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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 14, 2024

Company name: Remixpoint, inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3825

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Scheduled date of annual general meeting of shareholders: June 27, 2024

Scheduled date of commencing dividend payments: -

Scheduled date of filing annual securities report: June 27, 2024

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, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	20,487	(37.5)	1,743	-	1,758	-	1,070	(67.2)
March 31, 2023	32,789	14.0	(1,850)	-	(1,722)	-	3,267	(52.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥1,070 million [(67.2)%]

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

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, 2024	8.98	8.98	6.2	9.0	8.5
March 31, 2023	27.32	27.17	21.1	(3.7)	(5.6)

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2024: ¥- million

Fiscal year ended March 31, 2023: ¥(104) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	19,714	17,969	91.1	149.32
As of March 31, 2023	19,271	16,826	87.3	141.75

(Reference) Equity: As of March 31, 2024: ¥17,962 million

As of March 31, 2023: ¥16,819 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, 2024	2,447	120	(164)	13,577
March 31, 2023	(6,843)	13,685	(564)	11,173

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, 2023	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
	-	0.00	-	2.00	2.00	237	7.3	1.5
Fiscal year ended March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2025 (forecast)	-	-	-	-	-	-	-	-

Note: The dividend forecast for the fiscal year ending March 31, 2025 is yet to be determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	21,000	2.5	640	(63.3)	640	(63.6)	600	(43.9)	4.99

*** Notes:**

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
New: 2 companies including ZEROMEDICAL, INC.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

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, 2024: 122,727,800 shares

March 31, 2023: 122,717,800 shares

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

March 31, 2024: 2,435,000 shares

March 31, 2023: 4,060,000 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024: 119,200,942 shares

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

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	20,209	(36.6)	1,740	-	3,742	(8.7)	3,009	(26.4)
March 31, 2023	31,863	72.8	(1,913)	-	4,100	176.5	4,090	235.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	25.25	25.24
March 31, 2023	34.21	34.02

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	17,435	16,370	93.8	136.02
As of March 31, 2023	14,727	13,287	90.2	111.93

(Reference) Equity: As of March 31, 2024: ¥16,362 million

As of March 31, 2023: ¥13,280 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 Monday, May 20, 2024.

Table of Contents

1. Overview of Operating Results, etc	2
(1) Overview of Operating Results for the Fiscal Year Under Review	2
(2) Overview of Financial Position for the Fiscal Year Under Review	4
(3) Overview of Cash Flows for the Fiscal Year Under Review	5
(4) Future Outlook	5
2. Basic Stance Concerning Choice of Accounting Standards	6
3. Consolidated Financial Statements and Primary Notes.....	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Comprehensive Income	9
(3) Consolidated Statements of Changes in Equity.....	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes on going concern assumption)	15
(Additional information)	15
(Segment information, etc.).....	15
(Per share information).....	17
(Significant subsequent events).....	18

1. Overview of Operating Results, etc.

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

For the fiscal year ended March 31, 2024, net sales decreased by 37.5% year on year to ¥20,487 million, operating profit was ¥1,743 million (compared to operating loss of ¥1,850 million in the previous fiscal year), ordinary profit was ¥1,758 million (compared to ordinary loss of ¥1,722 million in the previous fiscal year), and profit attributable to owners of parent decreased by 67.2% year on year to ¥1,070 million.

The non-consolidated financial results of ZEROMEDICAL, INC. (hereinafter referred to as “ZEROMEDICAL”), which became a wholly owned subsidiary on December 1, 2023, included the recording under extraordinary losses of ¥60 million in impairment loss of buildings and other assets owned by the welfare business and ¥26 million in expenses for relocating the head office. Accordingly, the Company recorded a loss on valuation of shares of subsidiaries and associates of ¥662 million, with net assets decreased from ¥71 million at the time of acquisition to ¥30 million as of the end of March 2024.

As a result of the valuation loss on ZEROMEDICAL shares, the Company also recorded ¥598 million in amortization of goodwill in the Consolidated Financial Results.

The Company, with a share capital of ¥10 million, may include an amount of losses that have been included in deductible expenses under the blue return system in deductible expenses up to the amount of income of the business year. As a result, the amount of income taxes - current for Remix Point alone was ¥7 million, and the consolidated amount of income taxes - current was a refund of ¥33 million, with a refund of ¥40 million for Epsilon Holdings Co., LTD., a consolidated subsidiary.

