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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending April 30, 2025 (Japanese GAAP)

September 13, 2024

Listed company name: FreeBit Co., Ltd. Listing: Tokyo Stock Exchange
 Code No. 3843 URL <https://freebit.com/>
 Representative Title: President, CEO and CTO Name: Atsuki Ishida
 Contact Title: Director and General Manager of Group Corporate Planning Division Name: Ikuko Wada TEL 03-5459-0522
 Start Date of Dividend Payout: -
 Supplementary documents available pertaining to financial results: Yes
 Financial results briefing: Yes (Video streaming only)

(all amounts rounded down to the nearest million yen)

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending April 30, 2024 (from May 1, 2024 to July 31, 2024)

(1) Consolidated Operating Results (Cumulative) (percentages shown represent year-on-year % change)

	Net sales		Operating income		Ordinary income		Quarterly income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2025/04 first quarter	13,291	-	1,462	-	1,451	-	813	-
FY2024/04 first quarter	14,040	-	1,664	-	1,623	-	863	-

(N.B.)

Comprehensive income FY2025/04 first quarter 1,040 Millions of yen (-%) FY2024/04 first quarter 1,181 Millions of yen (-%)

	Quarterly net income per share	Diluted quarterly net income per share
	Yen	Yen
FY2025/04 first quarter	40.75	40.31
FY2024/04 first quarter	43.26	42.80

(N.B.) Consolidated subsidiary GIGAPRIZE Co., Ltd. and its subsidiaries have changed the date of their fiscal year-end from March 31 to April 30. As the first quarter of the previous fiscal year was a transitional period for changing the date of their fiscal year-end, percentages representing year-on-year change for the first quarter of the fiscal year ending April 2024 and the first quarter of the fiscal year ending April 2025 have been omitted.

(2) Consolidated Financial Position

	Total assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
FY2025/04 first quarter	36,322	15,546	32.8
FY2024/04	38,183	15,196	30.5

Reference: Shareholders' equity FY2025/04 first quarter 11,900 Millions of yen FY2024/04 11,628 Millions of yen

2. Dividends

	Annual dividends				
	First quarter period end	Second quarter period end	Third quarter period end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024/04	-	0.00	-	27.00	27.00
FY2025/04	-				
FY2025/04 (forecast)		0.00	-	30.00	30.00

(N.B.) Revisions during this quarter of dividends forecast for fiscal year: None

Forecast of Consolidated Financial Results for the Year Ending April 30, 2025 (May 1, 2024 to April 30, 2025)

(percentages shown represent year-on-year % change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	54,000	-	5,700	-	5,500	-	3,000	-	150.21

(N.B.) Revisions during this quarter of previously disclosed consolidated business results projection for FY2024: None

Since we manage our operations on an annual basis, we have omitted the presentation of consolidated earnings forecasts for the second quarter (cumulative).

For details, please refer to Attachment P.5 “1. Overview of Operating Results and Financial Position (3) Consolidated Financial Results Forecast and Other Forward-looking Information”. In the fiscal year ended April 30, 2024, consolidated subsidiary GIGAPRIZE Co., Ltd. and its subsidiaries changed the date of their fiscal year-end from March 31 to April 30. As the fiscal year ended April 2024, the comparative year, was a transitional period for changing the date of their fiscal year-end, percentages representing year-on-year change has been omitted.

※ Notes

(1) Significant changes in the scope of consolidation during the quarter under review: None

(2) Special accounting treatments used in preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies due to revisions to accounting standards, etc.: None
- ② Changes in accounting policies other than ①: None
- ③ Changes in accounting estimates: None
- ④ Restatement of revisions: None

(4) Number of shares outstanding (common shares)

- ① Number of shares outstanding at the end of the period (including treasury stock)
- ② Number of treasury stock at the end of the period
- ③ Average number of shares outstanding during the period (quarterly cumulative)

FY2025/04 1Q	23,414,000Shares	FY2024/04	23,414,000Shares
FY2025/04 1Q	3,441,941Shares	FY2024/04	3,441,941Shares
FY2025/04 1Q	19,972,059Shares	FY2024/04 1Q	19,960,259Shares

※ Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None

※ Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to Attachment P.5 “1. Overview of Operating Results and Financial Position (3) Consolidated Financial Results Forecast and Other Forward-looking Information”.

