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KeyHolder, Inc. Business Introduction  
(Financial statements)

FY12, 2023

Updated April 1, 2024

*This translation was prepared for reference purposes only. Should there be any inconsistency between the translation and the original Japanese document, the latter shall prevail.*

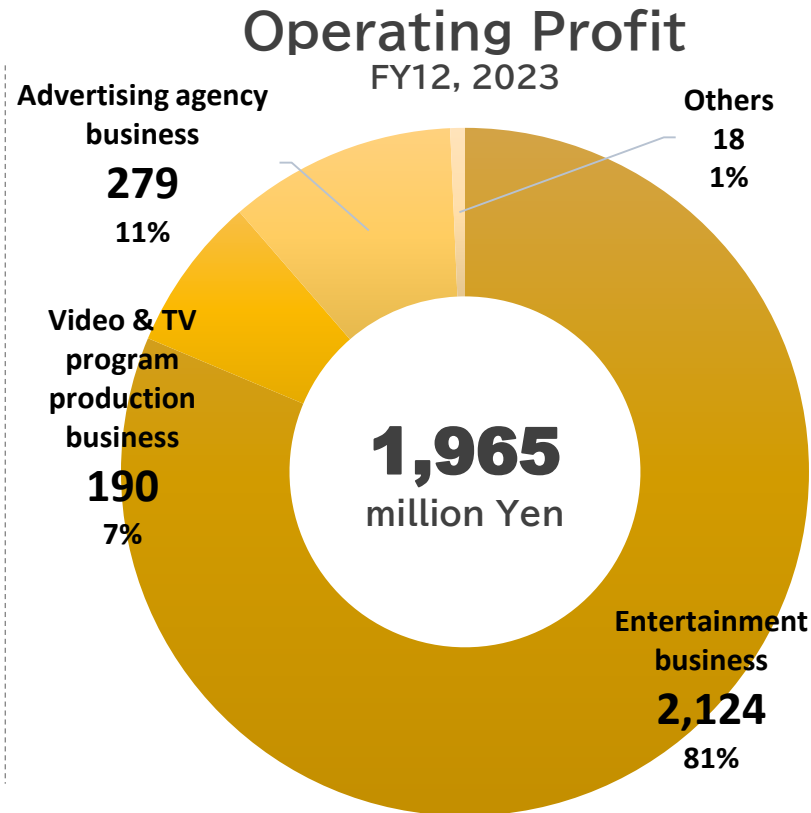
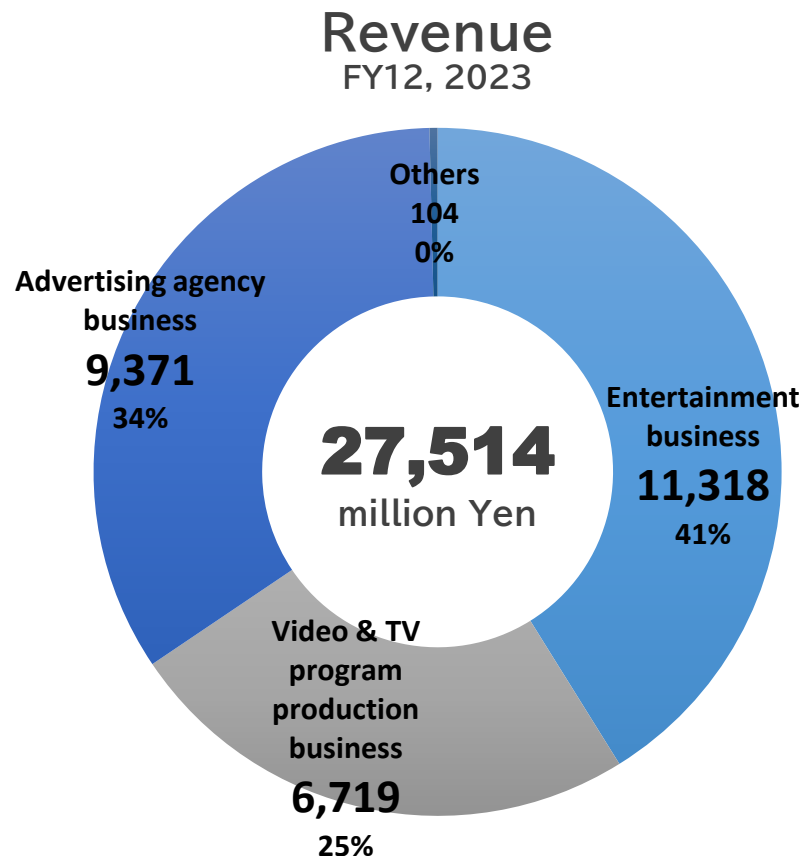