Operating results by business segment for the fiscal year ended March 31, 2024 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, up to the end of the previous fiscal year, were organized into five sections as the “energy business,” “used car business,” “resilience business,” “financial business,” and “other businesses.” In the finance business, the Group sold 51% of its equity in BITPoint Japan Co., Ltd. (hereinafter, “BPJ”), which had been included in the financial business segment as a consolidated subsidiary, to a group company of SBI Holdings, Inc. on July 1, 2022, then sold the remaining 49% of BPJ’s shares, also to a group company of SBI Holdings, Inc. on March 31, 2023. As a result, the financial business section was discontinued on May 12, 2023. Accordingly, from the three months ended June 30, 2023, profit and loss from the business has been included in “other businesses,” and profit and loss from investments related to cryptoasset-related businesses, which were treated as operating transactions, are reported under non- operating income or expenses. The Group also resolved, on February 14, 2023, to discontinue the used car business segment by around March 31, 2023, in order to focus its management resources and promote the reconstruction of its business portfolio, at the Board of Directors meeting. Some product inventory from this business remained as of March 31, 2023, but this was completely sold as of June 30, 2023. As this business segment is discontinued and only an immaterial amount of profit and loss was generated from this segment during the three months ended June 30, 2023, profit and loss from the business are included in “other businesses” from the three months ended June 30, 2023. In addition, as announced in the press release titled “Notification Concerning Acquisition of ZEROMEDICAL, INC. as a Wholly-owned Subsidiary through Simplified Share Exchange,” dated October 26, 2023, the Company concluded a share exchange agreement with ZEROMEDICAL, INC., a company that pursues its business to solve social issues mainly in the areas of health and welfare, in which the Company becomes a wholly-owning parent company resulting from the share exchange and ZEROMEDICAL becomes a wholly-owned subsidiary company resulting from the share exchange. The Company made ZEROMEDICAL a wholly-owned subsidiary on December 1, 2023, the effective date of the agreement. Accordingly, the business operated by ZEROMEDICAL has been included in the reportable segment as “medical business.”

As a result, beginning from the fiscal year ended March 31, 2024, the Group’s reportable segments comprised the “energy business,” “resilience business,” “medical business,” and “other businesses.”

Moreover, whereas segment profit was hitherto treated as ordinary profit due to the inclusion of the results of BPJ in the finance business segment as an equity method affiliate, segment profit has been changed from ordinary profit to operating profit pursuant to the sale of the Company's entire shareholding in BPJ. In addition, for year on year comparisons, the figures for the previous corresponding period have been changed to those on the operating profit basis.

Energy business

In the energy business, the Company is engaged primarily in the electric power retail business. During the fiscal year ended March 31, 2024, prices of LNG and other fossil fuels declined globally compared to the previous year due to a decline in energy demand caused by a prolonged economic slowdown in China and a decline in heating demand in Europe caused by a record-breaking warm winter from the end of 2023 into 2024. The monthly average of system prices on the Japan Electric Power Exchange (hereafter referred to the "JEPX Market Prices") in the fiscal year ended March 31, 2024 was significantly lower at ¥10.74/kWh than that in the previous fiscal year (from April 2022 to March 2023), which was ¥20.37/kWh.

As the ratio of the market-linked rate plan is high among the existing contracts for both high-voltage and low-voltage power, a decline in the JEPX Market Prices will be a factor in a decline in sales. In anticipation of the payment for capacity contributions starting in fiscal 2024, the Company encouraged its high-voltage customers to switch to a new rate plan at the time of contract renewal, which increased the number of cancellations, and the total contracted capacity decreased from the previous fiscal year. As a result, there was a decrease in sales.

On the other hand, the Company had been using electricity futures trading for the purpose of hedging the risk of fluctuations in the JEPX Market Prices until the previous fiscal year, and the valuation gains and losses of the futures positions held had a significant impact on the profit and loss in accounting. Therefore, starting in the current fiscal year, the Company has established a system that can respond to the risk of fluctuations in the JEPX Market Prices without using futures trading by providing its customers with an appropriate combination of three rate plans: the market-linked plan, the fixed-unit-price plan, and a mixture of the market-linked plan and the fixed-unit-price plan. This system allows for the recognition of profits and losses that are not affected by valuation gains and losses of futures.

In addition, the Company has already completed the transition to a rate plan that takes into consideration the capacity market and has laid a foundation for securing stable profits.

