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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 11, 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: November 14, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 to September 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	%
Six months ended September 30, 2022	15,669	49.3	(513)	—	(356)	—	3,946	306.0
September 30, 2021	10,493	117.8	1,196	—	1,188	—	972	—

(Note) Comprehensive income: Six months ended September 30, 2022: ¥3,946 million [306.0%]

Six months ended September 30, 2021: ¥972 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	32.75	32.43
September 30, 2021	9.56	9.55

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	23,541	17,498	74.3
As of March 31, 2022	72,968	14,114	19.3

(Reference) Equity: As of September 30, 2022: ¥17,492 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	—	0.00			
Fiscal year ending March 31, 2023 (forecast)			—	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 six months ended September 30, 2022 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 six months ended September 30, 2022: Yes
(changes in specified subsidiaries resulting in changes in scope of consolidation)
Excluded: 1 company (BITPoint Japan Co., Ltd.)

(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):

September 30, 2022: 122,695,800 shares

March 31, 2022: 116,530,700 shares

2) Number of treasury shares at the end of the period:

September 30, 2022: 4,060,000 shares

March 31, 2022: 60,000 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 120,531,163 shares

Six months ended September 30, 2021: 101,708,006 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 5 of the attached materials.

(Holding of financial results briefing session and obtaining supplementary documentation)

The Company plans to hold an online briefing session for institutional investors and analysts on Thursday, November 17, 2022. The supplementary documentation will be posted on the Company’s website immediately after the announcement of consolidated financial results.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Operating Results

For the six months ended September 30, 2022 (April 1, 2022 - September 30, 2022), net sales increased by 49.3% year on year to ¥15,669 million. Operating loss was ¥513 million compared to operating profit of ¥1,196 million in the previous corresponding period, ordinary loss was ¥356 million compared to ordinary profit of ¥1,188 million in the previous corresponding period, and profit attributable to owners of parent increased by 306% year on year to ¥3,946 million.

Operating results by business segment for the six months ended September 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 six months ended September 30, 2022. In addition, for year-on-year comparisons, the figures thereof have been changed to those of ordinary profit.

As BPJ has changed from a consolidated subsidiary to an affiliate subject to the application of the equity method as described above, effective July 1, 2022, net sales of BPJ are no longer included in net sales on the Company's consolidated statements of income, and share of profit or loss of BPJ accounted for using equity method is reported under non-operating income or expenses.

The sale of 51% of the equity to the SBI Group resulted in an extraordinary income of ¥8,226 million as gain on sale of shares of subsidiaries and associates.

Energy business

In the energy business, the Company is engaged in the electric power retail 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 in the six months ended September 30, 2022, and monthly simple averages of system prices in the day-ahead spot market on the Japan Electric Power Exchange (JEPX) in April and May remained relatively stable at ¥17.8/kWh and ¥16.9/kWh, respectively. However, electricity trading prices continued to fluctuate violently, with the system price per time slot hitting a record high of ¥100/kWh in late June due in part to the unseasonably hot weather.

The Company uses electricity futures contracts not only in the summer and winter when JEPX prices rise due to higher electricity demand, but also in other seasons, ensuring a certain percentage of electricity procurement at fixed prices. As electricity futures contracts are derivatives trading, they are subject to market valuation for accounting purposes, and valuation differences from the previous month's ending balance are recorded in profit or loss at the end of each month. For this reason, electricity futures contracts for the current fiscal year that have been entered into during the previous fiscal year do not correspond to the actual electricity procurement cost and profit or loss for the current fiscal year, as a valuation gain or loss has been recorded once in the previous fiscal year.

The electricity futures contracts for the current fiscal year that the Company has already entered into (those with expiry dates up to March 2023) continued to rise since the beginning of the six months ended September 30, 2022, but they fell sharply after peaking around the end of August 2022 on the back of the global economic recession.

Under these circumstances, while net sales significantly increased as soaring JEPX prices since June drove up the unit sale price, segment loss was recorded, partly because the electricity futures contracts expiring from April 2022 onward, on which a valuation gain was recorded at the end of the previous fiscal year, pushed down segment profit for the six months ended September 30, 2022.

As a result, net sales for the segment increased by 89.5% year on year to ¥11,599 million and segment loss (ordinary loss) was ¥412 million (segment profit [ordinary profit] was ¥719 million in the previous corresponding period).

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 six months ended September 30, 2022, 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 35.9% year on year to ¥2,882 million and segment profit (ordinary profit) increased by 42.2% year on year to ¥14 million.

