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## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 12, 2022

Company name: Remixpoint, inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3825  
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 Scheduled date of filing quarterly securities report: August 12, 2022  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Not Scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2022	6,627	54.1	266	(33.6)	258	(33.2)	80	(76.6)
June 30, 2021	4,300	97.4	401	—	386	—	342	—

(Note) Comprehensive income: Three months ended June 30, 2022: ¥80 million [(76.6)%]

Three months ended June 30, 2021: ¥342 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	0.67	0.66
June 30, 2021	3.42	3.41

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	45,890	15,556	33.9
As of March 31, 2022	72,968	14,114	19.3

(Reference) Equity: As of June 30, 2022: ¥15,549 million

As of March 31, 2022: ¥14,096 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year- end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (forecast)		0.00	–	2.00	2.00

(Note) Revision to the dividend forecasts announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

The energy business is subject to potential impact in the short term from the trend in rising electric power trading prices, and in the medium to long term from structural reform of electric power on the way to a low- carbon society, while the financial business will be affected by factors such as the extent to which the significant decline in cryptoassets prices in the overall cryptoassets market seen in the first quarter under review will continue. For this reason, it is difficult to predict the performance of the Group. As for the influence on performance in the fiscal year ending March 31, 2023 from the matters announced in the press release of May 12, 2022, “Conclusion of a capital and business alliance with SBI Holdings, Inc., change in scope of consolidation (partial stock transfer), and the expected posting of extraordinary profit,” at the present time the Company is not yet in a situation to make a reasonable estimate of these impacts.

The Company intends to announce consolidated financial forecasts for the fiscal year ending March 31, 2023 as soon as a reasonable estimate becomes possible.

**\* Notes:**

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022: No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common stock)
  - 1) Number of issued shares at the end of the period (including treasury shares):
    - June 30, 2022: 122,658,300 shares
    - March 31, 2022: 116,530,700 shares
  - 2) Number of treasury shares at the end of the period:
    - June 30, 2022: 60,000 shares
    - March 31, 2022: 60,000 shares
  - 3) Average number of shares during the period:
    - Three months ended June 30, 2022: 119,511,200 shares
    - Three months ended June 30, 2021: 100,101,665 shares

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

\* Explanation of the proper use of financial results forecast and other special notes

(Caution regarding forward-looking statements)

The forward-looking statements herein are based on information that is currently available and certain assumptions deemed reasonable by the Company.

For matters to note concerning conditions serving as the basis for financial forecasts and the use of financial forecasts, etc., see “1. Qualitative Information on Quarterly Consolidated Financial Results (3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements” on page 4 of the attached materials.

(Obtaining supplementary documentation)

The supplementary documentation will be posted on the Company’s website.

## Table of Contents

1. Qualitative Information on Quarterly Consolidated Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements .....	4
2. Quarterly Consolidated Financial Statements and Primary Notes .....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
(3) Notes to Quarterly Consolidated Financial Statements .....	9
(Notes on going concern assumption) .....	9
(Notes in case of significant changes in shareholders' equity) .....	9
(Changes in accounting policies) .....	9
(Additional information) .....	9
(Segment information, etc.) .....	10
(Significant subsequent events) .....	11

## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation of Operating Results

For the three months ended June 30, 2022 (April 1, 2022 - June 30, 2022), net sales increased by 54.1% year on year to ¥6,627 million. Operating profit decreased by 33.6% year on year to ¥266 million, ordinary profit decreased by 33.2% year on year to ¥258 million, and profit attributable to owners of parent decreased by 76.6% year on year to ¥80 million.

Operating results by business segment for the three months ended June 30, 2022 are as follows. Net sales amounts given here for each segment do not include inter-segment net sales.

