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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: Remixpoint, inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3825

URL: <https://www.remixpoint.co.jp>

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Scheduled date of annual general meeting of shareholders: June 28, 2023

Scheduled date of commencing dividend payments: June 29, 2023

Scheduled date of filing annual securities report: June 28, 2023

Availability of supplementary briefing material on financial results: Available

Schedule of 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 Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	32,789	14.0	(1,850)	-	(1,722)	-	3,267	(52.7)
March 31, 2022	28,753	117.5	8,205	-	8,173	-	6,913	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥3,267 million [(52.7)%]

Fiscal year ended March 31, 2022: ¥6,913 million [-%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	27.32	27.17	21.1	(3.7)	(5.6)
March 31, 2022	64.05	63.26	75.2	13.6	28.5

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2023: ¥(104) million

Fiscal year ended March 31, 2022: ¥- million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	19,271	16,826	87.3	141.75
As of March 31, 2022	72,968	14,114	19.3	121.03

(Reference) Equity: As of March 31, 2023: ¥16,819 million

As of March 31, 2022: ¥14,096 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	(6,843)	13,685	(564)	11,173
March 31, 2022	(429)	(259)	2,715	4,896

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2023	-	0.00	-	2.00	2.00	237	7.3	1.5
Fiscal year ending March 31, 2024 (forecast)	-	-	-	-	-		-	

Note: The dividend forecast for the fiscal year ending March 31, 2024 is yet to be determined.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Electricity trading prices tend to rise sharply in the summer and winter months when supply and demand is tight. Additionally, payment of capacity contribution,\* which will begin in the fiscal year ending March 31, 2025, are likely to impact electricity trading prices in the next fiscal year. As a result, it is difficult to reasonably estimate results for the next fiscal year and thus the Company has refrained from disclosing consolidated financial forecasts for the fiscal year ending March 31, 2024 at the present time.

The Company intends to announce consolidated financial forecasts for the fiscal year ending March 31, 2024 as soon as a reasonable estimate becomes possible.

\*“Capacity contribution” is payment to be made by retail electricity suppliers and general power transmission and distribution operators to the Organization for Cross-regional Coordination of Transmission Operators, Japan in order to secure supply capability in the capacity market (the market for ensuring future supply capabilities (kW)).

**\* Notes:**

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023 (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Excluded: 1 company (BITPoint Japan Co., Ltd.)

(2) 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

(3) Total number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury shares):

March 31, 2023: 122,717,800 shares

March 31, 2022: 116,530,700 shares

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

March 31, 2023: 4,060,000 shares

March 31, 2022: 60,000 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2023: 119,593,968 shares

Fiscal year ended March 31, 2022: 107,938,410 shares

(Reference) Overview of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	31,863	72.8	(1,913)	-	4,100	176.5	4,090	235.9
March 31, 2022	18,438	57.1	1,054	-	1,482	-	1,218	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2023	34.21	34.02
March 31, 2022	11.28	11.14

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	14,727	13,287	90.2	111.93
As of March 31, 2022	11,441	9,752	85.1	83.57

(Reference) Equity: As of March 31, 2023: ¥13,280 million

As of March 31, 2022: ¥9,733 million

\* These financial results are outside the scope of audits 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. They include potential risks and uncertainties. Furthermore, actual results (including but not limited to actual business performance and dividend forecasts) may differ significantly from forecasts due to various factors. For all matters relating to forecasts, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 5 of the attached materials.

(Obtaining supplementary documentation)

The Company plans to hold an online briefing session for institutional investors and analysts on Thursday, May 18, 2023.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

For the fiscal year ended March 31, 2023, net sales increased by 14.0% year on year to ¥32,789 million, operating loss was ¥1,850 million (compared to operating profit of ¥8,205 million in the previous fiscal year), ordinary loss was ¥1,722 million (compared to ordinary profit of ¥8,173 million in the previous fiscal year), and profit attributable to owners of parent decreased by 52.7% year on year to ¥3,267 million.

