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毎日、発明する会社

FY2024/04

Financial results for the Full-year

FreeBit Co., Ltd.

June 14, 2024

1. Consolidated Financial Results for the Fiscal Year Ended April 2024	3
2. Financial Results by Segment for Fiscal Year Ended April 2024	15
3. Forecast of Consolidated Financial Results for the Year Ending April 2025	30
4. Appendix	34

1. Consolidated Financial Results for the Fiscal Year Ended April 2024

Impact of change in fiscal year-end of consolidated subsidiaries

(GIGAPRIZE and its subsidiaries)

- GIGAPRIZE Group (GPG) changed the date of its fiscal year-end from March 31 to April 30, the same as our consolidated fiscal year-end.
As a result, the consolidated subsidiaries in the current fiscal year has an irregular settlement of accounts for the 13-month period from April 1, 2023 to April 30, 2024.
- In this briefing material, the figures are presented in [Value including the impact of the change in the fiscal year-end] and [Value excluding the impact of the change in the fiscal year-end].

Period of consolidation		First quarter			Second quarter			Third quarter			Fourth quarter			(Month)	
		1	2	3	4	5	6	7	8	9	10	11	12		1
(Previous fiscal year) FY2023/04	GPG	4	5	6	7	8	9	10	11	12	1	2	3		
	FB	5	6	7	8	9	10	11	12	1	2	3	4		
(Current term) FY2024/04	GPG	4	5	6	7	8	9	10	11	12	1	2	3	4	
	FB	5	6	7	8	9	10	11	12	1	2	3	4		
(Next fiscal year) FY2025/04-	GPG	5	6	7	8	9	10	11	12	1	2	3	4		
	FB	5	6	7	8	9	10	11	12	1	2	3	4		

Upward revision of full-year consolidated earnings forecasts for the fiscal year ending April 2024

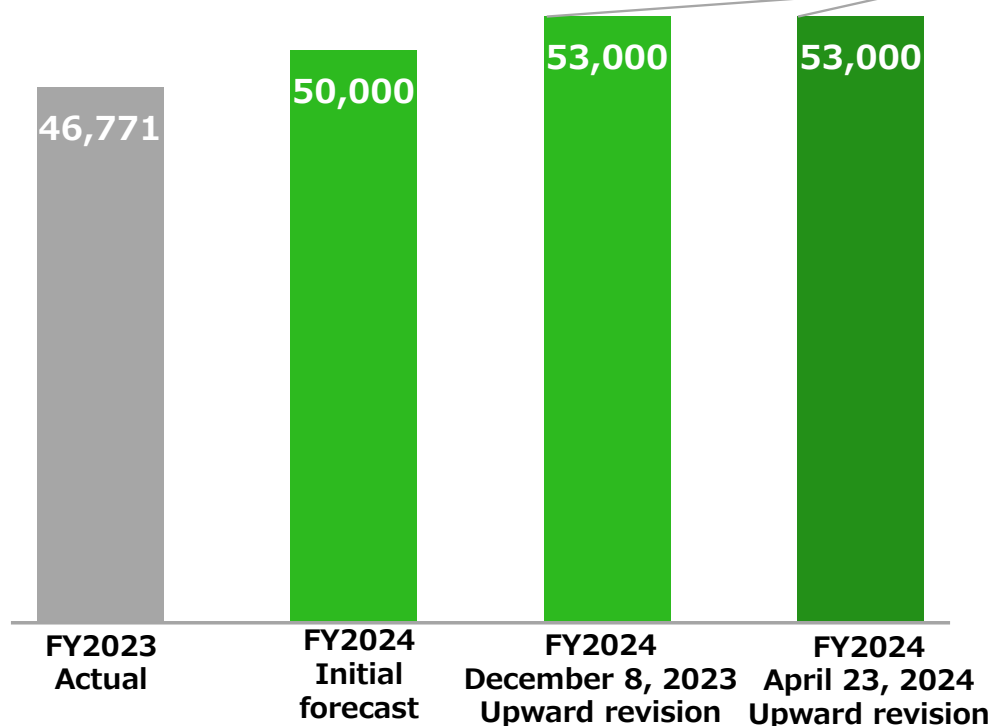


Medium-Term Management Plan [SiLK VISION 2024] Performance Targets for the Final Year Revised Upward to ¥50 billion in Net Sales, ¥5 billion in Operating Income, ¥53 billion in Net Sales and ¥5.85 billion in Operating Income