The Group's reportable segments have been determined based on sections of high importance in accordance with the evaluation of operating results, the building of business strategies, the allocation of management resources, etc., and have been organized into five sections as the "energy business," "used car business," "resilience business," "financial business," and "other businesses." BITPoint Japan Co., Ltd. (hereinafter, "BPJ"), which had been included in the financial business segment as a consolidated subsidiary, became an equity method affiliate from July 1, 2022 as a result of the sale of 51% of its equity to a group company of SBI Holdings, Inc. In order to continue to include BPJ's results in the financial business segment, segment profit has been changed from operating profit to ordinary profit, effective from the first quarter under review. For year-on-year comparisons, the figures thereof have been changed to those of ordinary profit.

#### **Energy business**

The surge in electricity trading prices on the global rise in fuel prices triggered by Russia's invasion of Ukraine and other factors calmed down a little from April onward, and monthly simple averages of system prices in the day-ahead spot market on the Japan Electric Power Exchange (JEPX) in April and May were ¥17.8/kWh and ¥16.9/kWh, respectively. Then, due to the unseasonably hot weather in late June, electricity trading prices on JEPX recorded the highest system price per time slot of ¥100/kWh, with the monthly simple average of system prices in the day-ahead spot market in June reaching ¥21.3/kWh. As a consequence, the increase in procurement costs could not be completely absorbed by the realized profit and profit on valuation resulted from the clearing margin of electricity futures contracts, which were held for hedging purposes. Although most of this steep rise in electricity procurement costs can be recovered from customers in the following month of July or later, it was a factor in the decline in profits during the first quarter under review, resulting in a year-on-year decrease in the segment profits.

As a result, net sales for the segment increased by 70.9% year on year to ¥4,154 million and segment profit (ordinary profit) decreased by 78.8% year on year to ¥95 million.

#### **Used car business**

In the used car business, the Company trades used cars with used car dealers, and engages in consulting related to used car trading and other activities. In the used car trading business, although the gross margin ratio is low, partially due to trades between business operators, the length of time between procurement and recovery of sales proceeds is short, realizing a business model with a high capital turnover ratio. In the first quarter under review, the number of units sold increased year on year, and sales and profit increased due to an increase in high-margin, high-priced trades.

As a result, net sales for the segment increased by 38.4% year on year to ¥1,518 million and segment profit (ordinary profit) increased by 82.5% year on year to ¥9 million.

#### **Resilience business**

The resilience business consists of the infection control business, the energy saving consulting business and home-use storage batteries business. Sales of MA-T System products ("Amazing Water" Series), the mainstay products of the infection control business, were also weak in the first quarter under review, as the spread of COVID-19 infections temporarily calmed down. The energy saving consulting business also made a limited contribution to earnings in the first quarter under review, as major subsidies

were not awarded until the second quarter of the current fiscal year or later. With regard to home-use storage battery systems (remixbattery), sales activities are gradually starting up, although the production has been slowed on the global shortage of semiconductors and the acquisition of JET certification has been pushed back, delaying the full-scale establishment of a sales structure. These factors caused net sales for the segment in the first quarter under review increased year on year.

As a result, net sales for the segment increased by 48.4% year on year to ¥92 million and segment loss (ordinary loss) was ¥29 million (segment loss [ordinary loss] was ¥65 million in the previous corresponding period).

### **Financial business**

The financial business consists of the results of BPJ, which operates a cryptoasset exchange as a cryptoassets exchanger, and investments related to cryptoasset-related businesses made by the Company's finance-related business division. During the first quarter under review, the cryptoassets market as a whole experienced a significant decline in the price of cryptoassets, as symbolized by the drop in the price of Bitcoin from ¥5.73 million at the beginning of April to ¥2.64 million at the end of June (data published by BPJ). Despite these fragile market conditions, BPJ maintained its profitability by enhancing services to its customers, and by improving the efficiency of its operations, BPJ was able to control the rise in selling, general and administrative expenses. With these efforts, both sales and profits grew higher year on year.

As a result, net sales for the segment increased by 20.9% year on year to ¥842 million and segment profit (ordinary profit) increased by 94.1% year on year to ¥386 million. Since BPJ became an equity method affiliate on July 1, 2022, BPJ's results will be incorporated into the financial business segment under the equity method from the second quarter of the fiscal year.