Operating results by business segment for the fiscal year ended March 31, 2023 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 fiscal year ended March 31, 2023. In addition, figures for the previous fiscal year have also been changed to ordinary profit.

As BPJ has changed from a consolidated subsidiary to an equity method affiliate 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. Additionally, as of March 31, 2023, the remaining 49% of BPJ shares have been transferred to the SBI Group. As a result, as of the fiscal year ending March 31, 2024, equity in earnings (losses) for this amount will no longer be included.

The second sale of BPJ shares resulted in a ¥8,921 million gain on sale of shares of subsidiaries and associates.

### **Energy business**

In the energy business, the Company is engaged primarily in the electric power retail business. During the fiscal year ended March 31, 2023, although socioeconomic activity began to resume due to factors such as the relaxing of movement restrictions due to COVID-19, expectations for the Japanese economy still remain uncertain, as represented by such issues as sharply rising energy and raw material prices triggered by Russia's invasion of Ukraine and rapid depreciation of the yen.

Under these circumstances, there was a marked difference in electricity market prices in the fiscal year ended March 31, 2023 between the first and second halves. Monthly averages of system prices on the Japan Electric Power Exchange (hereafter referred to as "JEPX") in July, August and September 2022 were relatively high at ¥24.80/kWh, ¥25.52/kWh and ¥24.02/kWh, respectively, and were ¥25.04/kWh in December 2022. However, despite fears of further price increases, no unusual price surge occurred in monthly averages in January, February and March 2023, which trended low in comparison to the previous fiscal year at ¥19.56/kWh, ¥15.06/kWh and ¥9.81/kWh, respectively.

In preparation of rising electricity demand, the Company has used electricity futures contracts not only in the summer and winter, when JEPX electricity trading prices tend to rise, but also in other seasons since the previous fiscal year. This is to ensure fixed prices for a certain percentage of procured electricity, thus mitigating the risk of loss arising from a negative spread for procurement prices and selling prices. As electricity futures contracts are derivatives trading, they are subject to market valuation for accounting purposes, and valuation differences are recorded in profit or loss. As a result, significant fluctuations in profit and loss were occasionally apparent during the fiscal year ended March 31, 2023 due to the status of electricity future prices at the time.

During the fiscal year ended March 31, 2023, while JPEX prices were higher than previous and net sales significantly increased due to an increase in the number of users, 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 fiscal year ended March 31, 2023.

As a result, net sales for the segment increased by 99.4% year on year to ¥25,269 million and segment loss (ordinary loss) was ¥466 million (segment profit [ordinary profit] was ¥1,670 million in the previous fiscal year).

### **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 fiscal year ended March 31, 2023, 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 30.1% year on year to ¥5,911 million and segment profit (ordinary profit) increased by 22.5% year on year to ¥23 million.

### **Resilience business**

The resilience business consists of the infection control business, the storage batteries business and the energy saving consulting business. Sales of MA-T System products (“Amazing Water” Series), the mainstay products of the infection control business, continued to be weak in the fiscal year ended March 31, 2023, partly due to a reduction in COVID-19 infections and a waning amount of attention paid to infection control strategies. Due to the impact of such changes in the business environment, a ¥149 million loss on valuation of goods was posted. In addition, in the storage batteries business, 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 began to pick up. In the energy saving consulting business, income from major subsidies awarded remained at the same level as the previous fiscal year. However, net sales and losses decreased year on year in the fiscal year ended March 31, 2023.

As a result, net sales for the segment decreased by 8.9% year on year to ¥637 million and segment loss (ordinary loss) was ¥162 million (segment loss [ordinary loss] was ¥228 million in the previous fiscal year).