(Millions of yen)

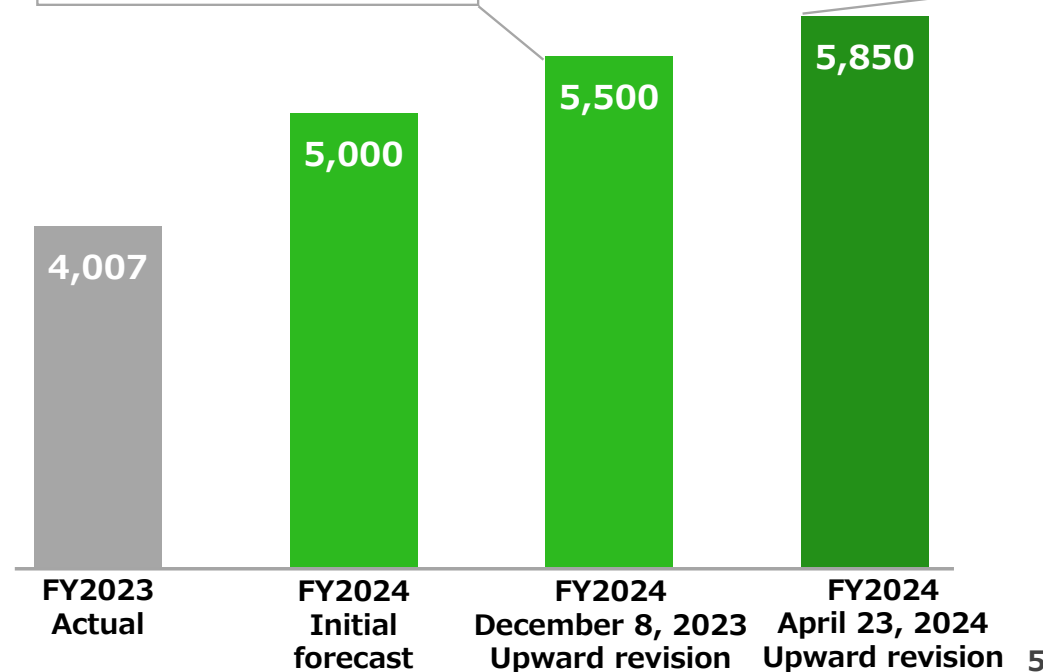
Net sales

- <Reason for revision>
- Expansion of support business for MVNOs
 - Steady growth in the number of units offered for ISP services for condominiums
 - Acquisition of affiliate services customers



Operating income

- <Reason for revision>
- Increase in profit due to upward revision of sales
 - Efficient implementation of strategic investments, etc.
- <Reason for revision>
- Efficiency of user acquisition measures in the Tone Mobile Business
 - Approximately ¥200 million for strategic investments such as the relocation of 5G data centers will be carried forward to April 2025 fiscal year end.



