Note: This is an English translation of the 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 Fiscal Year Ended March 31, 2024 (IFRS)

May 14, 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 general meeting of shareholders	June 22, 2024		Scheduled date of payment of cash dividends	June 7, 2024
Filing date of financial statements	June 24, 2024			

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

(1) Consolidated Financial 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	2,909	4.4	844	225.2	(3,642)	—	(3,242)	—	(2,171)	—	(1,811)	—
March 31, 2023	2,785	—	260	—	(1,955)	—	(1,755)	—	(1,864)	—	(1,673)	—

	Comprehensive net profit		Basic earnings per share	Diluted earnings per share	Ratio of net profit attributable to owners of parent	Ratio of profit before income tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Million yen	%	Yen	Yen	%	%	%
March 31, 2024	(2,086)	—	(107.84)	(107.84)	(28.5)	(35.6)	(125.2)
March 31, 2023	(1,292)	—	(99.63)	(99.63)	(21.6)	(15.1)	(70.2)

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. Effective from the fourth quarter of the current fiscal year, the design business in the software business segment 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. The amounts of net profit and net profit attributable to owners of the parent include the results of discontinued operations. As the business has been similarly reclassified in the fourth quarter ended March 31, 2023, changes from the same period of the previous fiscal year are not presented. For details, please refer to page 13 (Discontinued operations).

(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	Equity attributable to owners of the parent per share
Fiscal Year Ended	Million yen	Million yen	Million yen	%	Yen
March 31, 2024	7,587	5,757	5,582	73.6	332.12
March 31, 2023	10,618	7,629	7,134	67.2	424.73

(3) Consolidated Cash Flows

(Millions of yen)

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
Fiscal Year Ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	630	(427)	(310)	1,731
March 31, 2023	235	4	(337)	1,744

2. Cash Dividends

	Annual cash dividends					Total amount of dividends	Consolidated dividend payout ratio	Consolidated ratio of dividends to equity attributable to owners of the parent
	End-Q1	End-Q2	End-Q3	Year-end	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	—	0.00	—	4.50	4.50	76	—	1.0
March 31, 2024	—	2.00	—	4.50	6.50	109	—	1.7
March 31, 2025 (Forecast)	—	0.00	—	—	—		—	

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

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

Regarding the forecasts of consolidated financial results for the full fiscal year ending in March 2025, the company is currently reviewing it including future strategies and activity plans, due to the group reorganization resulting from the sale of This Place Limited at the end of March 2024. The company plans to promptly disclose the details once the review is complete.

* Notes

(1) Changes in significant subsidiaries during the fiscal year
(Changes in specified subsidiaries that caused a change in the scope of consolidation): None
Newly included: – company (name) –, Excluded: – company (name) –

(2) Changes in accounting policies, changes in accounting estimation
a) Changes in accounting policies due to IFRS requirements: Yes
b) Changes in accounting policies other than 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)	Fiscal Year Ended March 31, 2024	17,491,265	shares	Fiscal Year Ended March 31, 2023	17,491,265	shares
b) Number of shares of treasury stock at the end of the period	Fiscal Year Ended March 31, 2024	683,921	shares	Fiscal Year Ended March 31, 2023	695,942	shares
c) Average number of shares during the period	Fiscal Year Ended March 31, 2024	16,795,626	shares	Fiscal Year Ended March 31, 2023	16,793,704	shares

* These consolidated financial results are not subject to audit.

* 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 page 3 “1. Qualitative information for business results, (4) 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 6.00pm (JST) on Tuesday May 14, 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

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1. Qualitative information for business results

(1) Explanation of business results

(Millions of yen)

	FY2022	FY2023	YoY growth
Revenue	2,785	2,909	4.4%
Adjusted EBITDA	260	844	225.2%
Operating profit or loss	(1,955)	(3,642)	−%
Profit or loss before income taxes	(1,755)	(3,242)	−%
Net profit or loss attributable to owners of the parent	(1,673)	(1,811)	−%

<Overview of revenue and profit>

Our group approved a resolution at the Board of Directors meeting on March 8, 2024 to transfer all shares of our consolidated subsidiary, This Place Limited to This Place Holdings Limited on March 22, 2024. As a result, the design business has been classified as discontinued operations for the purpose of preparing the consolidated financial statements. Based on this accounting treatment, revenue, adjusted EBITDA, operating profit, and profit before income taxes are reclassified and restated to the amounts for continuing operations excluding discontinued operations. Year-on-year changes as of the end of FY2022 is calculated in the same method. For more information, please refer to page 13 “3. Consolidated Financial Statements and Primary Notes (6) Notes to Consolidated Financial Statements (Discontinued operations)”.