### **Others**

Other businesses include the marketing consulting business and newly launched businesses. In the first quarter under review, the existing marketing consulting business was strong, and earnings related to new businesses also contributed, resulting in an increase in both sales and profits year on year.

As a result, net sales for the segment increased by 40.5% year on year to ¥20 million and segment profit (ordinary profit) increased by 281.1% year on year to ¥15 million.

## **(2) Explanation of Financial Position**

At the end of the first quarter under review, total assets were ¥45,890 million, a decrease of ¥27,077 million from the end of the previous fiscal year (¥72,968 million). The main factors for this include decreases of ¥23,037 million in users cryptoassets, ¥2,778 million in cash segregated as deposits, and ¥2,052 million in owned cryptoassets.

Total liabilities were ¥30,333 million, a decrease of ¥28,519 million from the end of the previous fiscal year (¥58,853 million). The main factors for this include decreases of ¥23,037 million in deposits received for cryptoassets, ¥2,488 million in deposits received, and ¥1,636 million in income taxes payable, ¥593 million in loans payable-cryptoassets, along with a decrease of ¥529 million in accounts payable – other.

Net assets were ¥15,556 million, an increase of ¥1,441 million from the end of the previous fiscal year (¥14,114 million). The main factors for this include increases of ¥686 million in share capital due to the issuance of new shares resulting from exercise of share acquisition rights, ¥686 million in capital surplus, and ¥80 million in retained earnings resulting from the recording of profit attributable to owners of parent. In accordance with the resolution of the 19th annual general meeting of shareholders held on June 28, 2022, ¥4,627 million was transferred from capital surplus to retained earnings to cover the deficit.

### (3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

#### 1) Performance outlook for the fiscal year under review

In the energy business, fuel price trends are uncertain due to the Ukraine crisis and other impacts. In the short term, areas and time periods are expected to see temporary drops below the reserve rate necessary for the stable supply of electric power; moreover, at times of electricity supply and demand tightness due to factors such as natural disasters and climate change, the trading price of electricity tends to soar. Meanwhile, the Japanese Government has been undertaking various initiatives on the way to realizing a decarbonized society along with stable supply of electrical power, such as introduction of the capacity market, and building an energy supply structure highly resilient to disasters. A business and market environment capable of meeting growing needs for procurement from carbon-free energy sources is also being readied, through measures including revision of the non-fossil fuel energy value trading market and building of a next-generation electrical grid and distributed power systems. Through such policy measures, structural reform of electric power is expected to advance. The Group has a policy of seeking to adapt appropriately to such changes in the business climate, but at the present time it is difficult to reasonably estimate sales and profits. In addition, in the financial business, the future outlook remains uncertain due to, among other factors, the significant decline in cryptoassets prices in the overall cryptoassets market seen in the first quarter under review, and it is rather hard to calculate appropriate and reasonable financial forecasts because of the impact of economic conditions, market environment related to cryptoassets, and financial market trends going forward.

As for the matters announced in the press release of May 12, 2022, “Conclusion of a capital and business alliance with SBI Holdings, Inc., change in scope of consolidation (partial stock transfer), and the expected posting of extraordinary income,” in the second quarter of the fiscal year ending March 31, 2023, booking of an extraordinary income of approximately ¥8,225 million is forecast from the partial sale of shares in consolidated subsidiary (second-generation subsidiary) BPJ. As a result of the partial share sale, BPJ became an equity method affiliate from July 1, 2022. It is further expected that the business alliance with the SBI Group in the energy and cryptoassets fields will contribute to the profitability of our Group. Regarding the impact on the consolidated performance of our Group from this capital and business alliance, however, at the present time we have no specific data.

The Company intends to announce performance forecasts as soon as it becomes possible.