4712

	FY12, 2022	FY12, 2023	Difference from previous term
<b>◆Revenue</b>	<b>22,062</b>	<b>27,514</b>	<b>+ 5,452</b>
→ ① Entertainment business	10,541	11,318	+ 777
→ ② Video/TV production business	5,321	6,719	+ 1,398
→ ③ Advertising agency business	5,897	9,371	+ 3,474
→ ④ Other business	300	104	(196)
<b>◆Cost of sales</b>	<b>17,820</b>	<b>22,957</b>	<b>+ 5,137</b>
<b>◆Gross profit</b>	<b>4,241</b>	<b>4,556</b>	<b>+ 315</b>
<b>◆Selling, general and administrative expenses</b>	<b>3,658</b>	<b>3,855</b>	<b>+ 197</b>
<b>◆Investment gain on equity method</b>	<b>1,340</b>	<b>1,337</b>	<b>(3)</b>
<b>◆Other operating income</b>	<b>179</b>	<b>60</b>	<b>(119)</b>
<b>◆Other operating expenses</b>	<b>77</b>	<b>133</b>	<b>+ 56</b>
<b>◆Operating Profit</b>	<b>2,024</b>	<b>1,965</b>	<b>(59)</b>
→ ① Entertainment business	2,205	2,124	(81)
→ ② Video/TV production business	312	190	(122)
→ ③ Advertising agency business	29	279	+ 250
→ ④ Other business	68	18	(50)
<b>◆Profit before Tax</b>	<b>2,175</b>	<b>1,901</b>	<b>(274)</b>
<b>◆Profit Attributable to Owners of Parent</b>	<b>1,877</b>	<b>2,114</b>	<b>+ 237</b>

● "Investment gain on equity method" is mainly refers to the incorporation of profits from Nogizaka 46 LLC.

■ Entertainment business  
 ■ Video/TV production business  
 ■ Advertising agency business  
 ■ Other business

