

Note: This is an English translation of the Quarterly Financial Summary in Japanese and is for reference purposes only. In the event of any discrepancy between the translation and the original Japanese text, the latter will prevail.



## Consolidated Financial Results for the Six Months Ended September 30, 2023 (IFRS)

November 10, 2023

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 Supplemental materials prepared for financial results: Yes  
 Earnings briefing for financial results: Yes (for institutional and individual investors)

(Figures are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

#### (1) Consolidated Operating Results

(Millions of yen, % indicate year-on-year changes)

	Revenue		Operating profit		Profit before income tax		Net profit		Net profit attributable to owners of the parent		Comprehensive net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six Months ended September 30, 2023	2,003	17.1	(3,344)	—	(3,017)	—	(2,345)	—	(1,997)	—	(1,987)	—
Six Months ended September 30, 2022	1,711	25.0	4,685	443.5	5,198	484.5	3,761	510.1	3,352	499.8	4,802	574.3

(yen)

	Basic earnings per share		Diluted earnings per share	
	Millions of yen	%	Millions of yen	%
Six Months ended September 30, 2023	(118.90)		(118.90)	
Six Months ended September 30, 2022	199.59		199.59	

Note: 1. Basic earnings per share and diluted earnings per share based on net profit attributable to owners of the parent.

2. Due to the application of IAS 12 "Income Taxes" (amended in May 2021), figures after the retrospective application are stated for the six months ended September 30, 2022.

#### (2) Consolidated Financial Position

(Millions of yen)

	Total assets		Total equity		Total equity attributable to owners of parent		Ratio of equity attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	%	%
As of September 30, 2023	7,803		5,598		5,416		69.4%	
As of March 31, 2023	10,618		7,629		7,134		67.2%	

### 2. Dividends

(Yen)

	Annual dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Fiscal Year Ended March 31, 2023	—	0.00	—	4.50	4.50
Fiscal Year Ending March 31, 2024	—	2.00			
Fiscal Year Ending March 31, 2024 (Forecast)			—	—	—

Note: Revisions to the forecast of dividends since the last announcement: None

The forecast for the year-end dividends is unprovided at this time.

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

(% indicate year-on-year changes)

	Revenue		Operating profit		Profit before income tax		Net profit attributable to owners of the parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	%
Full year	4,500	33.2	—	—	—	—	—	—	—	—

Note: Revisions to the forecast of consolidated results most recently announced: None

\* Notes

(1) Changes in significant subsidiaries during the fiscal period  
(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

(2) Changes in accounting policies/changes in accounting estimation  
a) Changes in accounting policies due to IFRS requirements: Yes  
b) Changes in accounting policies other than (2) a) above: None  
c) Changes in accounting estimation: None

(3) Number of issued shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)	As of September 30, 2023	17,491,265 shares	As of March 31, 2023	17,491,265 shares
b) Number of shares of treasury stock at the end of the period	As of September 30, 2023	695,582 Shares	As of March 31, 2023	695,942 shares
c) Average number of shares during the period	Six Months ended September 30, 2023	16,795,506 shares	Six Months ended September 30, 2022	16,792,694 shares

\* This release is outside the scope of the quarterly review by certified public accountants and audit firms.

\* Cautionary statement on appropriate use of business results forecasts and other matters.

(Note on forward-looking statements)

This report contains forward-looking statements on future performance and other matters that are based on information currently available to the company and certain reasonable assumptions. These forward-looking statements are not guarantees of future performance. A variety of factors may cause actual performance to be materially different from that expressed or implied by these forward-looking statements. For notes on the assumptions used in business forecasts and use of these forecasts, please refer to “1. Qualitative Information for Business Results, (3) Outlook for consolidated business results, etc.”

(Access to supplementary materials for results and content from the results briefing)

The company plans to hold an online result briefing from 6.00 pm (JST) on Friday, November 10, 2023. The materials used in the briefing will be posted on our official website, and the briefing video itself will be streamed live on YouTube Live and will also be available on our website at a later date.