The consolidated results for the fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024, hereinafter FY2023) saw year-on-year (hereinafter YoY) 4.4% increase to ¥2,909mn in revenue.

Regarding profits, the company recognized an unrealized loss of ¥4,601mn in the Investment Business due to a fall in the share price of investee Gorilla Technology Group Inc. (hereinafter Gorilla Technology). As a result, operating loss amounted to ¥3,642mn, loss before income taxes to ¥3,242mn and net loss attributable to owners of the parent to ¥1,811mn.

<<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)

	FY2022	FY2023	YoY growth
Revenue	2,785	2,909	4.4%

Data integration middleware “Warp” has grown into a business that connects existing systems with apps that improve operational efficiency and cloud services related to human resources and labor as DX is promoted in a wide range of industries. In response to the revisions to “Law on Book and Record Keeping through Electronic Methods”, the need for collaboration with accounting services has expanded and sales remained steady throughout the year. In addition, the need for collaboration among small-scale organizations such as small and medium-sized business and departments/project units is increasing, and monthly subscription products continue to expand.

Inquiries for mobile app building tool “Platio” are steadily increasing and the switch to a large-scale plan that can be used company-wide has also expanded. In addition, the adoption of high value-added and highly profitable services such as Platio Connect, which utilizes corporate information assets at a higher level, is expanding, as a result, the product sales composition is improving. In the fourth quarter, we began supporting Android tablets that are waterproof, dustproof, and shockproof, evolving into an app suitable for outdoor use. As a result, we are receiving increasing inquiries from the logistics and construction industries, which are affected by new overtime regulations called “the 2024 issue”.

AI/IoT platform “Gravio”, we announced a new version that is compatible with cloud environments in July 2023. We are strengthening integration with i-Pro's cameras and SORACOM and is expanding new sales channels.

Digital content platform “Handbook X” has been highly evaluated for its ease of introduction and access to various content and adopted by a major railway company, and we are making efforts to develop markets.

<<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)

	FY2022	FY2023	YoY growth
Investment valuation change	(2,033)	(3,954)	−%

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

<<Group business initiatives>>

As we see the shift toward digitalization as an irreversible trend, we will continue to focus our business operations and strategic investments in the "D4G" (Data, Device, Decentralized, Design for Green) domain, which is believed to grow significantly over the next few years. In our business domain, we are strengthening our efforts in the "no-code" related area, which is a strength we have developed with our software products. "No Code Promotion Association", which we established as one of the founding companies for the purpose of transforming the software culture through no-code, has grown into a consortium with a membership of more than 150 companies and local governments in just one year after its establishment. We promote DX, which contributes to improving the productivity of companies and society, and to solving the shortage of human resources. In terms of work-style reform, we have redefined office space with the aim of realizing diverse work styles at a higher level, and pushing for new work styles with multiple workplace options that employees can choose from at their discretion. In July 2023, we opened a new office in Karuizawa Town, Nagano Prefecture, and are working to create a more fulfilling work environment.

(2) Explanation of financial position

(Assets)

Total assets as of the end of FY2023 were Yen 7,587mn, down Yen 3,031mn from the end of FY2022. This owed mainly to decrease of Yen 3,366mn in other financial assets.

(Liabilities)

Total liabilities as of the end of FY2023 were Yen 1,830mn, down Yen 1,159mn from the end of FY2022. This owed mainly to decrease of Yen 850mn in deferred tax liabilities and Yen 169mn in trade and other payables.