As a result, net sales for the segment decreased by 25.3% year on year to ¥18,886 million and segment profit (operating profit) was ¥2,296 million (compared to segment loss [operating loss] of ¥491 million in the previous fiscal year).

Resilience business

The resilience business consists of the energy saving consulting business, the infection control business, and the storage batteries business. During the fiscal year ended March 31, 2024, sales of energy-saving products in the energy saving consulting business and sales from the adoption of subsidies increased year on year. In the infection control business, sales of the Company's main product, MA-T System products ("Amazing Water" series), increased year on year, while ¥65 million in loss on valuation of some products in stock due to a decline in their profitability. On the other hand, in the storage batteries business, the production of storage batteries picked up, whereas previously it had been hampered by the global shortage of semiconductors, and the Company's original-brand home-use storage battery systems (remixbattery) were recognized for their high safety and quality, obtaining third-party JET grid-interconnection certification, and with the proactive promotion of sales activities and the acquisition of storage battery distributors, sales of storage batteries grew steadily.

As a result, net sales for the segment increased by 91.2% year on year to ¥1,219 million and segment profit (operating profit) was ¥131 million (compared to segment loss [operating loss] of ¥162 million in the previous fiscal year).

Medical business

The medical business is conducted by ZEROMEDICAL, which became a wholly owned subsidiary through a stock exchange on December 1, 2023, and consists of the web creation business for medical institutions that produces and operates websites mainly for the purpose of sales support in the dental and medical fields, the medical consulting business that provides management support through management improvement consulting specializing in dentistry and medicine and through marketing and media dissemination related to regenerative medicine, and the welfare-related business that operates after-school services, Type B offices that support continued employment, and home-visit nursing care offices. The Medical business includes not only ZEROMEDICAL's performance from January 2024 but also goodwill amortization of ¥31 million corresponding to January to March 2024 from the goodwill generated during the acquisition of shares of ZEROMEDICAL.

As a result, net sales for the segment was ¥278 million and segment loss (operating loss) was ¥7 million.

Others

Other businesses include the marketing consulting business and newly launched businesses. They also include profit and loss from the used car business, for which business discontinuation was completed in the three months ended June 30, 2023, and the financial business, which the Company resolved to discontinue in the three months ended June 30, 2023. The figures for the previous corresponding period have been reclassified to include profit and loss from these businesses, leading to a substantial decrease in net sales and profits year on year.

As a result, net sales for the segment decreased by 98.5% year on year to ¥102 million, segment profit (operating profit) was ¥24 million (compared to segment loss [operating loss] of ¥49 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 ¥17,714 million, an increase of ¥94 million from the end of the previous fiscal year (¥17,620 million). The main factors for this include an increase of ¥2,399 million in cash and deposits, along with decreases of ¥1,162 million in accrued income taxes and ¥507 million in trade receivables and contract asset.

(Non-current assets)

At the end of the fiscal year under review, the balance of non-current assets was ¥1,999 million, an increase of ¥347 million from the end of the previous fiscal year (¥1,651 million). The main factors for this include increases of ¥66 million in land, ¥61 million in buildings and structures, and ¥25 million in software in progress, along with a decrease of ¥114 million in leasehold and guarantee deposits.

(Current liabilities)

At the end of the fiscal year under review, the balance of current liabilities was ¥1,322 million, a decrease of ¥1,123 million from the end of the previous fiscal year (¥2,445 million). The main factors for this include increases of ¥100 million in short-term borrowings, ¥93 million in current portion of long-term borrowings, along with decreases of ¥759 million in income taxes payable, ¥287 million in accounts payable - other, and ¥251 million in deposits received.

(Non-current liabilities)

At the end of the fiscal year under review, the balance of non-current liabilities was ¥422 million, an increase of ¥421 million from the end of the previous fiscal year (¥0 million). The main factors for this include an increase of ¥422 million in long-term borrowings.

(Net assets)

At the end of the fiscal year under review, the balance of net assets was ¥17,969 million, an increase of ¥1,143 million from the end of the previous fiscal year (¥16,826 million). The main factors for this include an increase of ¥1,070 million in profit attributable to owners of parent, along with a decrease of ¥237 million in dividends. In accordance with the resolution of the 20th annual general meeting of shareholders held on June 28, 2023, ¥7,867 million of share capital and ¥7,867 million of legal capital

surplus were transferred to other capital surplus.