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## 1. Qualitative Information for Business Results

### (1) Explanation of Business Results

(Millions of yen)

	Q2 FY2022	Q2 FY2023	YoY growth
Revenue	1,711	2,003	17.1%
Operating profit or loss	4,685	(3,344)	-%
Profit or loss before income taxes	5,198	(3,017)	-%
Net profit or loss attributable to owners of the parent	3,352	(1,997)	-%

#### <Overview of revenue and profit>

The consolidated results for the six months ended September 30, 2023 (April 1, 2023 - September 30, 2023, hereinafter Q2 FY2023) saw year-over-year (hereinafter YoY) 17.1% increase to ¥2,003mn in revenue. This was due to a strong performance in the Software and Design Business.

Regarding profits, the company recognized an unrealized loss of ¥3,803mn in the Investment Business due to a fall in the share price of investee Gorilla Technology Group Inc. (hereinafter Gorilla Technology).

As a result, operating loss amounted to ¥3,344mn, loss before income taxes to ¥3,017mn and net loss attributable to owners of the parent to ¥1,997mn.

#### <<Reportable segments>>

For the purposes of deciding the allocation of Group management resources and appraising performance, the Group split its businesses into two reportable segments: the "Software Business segment" which consists of software business and design business, and the "Investment Business segment".

#### <<Software Business segment>>

##### Software

(Millions of yen)

	Q2 FY2022	Q2 FY2023	YoY growth
Revenue	1,373	1,411	102.7%

#### <Overview of revenue>

Data integration middleware "Warp" saw the continued expansion of demand for new data integration, driven by introduction of a new internal system in response to Electronic Record Retention Law, and the number of companies that have introduced it has surpassed 10,000. As a result, sales of its subscription version grew by 42% YoY, due to continuous increased orders spurred by expansion of sales of iPaaS-related products and a focus on the SMB (Small and Medium-sized Business) market in collaboration with partners.

Inquiries for mobile app building tool "Platio" are steadily increasing. This reflects the growing demand for complying with the new overtime regulations, including "the 2024 issue" in logistics and construction industry, and due to economic recovery, inquiries from the retail, service, and tourism industries are increasing. As a result, its revenue rose by 57% YoY, due to increased adoption as a no-code tool, which enables in-house production of various apps in response to the growing demand for DX as a measure to solve the labor shortage and work efficiency.

Node integration platform "Gravio" has significantly strengthened its functions and is expanding new sales channels, including overseas as a tool, which is compatible with cloud environments and enables to collect and manage all kinds of data.

Digital content platform "Handbook X" has been highly evaluated for its ease of introduction and access to various content and we are making efforts to develop new markets.

##### Design

(Millions of yen)

	Q2 FY2022	Q2 FY2023	YoY growth
Revenue	337	592	175.6%

#### <Overview of revenue>

The Design Business provides consulting services mainly in the United Kingdom and the United States to improve customer experience, in addition to supporting the formulation and execution of customer companies' DX strategies. We have also started business in Japan.

Revenue increased YoY due to continued and additional orders from main customers, such as big US IT companies.

<<Investment Business segment>>

The Investment Business segment invests based on a "4D strategy" (Data, Device, Decentralized, Design), the same as Software Business segment, and the results of its operations on investment valuation change is booked in accordance with IFRS.

(Millions of yen)

	Q2 FY2022	Q2 FY2023	YoY growth
Investment valuation change	4,534	(3,803)	-%

The decrease was mainly due to a decrease in the valuation of AI development company Gorilla Technology (listed on NASDAQ in the United States).

<<Group business initiatives>>

As we see the shift toward digitalization as an irreversible trend, we will continue to focus our business operations and strategic investments in the "D4G" (Data, Device, Decentralized, Design for Green) domain, which is believed to grow significantly over the next few years.

In our business domain, we are strengthening our efforts in the "no-code" related area, which is a strength we have developed with our software products. "No Code Promotion Association", which we established as one of the founding companies for the purpose of transforming the software culture through no-code, has grown into a consortium with a membership of more than 140 companies and local governments in just one year after its establishment. In May of this year, we started the "No Code Declaration City" program to advance digital transformation (DX) in local government, and in June we established the "Japan No Code Award" to recognize excellent no-code use cases. Through these broad awareness-raising activities for no-code technology, we are promoting DX that will lead to increase productivity in business and society, and resolve the shortage of human resources.