(Equity)

Equity as of the end of FY2023 was Yen 5,757mn, down Yen 1,872mn from the end of FY2022. This owed mainly to decrease of Yen 1,679mn in retained earnings and Yen 320mn in non-controlling interests.

(3) Explanation of cash flows

The balance of cash and cash equivalents (hereinafter “cash”) as of the end of FY2023 was Yen 1,731mn, down Yen 12mn from the end of FY2022.

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

(Cash flow from operating activities)

Net cash provided by operating activities for the FY2023, was Yen 630mn, compared to a cash inflow of Yen 235mn in the FY2022. This was due mainly to Yen 3,242mn in loss before income taxes against the increase of Yen 3,955mn in other expense (mainly unrealized loss on investment).

(Cash flow from investment activities)

Net cash used in investment activities for the FY2023, was Yen 427mn, compared to a cash inflow of Yen 4mn in the FY2022. This owed mainly to Yen 219mn used for purchase of investment, Yen 119mn used for purchase of property, plant, and equipment and Yen 137mn used for sale of subsidiary stock due to change in scope of consolidation.

(Cash flow from financial activities)

Net cash used in financial activities for the FY2023, was Yen 310mn, compared to a cash outflow of Yen 337mn in the FY2022. This owed mainly to Yen 143mn used for the repayment of long-term debt and Yen 109mn used for the payment of dividends.

(4) Outlook for consolidated business results, etc.

Regarding the forecasts of consolidated financial results for the full fiscal year ending in March 2025, the company is currently reviewing it including future strategies and activity plans, due to the group reorganization resulting from the sale of This Place Limited at the end of March 2024. The company plans to promptly disclose the details once the review is complete. If any important changes occur, the company will announce them in its timely disclosure.

2. Basic rationale for selection of accounting standards

The Group's business involves the supply of software products in line with its vision of "developing and supplying software on a global scale to enable computing that transcends organizational boundaries." With the Group vision requiring activities on a "global scale", we strive to be compliant with global accounting standards with a view to improving international comparability and increasing convenience for our stakeholders. To that end, we implemented International Financial Reporting Standards (IFRS) beginning with our securities filings for fiscal year ending March 31, 2016.

3. Outline of consolidated financial statements and main notes

(1) Outline of Statement of Financial Position

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	1,743,642	1,741,347
Trade and other receivables	182,641	176,719
Inventories	4,348	2,643
Other financial assets	410,012	454,200
Other current assets	91,470	141,630
Total current assets	2,432,114	2,506,539
Non-current assets		
Property, plant and equipment	812,927	938,202
Intangible assets	151,030	241,420
Investments accounted for using the equity method	348,850	133,205
Deferred tax assets	—	292,907
Other financial assets	6,705,345	3,295,311
Other non-current assets	167,597	179,657
Total non-current assets	8,185,748	5,080,801
Total assets	10,617,862	7,587,340

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and Equity		
Liabilities		
Current liabilities		
Borrowings	242,800	242,800
Trade and other payables	281,886	113,125
Income taxes payable	75,126	—
Other financial liabilities	53,860	64,542
Other current liabilities	771,037	827,910
Total current liabilities	1,424,709	1,248,377
Non-current liabilities		
Provisions	9,367	9,393
Borrowings	357,400	214,600
Deferred Tax liabilities	849,507	—
Other financial liabilities	343,198	357,999
Other non-current liabilities	5,133	—
Total non-current liabilities	1,564,605	581,992
Total liabilities	2,989,313	1,830,369
Equity		
Common stock	2,275,343	2,275,343
Additional paid-in capital	2,481,831	2,522,045
Treasury stock	(538,012)	(505,334)
Other equity components	692,067	746,648
Retained earnings	2,222,293	543,361
Total equity attributable to owners of parent	7,133,522	5,582,064
Non-controlling interests	495,027	174,907
Total Equity	7,628,549	5,756,971
Total liabilities and Equity	10,617,862	7,587,340

(2) Outline of Consolidated Statement of Profit or Loss

(Thousands of yen)