(3) Overview of Cash Flows for the Fiscal Year Under Review

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,447 million (compared to net cash used in operating activities of ¥6,843 million in the previous fiscal year). This is mainly due to ¥1,215 million in income taxes refund, ¥1,016 million in profit before income taxes, ¥777 million in income taxes paid, ¥629 million in amortization of goodwill, and ¥541 million in decrease in trade receivables.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥120 million (compared to net cash provided by investing activities of ¥13,685 million in the previous fiscal year). This is mainly due to ¥201 million in proceeds from refund of leasehold and guarantee deposits, ¥132 million in payments of leasehold and guarantee deposits, ¥114 million in proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation, and ¥90 million in payments for investments in capital.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥164 million (compared to net cash used in financing activities of ¥564 million in the previous fiscal year). This is mainly due to ¥237 million in dividends paid, ¥100 million in proceeds from short-term borrowings, ¥52 million in repayments of long-term borrowings, and ¥21 million in proceeds from long-term borrowings.

(4) Future Outlook

1) Performance outlook for the next period

In the energy business, electricity trading prices tend to rise significantly in summer and winter when electricity supply and demand are tight, and it has been difficult to reasonably estimate these prices, and there is uncertainty surrounding the impact on energy prices of international disputes and the electricity trading prices of capacity contributions that will begin in the fiscal year ending March 2025. Thus, the Company was not able to reasonably calculate the impact of these factors on its consolidated financial results.

While the trends in electricity trading prices remain uncertain, they have shown relative stability compared to those observed in the immediate aftermath of Russia's invasion of Ukraine. In addition, the Company has provided customers with three rate plans, which are the "market-linked" plan, the "fixed-unit-price" plan, and the "mixture of the market-linked plan and the fixed-unit price plan," thus building a system that can appropriately respond to the risk of market price fluctuations. Also, with the completion of the transition to a rate plan that takes into consideration the capacity market, the Company has established a foundation for securing stable profits. The consolidated earnings forecast for the fiscal year ending March 2025 are disclosed based on the information that is available at this time.

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.

For the fiscal year ending March 2025, as noted above, the Company expects to secure stable earnings in its existing businesses by appropriately responding to the risk of energy price fluctuations, etc., while it continues to strengthen its organizational capabilities by investing in business areas that have a high affinity with existing businesses and areas that create new business opportunities, such as M&As, and by securing human resources. The Company thus intends to implement a flexible strategy to further expand the Group's earnings, and accordingly, dividends 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,173	13,573
Trade receivables and contract asset	4,061	3,554
Merchandise	221	251
Finished goods	16	0
Raw materials and supplies	69	13
Work in process	-	1
Accrued income taxes	1,173	11
Operational investment securities	355	-
Owned cryptoassets	120	68
Other	623	302
Allowance for doubtful accounts	(196)	(62)
Total current assets	17,620	17,714
Non-current assets		
Property, plant and equipment		
Buildings and structures	80	142
Accumulated depreciation	(9)	(30)
Buildings and structures, net	71	111
Vehicles, tools, furniture and fixtures	76	88
Accumulated depreciation	(40)	(58)
Vehicles, tools, furniture and fixtures, net	35	30
Land	-	66
Total property, plant and equipment	107	208
Intangible assets		
Software	83	68
Software in progress	-	25
Total intangible assets	83	93
Investments and other assets		
Investment securities	70	37
Leasehold and guarantee deposits	1,389	1,275
Fixed loan	2	94
Deferred tax assets	-	19
Other	1	364
Allowance for doubtful accounts	(2)	(94)
Total investments and other assets	1,461	1,696
Total non-current assets	1,651	1,999
Total assets	19,271	19,714

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	520	565
Accounts payable - other	430	142
Deposits received	348	97
Short-term borrowings	-	100
Current portion of long-term borrowings	-	93
Income taxes payable	774	14
Other	371	308
Total current liabilities	2,445	1,322
Non-current liabilities		
Long-term borrowings	-	422
Deferred tax liabilities	0	-
Total non-current liabilities	0	422
Total liabilities	2,445	1,744
Net assets		
Shareholders' equity		
Share capital	7,877	10
Capital surplus	3,268	10,662
Retained earnings	7,629	8,462
Treasury shares	(1,956)	(1,173)
Total shareholders' equity	16,819	17,962
Share acquisition rights	6	7
Total net assets	16,826	17,969
Total liabilities and net assets	19,271	19,714

