

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 Three Months Ended June 30, 2024 (IFRS)

August 9, 2024

Company name: Asteria Corporation Tokyo Stock Exchange
 Code number: 3853 URL: <https://en.asteria.com/>
 Representative: HIRANO Yoichiro (Pina) President & CEO
 Contact: SAITOH Yasuhisa VP, Corporate Affairs Phone: +81-3-5718-1655
 Scheduled date of payment of cash dividends: —
 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 Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(% indicates year-on-year changes.)

	Revenue		Adjusted EBITDA		Operating profit		Profit before income tax		Net profit		Net profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three Months ended June 30, 2024	727	0.5	176	11.3	(206)	—	(51)	—	(136)	—	(105)	—
Three Months ended June 30, 2023	723	—	158	—	(2,493)	—	(2,268)	—	(1,593)	—	(1,353)	—

	Comprehensive net profit	
	Million yen	%
Three Months ended June 30, 2024	(81)	—
Three Months ended June 30, 2023	(1,371)	—

(yen)

	Basic earnings per share	Diluted earnings per share
Three Months ended June 30, 2024	(6.24)	(6.24)
Three Months ended June 30, 2023	(80.55)	(80.55)

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

2. Adjusted EBITDA=Operating profit+Depreciation expense ± Other adjustment items (Goodwill impairment, Unrealized acquisition consideration, Unrealized gains and losses related to investment business, etc.)

3. Due to changes in consolidated subsidiaries during the fourth quarter of the fiscal year ended March 31, 2024, the design business has classified as discontinued operations. As a result, revenue, adjusted EBITDA, operating profit and profit before income taxes are presented only in the amounts of continuing operations, which exclude discontinued operations, and net profit and net profit attributable to owners of the parent are presented the total amount of continuing operations and discontinued operations. Therefore, changes from the same period of the previous year are not presented.

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of June 30, 2024	7,656	5,569	5,432	71.0
As of March 31, 2024	7,587	5,757	5,582	73.6

2. Dividends

(Yen)

	Annual dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
Fiscal Year Ended March 31, 2024	—	2.00	—	4.50	6.50
Fiscal Year Ending March 31, 2025	—	—	—	—	—
Fiscal Year Ending March 31, 2025 (Forecast)	—	0.00	—	5.00	5.00

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

Regarding the cash dividends for second quarter of the fiscal year ended March 31, 2024 (interim dividends), we implemented a commemorative dividend to mark the 25th anniversary of founding.

3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicate year-on-year changes)

	Revenue		Operating profit	
	Millions of yen	%	Millions of yen	%
Full year	3,200	10.0	200-550	—

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: None
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 June 30, 2024	17,491,265 shares	As of March 31, 2024	17,491,265 shares
b) Number of shares of treasury stock at the end of the period	As of June 30, 2024	683,921 Shares	As of March 31, 2024	683,921 shares
c) Average number of shares during the period	Three Months ended June 30, 2024	16,807,344 shares	Three Months ended June 30, 2023	16,795,327 shares

* Review of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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, August 9, 2024. 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.

○ Index of attached materials

1. Overview of Business Results	2
(1) Quarterly Overview of Business Results	2
(2) Quarterly Explanation of Financial Position	3
(3) Outlook for Consolidated Business Results, etc.....	3
2. Condensed Quarterly Consolidated Financial Statements and Main Notes.....	4
(1) Condensed Quarterly Consolidated Statement of Financial Position.....	4
(2) Condensed Quarterly Consolidated Statement of Profit or Loss	6
(3) Condensed Quarterly Consolidated Statement of Comprehensive Income.....	7
(4) Notes on Condensed Quarterly Consolidated Financial Statements.....	8
(Going Concern Assumption)	8
(Changes in Accounting Policies)	8
(Notes on Quarterly Consolidated Statements of Cash Flows)	8
(Segment Information)	8
(Notes on Significant Changes in Shareholders' Equity)	9
(Significant Subsequent Events)	9

1. Overview of Business Results

(1) Quarterly overview of business results

(Millions of yen)

	Q1 FY2023	Q1 FY2024	YoY growth
Revenue	723	727	0.5%
Adjusted EBITDA	158	176	11.3%
Operating profit or loss	(2,493)	(206)	-%
Profit or loss before income taxes	(2,268)	(51)	-%
Net profit or loss attributable to owners of the parent	(1,353)	(105)	-%

<Overview of revenue and profit>

The consolidated results for the three months ended June 30, 2024 (April 1, 2024 - June 30, 2024, hereinafter Q1 FY2024) saw year-over-year (hereinafter YoY) 0.5% increase to ¥727mn in revenue.