	FY2022 (April 1, 2022–March 31, 2023)	FY2023 (April 1, 2023–March 31, 2024)
Continuing operations		
Revenue	2,785,170	2,909,008
Cost of sales	297,739	274,125
Gross income	2,487,431	2,634,883
Selling, general and administrative expenses	2,416,375	2,047,791
Other income	8,130	7,283
Other expenses	2,033,749	4,236,004
Operating profit or loss	(1,954,563)	(3,641,629)
Finance income	268,820	439,500
Finance costs	75,182	43,127
Equity in earnings of affiliates	5,427	3,367
Profit or loss before income tax	(1,755,498)	(3,241,889)
Income tax expense	(458,096)	(1,140,651)
Net profit or loss from continuing operations	(1,297,402)	(2,101,239)
Discontinued operations		
Net profit or loss from discontinued operations	(566,910)	(70,019)
Net profit or loss	(1,864,312)	(2,171,258)
Attributable net profit or loss		
Net profit attributable to owners of the parent	(1,673,207)	(1,811,318)
Attributable to non-controlling interests	(191,105)	(359,939)
Net profit or loss	(1,864,312)	(2,171,258)
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	(65.88)	(103.68)
Discontinued operations	(33.76)	(4.17)
Total	(99.63)	(107.84)
Diluted earnings per share (Yen)		
Continuing operations	(65.88)	(103.68)
Discontinued operations	(33.76)	(4.17)
Total	(99.63)	(107.84)

(3) Outline of Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2022 (April 1, 2022–March 31, 2023)	FY2023 (April 1, 2023–March 31, 2024)
Net profit	(1,864,312)	(2,171,258)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets assessed by fair value from other comprehensive income	208,321	50,754
Total items not transferrable to net profit	208,321	50,754
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	363,611	34,221
Total items transferrable to net profit	363,611	34,221
Total other comprehensive income	571,932	84,975
Net comprehensive income	(1,292,380)	(2,086,283)
Attributable comprehensive net income		
Attributable to owners of the parent	(1,162,584)	(1,766,163)
Attributable to non-controlling interests	(129,796)	(320,120)
Net comprehensive income	(1,292,380)	(2,086,283)

(4) Outline of Consolidated Statement of Changes in Equity

	Attributable to owners of the parent					
				Other equity components		
	Capital stock	Additional paid-in capital	Treasury stock	Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	Total
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2022	2,275,343	2,457,037	(538,012)	414,921	(155,986)	258,934
Cumulative effects of changes in accounting policies	—	—	—	(452)	—	(452)
Balance at beginning of current period after reflecting changes in accounting policies	2,275,343	2,457,037	(538,012)	414,468	(155,986)	258,482
Net profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	302,302	208,321	510,623
Total net comprehensive income	—	—	—	302,302	208,321	510,623
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	24,794	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—
Transfer from other equity components to retained earnings	—	—	—	—	(77,038)	(77,038)
Total transactions with owners	—	24,794	—	—	(77,038)	(77,038)
Balance as of March 31, 2023	2,275,343	2,481,831	(538,012)	716,770	(24,703)	692,067
Net profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(5,598)	50,754	45,156
Total net comprehensive income	—	—	—	(5,598)	50,754	45,156
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	(2,778)	—	—	—	—
Change in scope of consolidation	—	42,992	32,679	-	—	—
Transfer from other equity components to retained earnings	—	—	—	-	9,425	9,425
Total transactions with owners	—	40,214	32,679	-	9,425	9,425
Balance as of March 31, 2024	2,275,343	2,522,045	(505,334)	711,171	35,476	746,648

	Attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2022	3,903,237	8,356,539	624,823	8,981,362
Cumulative effects of changes in accounting policies	(9,141)	(9,594)	—	(9,594)
Balance at beginning of current period after reflecting changes in accounting policies	3,894,096	8,346,946	624,823	8,971,768
Net profit	(1,673,207)	(1,673,207)	(191,105)	(1,864,312)
Other comprehensive income	—	510,623	61,309	571,932
Total net comprehensive income	(1,673,207)	(1,162,584)	(129,796)	(1,292,380)
Dividends paid	(75,633)	(75,633)	—	(75,633)
Share-based payment transactions	—	24,794	—	24,794
Change in scope of consolidation	—	—	—	—
Transfer from other equity components to retained earnings	77,038	—	—	—
Total transactions with owners	1,404	(50,839)	—	(50,839)
Balance as of March 31, 2023	2,222,293	7,133,522	495,027	7,628,549
Net profit	(1,811,318)	(1,811,318)	(359,939)	(2,171,258)
Other comprehensive income	—	45,156	39,820	84,975
Total net comprehensive income	(1,811,318)	(1,766,163)	(320,120)	(2,086,283)
Dividends paid	(109,248)	(109,248)	—	(109,248)
Share-based payment transactions	—	(2,778)	—	(2,778)
Change in scope of consolidation	251,059	326,730	—	326,730
Transfer from other equity components to retained earnings	(9,425)	—	—	—
Total transactions with owners	132,386	214,704	—	214,704
Balance as of March 31, 2024	543,361	5,582,064	174,907	5,756,971

(5) Outline of Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2022 (April 1, 2022–March 31, 2023)	FY2023 (April 1, 2023–March 31, 2024)
Cash flow from operating activities		
Profit or loss before income tax	(1,755,498)	(3,241,889)
Depreciation and amortization	129,202	194,131
Finance income	(268,820)	(439,500)
Finance expenses	75,182	43,127
Impairment loss	—	279,494
Earnings from equity in affiliates (Figures in negative represent profit)	(5,427)	(3,367)
Other income	(8,130)	(7,283)
Other expenses	2,033,749	3,956,511
Change in accounts receivable and other claims (Figures in negative represent increase)	113,860	(39,033)
Change in accounts payable and other payables (Figures in negative represent decrease)	(226,346)	(133,449)
Others	(26,702)	(151,051)
Subtotal	61,070	457,689
Interest and dividends received	45,755	4,764
Interest paid	(5,292)	(4,606)
Corporate taxes paid	(5,200)	(102,933)
Net cash provided by (used in) operating activities from discontinued operations	138,493	274,753
Cash flow for operating activities	234,825	629,667
Cash flow from investment activities		
Purchase of property, plant, and equipment	(390,386)	(118,857)
Proceeds from property, plant, and equipment sales	203	586
Purchase of intangible assets	(885)	(3,533)
Payments for loan receivables	(402,660)	—
Payments for investment purchases	(144,916)	(218,666)
Proceeds from collection of loans receivable	502,775	—
Proceeds from redemption of investment	455,100	179,190
Sales of shares of subsidiaries resulting in change in scope of consolidation	—	(137,380)
Others	(14,124)	(13,087)
Net cash provided by (used in) investment activities from discontinued operations	(1,235)	(115,475)
Cash flow from investment activities	3,873	(427,223)
Cash flow from financial activities		
Repayment of long-term borrowings	(142,800)	(142,800)
Dividends paid	(75,538)	(108,643)
Income from incorporation of non-controlling interests	2,709	5,339
Repayment of lease liabilities	(42,492)	(51,006)
Proceeds from issuance of share acquisition rights	3,705	—
Net cash provided by (used in) financial activities from discontinued operations	(82,287)	(12,812)
Cash flow from financial activities	(336,704)	(309,922)

Net change in cash and cash equivalents (Figures in negative represent decrease)	(98,006)	(107,479)
Cash and cash equivalents at beginning of period	1,816,106	1,743,642
Effect of exchange rate changes on cash and cash equivalents	25,542	95,184
Cash and cash equivalents at end of period	1,743,642	1,731,347

(6) Main notes to outline of consolidated financial statements

(Going concern assumption)

No matters to report.

(Change in accounting policies)

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

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

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

The Group applied IAS 12 “Income Taxes” (amended in May 2021) from the fiscal year 2023.

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

The amendments have been applied retrospectively and reflected in the consolidated financial statements of the fiscal year ended March 31, 2023.

The impact on the consolidated financial statements is little.