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

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	32,789	20,487
Cost of sales	31,167	16,666
Gross profit	1,621	3,820
Selling, general and administrative expenses	3,472	2,077
Operating profit (loss)	(1,850)	1,743
Non-operating income		
Interest income	0	0
Dividend income	0	5
Consulting fee income	215	-
Foreign exchange gains	4	-
Subsidy income	-	14
Reversal of allowance for doubtful accounts	-	0
Penalty income	-	23
Other	30	10
Total non-operating income	251	54
Non-operating expenses		
Interest expenses	-	1
Share of loss of entities accounted for using equity method	104	-
Loss on investments in investment partnerships	0	3
Loss on valuation of cryptoassets	-	27
Commission expenses	2	-
Share acquisition rights issuance costs	1	1
Share issuance costs	6	0
Provision of allowance for doubtful accounts	4	-
Other	2	6
Total non-operating expenses	124	39
Ordinary profit (loss)	(1,722)	1,758
Extraordinary income		
Gain on sale of non-current assets	59	0
Gain on sale of shares of subsidiaries and associates	8,921	-
Insurance income	-	1
Total extraordinary income	8,981	2
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Loss on valuation of investment securities	-	66
Relocation expenses	-	26
Amortization of goodwill	-	598
Impairment losses	-	52
Total extraordinary losses	-	744
Profit before income taxes	7,258	1,016
Income taxes - current	3,940	18
Income taxes - refund	-	(52)
Income taxes - deferred	51	(20)
Total income taxes	3,991	(53)
Profit	3,267	1,070
Profit attributable to owners of parent	3,267	1,070

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,267	1,070
Comprehensive income	3,267	1,070
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,267	1,070
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

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
Changes during period							
Issuance of new shares	697	697			1,395		1,395
Deficit disposition		(4,630)	4,630		-		-
Purchase of treasury shares				(1,938)	(1,938)		(1,938)
Transfer from capital to capital surplus					-		-
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

Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	7,877	3,268	7,629	(1,956)	16,819	6	16,826
Changes during period							
Issuance of new shares	0	0			0		0
Transfer from capital to capital surplus	(7,867)	7,867			-		-
Changes by share exchanges		(474)		783	308		308
Dividends of surplus			(237)		(237)		(237)
Profit attributable to owners of parent			1,070		1,070		1,070
Net changes in items other than shareholders' equity						1	1
Total changes during period	(7,867)	7,394	832	783	1,142	1	1,143
Balance at end of period	10	10,662	8,462	(1,173)	17,962	7	17,969

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,258	1,016
Depreciation	268	52
Increase (decrease) in allowance for doubtful accounts	145	(44)
Gain on reversal of share acquisition rights	-	(1)
Impairment losses	-	52
Interest and dividend income	(1)	(5)
Interest expenses	-	1
Loss (gain) on sale of shares of subsidiaries and associates	(8,921)	-
Share issuance costs	6	0
Issuance cost of subscription rights to shares	1	1
Amortization of goodwill	-	629
Share of loss (profit) of entities accounted for using equity method	104	-
Gain on sale of non-current assets	(59)	(0)
Loss on retirement of non-current assets	-	0
Relocation expenses	-	26
Loss (gain) on valuation of investment securities	-	66
Loss (gain) on investments in investment partnerships	0	3
Increase (decrease) in provision for loss on business of subsidiaries and associates	(0)	-
Decrease (increase) in trade receivables	(2,090)	541
Decrease (increase) in inventories	164	45
Increase (decrease) in users cryptoassets	23,037	-
Increase (decrease) in owned cryptoassets	1,932	27
Increase (decrease) in guarantee deposits for cryptoassets	636	-
Increase (decrease) in cash segregated as deposits	2,778	-
Decrease (increase) in leasehold and guarantee deposits	(32)	51
Increase (decrease) in other current assets	415	388
Increase (decrease) in trade payables	(117)	39
Increase (decrease) in accounts payable - other	(244)	(302)
Increase (decrease) in deposits received	(2,354)	(255)
Increase (decrease) in deposits received for cryptoassets	(23,037)	-
Increase (decrease) in accrued consumption taxes	(91)	(299)
Increase (decrease) in loans payable-cryptoassets	(593)	-
Increase in other current liabilities	79	62
Other, net	(5)	(91)
Subtotal	(719)	2,005
Interest and dividends received	1	5
Interest paid	-	(1)
Income taxes refund	0	1,215
Income taxes paid	(6,124)	(777)
Net cash provided by (used in) operating activities	(6,843)	2,447