In terms of work-style reform, we have redefined office space with the aim of realizing diverse work styles at a higher level, and pushing for new work styles with multiple workplace options that employees can choose from at their discretion. In July of this year, we opened a new office in Karuizawa Town, Nagano Prefecture, and are working to create a more fulfilling work environment.

## (2) Explanation of financial position

### [1] Explanation of Financial Position

#### (Assets)

Total assets as of September 30, 2023, were Yen 7,803mn, down Yen 2,815mn compared to March 31, 2023.

This owed mainly to a decrease of Yen 3,139mn in other financial assets (mainly investment securities) against the increase of Yen 353mn in trade and other receivables.

#### (Liabilities)

Total liabilities as of September 30, 2023, were Yen 2,206mn, down Yen 784mn compared to March 31, 2023.

This owed mainly to a decrease of Yen 850mn in deferred tax liabilities.

#### (Equity)

Total equity as of September 30, 2023, was Yen 5,598mn, down Yen 2,031mn compared to March 31, 2023.

This owed mainly to a decrease of Yen 2,073mn in retained earnings.

### [2] Explanation of cash flows

The balance of cash and cash equivalents (hereafter "cash") as of September 30, 2023, was Yen 1,501mn, down Yen 243mn compared to March 31, 2023.

Change in each cash flow item during the period and the reasons for the changes were as follows:

#### (Cash flow from operating activities)

Net cash provided by operating activities was Yen 30mn (compared to cash provided of Yen 142mn in the same period in FY2022). This was due mainly to a decrease of Yen 3,017mn in loss before income taxes, a decrease of Yen 340mn in financial income and an increase of Yen 353mn in trade and other receivables against an increase of Yen 3,803mn in other expense (mainly unrealized losses on investments).

#### (Cash flow from investment activities)

Net cash used by investment activities was Yen 165mn (compared to cash used of Yen 34mn in the same period in FY2022). This owed mainly to Yen 94mn used for purchase of property, plant, and equipment and Yen 64mn used for purchase of investment.

#### (Cash flow from financial activities)

Net cash used by financial activities was Yen 174mn (compared to cash used of Yen 174mn in the same period in FY2022). This owed mainly to Yen 75mn used for payment of dividends, Yen 71mn used for repayment of long-term borrowings and Yen 30mn used for repayment of lease liabilities.

## (3) Outlook for consolidated business results, etc.

There is no change in the consolidated financial results forecast announced on May 15, 2023.

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,743,642	1,501,103
Trade and other receivables	182,641	535,435
Inventories	4,348	3,811
Other financial assets	410,012	448,740
Other current assets	91,470	103,233
Total current assets	2,432,114	2,592,323
Non-current assets		
Property, plant and equipment	812,927	878,718
Intangible assets	151,030	214,641
Investments accounted for using the equity method	348,850	403,951
Other financial assets	6,705,345	3,527,876
Deferred tax assets	—	12,758
Other non-current assets	167,597	172,976
Total non-current assets	8,185,748	5,210,920
Total assets	10,617,862	7,803,243

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	242,800	242,800
Trade and other payables	281,886	133,695
Income taxes payable	75,126	212,303
Other financial liabilities	53,860	49,624
Other current liabilities	771,037	947,424
<b>Total current liabilities</b>	<b>1,424,709</b>	<b>1,585,846</b>
<b>Non-current liabilities</b>		
Provisions	9,367	9,380
Borrowings	357,400	286,000
Deferred tax liabilities	849,507	—
Other financial liabilities	343,198	324,066
Other non-current liabilities	5,133	239
<b>Total non-current liabilities</b>	<b>1,564,605</b>	<b>619,684</b>
<b>Total liabilities</b>	<b>2,989,313</b>	<b>2,205,530</b>
<b>Equity</b>		
Common stock	2,275,343	2,275,343
Capital surplus	2,481,831	2,513,285
Treasury stock	(538,012)	(538,012)
Other equity components	692,067	1,015,217
Retained earnings	2,222,293	149,736
<b>Total equity attributable to owners of the parent</b>	<b>7,133,522</b>	<b>5,415,569</b>
Non-controlling interests	495,027	182,144
<b>Total equity</b>	<b>7,628,549</b>	<b>5,597,713</b>
<b>Total liabilities and equity</b>	<b>10,617,862</b>	<b>7,803,243</b>