Summary of Consolidated Financial Results for the Fiscal Year Ended April 2024

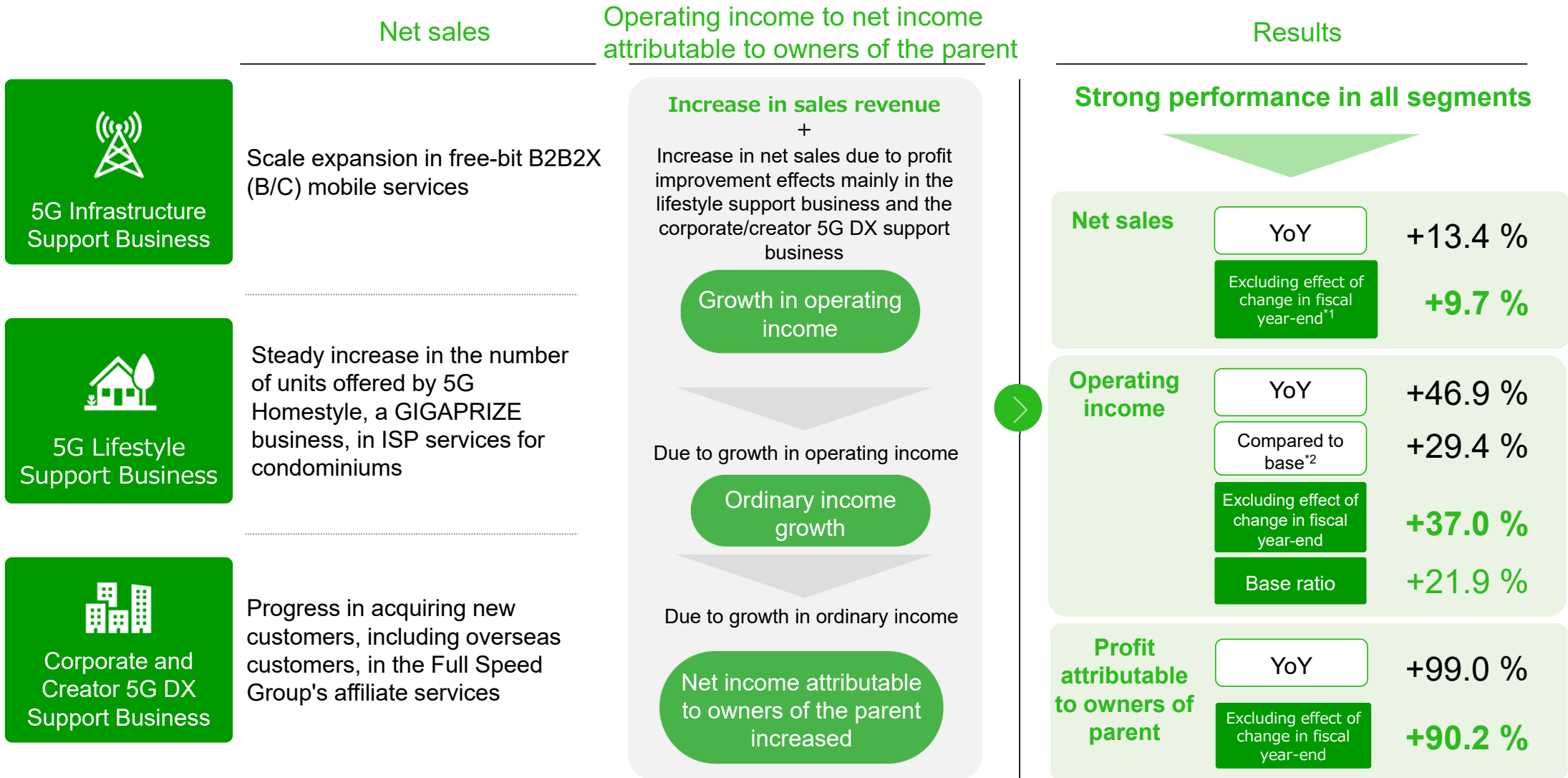
(Millions of yen)		F2023/04 Full year	FY2024/04 Full Year (including impact of change in fiscal year-end)			(Reference) FY2024/04 Full Year (Excluding the impact of the change in the fiscal year-end) ^{*2}		
			Actual	Change	Rate of change (Reference) ^{*1}	Actual	Change	Rate of change
Net sales	Actual	46,771	53,037	+6,266	- (+13.4%)	51,306	+4,534	+9.7%
Operating income	Actual	4,007	5,887	+1,880	- (+46.9%)	5,489	+1,482	+37.0%
	Base profit ^{*3}	5,291	6,849	+1,558	(+29.4%)	6,451	+1,160	+21.9%
Ordinary income	Actual	3,707	5,756	+2,049	- (+55.3%)	5,360	+1,653	+44.6%
	Base profit	4,991	6,718	+1,727	(+34.6%)	6,323	+1,331	+26.7%
Profit attributable to owners of parent	Actual	1,792	3,566	+1,773	- (+99.0%)	3,408	+1,616	+90.2%
Net income per share	Actual	95.07 yen	178.58 yen	+83.51 yen	-	170 .70yen	+75.63 yen	-

※1 As stated in P.4, the rate of increase or decrease from the previous fiscal year is for reference only because of the impact of the change in the fiscal year-end of the GPG.