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Loan advances	(326)	-
Proceeds from collection of loans receivable	326	-
Purchase of property, plant and equipment	(44)	(6)
Proceeds from sale of property, plant and equipment	-	0
Purchase of intangible assets	(250)	(35)
Proceeds from sale of intangible assets	648	-
Proceeds from sales of cryptoassets	-	24
Proceeds from sale of shares of subsidiaries and associates	4,656	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	114
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	8,688	-
Payments of leasehold and guarantee deposits	(8)	(132)
Proceeds from refund of leasehold and guarantee deposits	0	201
Payments for investments in capital	(14)	(90)
Income from refund of investment	10	44
Net cash provided by (used in) investing activities	13,685	120
Cash flows from financing activities		
Proceeds from short-term borrowings	-	100
Proceeds from long-term borrowings	-	21
Repayments of long-term borrowings	-	(52)
Purchase of treasury shares	(1,938)	-
Proceeds from issuance of share acquisition rights	6	3
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,367	0
Dividends paid	-	(237)
Net cash provided by (used in) financing activities	(564)	(164)
Net increase (decrease) in cash and cash equivalents	6,277	2,403
Cash and cash equivalents at beginning of period	4,896	11,173
Cash and cash equivalents at end of period	11,173	13,577

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Additional information)

(Operational investment securities)

The Company discontinued the financial business on May 12, 2023. As a result, on the consolidated balance sheets, ¥341 million of “operational investment securities” were reclassified into ¥237 million of “other” under investments and other assets and ¥104 million of “investment securities,” effective the same day.

In addition, the losses related to investment securities and others above include the recording of ¥66 million in loss on valuation of investment securities under extraordinary losses and ¥3 million in loss in investments in investment partnerships under non-operating income.

(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.

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 sells storage batteries for home-use (remixbattery) and industrial-use storage batteries.

Medical business

The medical business is conducted by ZEROMEDICAL, which became a wholly owned subsidiary through a stock exchange on December 1, 2023, and consists of the web creation business for medical institutions that creates and operates websites mainly designed for the purpose of sales support of the dental and medical clinics, the medical consulting business that provides management consulting specialized for dental and medical clinics and management support through marketing and media dissemination related to regenerative medicine, and the welfare-related business that operates after-school and other day care services, Support for Continuous Employment (Type B) service facility, and home-visit nursing care facilities.

Others

Other businesses consist of the marketing consulting business and newly launched businesses, and the profit and loss of the used car business, which was discontinued in the three months ended June 30, 2023, and the profit and loss of the finance business, which was resolved to be discontinued in the three months ended June 30, 2023, are also included.

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, 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	Resilience business	Others	Total		
Net sales						
Net sales to outside customers	25,269	637	6,881	32,789	-	32,789
Inter-segment net sales or transfers	-	-	0	0	(0)	-
Total	25,269	637	6,881	32,789	(0)	32,789
Segment (loss)	(491)	(162)	(49)	(703)	(1,146)	(1,850)
Segment assets	5,365	253	5,886	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 (loss) of negative ¥1,146 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 corporate assets not allocated to the reportable segments.
2. The total segment (loss) is adjusted with operating loss in the consolidated financial statements.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Energy business	Resilience business	Medical business	Others	Total		
Net sales							
Net sales to outside customers	18,886	1,219	278	102	20,487	-	20,487
Inter-segment net sales or transfers	-	-	1	-	1	(1)	-
Total	18,886	1,219	279	102	20,489	(1)	20,487
Segment profit (loss)	2,296	131	(7)	24	2,445	(701)	1,743
Segment assets	4,231	677	639	1,785	7,334	12,379	19,714
Other items							
Depreciation	20	6	2	-	29	22	52
Increase in property, plant and equipment, and intangible assets	34	2	-	-	37	5	42

(Notes) 1. Adjustments are as follows.

- (1) The adjustment for segment profit (loss) of negative ¥701 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 ¥12,379 million includes corporate assets not allocated to the reportable segments of ¥12,526 million, capital eliminated in consolidation of negative ¥146 million, and an elimination of receivables and payables of negative ¥0 million.
- (3) The adjustment for an increase in property, plant and equipment and intangible assets of ¥5 million is the corporate assets not allocated to the reportable segments.