### **Financial business**

BPJ was a core business of the financial business and accounted for a majority of net sales. However, as a result of the transfer of 51% of its shares on July 1, 2022, effective the second quarter of the fiscal year ended March 31, 2023, BPJ is no longer a consolidated subsidiary and the results of BPJ are reported under non-operating income or expenses as share of profit or loss of entities accounted for using equity method. Consequently, net sales of the financial business segment mainly consist of net sales of a wholly owned subsidiary of the Company, BITPoint Holdings, Inc. (hereinafter, “BPH”; additionally, the name of BPH has been changed to Epsilon Holdings Co., LTD., effective April 1, 2023), and investment income related to cryptoasset-related businesses operated by the Company’s finance-related business division. BPH owns a system, the right of use of which has been granted to BPJ, and BPH’s net sales primarily consist of income from this system’s usage fee received from BPJ and gain or loss on valuation of owned cryptoassets. From the second quarter of the fiscal year ended March 31, 2023 onward, system usage fee income and loss on valuation of owned cryptoassets amounted to ¥160 million (a corresponding depreciation of software systems of ¥139 million was posted in the category of selling, general and administrative expenses) and ¥74 million, respectively. Furthermore, as of March 31, 2023, investments related to cryptoasset-related businesses made by the Company’s finance-related business division include four equity investments: gumi Cryptos Capital Fund I, gumi Cryptos Capital Fund II, B Cryptos Fund, and BlockTower Capital LLC. During the fiscal year ended

March 31, 2023, losses on these investments totaled ¥14 million, and the total investment balance (consolidated balance sheets value) is ¥355 million. Share of profit or loss for BPJ accounted for using equity method under non-operating income or expenses was ¥104 million (loss).

As a result, net sales for the segment decreased by 91.4% year on year to ¥928 million and segment profit (ordinary profit) decreased by 99.8% year on year to ¥15 million. Additionally, due to transfer of all remaining BPJ shares to an SBI Holdings group company on March 31, 2023 and transfer of the software system for BPJ, previously held by BPH, to BPJ, BPJ is no longer an equity method affiliate as of the end of the fiscal year under review and system usage fees and related depreciation will no longer be present beginning in the next fiscal year. Accordingly, the Company plans to remove the financial business segment after the fiscal year under review. In light of this change, as of the fiscal year ending March 31, 2024, the company expects to report profit and loss from investments related to cryptoasset-related businesses made by the Company's finance-related business division under non-operating income or expenses. Additionally, profit and loss from cryptoassets held by BPH is expected to be reported under non-operating income or expenses.

### Others

Other businesses include the marketing consulting business and newly launched businesses. In the fiscal year ended March 31, 2023, the marketing consulting business and newly launched businesses were weak and an allowance for doubtful accounts of ¥92 million was posted. Consequently, net sales and profits declined year on year.

As a result, net sales for the segment decreased by 40.7% year on year to ¥41 million, segment loss (ordinary loss) was ¥53 million (segment profit [ordinary profit] was ¥0 million in the previous fiscal year).

## (2) Overview of Financial Position for the Fiscal Year Under Review

### (Current assets)

At the end of the fiscal year under review, the balance of current assets was ¥17,620 million, a decrease of ¥53,527 million from the end of the previous fiscal year (¥71,147 million). The main factors for this include increases of ¥6,277 million in cash and deposits and ¥2,090 million in trade receivables, and decreases associated with the removal of BPJ from the scope of consolidation of ¥46,097 million in users cryptoassets, ¥6,709 million in cash segregated as deposits, ¥4,849 million in owned cryptoassets and ¥1,170 million in guarantee deposits.

### (Non-current assets)

At the end of the fiscal year under review, the balance of non-current assets was ¥1,651 million, a decrease of ¥169 million from the end of the previous fiscal year (¥1,821 million). The main factors for this include an increase of ¥701 million in leasehold and guarantee deposits, and decreases associated with the removal of BPJ from the scope of consolidation of ¥578 million in software and ¥299 million in deferred tax assets.

### (Current liabilities)

At the end of the fiscal year under review, the balance of current liabilities was ¥2,445 million, a decrease of ¥56,408 million from the end of the previous fiscal year (¥58,853 million). The main factors for this include decreases associated with the removal of BPJ from the scope of consolidation of ¥46,097 million in deposits received for cryptoassets, ¥6,220 million in deposits received, and ¥2,028 million in loans payable-cryptoassets.