※2 The exclusion of the effect of the change in the fiscal year-end is an unaudited reference figure that excludes the effect of the change in the fiscal year-end of the GPG.

※3 Base profit is a business profit figure excluding temporary investments and is an unaudited reference figure.

Topics for the Fiscal Year Ended April 2024

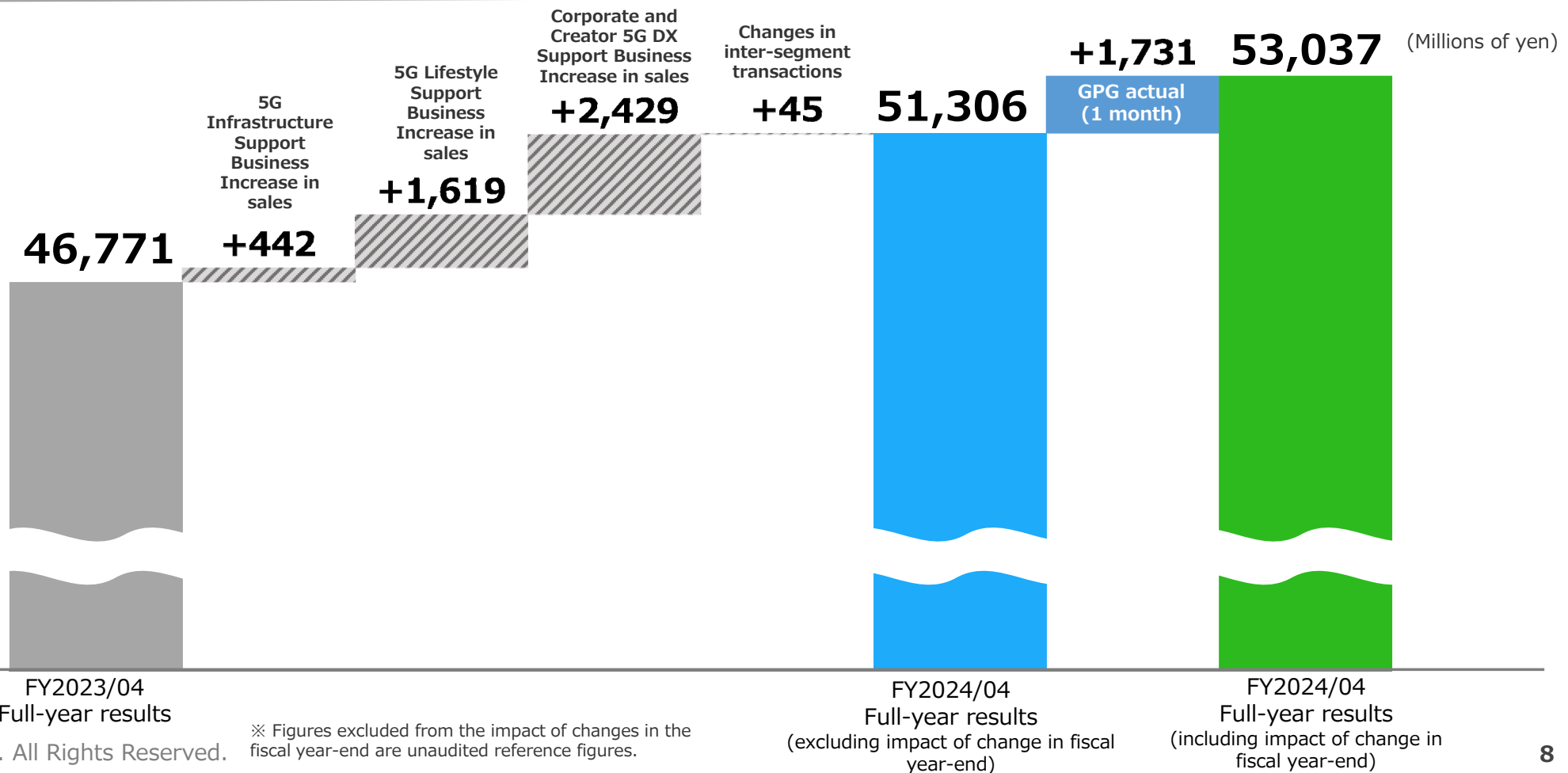