(Method of obtaining supplementary material on financial results and details of financial results briefing session)

- Supplementary materials will be disclosed on TDnet on the same day and will also be posted on our website.
- The financial results briefing will be posted promptly on our website with the recorded videos.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Current Quarter

Forward-looking statements in the text are based on judgments as of the end of the current quarterly period.

The consolidated subsidiary GIGAPRIZE Co., Ltd. ("GIGAPRIZE") and its subsidiaries has changed the date of their fiscal year-end from March 31 to April 30, which is the same as our consolidated fiscal year-end, from the previous first quarter. As a result, the consolidated subsidiaries in the previous fiscal year has an irregular settlement of accounts for the 13-month period from April 1, 2023 to April 30, 2024. In the first quarter of the previous fiscal year, the four-month period from April 1, 2023 to July 31, 2023 has been incorporated into the consolidated settlement.

The official names and explanations of the names used in [Overview of Operating Results for the Current Quarter] are as follows.

Name in use	Official name	Explanation
web3	web3	Concept of the next-generation distributed Internet, which enables users to exchange data and content directly with each other without going through a huge platform former
Web2.0	Web2.0	A form of the Internet that allows users to share and distribute content generated on the Internet through centralized platforms such as SNS
AI	Artificial Intelligence	Techniques that use computers to study or conduct human intellectual behavior
DX	Digital Transformation	Reforming products, services, business models, etc. by utilizing data and digital technologies
5G	5th Generation	Abbreviation for 5th Generation Mobile Communications System, which is one of the next generation communications standards
MVNO	Mobile Virtual Network Operator	Virtual mobile operator
IoT	Internet of Things	A system that enables automatic identification and automated control without human intervention by having a communication function to communicate with each other.
MVNE	Mobile Virtual Network Enabler	MVNO support provider

The businesses of each reportable segment are as follows.

Reportable Segment	Main services
5G Infrastructure Support Business	<ul style="list-style-type: none"> • Business support services for ISP • Business support (MVNE) services for MVNO • Cloud services for corporate customers
5G Lifestyle Support Business	<ul style="list-style-type: none"> • Mobile communications-related services for individuals • Internet connection-related services for individuals • Internet access services for apartment complexes • Real estate-related services • Web3 related platforms
Corporate and Creator 5G DX Support Business	<ul style="list-style-type: none"> • Internet marketing-related services • Ad-Tech Services • Support platform for creators

Our group promotes corporate management with a view to the 10-year plan from 2021 to 2030. We have started the three-year medium-term management plan [SiLK VISION 2027] that ends in the fiscal year ending April 2027 from the current fiscal year. The theme of the Medium-Term Management Plan [SiLK VISION 2027] is to pursue [the location of creditability], a requirement to resolve the social issues facing us on a global scale. Based on the belief that it is important to create a state of trust against the fact that the environment surrounding us is flooded with uncertain information, we will work to realize this by utilizing our patented technologies, including web3. Through combining our accumulated know-how in the telecommunications field with our proprietary Layer 1 blockchain technology, and gradually and complementarily operating Web2.0 and web3 in a hybrid manner, we will transform ourselves into [a communications-born web3 implementing company] through [Trust] of a variety of goods, and aim to solve social issues. The consolidated performance targets for the fiscal year ending April 2027, the final year of the medium-term management plan [SiLK VISION 2027], will be net sales of 63 billion yen to 70 billion yen and operating income of 8 billion yen, and we will expand our business area with the aim of using our entire group to expand beyond the telecommunications category.

In the first quarter of the fiscal year under review, despite concerns about the impact of unstable international conditions and price increases on the economy, investment in AI-related products and the acceleration of DX continued to grow and the domestic IT market environment remained firm. In addition to the spread of 5G, a communications standard, new concepts have emerged in Internet services, from the conventional Web 2.0 (centralized) to web3 (decentralized), and new businesses are emerging from this concept.

In this environment, in the current consolidated fiscal year, the first year of the medium-term management plan [SiLK VISION 2027] we will strategically utilize the operating cash flows created in existing businesses while responding to accelerating technological and other changes, and implement capital allocation with the aim of enhancing corporate value through continuous growth. As a result, we will promote business and human investments based on our growth strategy while balancing investment and return, and expand our strategic business portfolio.