### (Net assets)

At the end of the fiscal year under review, the balance of net assets was ¥16,826 million, an increase of ¥2,711 million from the end of the previous fiscal year (¥14,114 million). The main factors for this include increases of ¥697 million in share capital and ¥697 million in capital surplus from issuance of new shares resulting from exercise of share acquisition rights, and ¥3,267 million in retained earnings resulting from recording of profit attributable to owners of parent. In accordance with the resolution of 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 of 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) Overview of Cash Flows for the Fiscal Year Under Review

At the end of the fiscal year under review, cash and cash equivalents (hereinafter, “cash”) amounted to ¥11,173 million, an increase of ¥6,277 million from the previous fiscal year (¥4,896 million).

The following explains the situation of each cash flow and any underlying factors.

#### (Cash flows from operating activities)

Net cash used in operating activities amounted to ¥6,843 million (net cash used in operating activities amounted to ¥429 million in the previous fiscal year). This is mainly due to factors associated with the removal of BPJ from the scope of consolidation, including a ¥36,410 million decrease in users cryptoassets, a ¥36,410 million decrease in deposits received for cryptoassets, a ¥6,088 million in income taxes paid, a ¥5,597 million decrease in cash segregated as deposits, a ¥5,179 million decrease in deposits received, and a ¥3,726 million decrease in owned cryptoassets.

#### (Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥13,685 million (net cash used in investing activities amounted to ¥259 million in the previous fiscal year). This is mainly due to ¥8,688 million in proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation and ¥4,656 million in proceeds from sale of shares of subsidiaries and associates.

#### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥564 million (net cash provided by financing activities amounted to ¥2,715 million in the previous fiscal year). This is mainly due to ¥1,938 million used in purchase of treasury shares and ¥1,367 million in proceeds from issuance of shares resulting from exercise of share acquisition rights.

### (4) Future Outlook

#### 1) Performance outlook for the next period

While the sharp rise in energy, crude oil and natural gas prices, that was triggered by Russia's invasion of Ukraine and other such factors, and that was apparent in the fiscal year ended March 31, 2023, began to show signs of abating as of around January 2023, fluctuations in electricity trading prices remain difficult to predict. In the short term, it will be necessary to ascertain what impact electricity trading prices trends for this summer, when supply and demand will be tight, as well as capacity contribution, which will begin in the fiscal year ending March 31, 2025, will have on electricity trading prices and other factors in the fiscal year ending March 31, 2024. 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. Thus the Company has refrained from disclosing consolidated financial forecasts for the fiscal year ending March 31, 2024 at this time.

The Company intends to announce consolidated financial forecasts for the fiscal year ending March 31, 2024 as soon as a reasonable estimate becomes possible.

#### 2) Dividend outlook for the next period

The Company's core approach to capital policy is to seek an appropriate balance between healthy financial underpinnings, improving capital efficiency and the strengthening of shareholder returns, while also increasing corporate value by growing and expanding businesses and by improving management efficiency and profitability. The Company considers the returning of profits to our shareholders to be a priority management policy.

Regarding the fiscal year ending March 31, 2024, as noted above, environments that impact the Company's businesses are unclear, making it difficult to reasonably estimate results at the present time. As a result, interim and year-end dividend forecasts have not yet been determined.

### 2. Basic Stance Concerning Choice of Accounting Standards

The Group applies Japanese accounting standards in order to ensure comparability with other domestic

companies in the same industries.