## (2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Thousands of yen)

	Six Months ended September 30, 2022	Six Months ended September 30, 2023
Revenue	1,710,618	2,002,790
Cost of sales	299,620	321,148
Gross income	1,410,998	1,681,641
Selling, general and administrative expenses	1,266,980	1,226,851
Other income	4,541,340	3,685
Other expenses	64	3,802,813
Operating profit	4,685,294	(3,344,338)
Finance income	564,140	340,222
Finance costs	52,907	8,007
Equity in earnings of affiliates (Figures in negative represent loss)	1,649	(5,217)
Profit before income tax	5,198,175	(3,017,339)
Income tax expense	1,437,203	(672,317)
Net profit	3,760,972	(2,345,023)
Attributable net profit		
Net profit attributable to owners of the parent	3,351,737	(1,996,924)
Attributable to non-controlling interests	409,235	(348,099)
Net profit	3,760,972	(2,345,023)
Earnings per share		
Basic earnings per share (Yen)	199.59	(118.90)
Diluted earnings per share (Yen)	199.59	(118.90)



## (3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six Months ended September 30, 2022	Six Months ended September 30, 2023
Profit or loss for the period	3,760,972	(2,345,023)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	195,378	136,798
Total items that will not be reclassified to profit or loss	195,378	136,798
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	846,073	221,568
Total items may be reclassified to profit or loss	846,073	221,568
Total other comprehensive profit or loss	1,041,451	358,365
Total comprehensive income	4,802,423	(1,986,657)
Comprehensive income attributable to		
Owners of the parent	4,259,963	(1,673,774)
Non-controlling interests	542,461	(312,883)
Total comprehensive income	4,802,423	(1,986,657)

(4) Condensed Quarterly Consolidated Statement of Changes in Equity

Attributable to owners of the parent

	Attributable to owners of the parent					
	Capital stock	Capital surplus	Treasury stock	Other equity components		
				Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	Total
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2022	2,275,343	2,457,037	(538,012)	414,921	(155,986)	258,934
Cumulative effects of changes in accounting policies	—	—	—	(452)	—	(452)
Restated balance	2,275,343	2,457,037	(538,012)	414,468	(155,986)	258,482
Net profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	712,848	195,378	908,226
Total net comprehensive income	—	—	—	712,848	195,378	908,226
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	1,959	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	25,113	25,113
Others	—	—	—	—	—	—
Change from transactions with owners	—	1,959	—	—	25,113	25,113
Balance as of September 30, 2022	2,275,343	2,458,996	(538,012)	1,127,316	64,504	1,191,820

	Attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2022	3,903,237	8,356,539	624,823	8,981,362
Cumulative effects of changes in accounting policies	(9,141)	(9,594)	—	(9,594)
Restated balance	3,894,096	8,346,946	624,823	8,971,768
Net profit	3,351,737	3,351,737	409,235	3,760,972
Other comprehensive income	—	908,226	133,226	1,041,451
Total net comprehensive income	3,351,737	4,259,963	542,461	4,802,423
Dividends paid	(75,633)	(75,633)	—	(75,633)
Share-based payment transactions	—	1,959	—	1,959
Transfer from other components of equity to retained earnings	(25,113)	—	—	—
Others	—	—	—	—
Change from transactions with owners	(100,746)	(73,675)	—	(73,675)
Balance as of September 30, 2022	7,145,087	12,533,234	1,167,283	13,700,517