※1 Figures excluded from the impact of changes in the fiscal year-end are unaudited reference figures.

※2 Base comparison is the year-on-year comparison of base profit.

YoY Variance Analysis Net Sales

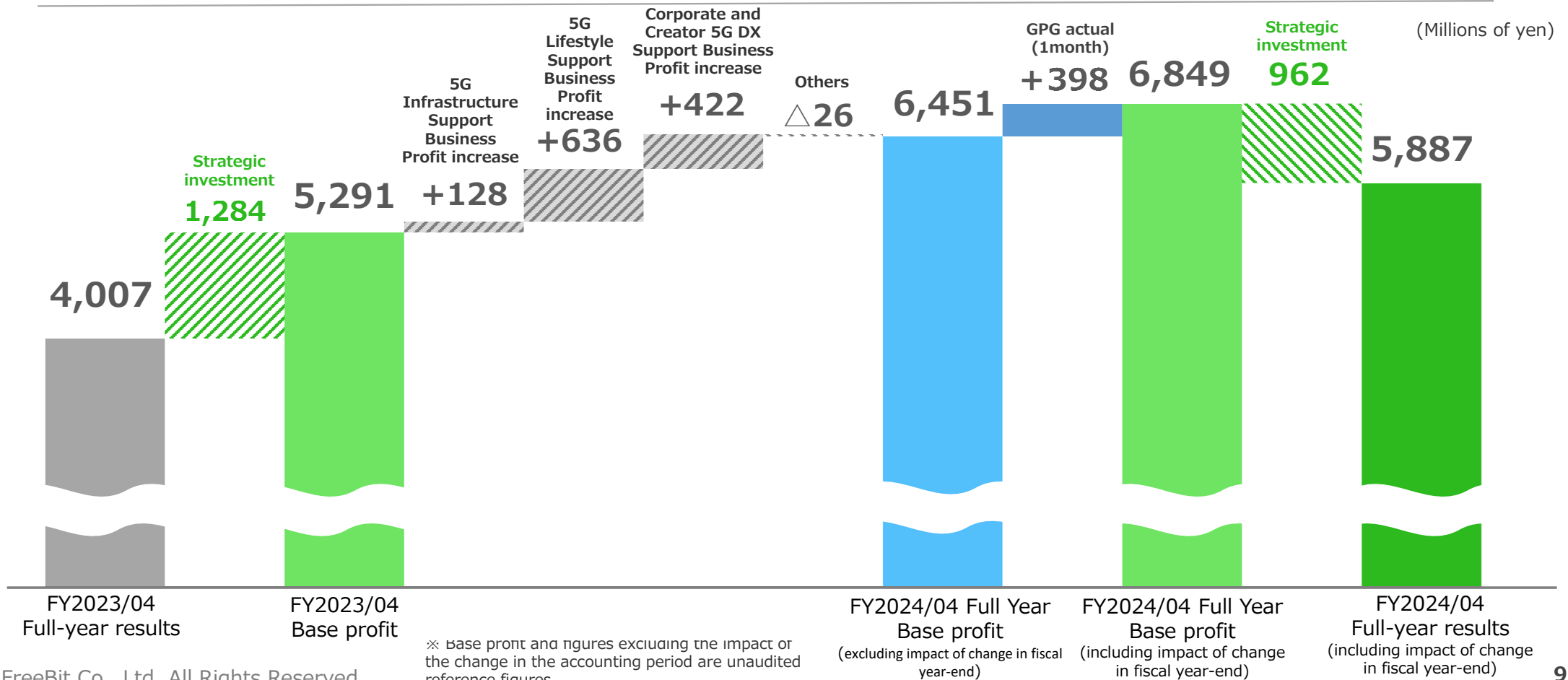
Sales increased 13.4% year on year, mainly in the Affiliate Business of the Corporate and Creator 5G DX Support Business, due to solid performance in all segments.
 (Excluding the impact of the change in the fiscal year-end: up 9.7%)