Regarding the application of international accounting standards, appropriate measures will be taken with consideration to any relevant circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,896	11,173
Trade receivables and contract asset	1,971	4,061
Merchandise	251	221
Finished goods	94	16
Raw materials and supplies	126	69
Accrued income taxes	-	1,173
Operational investment securities	370	355
Users cryptoassets	46,097	-
Owned cryptoassets	4,969	120
Guarantee deposits for cryptoassets	1,170	-
Cash segregated as deposits	6,709	-
Guarantee deposits	2,493	-
Other	2,051	623
Allowance for doubtful accounts	(55)	(196)
<b>Total current assets</b>	<b>71,147</b>	<b>17,620</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	60	80
Accumulated depreciation	(4)	(9)
Buildings and structures, net	56	71
Vehicles, tools, furniture and fixtures	92	76
Accumulated depreciation	(62)	(40)
Vehicles, tools, furniture and fixtures, net	29	35
<b>Total property, plant and equipment</b>	<b>86</b>	<b>107</b>
Intangible assets		
Software	662	83
Software in progress	15	-
<b>Total intangible assets</b>	<b>677</b>	<b>83</b>
Investments and other assets		
Investment securities	67	70
Leasehold and guarantee deposits	688	1,389
Fixed loan	16	2
Deferred tax assets	299	-
Other	41	1
Allowance for doubtful accounts	(56)	(2)
<b>Total investments and other assets</b>	<b>1,057</b>	<b>1,461</b>
<b>Total non-current assets</b>	<b>1,821</b>	<b>1,651</b>
<b>Total assets</b>	<b>72,968</b>	<b>19,271</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	638	520
Accounts payable - other	1,406	430
Deposits received	6,569	348
Deposits received for cryptoassets	46,097	-
Income taxes payable	1,656	774
Loans payable-cryptoassets	2,028	-
Provision for loss on business of subsidiaries and associates	2	-
Other	456	371
<b>Total current liabilities</b>	<b>58,853</b>	<b>2,445</b>
Non-current liabilities		
Deferred tax liabilities	-	0
<b>Total non-current liabilities</b>	<b>-</b>	<b>0</b>
<b>Total liabilities</b>	<b>58,853</b>	<b>2,445</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,180	7,877
Capital surplus	7,201	3,268
Retained earnings	(268)	7,629
Treasury shares	(18)	(1,956)
<b>Total shareholders' equity</b>	<b>14,096</b>	<b>16,819</b>
Share acquisition rights	18	6
<b>Total net assets</b>	<b>14,114</b>	<b>16,826</b>
<b>Total liabilities and net assets</b>	<b>72,968</b>	<b>19,271</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	28,753	32,789
Cost of sales	15,018	31,167
Gross profit	13,735	1,621
Selling, general and administrative expenses	5,530	3,472
Operating profit (loss)	8,205	(1,850)
Non-operating income		
Interest income	0	0
Dividend income	2	0
Consulting fee income	-	215
Foreign exchange gains	3	4
Settlement income	12	-
Penalty income	12	-
Other	5	30
Total non-operating income	37	251
Non-operating expenses		
Interest expenses	4	-
Share of loss of entities accounted for using equity method	-	104
Loss on investments in investment partnerships	10	0
Commission expenses	-	2
Share acquisition rights issuance costs	5	1
Share issuance costs	15	6
Provision of allowance for doubtful accounts	27	4
Other	6	2
Total non-operating expenses	69	124
Ordinary profit (loss)	8,173	(1,722)
Extraordinary income		
Gain on sale of non-current assets	-	59
Gain on sale of shares of subsidiaries and associates	-	8,921
Insurance income	24	-
Total extraordinary income	24	8,981
Extraordinary losses		
Loss on retirement of non-current assets	19	-
Head office relocation expenses	5	-
Loss on valuation of investments in capital	0	-
Total extraordinary losses	25	-
Profit before income taxes	8,172	7,258
Income taxes - current	1,558	3,940
Income taxes - deferred	(299)	51
Total income taxes	1,258	3,991
Profit	6,913	3,267
Profit attributable to owners of parent	6,913	3,267

## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	6,913	3,267
Comprehensive income	6,913	3,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,913	3,267
Comprehensive income attributable to non-controlling interests	-	-