#### 2) Dividend outlook for the fiscal year under review

The Company considers the returning of profits to our shareholders to be a priority management policy. The basic policy in return of profits is to make ongoing stable dividend payments in overall consideration of the need to maintain the necessary internal reserves for long-term investment in future business expansion and strengthening of business fundamentals, along with the profit situation, future outlook, and payout ratio.

As noted in the May 13, 2022 release, “Announcement of dividend of surplus,” an end-of-term dividend of ¥2 per share is forecast for the fiscal year ending March 31, 2023.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,896	5,769
Trade receivables and contract asset	1,971	2,550
Finished goods	94	92
Merchandise	251	219
Raw materials and supplies	126	134
Users cryptoassets	46,097	23,059
Owned cryptoassets	4,969	2,917
Guarantee deposits for cryptoassets	1,170	534
Cash segregated as deposits	6,709	3,931
Guarantee deposits	2,493	1,823
Operational investment securities	370	371
Other	2,051	2,306
Allowance for doubtful accounts	(55)	(47)
Total current assets	71,147	43,661
Non-current assets		
Property, plant and equipment	86	96
Intangible assets		
Software	662	723
Software in progress	15	0
Total intangible assets	677	724
Investments and other assets		
Investment securities	67	65
Leasehold and guarantee deposits	688	1,091
Fixed loan	16	16
Deferred tax assets	299	248
Other	41	46
Allowance for doubtful accounts	(56)	(61)
Total investments and other assets	1,057	1,407
Total non-current assets	1,821	2,228
Total assets	72,968	45,890



(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	638	632
Accounts payable - other	1,406	876
Deposits received	6,569	4,081
Deposits received for cryptoassets	46,097	23,059
Income taxes payable	1,656	19
Loans payable-cryptoassets	2,028	1,435
Provision for loss on business of subsidiaries and associates	2	1
Other	456	108
Total current liabilities	58,853	30,214
Non-current liabilities		
Deferred tax liabilities	–	119
Total non-current liabilities	–	119
Total liabilities	58,853	30,333
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,180	7,867
Capital surplus	7,201	3,261
Retained earnings	(268)	4,439
Treasury shares	(18)	(18)
Total shareholders' equity	14,096	15,549
Share acquisition rights	18	6
Total net assets	14,114	15,556
<b>Total liabilities and net assets</b>	<b>72,968</b>	<b>45,890</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	4,300	6,627
Cost of sales	2,935	5,380
Gross profit	1,365	1,247
Selling, general and administrative expenses	963	980
Operating profit	401	266
Non-operating income		
Interest income	0	0
Dividend income	0	0
Penalty income	7	–
Foreign exchange gains	1	4
Other	0	0
Total non-operating income	9	5
Non-operating expenses		
Interest expenses	11	–
Share acquisition rights issuance costs	1	1
Share issuance costs	4	3
Loss on investments in investment partnerships	5	2
Provision of allowance for doubtful accounts	–	4
Other	2	2
Total non-operating expenses	25	14
Ordinary profit	386	258
Extraordinary income		
Insurance income	24	–
Total extraordinary income	24	–
Profit before income taxes	411	258
Income taxes - current	69	7
Income taxes - deferred	–	170
Total income taxes	69	178
Profit	342	80
Profit attributable to owners of parent	342	80

Quarterly Consolidated Statements of Comprehensive Income  
Three Months Ended June 30

(Million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	342	80
Comprehensive income	342	80
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	342	80
Comprehensive income attributable to non-controlling interests	—	—

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in case of significant changes in shareholders' equity)

For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

During the three months ended June 30, 2021, the Group's share capital and legal capital surplus increased by ¥155 million and ¥155 million, respectively, due to the issuance of new shares following the partial exercise of the 15th series of share acquisition rights by Revive Investment Partnership, to which the rights were allocated.

For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

During the three months ended June 30, 2022, the Group's share capital and legal capital surplus increased by ¥686 million each due to the issuance of new shares following the partial exercise of paid-in stock options (share acquisition rights) issued to the Company's directors, employees and others as the 11th Share Acquisition Rights, 14th Share Acquisition Rights, 17th Share Acquisition Rights and 19th Share Acquisition Rights.