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

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	¥141.75	¥149.32
Basic earnings per share	¥27.32	¥8.98
Diluted earnings per share	¥27.17	¥8.98

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	3,267	1,070
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common stock (Million yen)	3,267	1,070
Average number of shares of common stock during the period (shares)	119,593,968	119,200,942
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Million yen)	-	-
Increase in common stock (shares)	664,170	36,912
(Of which share acquisition rights (shares))	[664,170]	[36,912]
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect		-

(Significant subsequent events)

(Issuance of 21st Share Acquisition Rights)

The Company resolved, at the Board of Directors meeting held on April 25, 2024, to issue the 21st Share Acquisition Rights as stock options to Directors and employees of the Company and its subsidiaries based on the provisions of Article 238, Paragraphs 1 and 2, and Article 240 of the Companies Act.

21st Share Acquisition Rights

Date of resolution	April 25, 2024
Class and number of persons eligible for the issue	Directors of the Company: 3 Employees of the Company: 16 Directors of the Company's subsidiaries: 1 Employees of the Company's subsidiaries: 18
Number of units of share acquisition rights*	15,000
Number of units of share acquisition rights that are treasury share acquisition rights*	-
Class of shares subject to the share acquisition rights*	Common shares
Number of shares subject to the share acquisition rights*	1,500,000
Amount payable on exercise of each unit of share acquisition rights*	¥146 (Note 1)
Exercise period of the share acquisition rights*	From February 14, 2025 to May 20, 2029

Issue price and amount to be incorporated into capital for each share issued upon the exercise of the share acquisition rights	Issue price: ¥147.53 Amount to be incorporated into capital: ¥73.76
Conditions on the exercise of the share acquisition rights	(Note 2)
Matters concerning the transfer of the share acquisition rights	The approval of the Company's Board of Directors is required for the transfer of the share acquisition rights
Matters concerning substitute payments	-
Matters concerning the delivery of the share acquisition rights in connection with acts of reorganization	(Note 4)

*As of the date of the resolution on the issue of the share acquisition rights (April 25, 2024).

(Notes) 1. The value of property to be contributed upon exercise of these share acquisition rights will be equal to the amount paid in per share (hereinafter, the "exercise price") multiplied by the number of shares delivered. The exercise price will be ¥146.

However, the exercise price may be adjusted based on the following rule:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{1}{\text{Stock split (or consolidation) ratio}}$$

2. Conditions on the exercise of the share acquisition rights

- 1) Share acquisition rights holders will only be able to exercise the share acquisition rights if, at the time when the share acquisition rights are exercised, they currently occupy the position of Director or employee of the Company or a subsidiary thereof (this is hereinafter referred to as the "rights exercise qualifications"). However, this will not apply in cases where the share acquisition rights holder has retired from the position of Director of the Company or a subsidiary thereof due to the expiry of the term of office, or from the position of an employee of the Company or a subsidiary thereof due to reaching retirement age, or has retired from either position to assume office as an auditor of a subsidiary of the Company, or has ceased to serve in either position for any other reason considered just by the Company.
- 2) Notwithstanding the provisions of 1) above, where a share acquisition rights holder forfeits the rights exercise qualifications and where the Company, after considering various circumstances, approves the exercise of the share acquisition rights in writing, the share acquisition rights holder will be able to exercise those share acquisition rights that would have been exercisable if the rights exercise qualifications had not been forfeited.
- 3) Share acquisition rights holders will be unable to exercise the share acquisition rights if any of the causes listed in (i) to (vi) below apply.
 - (i) Where the share acquisition rights holder, an employee of the Company or a subsidiary thereof, has been subject to a disciplinary measure of at least the level of a suspension from work under the employment regulations
 - (ii) Where the share acquisition rights holder, a Director of the Company or a subsidiary thereof, has fallen under any of the reasons for disqualification listed in each item of Article 331, Paragraph 1 of the Companies Act