Attributable to owners of the parent

	Capital stock	Capital surplus	Treasury stock	Other equity components		Total
				Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2023	2,275,343	2,481,831	(538,012)	716,770	(24,703)	692,067
Net profit or loss	—	—	—	—	—	—
Other comprehensive income	—	—	—	186,352	136,798	323,150
Total net comprehensive income	—	—	—	186,352	136,798	323,150
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	31,454	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total transactions with owners	—	31,454	—	—	—	—
Balance as of September 30, 2023	2,275,343	2,513,285	(538,012)	903,122	112,095	1,015,217

	Attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2023	2,222,293	7,133,522	495,027	7,628,549
Net profit or loss	(1,996,924)	(1,996,924)	(348,099)	(2,345,023)
Other comprehensive income	—	323,150	35,216	358,365
Total net comprehensive income	(1,996,924)	(1,673,774)	(312,883)	(1,986,657)
Dividends paid	(75,633)	(75,633)	—	(75,633)
Share-based payment transactions	—	31,454	—	31,454
Transfer from other components of equity to retained earnings	—	—	—	—
Others	—	—	—	—
Total transactions with owners	(75,633)	(44,179)	—	(44,179)
Balance as of September 30, 2023	149,736	5,415,569	182,144	5,597,713

## (5) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Six Months ended September 30, 2022	Six Months ended September 30, 2023
<b>Cash flow from operating activities</b>		
Profit or loss before income tax	5,198,175	(3,017,339)
Depreciation and amortization	64,215	89,720
Finance income	(564,140)	(340,222)
Finance expenses	52,907	8,007
Earnings from equity in affiliates (Figures in negative represent profit)	(1,649)	5,217
Other income	(4,541,340)	(3,685)
Other expenses	64	3,802,813
Change in operating receivables and other claims (Figures in negative represent increase)	(48,057)	(352,795)
Change in operating payables and other payables (Figures in negative represent decrease)	(307,641)	(148,400)
Others	187,560	26,918
Subtotal	40,096	70,233
Interest and dividends received	39,920	2,115
Interest paid	(3,611)	(2,725)
Corporate taxes paid	(65,256)	(40,016)
Cash flow from operating activities	141,662	29,606
<b>Cash flow from investment activities</b>		
Purchase of property, plant, and equipment	(310,948)	(93,696)
Proceeds from property, plant, and equipment sales	—	310
Purchase of Intangible assets	(218)	(284)
Collection of loans receivable	431,590	—
Payments for investment purchases	(147,933)	(64,050)
Others	(6,555)	(6,822)
Cash flow from investment activities	(34,065)	(164,542)
<b>Cash flow from financial activities</b>		
Repayment of long-term borrowings	(71,400)	(71,400)
Repayment of lease liabilities	(26,844)	(30,347)
Dividends paid	(75,453)	(75,155)
Income from incorporation of non-controlling interests	—	2,670
Cash flow from financial activities	(173,697)	(174,232)
Net change in cash and cash equivalents (Figures in negative represent decrease)	(66,101)	(309,168)
Cash and cash equivalents at beginning of period	1,816,106	1,743,642
Effect of exchange rate changes on cash and cash equivalents	24,364	66,630
Cash and cash equivalents at end of period	1,774,369	1,501,103

(6) Main Notes to Condensed Quarterly Consolidated Financial Statements  
(Going concern assumption)  
No matters to report.

(Change in accounting policies)

Significant accounting policies applied to the condensed quarterly consolidated financial statements are the same as those applied to the consolidated financial statements for the previous consolidated fiscal year, except for the following items.

Also, income tax expense for Q2 FY2023 is calculated based on the estimated annual effective tax rate.

The Group has applied the following standards from the beginning of the fiscal year.

	IFRS	Description of new standards and amendments
IAS 12	Income Taxes (amended in May 2021)	Clarifying accounting process for deferred taxes on leases and decommissioning obligations

The Group applied IAS 12 "Income Taxes" (amended in May 2021) from the first quarter ended June 30, 2023.

The amendments clarified that if taxable temporary differences and deductible temporary differences of the same amount arise at the time of the transaction, such as in the case of leases and decommissioning obligations, the entity recognizes deferred tax liabilities and deferred tax assets when they arise due to this.