In accordance with the resolution of the 19th annual general meeting of shareholders, ¥4,627 million of capital surplus was transferred to retained earnings to cover the deficit.

(Changes in accounting policies)

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021; hereinafter, "Fair Value Accounting Standard Implementation Guidance") has been applied from the beginning of the first quarter under review. Implementation of the Fair Value Accounting Standard Implementation Guidance is in line with the transitional measures provided in Paragraph 27-2 of the Fair Value Accounting Standard Implementation Guidance. Accordingly, the new accounting policies prescribed in the Fair Value Accounting Standard Implementation Guidance are applied prospectively. There is no impact from these changes on the quarterly consolidated financial statements for the first quarter under review.

(Additional information)

(Accounting estimates of the impact from the spread of COVID-19)

On the assumption that the impact from the spread of COVID-19 will continue for a certain period or longer, the Group makes accounting estimates based on information available at the time of preparing quarterly consolidated financial statements and reflects these estimates in accounting processing. However, there are many uncertainties regarding the impact from the spread of COVID-19, and the potential exists for impact on the business fundamentals and performance of the Group in the second quarter and beyond.

(Segment information, etc.)

For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Information on net sales, and profit (loss) for each reportable segment

(Million yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Energy business	Used car business	Resilience business	Financial business	Others	Total		
Net sales								
Net sales to outside customers	2,430	1,097	62	696	14	4,300	–	4,300
Inter-segment net sales or transfers	–	–	–	36	–	36	(36)	–
Total	2,430	1,097	62	733	14	4,337	(36)	4,300
Segment profit (loss)	451	5	(65)	198	4	594	(208)	386

(Notes) 1. The adjustment for segment profit (loss) of negative ¥208 million is primarily corporate expenses not allocated to the reportable segments. The corporate expenses are mainly general and administrative expenses which are not attributable to the reportable segments.

2. The segment profit (loss) is adjusted with ordinary profit in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill and other items by reportable segment

There is no relevant information.

For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information on net sales, and profit (loss) for each reportable segment

(Million yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Energy business	Used car business	Resilience business	Financial business	Others	Total		
Net sales								
Net sales to outside customers	4,154	1,518	92	842	20	6,627	–	6,627
Inter-segment net sales or transfers	–	–	–	0	–	0	(0)	–
Total	4,154	1,518	92	842	20	6,627	(0)	6,627
Segment profit (loss)	95	9	(29)	386	15	477	(219)	258

(Notes) 1. The adjustment for segment profit (loss) of negative ¥219 million is primarily corporate expenses not allocated to the reportable segments. The corporate expenses are mainly general and administrative expenses which are not attributable to the reportable segments.

2. The segment profit (loss) is adjusted with ordinary profit in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets, goodwill and other items by reportable segment

There is no relevant information.

3. Matters related to changes in reportable segments, etc.

BPJ, which had been included in the financial business segment as a consolidated subsidiary, became an equity method affiliate from July 1, 2022 as a result of the sale of 51% of its equity to a group company of SBI Holdings, Inc. In order to continue to include BPJ's results in the financial business segment, segment profit (loss) has been changed from operating profit to ordinary profit, effective from the first quarter under review.

Segment information for the three months ended June 30, 2021 is presented based on the classifications after the change.

(Significant subsequent events)

In accordance with the share transfer agreement concluded with SBI Financial Services Co., Ltd. based on the resolution at the Company's Board of Directors meeting held on May 12, 2022, 51% of BPJ shares held by the Group were transferred on July 1, 2022, and the Group received ¥12,750 million as the share transfer price.

As a result of this share transfer, approximately ¥8,225 million in gain on sale of shares of subsidiaries is expected to be recorded as extraordinary income in the second quarter of the fiscal year ending March 31, 2023. BPJ, which had been previously a consolidated subsidiary, became an equity method affiliate, effective July 1, 2022.