## (3) Consolidated Statements of Changes in Equity

Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	5,808	5,830	(7,324)	(18)	4,296	26	4,322
Cumulative effects of changes in accounting policies			144		144		144
Restated balance	5,808	5,830	(7,180)	(18)	4,440	26	4,466
Changes during period							
Issuance of new shares	1,371	1,371			2,743		2,743
High reduction of retained earnings arising from changes in the scope of consolidation			(1)		(1)		(1)
Deficit disposition					-		-
Purchase of treasury shares					-		-
Profit attributable to owners of parent			6,913		6,913		6,913
Net changes in items other than shareholders' equity						(7)	(7)
Total changes during period	1,371	1,371	6,911	-	9,655	(7)	9,647
Balance at end of period	7,180	7,201	(268)	(18)	14,096	18	14,114

Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	7,180	7,201	(268)	(18)	14,096	18	14,114
Cumulative effects of changes in accounting policies					-		-
Restated balance	7,180	7,201	(268)	(18)	14,096	18	14,114
Changes during period							
Issuance of new shares	697	697			1,395		1,395
High reduction of retained earnings arising from changes in the scope of consolidation					-		-
Deficit disposition		(4,630)	4,630		-		-
Purchase of treasury shares				(1,938)	(1,938)		(1,938)
Profit attributable to owners of parent			3,267		3,267		3,267
Net changes in items other than shareholders' equity						(12)	(12)
Total changes during period	697	(3,933)	7,897	(1,938)	2,723	(12)	2,711
Balance at end of period	7,877	3,268	7,629	(1,956)	16,819	6	16,826



## (4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,172	7,258
Depreciation	229	268
Increase (decrease) in allowance for doubtful accounts	53	145
Interest and dividend income	(2)	(1)
Interest expenses	4	-
Loss (gain) on sale of shares of subsidiaries and associates	-	(8,921)
Share issuance costs	15	6
Issuance cost of subscription rights to shares	5	1
Share of loss (profit) of entities accounted for using equity method	-	104
Gain on sale of non-current assets	-	(59)
Loss on retirement of non-current assets	19	-
Insurance proceeds	(24)	-
Penalty income	(12)	-
Settlement income	(12)	-
Loss (gain) on investments in investment partnerships	10	0
Loss (gain) on valuation of investments in capital	0	-
Increase (decrease) in provision for loss on business of subsidiaries and associates	(0)	(0)
Decrease (increase) in trade receivables	(311)	(2,090)
Decrease (increase) in inventories	(208)	164
Decrease (increase) in users cryptoassets	(13,372)	23,037
Decrease (increase) in owned cryptoassets	(1,793)	1,932
Decrease (increase) in guarantee deposits for cryptoassets	(858)	636
Decrease (increase) in cash segregated as deposits	(2,819)	2,778
Decrease (increase) in guarantee deposits	(2,033)	(32)
Decrease (increase) in other current assets	(1,897)	415
Increase (decrease) in trade payables	(2,403)	(117)
Increase (decrease) in accounts payable - other	135	(244)
Increase (decrease) in deposits received	2,824	(2,354)
Increase (decrease) in deposits received for cryptoassets	13,372	(23,037)
Increase (decrease) in accrued consumption taxes	537	(91)
Increase (decrease) in loans payable-cryptoassets	184	(593)
Increase (decrease) in other current liabilities	(238)	79
Other, net	(21)	(5)
Subtotal	(445)	(719)
Interest and dividends received	2	1
Interest paid	(4)	-
Income taxes refund	4	0
Income taxes paid	(36)	(6,124)
Proceeds from insurance income	24	-
Proceeds from penalty income	12	-
Settlement received	12	-
Net cash provided by (used in) operating activities	(429)	(6,843)