The operating results of each reportable segment are as follows.

From the first quarter of the current fiscal year, the classification of reportable segments has been partially changed. For the same quarter comparison of the previous fiscal year, the figures for the same quarter of the previous fiscal year are compared and analyzed by reclassifying the figures for the same quarter of the previous fiscal year into the new segment classification.

① 5G Infrastructure Support Business

In the fixed-line network, the use of many services via the Internet continues to increase due to an increase in online video viewing at home and the use of rich contents and SNS, including games, along with changes in working styles and lifestyles, and the generalization of online-format conferences and learning associated with the spread of telework and home-based learning. As a result, network costs remain on a high trend as the amount of line usage increases.

In the mobile network business, the provision of inexpensive plans by major mobile telecommunications carriers and the deployment of these plans under sub-brands continue to affect the growth of proprietary MVNO service providers, but we believe that the growth of the mobile market as a whole continues and will expand in the future, including the expected increase in use for IoT and inbound tourists.

Against this backdrop, 5G Infrastructure Support Business recorded sales of 2,547,124 thousand yen (up 4.9% year on year) and segment profit of 325,094 thousand yen (down 29.7% year on year), as a result of increases in one-time expenses and personnel expenses due to network facility upgrades, despite solid growth in the size of MVNE's business support services for MVNO.

② 5G Lifestyle Support Business

As explained in [5G Infrastructure Support Business] above, network costs are rising in the fixed-line network services market, but the market for 5G Homestyle (Internet Services for Collective Housing) is expected to steadily grow in the future as the high-speed broadband environment aimed at improving the asset value of buildings and occupancy rates is being standardized, and the use of telework, online learning, video content viewing, and other services has been recognized as normality. As a result, the market size of these services is expected to steadily grow in the future. In view of this business environment, in addition to Internet services for apartment buildings and services for detached houses, we expanded the scope of our services, including security-related services such as crime prevention cameras, and further expanded our earnings base.

In 5G Lifestyle (mobile communications services for individuals and Internet-related services), we are expanding the number of targeted smartphone models to 160 and promoting further increases in users in accordance with our [TONE IN] strategy, which allows us to deploy the technologies and services cultivated in smartphone services [Tone Mobile] utilizing the proprietary technologies offered by our group in smartphones and a wide range of devices other than our own, and deploys them in other fields, including IoT.

In addition, in the web3-related platform business, which is an incubation area, on May 20, 2024, we concluded a basic agreement on joint research and development with Fujita Gakuen, a school corporation that possesses the largest scale of medical big data in Japan, and began efforts to utilize web3 in the medical/healthcare area. This joint R&D will aim to build services incorporating the conceptual design of [Medical DX] and [Trusted Web Concept] based on [Medical DX Reiwa Vision 2030] promoted by the Japanese government. We will establish data-management basic technologies that ensure the reliability and safety of medical information, and contribute to solving the national issue of promoting the health of the people and improving the quality of medical services. In addition, we aim to build a system that can securely and efficiently collaborate medical information among individual patients, hospitals, research institutions, the national government, and local governments. Along with the view of [TONE IN] strategy for social implementation of 5G/web3, we will broadly deploy the technologies and services we have cultivated in Tone Mobile in the medical field as well, and

promote the provision of cutting-edge technologies.

Against this backdrop, in 5G Lifestyle Support Business, net sales were 6,213,965 thousand yen and segment income was 769,109 thousand yen, mainly as a result of steady performance in the number of units offered as services mainly in 5G Homestyle (Internet Services for Collective Housing). Consolidated subsidiary GIGAPRIZE and its subsidiaries have changed the date of their fiscal year-end from March 31 to April 30 from the previous first quarter. As the first quarter of the previous fiscal year was a transitional period for changing the date of their fiscal year-end, percentages representing year-on-year change has been omitted.

③ Corporate and Creator 5G DX Support Business

In the Internet marketing and ad technology services offered by consolidated subsidiary Full Speed Co., Ltd. and its subsidiaries, demand for advertising continued to increase along with the acceleration of digital measures due to the diversification of society and work styles triggered by the COVID crash amid the ongoing digital shift of consumers. Against this backdrop, demand for ad technology services in the affiliate business both domestically and overseas remained strong, and we worked to operate our business efficiently by implementing cost-cutting measures.

