen. Comparing from the FY2021 when we went public, we aim to achieve 5.5 billion yen in revenue, which is a 3.5-fold increase, in the FY2025 under the medium-term management plan.

## Revenue by Business Area



# Basic strategies of FY2024 in Medium-term Management Plan

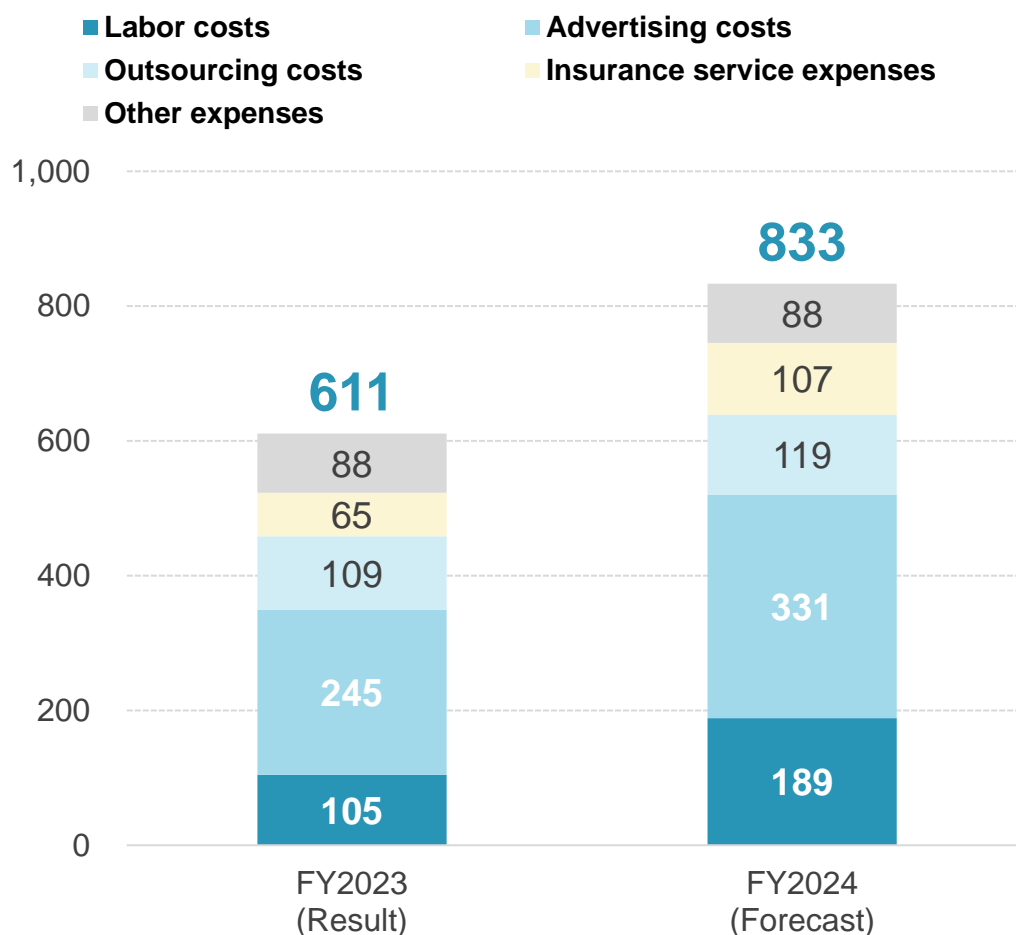
By promoting growth strategies and risk mitigation strategies in parallel in each business, we will achieve stable business growth and increase enterprise value.

	Growth Strategies	Risk Mitigation Strategies
Legal Media	<ul style="list-style-type: none"> <li>Continue stable growth of about 20% per annum by developing new customers and reducing churn rate by strengthening the CS structure.</li> <li>Work to develop new services within the Legal media business to increase the probability of revenue growth.</li> </ul>	<ul style="list-style-type: none"> <li>Raise recognition of the new "Ben-Navi" brand and reduce the risk of Google algorithm update.</li> </ul>
Other Media	<ul style="list-style-type: none"> <li>Expand the definition of Other Media to "derivative fields utilizing existing know-how" and promote new business development.</li> </ul>	<ul style="list-style-type: none"> <li>Increase sales and diversify the risk of market deterioration for specific occupations by expanding the number of occupations referred to by the "Carism".</li> </ul>
HR	<ul style="list-style-type: none"> <li>Given the large increase in the number of new registrations, we aim to achieve significant sales growth by raising the job placement rate through strengthening the staffing of consultants.</li> </ul>	<ul style="list-style-type: none"> <li>Since the job placement business is a non-recurring revenue, we launch temporary staffing services, which is a recurring revenue, in order to achieve more stable revenue growth.</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>Promote not only web marketing but also distributor sales strategies to increase the speed of growth.</li> </ul>	<ul style="list-style-type: none"> <li>As only one product (toC legal fees insurance) is handled, develop new insurance products to accelerate sales growth and diversify product risks.</li> </ul>