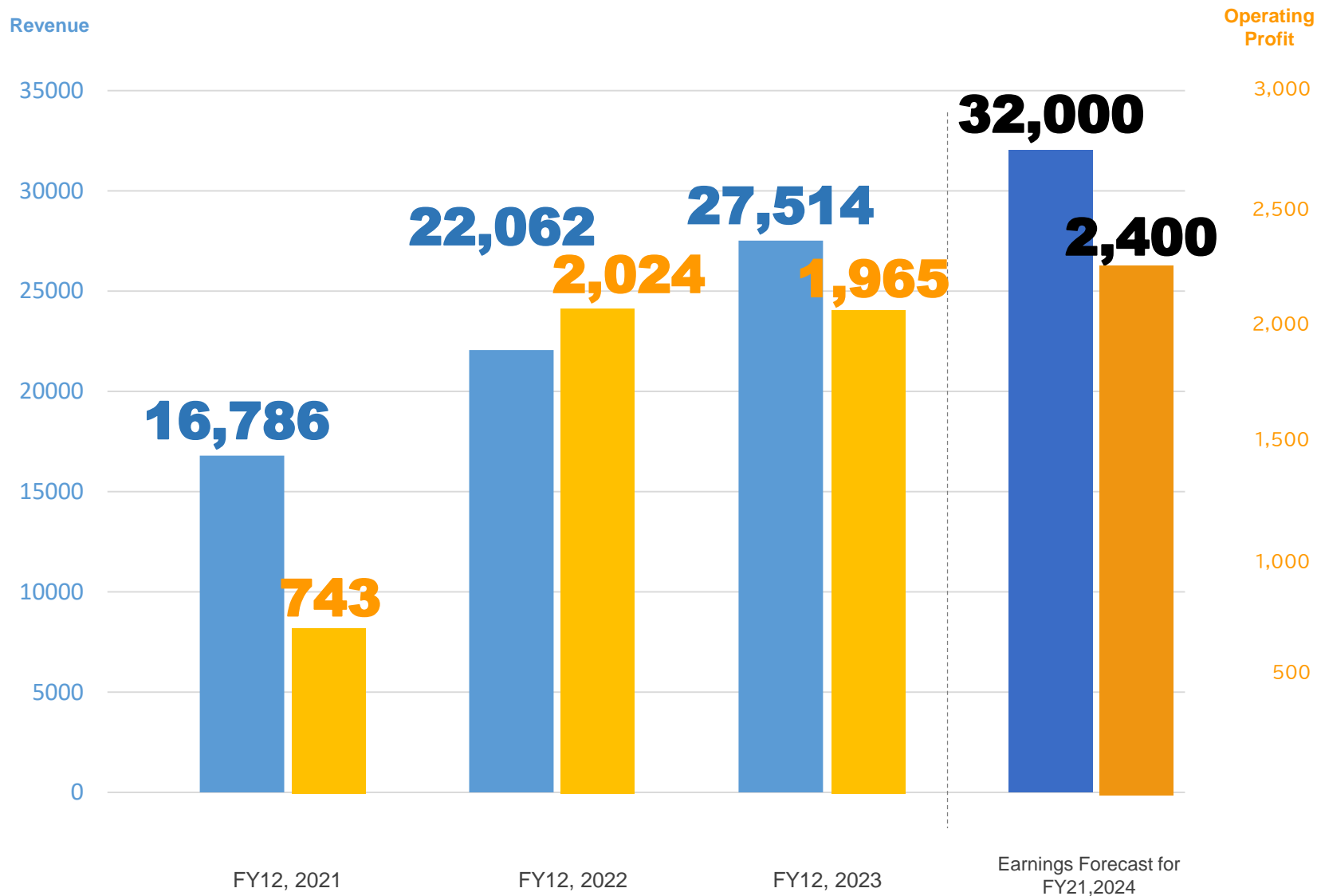


- Revenue = Of the total entertainment business that accounts for 60%, over 70% is North River's Nogizaka46 related business. 20% are related to artists belonging to Zest, such as "SKE48" and "Novelbright". In video production, he has accumulated many achievements in the production of variety special programs.
- Operating Profit = 60% of the 75% total entertainment business is Nogizaka46-related profit (North River), and 1,337 million yen of equity method investment profit (Nogizaka46LLC) is added to this. Artists belonging to Zest are struggling.