Resilience business

The resilience business consists of the infection control business, the energy saving consulting business and home-use storage batteries business. While sales of MA-T System products (“Amazing Water” Series), the mainstay products of the infection control business, continued to be weak in the six months ended September 30, 2022, partly due to the waning attention to COVID-19 infections, losses decreased compared to the previous corresponding period, partly because advertising expenses were curbed. In addition, in the energy saving consulting business, income from major subsidies awarded remained at the same level as the previous corresponding period. Furthermore, sales activities for home-use storage battery systems (remixbattery), whose production had been slow due to the global shortage of semiconductors and for which the acquisition of JET certification had been pushed back, delaying the full-scale establishment of a sales structure until now, gradually got off the ground. These factors caused year-on-year increases in both net sales and profit in the six months ended September 30, 2022.

As a result, net sales for the segment increased by 18.5% year on year to ¥256 million and segment loss (ordinary loss) was ¥3 million (segment loss [ordinary loss] was ¥161 million in the previous corresponding period).

Financial business

Effective the second quarter under review, net sales of the financial business mainly consist of sales of a wholly owned subsidiary of the Company, BITPoint Holdings, Inc. (hereinafter, “BPH”), and investment income related to cryptoasset-related businesses operated by the Company’s finance-related business division. Going forward, the results of BPJ will be reported under non-operating income or expenses as share of profit or loss of entities accounted for using equity method.

BPH owns a system, the right of use of which has been granted to BPJ, and at present, BPH’s net sales consist entirely of income from this system’s usage fee received from BPJ. This system usage fee is billed by BPH to BPJ on a monthly basis, and the fee amount is generally not expected to fluctuate significantly. Net sales (billed amounts) in July, August, and September in the second quarter under review were ¥16 million, ¥16 million, and ¥17 million, respectively. Furthermore, as of September 30, 2022, investments related to cryptoasset-related businesses made by the Company’s finance-related business division include a total of four equity investments: gumi Cryptos Capital Fund I, gumi Cryptos Capital Fund II, B Cryptos Fund, and BlockTower Capital LLC. The total investment balance (consolidated balance sheets value) is ¥346 million.

During the six months ended September 30, 2022, the price of Bitcoin dropped rapidly from ¥5.73 million at the beginning of April to ¥2.64 million at the end of June, but there was a respite since then, with the price reaching ¥2.84 million at the end of September (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, BPJ secured profit for the second quarter under review, and share of profit of BPJ accounted for using equity method amounted to ¥90 million.

As a result, net sales for the segment decreased by 55.2% year on year to ¥898 million and segment

profit (ordinary profit) decreased by 60.8% year on year to ¥396 million.

Others

Other businesses include the marketing consulting business and newly launched businesses. In the six months ended September 30, 2022, the existing marketing consulting business was strong, and costs related to new businesses were also kept down, resulting in an increase in both sales and profits year on year.

As a result, net sales for the segment increased by 13.0% year on year to ¥32 million and segment profit (ordinary profit) increased by 49.2% year on year to ¥27 million.

(2) Explanation of Financial Position

At the end of the second quarter under review, total assets were ¥23,541 million, a decrease of ¥49,426 million from ¥72,968 million at the end of the previous fiscal year. The main factors for this include increases of ¥6,101 million in cash and deposits and ¥2,314 million in trade receivables, along with decreases of ¥46,097 million in users cryptoassets, ¥6,709 million in cash segregated as deposits, ¥4,969 million in owned cryptoassets, and ¥2,493 million in guarantee deposits due to the exclusion of BPJ, which was a consolidated subsidiary, from the scope of consolidation.

Total liabilities were ¥6,043 million, a decrease of ¥52,810 million from ¥58,853 million at the end of the previous fiscal year. The main factors for this include an increase of ¥2,233 million in income taxes payable, along with decreases of ¥46,097 million in deposits received for cryptoassets, ¥6,259 million in deposits received, and ¥2,028 million in loans payable-cryptoassets due to the exclusion of BPJ, which was a consolidated subsidiary, from the scope of consolidation.

Net assets were ¥17,498 million, an increase of ¥3,383 million from ¥14,114 million at the end of the previous fiscal year. The main factors for this include increases of ¥693 million in share capital due to the issuance of new shares resulting from exercise of share acquisition rights, ¥693 million in capital surplus, and ¥3,946 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. In addition, based on the resolution at the Board of Directors meeting held on May 13, 2022, the Company acquired 4,000,000 shares of treasury stock, resulting in an increase of ¥1,938 million in treasury shares.