In addition, the number of creator platforms [StandAlone] offered by services grew, which allows creators to disseminate information themselves without going through major platforms and maximize the value of such information. This is intended to expand the formation of fan communities and creator economies in 5G/web3 era (economic zones in which creators make monetization through their own skills).

Against this backdrop, in the Corporate and Creator 5G DX Support Business, net sales were 5,161,859 thousand yen (up 10.6% year on year) and segment income was 373,414 thousand yen (up 87.7% year on year), due to solid performance mainly in the Affiliate Business.

As a result of the above, net sales were 13,291,005 thousand yen, operating income was 1,462,871 thousand yen, ordinary income was 1,451,325 thousand yen, and quarterly income attributable to owners of parent was 813,933 thousand yen. Consolidated subsidiary GIGAPRIZE and its subsidiaries have changed the date of their fiscal year-end from March 31 to April 30 from the previous first quarter. As the first quarter of the previous fiscal year was a transitional period for changing the date of their fiscal year-end, percentages representing year-on-year change has been omitted.

(Reference 1)

Net sales based on a comparison of the previous first quarter and the current first quarter with the three-month period excluding the impact of the change in the fiscal year-end of GIGAPRIZE and its subsidiaries

(Thousands of yen)

Segment	(Reference) FY2024/04 first quarter	FY2025/04 first quarter	Change	Percentage increase/decrease
5G Infrastructure Support Business	2,427,533	2,547,124	119,591	4.9
5G Lifestyle Support Business	5,868,896	6,213,965	345,068	5.9
Corporate and Creator 5G DX Support Business	4,668,227	5,161,859	493,631	10.6
Adjusted amount	△656,024	△631,943	24,080	-
Total	12,308,633	13,291,005	982,372	8.0

(N.B.) The figures for the first quarter of the fiscal year ending April 2024 are unaudited reference figures calculated for purposes of comparing net sales.

(Reference 2)

Operating income by comparing the previous first quarter of the three months before the change in the fiscal year-end of GIGAPRIZE and its subsidiaries with the current first quarter of the

(Thousands of yen)

Segment	(Reference) FY2024/04 first quarter	FY2025/04 first quarter	Change	Percentage increase/decrease
5G Infrastructure Support Business	462,705	325,094	△137,611	△29.7

5G Lifestyle Support Business	610,537	769,109	158,572	26.0
Corporate and Creator 5G DX Support Business	198,947	373,414	174,467	87.7
Other	△5,381	△5,438	△56	-
Adjusted amount	△228	690	919	-
Total	1,266,580	1,462,871	196,290	15.5

(N.B.) For the first quarter of the year ending April 30, 2024, these figures are unaudited reference figures calculated for purposes of comparing operating income.

Net Sales and Segment Income (Loss) by Segment (Thousands of yen)

Classification	Net sales	Segment income (△)
5G Infrastructure Support Business	2,547,124	325,094
5G Lifestyle Support Business	6,213,965	769,109
Corporate and Creator 5G DX Support Business	5,161,859	373,414
Other	-	△5,438
Adjusted amount	△631,943	690
Total	13,291,005	1,462,871

(2) Overview of Financial Position for the Current Quarter

Total assets at the end of the first quarter of the fiscal year under review were 36,322,468 thousand yen, a decrease of 1,861,121 thousand yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,935,491 thousand yen in cash and deposits.

Liabilities were 20,775,866 thousand yen, a decrease of 2,210,896 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 258,551 thousand yen in current portion of long-term loans payable, 815,041 thousand yen in income taxes payable, 100,414 thousand yen in provisions, and 899,887 thousand yen in long-term loans payable and 106,531 thousand yen in lease obligations (non-current).

Net assets increased 349,775 thousand yen from the end of the previous fiscal year to 15,546,602 thousand yen due to an increase in retained earnings, etc., and as a result, the equity ratio was 32.8%.