※ Figures excluded from the impact of changes in the fiscal year-end are unaudited reference figures.

YoY Variance Analysis Operating Income

Strong performance in all segments, centered on the 5G Lifestyle Support Business, despite implementing strategic investments, increased 46.9% YoY and 29.4% in base profit (Excluding the impact of the change in the fiscal year-end: Excluding base profit, up 21.9%)



Breakdown of Strategic Investments for the Years Ended April 2023 and April 2024



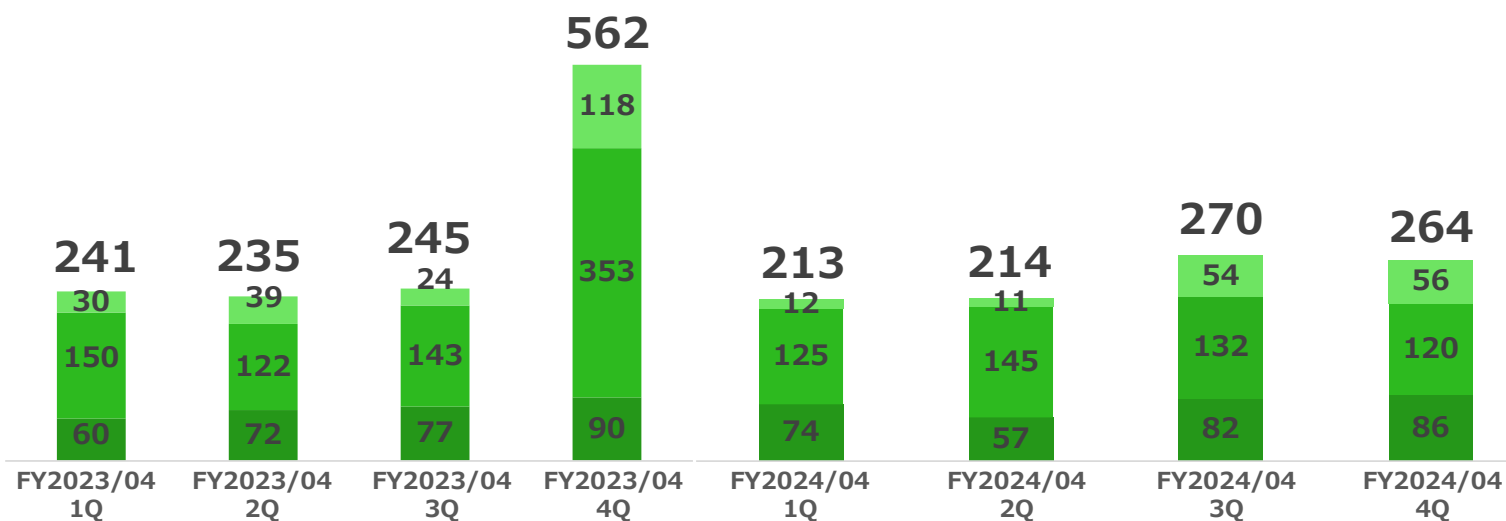
Continuously implement strategic investments, including acquiring [TONE] and [TONE Labo] users of the 5G Lifestyle Support Business and promoting the business in the Incubation Zone

- 5G Infrastructure Support Business
- 5G Lifestyle Support Business
- 5G DX Support Business for Companies and Creators

(Millions of yen)

FY2023/04
Total of 1,280 million yen

FY2024/04
Total of 960 million yen



FY2024/04 Strategic Investment Results

5G Infrastructure Support Business (¥301 million)

- Development of 5G data center
- Data collaboration projects, etc.