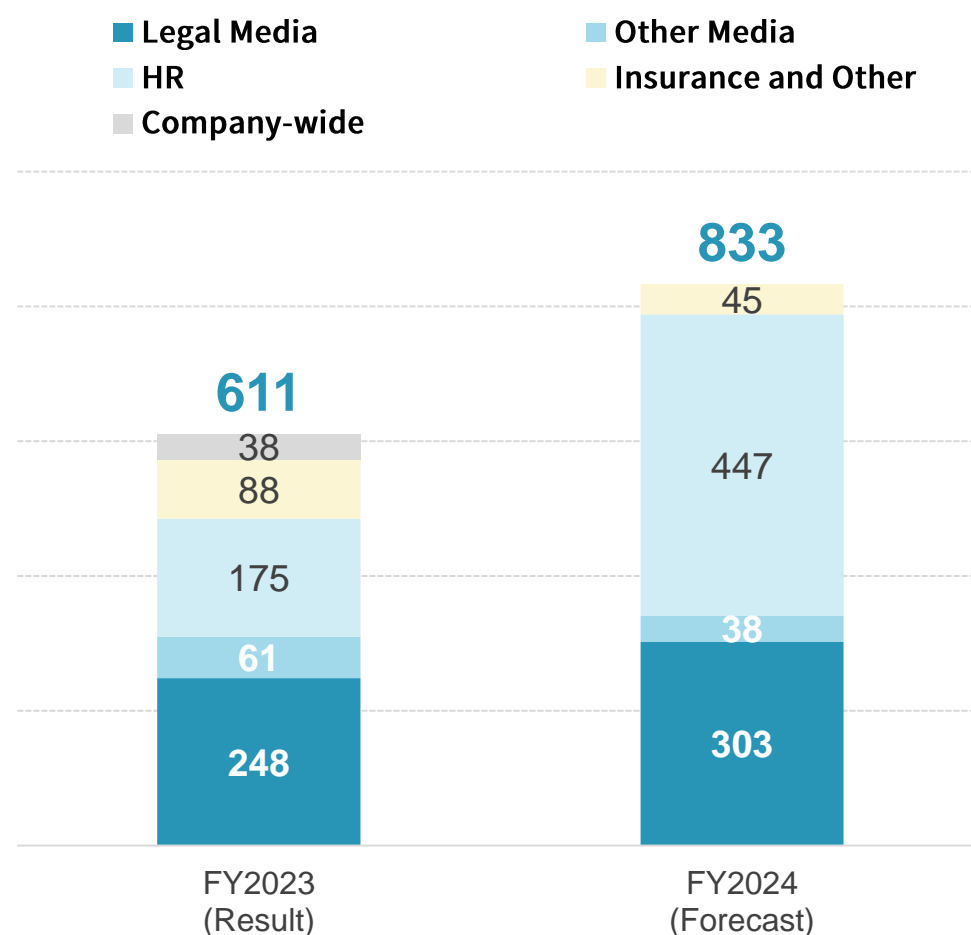
# Planned Investment Amount for FY2024

In FY2024, we plan to continue to make investments based on the ample cash flow generated by our business. We plan to increase investments mainly in labor and advertising expenses by item and in sales expansion of the placement and recruiting business and the launch of the temporary staffing business in the HR. Although we had planned to invest 680 million yen in FY2023, the investment amount was less than the budgeted amount.

Planned Investment Amount by Item (unit: million yen)



Planned Investment Amount by Business Area (unit: million yen)



# FY2024 Major Planned Investments by Business Segment

The major investments by business segment are as follows. As in 2023, we will continue to make aggressive investments in each business segment to raise the probability of achieving the goals of the medium-term management plan.