The amendments have been applied retrospectively and retrospective application is reflected in the condensed consolidated financial statements and consolidated financial statements regarding figures of the three months ended June 30, 2022 and the fiscal year ended March 31, 2023.

Consequently, in the consolidated statement of financial position as of March 31, 2023, deferred tax liabilities were increased by 178 thousand yen, retained earnings was increased by 462 thousand yen and foreign currency translation reserve was decreased by 639 thousand yen compared with those before the retrospective application. In addition, in the condensed consolidated statement of financial position for the six months ended September 30, 2023, deferred tax assets were decreased by 1,903 thousand yen, retained earnings were decreased by 1,210 thousand yen and foreign currency translation reserve was increased by 3,144 thousand yen. In the condensed consolidated statement of income for the six months ended September 30, 2022, income tax expense was decreased by 2,562 thousand yen and profit was increased by 2,562 thousand yen. In addition, earnings per share attributable to owners of the parent (basic) and earnings per share attributable to owners of the parent (diluted), increased by 0.15 yen, respectively for the six-month period ended September 30, 2022 and decreased by 0.07 yen, respectively for the six-month period ended September 30, 2023.

Because the cumulative effect was reflected in equity at the beginning of the six months ended September 30, 2022, the beginning balance after retrospective application of retained earnings in the condensed consolidated statement of changes in equity was decreased by 9,141 thousand yen.

(Segment information)

(1) Overview of reportable segments

The Group's organizational structure is split into two basic components "Software Business segment" and "Investment Business segment" as reportable segments.

(2) Information on revenue, profits and losses, and assets by reportable segment  
Q2 FY2022 (April 1, 2022- September 30, 2022)

	Reportable segment			Adjustments* <sup>1</sup>	Consolidated
	Software Business	Investment Business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)
Revenue					
Sales to external customers	1,710,618	—	1,710,618	—	1,710,618
Inter-segment transactions	80	16,081	16,161	(16,161)	—
Total	1,710,699	16,081	1,726,779	(16,161)	1,710,618
Segment profit (Figures in negative represent loss) <sup>*2</sup>	158,913	4,519,713	4,678,626	(470)	4,678,156
Other income and expenses					7,138
Finance income					564,140
Finance expenses					52,907
Equity in earnings of affiliates (Figures in negative represent loss)					1,649
Profit before income tax					5,198,175
Other items					
Depreciation and amortization expenses	64,003	212	64,215	—	64,215

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit (figure in negative represent loss) calculated by deducting Cost of goods sales and Sales, general and administrative expenses from revenue. Of other income and expenses, valuation gains / losses on investments measured at fair value through profits / losses held by AVF-1 are transferred to segment profits of the Investment Business.

Q2 FY2023 (April 1, 2023- September 30, 2023)

	Reportable segment			Adjustments* <sup>1</sup>	Consolidated
	Software Business	Investment Business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)
Revenue					
Sales to external customers	2,002,790	—	2,002,790	—	2,002,790
Inter-segment transactions	—	—	—	—	—
Total	<u>2,002,790</u>	<u>—</u>	<u>2,002,790</u>	<u>—</u>	<u>2,002,790</u>
Segment profit (Figures in negative represent loss) <sup>*2</sup>	<u>486,604</u>	<u>(3,834,536)</u>	<u>(3,347,932)</u>	<u>—</u>	<u>(3,347,932)</u>
Other income and expenses					3,594
Finance income					340,222
Finance expenses					8,007
Equity in earnings of affiliates (Figures in negative represent loss)					(5,217)
Profit before income tax					<u>(3,017,339)</u>
Other items					
Depreciation and amortization expenses	89,613	107	89,720	—	89,720

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit (figure in negative represent loss) calculated by deducting Cost of goods sales and Sales, general and administrative expenses from revenue. Of other income and expenses, valuation gains / losses on investments measured at fair value through profits / losses held by AVF-1 are transferred to segment profits of the Investment Business.

(Subsequent events)

None