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of investments in partnership	-	10
Loan advances	-	(326)
Proceeds from collection of loans receivable	-	326
Purchase of property, plant and equipment	(79)	(44)
Purchase of intangible assets	(215)	(250)
Proceeds from sale of intangible assets	-	648
Purchase of investment securities	(26)	-
Proceeds from withdrawal of time deposits	6	-
Proceeds from sale of shares of subsidiaries and associates	-	4,656
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	8,688
Proceeds from refund of guarantee deposits	0	-
Payments of leasehold deposits	(112)	(8)
Proceeds from refund of leasehold deposits	167	0
Payments for investments in capital	-	(14)
Net cash provided by (used in) investing activities	(259)	13,685
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(1,938)
Proceeds from issuance of share acquisition rights	19	6
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,695	1,367
Dividends paid	(0)	-
Net cash provided by (used in) financing activities	2,715	(564)
Net increase (decrease) in cash and cash equivalents	2,026	6,277
Cash and cash equivalents at beginning of period	2,889	4,896
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(19)	-
Cash and cash equivalents at end of period	4,896	11,173

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(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 fiscal year ended 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 consolidated financial statements.

(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 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 following fiscal year and beyond.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Group’s reportable segments provide separate financial information on the business units of the Company and are evaluated regularly by the Board of Directors to determine the allocation of management resources and evaluate operating performance. The Group’s operational structure reflects the unique characteristics of each business field. Reportable segments are divided broadly along operating company lines (consolidated basis), and then furthermore by services and products therein.

Additionally, segment information for previous fiscal years has been prepared according to segment classifications after change.

The services and products affiliated with each reportable segment are detailed as follows.

**Energy business**

The energy business consists of electric power retail business.

**Used car business**

The used car business consists of consulting related to used car trading and actual trading of used cars, etc.

**Resilience business**

In the resilience business, as an energy management business operator, the Company makes proposals for energy saving equipment and systems, and assists with applying for subsidies available for investment in energy efficiency. It further markets MA-T System-related products “Amazing Water” and “SUGOMIZU mouthwash,” and sells storage batteries for home use (remixbattery).

## Financial business

The financial business consists of profit and expenses related to investments for the Company's cryptoasset business.

## Others

Other businesses consist of the marketing consulting business and newly launched businesses.

## 2. Explanation of measurements of net sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting policies applied to reportable business segments comply with the accounting policies used in the preparation of the consolidated financial statements. Segment profit is based on ordinary profit. The amounts of "inter-segment net sales or transfers" are calculated based on the market prices and prices determined by the cost.

## 3. Information on net sales, profit (loss), assets, liabilities, and other items for each reportable segment

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Energy business	Used car business	Resilience business	Financial business	Others	Total		
Net sales								
Net sales to outside customers	12,672	4,542	700	10,767	70	28,753	—	28,753
Inter-segment net sales or transfers	—	—	—	0	—	0	(0)	—
Total	12,672	4,542	700	10,767	70	28,753	(0)	28,753
Segment profit (loss)	1,670	19	(228)	7,552	0	9,015	(842)	8,173
Segment assets	3,778	419	402	66,220	210	71,031	1,937	72,968
Other items								
Depreciation	7	—	0	205	0	213	15	229
Increase in property, plant and equipment, and intangible assets	7	—	0	205	—	214	75	289

(Notes) 1. Adjustments are as follows.

- (1) The adjustment for segment profit (loss) of negative ¥842 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 adjustment for segment assets of ¥1,937 million includes corporate assets not allocated to the reportable segments of ¥9,901 million, capital eliminated in consolidation of negative ¥3,720 million, and an elimination of receivables and payables of negative ¥4,243 million.
  - (3) The adjustment for an increase in property, plant and equipment and intangible assets of ¥75 million is the amount of increase in corporate assets not allocated to the reportable segments.
2. The total segment profit (loss) is adjusted with ordinary profit in the consolidated financial statements.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment						Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Energy business	Used car business	Resilience business	Financial business	Others	Total		
Net sales								
Net sales to outside customers	25,269	5,911	637	928	41	32,789	—	32,789
Inter-segment net sales or transfers	—	—	—	0	—	0	(0)	—
Total	25,269	5,911	637	928	41	32,789	(0)	32,789
Segment profit (loss)	(466)	23	(162)	15	(53)	(644)	(1,078)	(1,722)
Segment assets	5,365	451	253	5,324	111	11,506	7,765	19,271
Other items								
Depreciation	19	—	2	227	—	249	19	268
Increase in property, plant and equipment, and intangible assets	68	—	26	170	—	265	35	300

(Notes) 1. Adjustments are as follows.