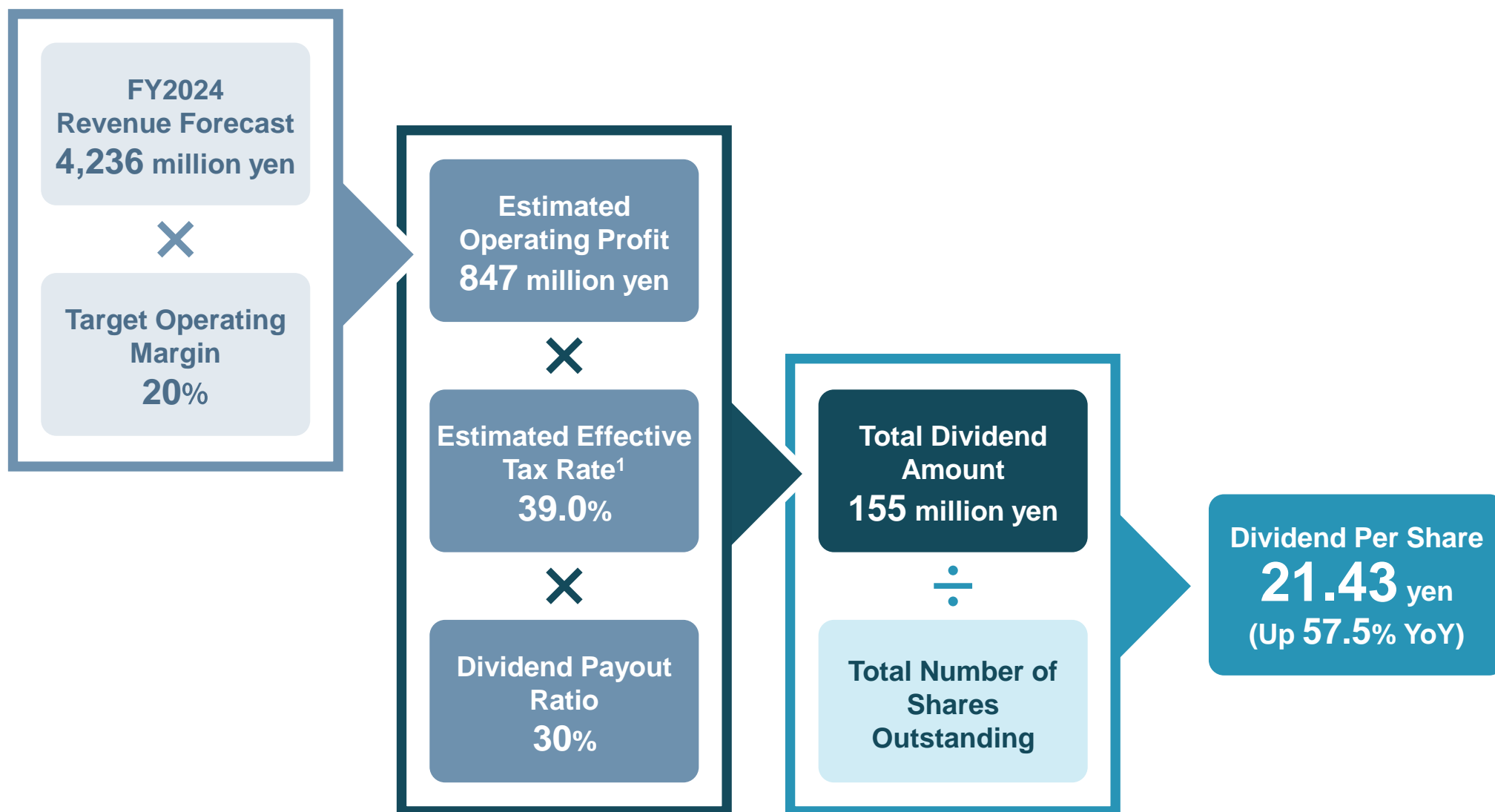
## Major Planned Investments by Business Segment

Business Segment	Projected investment amount	Planned Investments
<b>Legal Media</b>	<b>303</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in advertising and outsourcing to develop new services</li> <li>✓ Investment in advertising to increase awareness of “BenNavi”</li> <li>✓ Investment in advertising and outsourcing to improve sales promotion and customer satisfaction</li> </ul>
<b>Other Media</b>	<b>38</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in outsourcing costs to develop new services and strengthen existing services</li> </ul>
<b>HR (Recruitment business)</b>	<b>380</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in labor and recruiting expenses to strengthen the staffing structure</li> <li>✓ Investment in advertising expenses to increase awareness of “BEET”, a job search service for back-office personnel</li> </ul>
<b>HR (Temporary staffing business)</b>	<b>67</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in recruiting expenses to acquire temporary staff</li> </ul>
<b>Insurance</b>	<b>45</b> million yen	<ul style="list-style-type: none"> <li>✓ Investment in advertising and insurance agency commissions to increase the number of contracts</li> </ul>



# FY2024 Dividend Forecast

The profitability of our business is not deteriorating, since our strategy is based on the decision to invest aggressively to maximize revenue/profit over the medium to long term, we plan to pay a dividend of 21.43 yen per share in 2024 (57.5% increase YoY) based on an operating margin of 20%, which is the normal profit margin, as in the previous year.



Note: 1. Since this is the assumed effective tax rate, the total dividend amount of 155 million yen is calculated by multiplying the assumed operating income of 847 million yen x the assumed effective tax rate (100% - 39.0%) x the dividend payout ratio of 30%.

# 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
<b>Search algorithm</b>	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.
<b>Spread of Covid-19 infections</b>	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.
<b>Impairment of goodwill</b>	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.