(3) Explanation of Consolidated Earnings Forecasts and Other Forecast Information

There is no change in the full-year forecast for the year ending April 2025 from the figure announced on June 14, 2024, as the results for the first quarter of the fiscal year under review have generally remained in line with forecasts.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	Previous Consolidated Fiscal Year As of April 30, 2024	First quarter of the current fiscal year As of July 31, 2024
Assets		
Current Assets		
Cash and deposits	18,722,373	16,786,882
Negotiable instruments receivable, accounts receivable, and contract assets	8,506,073	8,655,313
Merchandise and finished goods	83,453	161,853
Work in process	195,266	243,856
Raw materials and supplies	1,982,762	1,949,386
Other	2,381,374	2,217,319
Allowance for doubtful accounts	△53,727	△54,274
Total current assets	31,817,576	29,960,336
Fixed Assets		
Property, plant, and equipment	3,037,524	3,035,042
Intangible fixed assets		
Goodwill	2,406	1,978
Software	248,223	474,972
Other	334,503	219,858
Total intangible assets	585,132	696,808
Investments and other assets		
Increase in loss on valuation of investment securities	989,025	978,264
Long-term loans receivable	1,496,914	1,498,414
Guarantee deposits	482,037	485,784
Other	1,506,984	1,399,680
Allowance for doubtful accounts	△1,731,604	△1,731,863
Investments and other assets	2,743,356	2,630,280
Total fixed assets	6,366,013	6,362,132
Total assets	38,183,589	36,322,468
Liabilities		
Current liabilities		
Negotiable instruments payable and accounts payable	352,019	262,403
Short-term Debt	300,000	400,000
Current portion of long-term debt	4,948,783	4,690,232
Accounts payable-other	5,272,919	5,325,838
Income tax payable	1,131,940	316,899
Allowance	361,624	261,210
Other	1,782,580	1,701,984
Total current liabilities	14,149,868	12,958,567
Long-term liabilities		
Long-term Debt	7,629,384	6,729,497
Lease obligations	708,750	602,219
Reserve for retirement benefits for directors	60,527	60,527
Obligations for retirement pay	66,206	68,866
Other	372,025	356,188
Total long-term liabilities	8,836,893	7,817,299
Total liabilities	22,986,762	20,775,866

(Thousands of yen)

	Previous Consolidated Fiscal Year As of April 30, 2024	First quarter of the current fiscal year As of July 31, 2024
Net assets		
Shareholders' equity		
Common stock	4,514,185	4,514,185
Capital Surplus	1,496,844	1,499,922
Retained earnings	8,693,075	8,967,762
Treasury stock	△3,240,129	△3,240,129
Total owners' equity	11,463,975	11,741,740
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	174,924	169,440
Foreign Currency Translation Adjustments	△10,015	△11,143
Total other accumulated comprehensive income	164,909	158,296
Stock purchase warrants	133,359	145,647
Stock acquisition right	780	780
Non-controlling shareholders' equity	3,433,802	3,500,137
Total net assets	15,196,827	15,546,602
Total liabilities and net assets	38,183,589	36,322,468

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Income Statement)
(First Quarter Consolidated Cumulative Year)

(Thousands of yen)

	Previous first quarter consolidated cumulative period (May 1, 2023-July 31, 2023)	First quarter of the current fiscal year (May 1, 2024-July 31, 2024)
Net sales	14,040,063	13,291,005
Cost of goods sold	9,915,733	9,341,751
Gross profit	4,124,329	3,949,253
Selling and general administrative expenses	2,459,641	2,486,381
Operating income	1,664,687	1,462,871
Non-operating income		
Interest and dividend income	472	418
Equity in earnings of affiliates	2,078	80
Profit on currency exchange	7,550	-
Gain on sales of investment securities	-	10,552
Penalty income	7,562	6,492
Other	3,067	3,247
Total non-operating income	20,731	20,791
Non-operating expenses		
Interest expense	29,741	23,589
Other	31,933	8,747
Total non-operating expenses	61,674	32,337
Ordinary income	1,623,744	1,451,325
Extraordinary losses		
Loss on disposal of fixed assets	2,023	-
Total extraordinary loss	2,023	-
Quarterly income before income taxes and minority interests	1,621,720	1,451,325
Income taxes	385,981	288,284
The Deferred Corporation Tax, etc.	55,287	115,556
Total income taxes	441,269	403,840
Quarterly net income	1,180,451	1,047,484
Quarterly net income attributable to non-controlling interests	316,959	233,551
Quarterly income attributable to owners of the parent	863,491	813,933