	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Revenue</b>	<b>4,984</b>	<b>10,700</b>	<b>16,786</b>	<b>22,062</b>	<b>27,514</b>
→ ① Entertainment business	1,612	5,802	10,096	10,541	11,318
→ ② Video&TV production business	2,453	3,841	4,421	5,321	6,719
→ ③ Advertising agency business	558	661	1,895	5,897	9,371
→ ④ Other business	359	394	374	300	104
<b>◆Cost of sales</b>	<b>3,682</b>	<b>8,130</b>	<b>13,087</b>	<b>17,820</b>	<b>22,957</b>
<b>◆Gross profit</b>	<b>1,301</b>	<b>2,569</b>	<b>3,699</b>	<b>4,241</b>	<b>4,556</b>
<b>◆Selling, general and administrative expenses</b>	<b>1,878</b>	<b>3,867</b>	<b>3,943</b>	<b>3,658</b>	<b>3,855</b>
<b>◆Investment gain on equity method</b>	<b>—</b>	<b>2,784</b>	<b>852</b>	<b>1,340</b>	<b>1,337</b>
<b>◆Other operating income</b>	<b>195</b>	<b>214</b>	<b>217</b>	<b>179</b>	<b>60</b>
<b>◆Other operating expenses</b>	<b>38</b>	<b>96</b>	<b>82</b>	<b>77</b>	<b>133</b>
<b>◆Operating Profit</b>	<b>(419)</b>	<b>1,605</b>	<b>743</b>	<b>2,024</b>	<b>1,965</b>
→ ① Entertainment business	(73)	199	1,138	2,205	2,124
→ ② Video/TV production business	(32)	137	129	312	190
→ ③ Advertising agency business	23	(88)	207	29	279
→ ④ Other business	121	(41)	(45)	68	18
<b>◆Profit before Tax</b>	<b>(504)</b>	<b>996</b>	<b>689</b>	<b>2,175</b>	<b>1,901</b>
<b>◆Profit Attributable to Owners of Parent</b>	<b>(848)</b>	<b>1,288</b>	<b>461</b>	<b>1,877</b>	<b>2,114</b>

● From the fiscal year ended December 31, 2019, we have changed our fiscal year end from the end of March to the end of December..

● "Investment gain on equity method = 2,784" in FY12/20 was mainly about 2,088 million yen of negative goodwill gain associated with the acquisition of North River's stake in Nogizaka 46 LLC.



Assets	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Current Assets</b>					
Cash and cash equivalents	4,772	3,395	3,607	4,538	5,084
Trade and other receivables	2,747	3,550	5,284	3,506	3,651
Other financial assets	611	580	377	956	987
Contract assets	95	18	62	8	—
Inventories	7,242	294	376	449	386
Other current Assets	151	164	148	137	231
<b>Total current assets</b>	<b>15,621</b>	<b>8,003</b>	<b>9,857</b>	<b>9,597</b>	<b>10,340</b>
<b>◆Non-current assets</b>					
Property, plant and equipment	1,975	2,196	1,633	1,152	937
Goodwill	4,300	5,220	5,237	5,215	5,218
Intangible asset	720	2,221	1,922	1,959	1,571
Investment property	2,309	1,484	1,382	954	934
Investments accounted for using the Equity method	—	7,304	5,157	6,495	7,042
Other financial assets	579	2,443	2,481	799	699
Deferred tax asset	28	3	19	61	317
Other non-current assets	14	24	9	187	152
<b>Total non-current assets</b>	<b>9,928</b>	<b>20,898</b>	<b>17,842</b>	<b>16,824</b>	<b>16,874</b>
<b>◆Total assets</b>	<b>25,550</b>	<b>28,901</b>	<b>27,700</b>	<b>26,422</b>	<b>27,215</b>

Liabilities	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Current liabilities</b>					
Trade and other payables	1,608	7,792	3,249	3,077	3,195
Bonds and borrowings	2,543	726	1,381	845	881
Other financial liabilities	501	751	1,720	581	642
Income tax payable, etc.	134	130	190	175	25
Provisions	165	142	32	—	99
Contract liability	187	58	550	444	319
Other current liabilities	125	190	195	244	292
<b>Total current liabilities</b>	<b>5,266</b>	<b>9,793</b>	<b>7,321</b>	<b>5,369</b>	<b>5,458</b>
<b>◆Non-current liabilities</b>					
Bonds and borrowings	6,417	2,586	1,749	1,148	1,081
Other financial liabilities	2,588	1,706	1,205	1,082	690
Long-term employee benefits	—	239	256	146	178
Provisions	119	161	183	166	151
Deferred tax liabilities	232	708	589	514	135
<b>Total non-current liabilities</b>	<b>9,357</b>	<b>5,403</b>	<b>3,985</b>	<b>3,058</b>	<b>2,237</b>
<b>◆Total Liabilities</b>	<b>14,624</b>	<b>15,197</b>	<b>11,306</b>	<b>8,427</b>	<b>7,695</b>

