May 14, 2024
ExaWizards Inc. (TSE 4259)

Notice of Difference between Consolidated Financial Results and Actual Results for the Previous Fiscal Year

ExaWizards("the Company") announces the following differences between its consolidated financial results for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024) and those of the previous fiscal year (April 1, 2022 - March 31, 2023).

1. Difference between consolidated results for the fiscal year ended March 31, 2024 and actual results for the previous fiscal year

	Sales	Operating Profit	Ordinary Profit	Net profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Actual results for the previous period (A) (Fiscal year ending March 31, 2023)	5,591	(378)	(375)	(141)
Actual results for the current fiscal year (B) (Fiscal year ending March 31, 2024)	8,384	(305)	(330)	(610)
Change (B − A)	2,793	72	—	(469)
Percent Change (%)	50.0%	—	—	—

2. Reasons for differences

Net sales increased because of the start of incorporating the results of Stadium Corporation, which became a subsidiary in the fiscal year ended March 31, 2024, and an increase in the number of users of our services in the AI Product and AI Platform businesses.

Operating income increased due to an increase in personnel and other expenses, which constitute cost of sales, as well as system usage fees and software depreciation and amortization, which constitute SG&A expenses.

In addition to the difference up to operating income, non-operating income of 5 million yen and non-operating expenses of 30 million yen were recorded for ordinary income.

As extraordinary income, 70 million yen was recorded due to the transfer of a part of the business of Stadium Co. As extraordinary losses, the Company posted an impairment loss of 382 million yen related to software assets in the AI platform business and AI product business, and a loss on liquidation of

subsidiaries and affiliates of 52 million yen.

In addition to the above, the net loss attributable to owners of the parent increased from the previous year due to the recording of 59 million yen in negative income taxes because of the recognition of additional deferred tax assets for the application of tax effect accounting for temporary differences that will be subtracted in the future.

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