Quarterly Consolidated Statements of Comprehensive Income
(First Quarter Consolidated Cumulative Year)

(Thousands of yen)

	Previous first quarter consolidated cumulative period (May 1, 2023-July 31, 2023)	First quarter of the current fiscal year (May 1, 2024-July 31, 2024)
Quarterly net income	1,180,451	1,047,484
Other comprehensive income		
Unrealized gain on available-for-sale securities	5,950	△5,483
Foreign Currency Translation Adjustments	△4,804	△1,128
Total other comprehensive income	1,145	△6,612
Quarterly comprehensive income	1,181,596	1,040,872
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	864,637	807,320
Quarterly comprehensive income attributable to noncontrolling interests	316,959	233,551

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information)

I Previous first quarter (May 1, 2023, to July 31, 2023)

Information on net sales and income (loss) by reportable segment

(Thousands of yen)

	Reportable Segments			Other (N.B.) 1	Total
	5G Infrastructure Support Business	5G Lifestyle Support Business	Corporate and Creator 5G DX Support Business		
Net sales					
Sales to customers	1,868,099	7,572,473	4,599,489	-	14,040,063
Intersegment sales	559,433	27,852	68,737	-	656,024
Total	2,427,533	7,600,326	4,668,227	-	14,696,087
Segment income (Δ)	462,705	1,008,644	198,947	Δ5,381	1,664,916

(Thousands of yen)

	Adjusted amount (N.B.) 2	Amount recorded in the quarterly consolidated statement of income (N.B.)3
Net sales		
Sales to customers	-	14,040,063
Intersegment sales	Δ656,024	-
Total	Δ656,024	14,040,063
Segment income (Δ)	Δ228	1,664,687

(N.B.) 1. [Others] is a business segment that is not included in the reportable segments, and includes the startup investment development business.

2. Δ adjustments to segment income (Δ) 228 thousand yen include reclassifications of allowance for doubtful accounts.

3. Segment income (Δ) is reconciled to operating income in the quarterly consolidated statements of income.

II First quarter of the current fiscal year (May 1, 2024-July 31, 2024)

1. Information on net sales and income (loss) by reportable segment

(Thousands of yen)

	Reportable Segments			Other (N.B.) 1	Total
	5G Infrastructure Support Business	5G Lifestyle Support Business	Corporate and Creator 5G DX Support Business		
Net sales					
Sales to customers	2,019,861	6,184,531	5,086,612	-	13,291,005
Intersegment sales	527,263	29,433	75,246	-	631,943
Total	2,547,124	6,213,965	5,161,859	-	13,922,948
Segment income (Δ)	325,094	769,109	373,414	Δ5,438	1,462,181

(Thousands of yen)

	Adjusted amount (N.B.) 2	Amount recorded in the quarterly consolidated statement of income (N.B.)3
Net sales		
Sales to customers	-	13,291,005
Intersegment sales	Δ631,943	-
Total	Δ631,943	13,291,005
Segment income (Δ)	690	1,462,871

(N.B.) 1. [Others] is a business segment that is not included in the reportable segments, and includes the startup investment development business.

2. Adjustments to segment income (Δ) 690 thousand yen include the elimination of intersegment transactions.

3. Segment income (Δ) is reconciled to operating income in the quarterly consolidated statements of income.

2. Changes in reportable segments

From the first quarter of the fiscal year under review, the expenses for some basic research that had been classified as [5G Infrastructure Support Business], [5G Lifestyle Support Business] and [Corporate and Creator 5G DX Support Business] have been reclassified as [5G Lifestyle Support Business] due to the social implementation stage. Segment information for the first quarter of the previous fiscal year is prepared and disclosed based on the classification for the first quarter of the fiscal year under review.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on the Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Cash Flow Statement)

The quarterly consolidated cash flow statement for the first quarter of the current fiscal year is not prepared. Depreciation related to the first quarter cumulative period (including amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows.

(Thousands of yen)

	Previous first quarter consolidated cumulative period (May 1, 2023-July 31, 2023)	First quarter of the current fiscal year (May 1, 2024-July 31, 2024)
Depreciation	197,228	162,484
Amortization of goodwill	5,342	427