(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 six months ended September 30, 2022, 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 six months ended September 30, 2022, the Company booked an extraordinary income of ¥8,226 million 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 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 September 30, 2022
Assets		
Current assets		
Cash and deposits	4,896	10,997
Trade receivables and contract asset	1,971	4,286
Finished goods	94	91
Merchandise	251	367
Raw materials and supplies	126	131
Users cryptoassets	46,097	–
Owned cryptoassets	4,969	–
Guarantee deposits for cryptoassets	1,170	–
Cash segregated as deposits	6,709	–
Guarantee deposits	2,493	–
Operational investment securities	370	346
Other	2,051	1,254
Allowance for doubtful accounts	(55)	(71)
Total current assets	71,147	17,404
Non-current assets		
Property, plant and equipment	86	89
Intangible assets		
Software	662	715
Software in progress	15	5
Total intangible assets	677	720
Investments and other assets		
Investment securities	67	64
Shares of subsidiaries and associates	–	4,155
Deferred tax assets	299	–
Leasehold and guarantee deposits	688	1,106
Fixed loan	16	2
Other	41	1
Allowance for doubtful accounts	(56)	(2)
Total investments and other assets	1,057	5,327
Total non-current assets	1,821	6,137
Total assets	72,968	23,541

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	638	597
Accounts payable - other	1,406	1,129
Deposits received	6,569	310
Deposits received for cryptoassets	46,097	–
Income taxes payable	1,656	3,889
Loans payable-cryptoassets	2,028	–
Provision for loss on business of subsidiaries and associates	2	–
Other	456	115
Total current liabilities	58,853	6,043
Total liabilities	58,853	6,043
Net assets		
Shareholders' equity		
Share capital	7,180	7,874
Capital surplus	7,201	3,265
Retained earnings	(268)	8,309
Treasury shares	(18)	(1,956)
Total shareholders' equity	14,096	17,492
Share acquisition rights	18	6
Total net assets	14,114	17,498
Total liabilities and net assets	72,968	23,541

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	10,493	15,669
Cost of sales	7,236	14,506
Gross profit	3,257	1,163
Selling, general and administrative expenses	2,060	1,676
Operating profit (loss)	1,196	(513)
Non-operating income		
Interest income	0	0
Dividend income	0	0
Share of profit of entities accounted for using equity method	–	90
Consulting fee income	–	75
Penalty income	11	–
Foreign exchange gains	0	4
Other	3	6
Total non-operating income	15	177
Non-operating expenses		
Interest expenses	2	–
Share acquisition rights issuance costs	1	1
Share issuance costs	8	6
Loss on investments in investment partnerships	5	2
Provision of allowance for doubtful accounts	–	4
Commission expenses	–	2
Other	5	2
Total non-operating expenses	22	21
Ordinary profit (loss)	1,188	(356)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	8,226
Insurance income	24	–
Total extraordinary income	24	8,226
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Head office relocation expenses	5	–
Total extraordinary losses	6	–
Profit before income taxes	1,206	7,869
Income taxes - current	234	3,871
Income taxes - deferred	–	50
Total income taxes	234	3,922
Profit	972	3,946
Profit attributable to owners of parent	972	3,946

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	972	3,946
Comprehensive income	972	3,946
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	972	3,946
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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

During the six months ended September 30, 2021, the Group's share capital and legal capital surplus increased by ¥531 million and ¥531 million, respectively, due to the issuance of new shares following the exercise of the 15th Share Acquisition Rights and the 16th Share Acquisition Rights by Revive Investment Partnership, to which the rights were allocated.

For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

During the six months ended September 30, 2022, the Group's share capital and legal capital surplus increased by ¥693 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.

In addition, based on the resolution at the Board of Directors meeting held on May 13, 2022, the Company acquired 4,000,000 shares of treasury stock, resulting in an increase of ¥1,938 million in treasury shares.

(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 of the fiscal year ending March 31, 2023. 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 six months ended September 30, 2022.

(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 third quarter and beyond.

(Segment information, etc.)

For the six months ended September 30, 2021 (from April 1, 2021 to September 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	6,121	2,120	216	2,006	28	10,493	–	10,493
Inter-segment net sales or transfers	–	–	–	79	–	79	(79)	–
Total	6,121	2,120	216	2,085	28	10,573	(79)	10,493
Segment profit (loss)	719	10	(161)	1,009	18	1,596	(407)	1,188

(Notes) 1. The adjustment for segment profit (loss) of negative ¥407 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 six months ended September 30, 2022 (from April 1, 2022 to September 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	11,599	2,882	256	898	32	15,669	–	15,669
Inter-segment net sales or transfers	–	–	–	0	–	0	(0)	–
Total	11,599	2,882	256	898	32	15,669	(0)	15,669
Segment profit (loss)	(412)	14	(3)	396	27	22	(378)	(356)

(Notes) 1. The adjustment for segment profit (loss) of negative ¥378 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 of the fiscal year ending March 31, 2023.

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

(Significant subsequent events)

There is no relevant information.