Equity	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Equity</b>					
Share capital	4,405	5,308	6,566	92	92
Capital surplus	6,146	6,951	8,198	14,660	14,667
Retained earnings	522	1,662	1,955	3,645	5,564
Treasury shares	(2)	(21)	(29)	(94)	(440)
Other components of equity	71	92	77	86	73
Total equity attributable to owners of parent	11,142	13,994	16,769	18,389	19,957
Non-controlling interests	(216)	(289)	(375)	(395)	(437)
<b>Total equity</b>	<b>10,925</b>	<b>13,704</b>	<b>16,393</b>	<b>17,994</b>	<b>19,519</b>
<b>◆Total liabilities and equity</b>	<b>25,550</b>	<b>28,901</b>	<b>27,700</b>	<b>26,422</b>	<b>27,215</b>

	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Cash flows from operating activities</b>					
Profit (loss) before tax	(504)	996	689	2,175	1,901
Profit (loss) before tax from discontinued operations	365	228	—	—	—
Depreciation and amortization	575	874	1,017	988	1,012
Impairment loss	—	—	55	16	104
Stock compensation costs	14	44	23	—	—
Interest and dividend income	(10)	(15)	(7)	(16)	(5)
Interest expenses	133	141	62	51	45
Equity in net income (loss)	—	(2,784)	(852)	(1,340)	(1,337)
Gain on sales of equity in investments processed under the equity method	—	—	—	—	—
Gain on sales of fixed assets (increase)	(159)	2	(1)	(46)	(2)
Loss on retirement of fixed assets	2	32	15	29	0
Changes in the fair value of financial Instruments measured at fair value through profit or loss	84	556	2	(152)	24
Stock swap gain	—	(246)	—	0	—
Gain on sale of shares in affiliated companies (increase)	—	—	—	—	—
Decrease (increase) in trade and other receivables	507	279	(498)	433	(158)
Contract asset change amount (increase)	(93)	19	(44)	53	—
Change in inventory (increase)	(172)	588	(82)	(73)	63
Increase (decrease) in income tax receivable	—	—	(1,423)	—	—
Increase (decrease) in trade and other payables	(547)	1,272	493	(130)	114
Increase (decrease) in Contract Liabilities	42	(81)	492	(106)	(124)
Increase (decrease) in deposit	—	17	1,020	(30)	(31)
Increase (decrease) in reserve	(29)	(51)	(87)	(32)	80
Increase (decrease) in debt related to retirement benefits	—	30	17	(110)	32
Others	(47)	162	85	60	44
<b>Subtotal</b>	<b>161</b>	<b>2,069</b>	<b>976</b>	<b>687</b>	<b>1,762</b>
Payment amount of corporate income tax	(48)	(392)	(373)	(462)	(786)
Refund amount of corporate income tax	—	—	73	1,423	96
<b>◆Net cash provided by (used in) operating activities</b>	<b>113</b>	<b>1,677</b>	<b>676</b>	<b>1,649</b>	<b>1,072</b>