Regarding profits, the company recognized an unrealized loss of ¥406mn 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 ¥206mn, loss before income taxes to ¥51mn and net loss attributable to owners of the parent to ¥105mn.

In addition, due to changes in consolidated subsidiaries in the fiscal year ended March 31, 2024, the design business has been classified as discontinued operations for the purpose of preparing the consolidated financial statements for the same period of the previous year. Based on this accounting treatment, revenue, adjusted EBITDA, operating profit, and profit before income taxes are stated to the amounts for continuing operations excluding discontinued operations.

<Reportable segments>

The company splits its businesses into two reportable segments: the “Software Business segment” and the “Investment Business segment”.

<<Software Business segment>>

(Millions of yen)

	Q1 FY2023	Q1 FY2024	YoY growth
Revenue	723	727	0.5%

<Overview of revenue>

Data integration middleware “Warp”, we have been working with sales partner companies on a strategy to shift from licensing to subscription (monthly billing) products in order to achieve the further business growth by stabilizing earnings and acquiring a wide range of customers. As a result, in Q1 FY2024, the subscription ratio for Warp Business was 73% (6.8% increase compared to Q1 FY2023).

Inquiries for mobile app building tool “Platio” are steadily increasing and the switch to a superior plan has also expanded for existing customers. In addition, we are receiving increasing inquiries from the logistics and construction industries, which are affected by new overtime regulations called “the 2024 issue”, as a result, its revenue rose by 40% YoY.

AI/IoT platform “Gravio”, we are making efforts to develop promotional activities for jointly developed AI and IoT services through business collaboration with Malaysian AI company Tapway.

<<Investment Business segment>>

The Investment Business segment invests through Asteria Vision Fund I, L.P. (AVF-1) to D4G (Data, Device, Decentralized, Design) domain, 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)

	Q1 FY2023	Q1 FY2024	YoY growth
Investment valuation change	(2,632)	(320)	-%

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

(2) Quarterly explanation of financial position

Overview of Assets, Liabilities and Equity

(Assets)

Total assets as of June 30, 2024, were Yen 7,656mn, up Yen 68mn compared to March 31, 2024. This owed mainly to an increase of Yen 792mn in cash and cash equivalents against the decrease of Yen 640mn in other financial assets (mainly collection of loans receivable).

(Liabilities)

Total liabilities as of June 30, 2024, were Yen 2,087mn, up Yen 257mn compared to March 31, 2024. This owed mainly to an increase of Yen 235mn in other current liabilities (mainly contract liabilities from business activities) and of Yen 100mn in income taxes payable.

(Equity)

Total equity as of June 30, 2024, was Yen 5,569mn, down Yen 188mn compared to March 31, 2024. This owed mainly to a decrease of Yen 165mn in retained earnings in Q1 FY2024.

(3) Outlook for consolidated business results, etc.

There is no change in the consolidated financial results forecast announced on June 20, 2024.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	1,731,347	2,523,688
Trade and other receivables	176,719	163,450
Inventories	2,643	3,584
Other financial assets	454,200	—
Other current assets	141,630	85,423
Total current assets	<u>2,506,539</u>	<u>2,776,145</u>
Non-current assets		
Property, plant and equipment	938,202	861,731
Intangible assets	241,420	271,727
Investments accounted for using the equity method	133,205	125,045
Deferred tax assets	292,907	328,639
Other financial assets	3,295,411	3,109,971
Other non-current assets	179,657	182,370
Total non-current assets	<u>5,080,801</u>	<u>4,879,482</u>
Total assets	<u>7,587,340</u>	<u>7,655,627</u>

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Borrowings	242,800	242,800
Trade and other payables	113,125	139,516
Income taxes payable	—	100,227
Other financial liabilities	64,542	45,020
Other current liabilities	827,910	1,062,977
Total current liabilities	1,248,377	1,590,539
Non-current liabilities		
Provisions	9,393	9,400
Borrowings	214,600	178,900
Other financial liabilities	357,999	308,229
Total non-current liabilities	581,992	496,529
Total liabilities	1,830,369	2,087,068
Equity		
Common stock	2,275,343	2,275,343
Capital surplus	2,522,045	2,522,045
Treasury stock	(505,334)	(505,334)
Other equity components	746,648	760,995
Retained earnings	543,361	378,826
Total equity attributable to owners of the parent	5,582,064	5,431,877
Non-controlling interests	174,907	136,682
Total equity	5,756,971	5,568,559
Total liabilities and equity	7,587,340	7,655,627