- (iii) Where the share acquisition rights holder, a Director of the Company or a subsidiary thereof, has engaged in competition with the Company as defined in Article 356, Paragraph 1 (i) of the Companies Act without completing the procedures required under the Companies Act
 - (iv) Where the share acquisition rights holder, a Director of the Company or a subsidiary thereof, has engaged in a conflicting interest transaction as defined in Article 356, Paragraph 1 (ii) or (iii) of the Companies Act without completing the procedures required under the Companies Act
 - (v) Where the share acquisition rights holder has been sentenced to a punishment at the level of imprisonment or above
 - (vi) Where the share acquisition rights holder has engaged in an act that damages social trust in the Company or a subsidiary thereof or any other act deemed a breach of trust of the Company or a subsidiary thereof.
- 4) Share acquisition rights holder will only be able to exercise the share acquisition rights if the closing price of the Company's common shares reaches ¥250 or above at least once during the share acquisition rights exercise period
- 5) The share acquisition rights will become null and void if the closing price of the Company's common shares falls below ¥70 at any time during the share acquisition rights exercise period
3. Matters concerning the increase in share capital and legal capital surplus
- 1) The amount by which share capital will increase if shares are issued due to the exercise of the share acquisition rights will be one-half of the maximum amount of increase in stated capital calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting, with any fractional amounts rounded down to the nearest ¥1.
 - 2) The amount by which legal capital surplus will increase if shares are issued due to the exercise of the share acquisition rights will be the maximum amount of increase in stated capital, as calculated in 1) above, minus the amount by which share capital will increase, as calculated in 1) above.
4. Treatment of the share acquisition rights in the case of organizational restructuring, etc.
- If the Company undergoes a merger in which the Company is the non-surviving party, or an absorption-type demerger or incorporation-type demerger where the Company is the demerged company, or an exchange or transfer of shares where the Company becomes a wholly-owned subsidiary (hereinafter, these are collectively referred to as "organizational restructuring, etc."), share acquisition rights of the stock company described in Article 236, Paragraph 1 (viii) (a) to (e) of the Companies Act (hereinafter, the "restructured company") will be delivered to the share acquisition rights holders of the share acquisition rights that remain (hereinafter, the "remaining share acquisition rights") on the effective date of the organizational restructuring, etc. (the date when the merger comes into effect in the case of an absorption-type merger, the date when the new merged company is established in the case of an incorporation-type merger, the date when the demerger comes into effect in the case of an absorption-type demerger, the date when the new demerged company is established in the case of an incorporation-type demerger, the date when the exchange of shares comes into effect in the case of an exchange of shares, or the date when the wholly-owning parent company through share transfer is established in the case of a transfer of shares; the same applies hereinafter) under the following conditions. This shall be conditional on a designation in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type demerger agreement, the incorporation-type demerger agreement, the share exchange agreement, or the share transfer plan that share acquisition rights of the restructured company shall be delivered in accordance with each item below.

- 1) Number of share acquisition rights of the restructured company to be delivered
Each of the share acquisition rights holders shall receive a number of share acquisition rights equal to the number of remaining share acquisition rights that they hold.
- 2) Class of shares of the restructured company subject to the share acquisition rights
These shall be common shares of the restructured company.
- 3) Number of shares of the restructured company subject to the share acquisition rights
To be determined based on the number of shares shown in “Number of shares subject to the share acquisition rights” above, on consideration of the conditions and other aspects of the organizational restructuring, etc.
- 4) Value of assets to be contributed upon exercise of each unit of the share acquisition rights
To be determined based on the “Amount payable on exercise of each unit of share acquisition rights” above, on consideration of the conditions and other aspects of the organizational restructuring.
- 5) Period during which the stock acquisition rights can be exercised
This shall begin from the start of the exercise period stipulated in “Exercise period of the share acquisition rights” above, and the date on which the organizational restructuring comes into effect, whichever is later, and shall conclude on the ending date of the exercise period stipulated in “Exercise period of the share acquisition rights” above.
- 6) Conditions placed on the exercise of the share acquisition rights
To be determined based on “Conditions on the exercise of the share acquisition rights” above.
- 7) Increase in share capital and legal capital surplus in the case of the issuance of shares due to the exercise of the share acquisition rights
To be determined based on “Issue price and amount incorporated into capital for each share issued upon the exercise of the share acquisition rights” above.
- 8) Restrictions on the acquisition of the share acquisition rights through transfer
The acquisition of the share acquisition rights through transfer shall require approval by the restructured company.
- 9) Acquisition clause pertaining to the stock acquisition rights
To be determined based on the amount of the increase in share capital and legal capital surplus in the case of the issuance of shares due to the exercise of the share acquisition rights.
- 10) Treatment of the share acquisition rights in the event of organizational restructuring

To be determined based on this “Matters concerning the delivery of the share acquisition rights in connection with acts of reorganization.”

11) Provisions concerning fractional shares arising from the exercise of the share acquisition rights

Where fractional shares (numbers less than one whole share) arise in the number of shares to be delivered to share acquisition rights holders on the exercise of the share acquisition rights, these shall be discarded and only whole numbers of shares delivered.