	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Cash flows from investing activities</b>					
Decrease (increase) in time deposits	(502)	0	200	(590)	(40)
Expenditures for the acquisition of tangible fixed assets	(454)	(117)	(107)	(77)	(113)
Payment of partial gold related to acquisition of tangible fixed assets	(1,043)	—	—	—	—
Revenue from sales of tangible fixed assets	38	29	122	341	2
Purchase of intangible assets	(8)	(19)	(57)	(413)	(0)
Payment for acquisition of investment property	(2)	(9)	(0)	—	—
Proceeds from sale of investment property	166	—	—	406	—
Payment for acquisition of investment securities	(19)	(954)	—	(117)	—
Revenue from sales of investment securities	583	14	—	1,929	100
Payment of capital investment	(119)	(10)	(65)	(16)	(19)
Expenditure from insurance reserve fund	—	(81)	(58)	(39)	(84)
Income from cancellation of insurance reserve	—	43	53	76	—
Payment of security deposit	(67)	(156)	(83)	(7)	(163)
Income from collection of security deposit	147	27	81	23	175
Payment for fulfillment of asset retirement obligations	(43)	(0)	(22)	(21)	(2)
Outlays for short-term borrowings	(179)	—	—	—	—
Income from collection of short-term debt	32	—	—	—	—
Revenue from sales of subsidiaries' shares with change in scope of consolidation	—	—	—	—	—
Interest and dividend income	10	15	3,007	16	795
Payments for acquisition of businesses	(93)	—	(27)	—	11
Payment of deposit for share acquisition	—	—	—	—	—
Expenditure for share exchange of subsidiary shares due to change in consolidation scope	—	(937)	—	—	—
Payment for acquisition of shares in subsidiaries resulting in change in scope of consolidation	(752)	—	(3,000)	—	—
Proceeds from acquisition of shares in subsidiaries resulting in change in scope of consolidation	478	1,225	—	(2)	—
Purchase of investments accounted for using equity method	—	(2,108)	—	—	—
Proceeds from sale of investments accounted for using equity method	—	—	—	2	—
Others	2	11	14	13	2
<b>◆Net cash provided by (used in) investing activities</b>	<b>(1,826)</b>	<b>(3,028)</b>	<b>57</b>	<b>1,523</b>	<b>665</b>

	FY12, 2019	FY12, 2020	FY12, 2021	FY12, 2022	FY12, 2023
<b>◆Cash flows from financing activities</b>					
Net increase (decrease) in short-term borrowings	(1,158)	(318)	500	(500)	—
Proceeds from long-term borrowings	3,677	766	480	600	950
Repayments of long-term borrowings	(1,432)	(1,485)	(1,112)	(986)	(973)
Proceeds from issuance of bonds	50	200	—	—	—
Redemption of bonds	(80)	(75)	(49)	(250)	(28)
Income from issuance of new shares	—	299	497	—	—
Payments from non-controlling interests	—	—	—	—	—
Payments for purchase of treasury shares	(0)	(18)	(7)	(281)	(384)
Income from the sale of treasury stock	—	0	0	0	—
Dividends paid	(252)	(279)	(217)	(223)	(218)
Payments for repayment of lease liabilities	(394)	(609)	(611)	(596)	(571)
Income from exercising stock acquisition rights	—	1,495	—	4	42
Others	3	—	—	(9)	(1)
<b>Cash flows from financing activities</b>	<b>412</b>	<b>(26)</b>	<b>(521)</b>	<b>(2,241)</b>	<b>(1,192)</b>
<b>Cash and cash equivalents of conversion difference</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,301)</b>	<b>(1,377)</b>	<b>212</b>	<b>930</b>	<b>545</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,073</b>	<b>4,772</b>	<b>3,395</b>	<b>3,607</b>	<b>4,538</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,772</b>	<b>3,395</b>	<b>3,607</b>	<b>4,538</b>	<b>5,084</b>

# KeyHolder Group

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## Cautionary Note Regarding Forward-Looking Statements

Descriptions of performance forecasts and future forecasts in this material are forecasts based on available information and include potential risks and uncertainties. Therefore, please be aware that actual results may differ from these performance forecasts due to various factors. This material is not intended to solicit investment. Please make investment decisions based on your own judgment.