(2) Condensed Quarterly Consolidated Statement of Profit or Loss

(Thousands of yen)

	Three Months ended June 30, 2023	Three Months ended June 30, 2024
Continuing operations		
Revenue	723,122	726,628
Cost of sales	39,155	85,289
Gross income	683,967	641,339
Selling, general and administrative expenses	547,113	529,704
Other income	1,988	1,963
Other expenses	2,632,301	319,724
Operating profit or loss	(2,493,459)	(206,125)
Finance income	237,409	165,804
Finance costs	8,451	5,733
Equity in earnings of affiliates	(3,150)	(5,425)
Profit or loss before income tax	(2,267,651)	(51,479)
Income tax expense	(647,888)	84,069
Net profit or loss from continuing operations	(1,619,763)	(135,549)
Discontinued operations		
Net profit or loss from discontinued operations	26,901	—
Net profit or loss	(1,592,861)	(135,549)
Attributable net profit or loss		
Net profit attributable to owners of the parent	(1,352,867)	(104,904)
Attributable to non-controlling interests	(239,994)	(30,645)
Net profit or loss	(1,592,861)	(135,549)
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	(82.15)	(6.24)
Discontinued operations	1.60	—
Total	(80.55)	(6.24)
Diluted earnings per share (Yen)		
Continuing operations	(82.15)	(6.24)
Discontinued operations	1.60	—
Total	(80.55)	(6.24)

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three Months ended June 30, 2023	Three Months ended June 30, 2024
Profit or loss for the period	(1,592,861)	(135,549)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	52,839	20,041
Total items that will not be reclassified to profit or loss	52,839	20,041
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	169,398	34,126
Total items may be reclassified to profit or loss	169,398	34,126
Total other comprehensive profit or loss	222,237	54,167
Total comprehensive income	(1,370,624)	(81,381)
Comprehensive income attributable to		
Owners of the parent	(1,159,708)	(43,157)
Non-controlling interests	(210,916)	(38,225)
Total comprehensive income	(1,370,624)	(81,381)

(4) Main Notes to Condensed Quarterly Consolidated Financial Statements

(Going concern assumption)

No matters to report.

(Change in accounting policies)

No matters to report.

(Notes on Quarterly Consolidated Statements of Cash Flows)

Condensed quarterly consolidated statements of cash flows for the period under review have not been prepared. Depreciation (including amortization related to intangible fixed assets) for the first three months of 2023 and 2024 are as follows.

	(Thousands of yen)	
	Three Months ended June 30, 2023	Three Months ended June 30, 2024
Depreciation and amortization	41,945	52,813

(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

Q1 FY2023 (April 1, 2023- June 30, 2023)

	Reportable segment			Adjustments*1	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	723,122	—	723,122	—	723,122
Inter-segment transactions	—	—	—	—	—
Total	723,122	—	723,122	—	723,122
Segment profit or loss*2	148,929	(2,644,377)	(2,495,448)	—	(2,495,448)
Other income and expenses					1,988
Finance income					237,409
Finance expenses					8,451
Equity in earnings of affiliates					(3,150)
(Figures in negative represent loss)					(2,267,651)
Profit or loss before income tax					(2,267,651)
Other items					
Depreciation and amortization expenses	41,891	54	41,945	—	41,945

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

*2 Segment profit or 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.

Q1 FY2024 (April 1, 2024- June 30, 2024)

	Reportable segment			Adjustments*1	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	726,628	—	726,628	—	726,628
Inter-segment transactions	—	—	—	—	—
Total	<u>726,628</u>	<u>—</u>	<u>726,628</u>	<u>—</u>	<u>726,628</u>
Segment profit or loss*2	<u>123,337</u>	<u>(331,424)</u>	<u>(208,087)</u>	<u>—</u>	<u>(208,087)</u>
Other income and expenses					1,962
Finance income					165,804
Finance expenses					5,733
Equity in earnings of affiliates (Figures in negative represent loss)					(5,425)
Profit or loss before income tax					<u>(51,479)</u>
Other items					
Depreciation and amortization expenses	52,763	50	52,813	—	52,813

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

*2 Segment profit or 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.

(Notes on significant changes in shareholders' equity)

None

(Significant subsequent events)

None