(Discontinued operations)

Our group approved a resolution at the Board of Directors meeting on March 8, 2024 to transfer all shares of our consolidated subsidiary, This Place Limited to This Place Holdings Limited on March 22, 2024. As a result, the consolidated statement of profit or loss and the cash flows related to these businesses for the current fiscal year have been classified as discontinued operations, and the results for the previous fiscal year have also been restated, and the discontinued operations have been presented separately from continuing operations.

(1) Results of discontinued operations

	FY2022 (April 1, 2022–March 31, 2023)	FY2023 (April 1, 2023–March 31, 2024)
	Thousands of yen	Thousands of yen
Profit and loss of continuing operations		
Revenue (Note)	629,872	1,095,343
Expenses (Note)	1,221,016	1,094,164
Profit or loss before income tax from discontinued operations	(591,144)	1,179
Income tax expense	(24,234)	71,198
Net income from discontinued operations	(566,910)	(70,019)

(2) Cash flows from discontinued operations

	FY2022 (April 1, 2022–March 31, 2023)	FY2023 (April 1, 2023–March 31, 2024)
	Thousands of yen	Thousands of yen
Cash flows from discontinued operations		
Cash flow from operating activities	138,493	274,753
Cash flow from investment activities	(1,235)	(115,475)
Cash flow from financial activities	(82,287)	(12,812)
Total	54,971	146,466

(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.

Our group approved a resolution at the Board of Directors meeting on March 8, 2024 to transfer all shares of our consolidated subsidiary, This Place Limited to This Place Holdings Limited on March 22, 2024, and the design business has been classified as discontinued operations and deducted from the segment information. Regarding segment information for the previous fiscal year have been reclassified to present amounts of only continuing operations which exclude discontinued operations.

(2) Information on revenue, profits and losses, and assets by reportable segment

FY2022 (April 1, 2022–March 31, 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					
Revenue to external customers	2,785,170	—	2,785,170	—	2,785,170
Inter-segment transactions	81	—	81	(81)	—
Total	2,785,252	—	2,785,252	(81)	2,785,170
Segment profit or loss [*2]	130,685	(2,093,011)	(1,962,327)	(81)	(1,962,408)
Other income and expenses [*2]					7,845
Finance income					268,820
Finance expenses					75,182
Equity in earnings of affiliates (Figures in negative represent loss)					5,427
Profit before income tax					(1,755,498)
Other items					
Depreciation and amortization expenses	128,957	245	129,202	—	129,202

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

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

FY2023 (April 1, 2023-March 31, 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	2,909,008	—	2,909,008	—	2,909,008
Inter-segment transactions	—	—	—	—	—
Total	2,909,008	—	2,909,008	—	2,909,008
Segment profit (Figures in negative represent loss) [*2]	650,134	(4,017,283)	(3,367,149)	—	(3,367,149)
Other income and expenses					(274,480)
Finance income					439,500
Finance expenses					43,127
Equity in earnings of affiliates					3,367
Profit before income tax income					(3,241,889)
Other items					
Depreciation and amortization expenses	193,902	229	194,131	—	194,131

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

(Earnings per share)

	FY2022 (April 1, 2022-March 31, 2023)	FY2023 (April 1, 2023-March 31, 2024)
Net profit attributable to owners of common stock in the parent (Figures in negative represent loss) (Thousands of yen)	(1,673,207)	(1,811,318)
Adjusted net profit	—	—
Net profit used in the calculation of diluted net profit per share (Figures in negative represent loss) (Thousands of yen)	(1,673,207)	(1,811,318)
Average number of shares of common stock during the fiscal year	16,793,704	16,795,626
Rise in the number of shares of common stock	—	—
(Impact on dilution effect: earnout)		
New share options	—	—
Average number of shares of common stock during the fiscal year after dilution	16,793,704	16,795,626
Basic earnings per share (Figures in negative represent loss) (Yen)		
Continuing operations	(65.88)	(103.68)
Discontinued operations	(33.76)	(4.17)
Total	(99.63)	(107.84)
Diluted earnings per share (Figures in negative represent loss) (Yen)		
Continuing operations	(65.88)	(103.68)
Discontinued operations	(33.76)	(4.17)
Total	(99.63)	(107.84)

(Subsequent events)

None

4. Others

None