- (1) The adjustment for segment profit (loss) of negative ¥1,078 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 adjustment for segment assets of ¥7,765 million includes corporate assets not allocated to the reportable segments of ¥8,031 million, capital eliminated in consolidation of negative ¥101 million, and an elimination of receivables and payables of negative ¥165 million.
- (3) The adjustment for an increase in property, plant and equipment and intangible assets of ¥35 million is the amount of increase in corporate assets not allocated to the reportable segments.

2. The total segment profit (loss) is adjusted with ordinary profit in the consolidated financial statements.

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 fiscal year ended March 31, 2023.

Segment information for the fiscal year ended March 31, 2022 is presented based on the classifications after the change.

(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	¥121.03	¥141.75
Basic earnings per share	¥64.05	¥27.32
Diluted earnings per share	¥63.26	¥27.17

(Notes) 1. The basis for calculating basic earnings per share is shown below.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	6,913	3,267
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent relating to common stock (Million yen)	6,913	3,267
Average number of shares of common stock during the period (shares)	107,938,410	119,593,968
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Million yen)	—	—
Increase in common stock (shares)	1,353,338	664,170
(Of which share acquisition rights (shares))	[1,353,338]	[664,170]
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect		—

(Significant subsequent events)

(Reduction of share capital and legal capital surplus)

At the Board of Directors meeting held on May 12, 2023, the Company decided to refer the “Proposed reduction of share capital and legal capital surplus” to the 20th annual general meeting of shareholders (hereinafter, “the general meeting of shareholders), scheduled for June 28, 2023.

1. Purpose of reduction of share capital and legal capital surplus

As part of management strategies for sustained growth of corporate value, in order to improve its financial soundness through a tax structure appropriate to its scale of business and ensure the flexibility and mobility of its future capital policy, the Company has decided to reduce the amount of its share capital and legal capital surplus, in accordance with the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act.

The amount of reduction of share capital and legal capital surplus will be transferred to other capital surplus as an internal transfer among account titles within “net assets,” therefore the reduction will not affect the number of shares held by shareholders or the amount of net assets per share, because only the amount of share capital and legal capital surplus will be reduced, without changing the total number of shares issued or the amount of net assets.

## 2. Details of the reduction of share capital

Based on the provisions in Article 447, Paragraph 1 of the Companies Act, the amount of share capital will be decreased and transferred to other capital surplus. This decrease will only be in the amount of share capital and will not change the total number of shares issued.

### (1) Amount of share capital to be reduced

Share capital ¥7,867,955,028 out of ¥7,877,955,028

### (2) Item and amount of surplus to be increased

Other capital surplus ¥7,867,955,028

## 3. Details of the reduction of legal capital surplus

Based on the provisions in Article 448, Paragraph 1 of the Companies Act, the amount of legal capital surplus will be decreased and transferred to other capital surplus. This decrease will only be in the amount of legal capital surplus and will not change the total number of shares issued.

### (1) Item and amount of surplus to be reduced

Legal capital surplus ¥687,517,242 out of ¥697,517,242

### (2) Item and amount of surplus to be increased

Other capital surplus ¥687,517,242

## 4. Schedule (planned) for matters pertaining to share capital and legal capital surplus

- |  |                               |
|--|-------------------------------|
| (1) Resolution by the Company's Board of Directors                         | May 12, 2023                  |
| (2) Public notice on filing of objection by creditors                      | (scheduled for May 25, 2023)  |
| (3) Final deadline for filing of objection by creditors                    | (scheduled for June 26, 2023) |
| (4) Date of general meeting of shareholders                                | (scheduled for June 28, 2023) |
| (5) Effective date of reduction of share capital and legal capital surplus | (scheduled for June 30, 2023) |