5G Lifestyle Support Business (¥524 million)

- [TONE] Acquisition of [TONE Labor] users (downward trend due to control of acquisition costs while continuing to execute from the previous fiscal year)
- TONE Opening measures
- Develop and test the 5G Healthstyle area [TONE Care]
- Development/testing related to web3 (Blockchain) [LIVING TOWN Minato Mirai] Project-related expenses, etc.

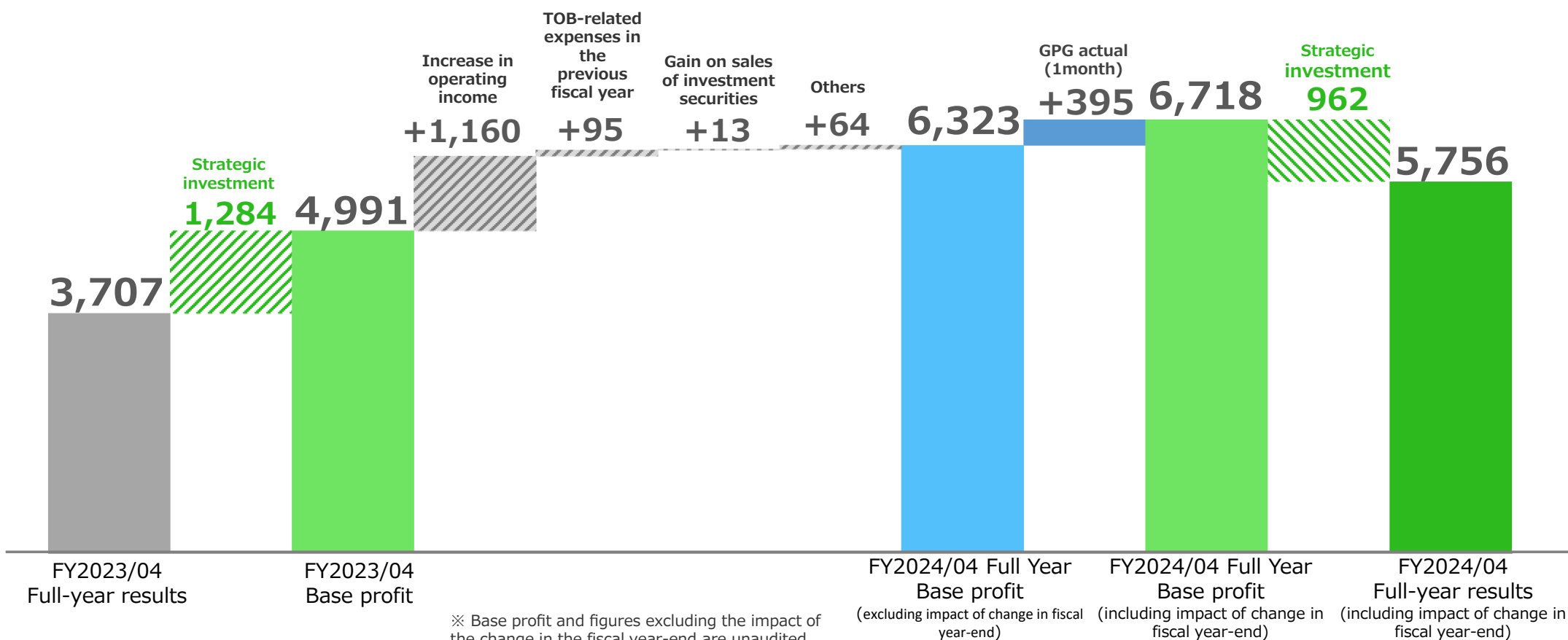
Corporate and Creator 5G DX Support Business (¥136 million)

- Multi-faceted Expansion of Creator Maker Domain [StandAlone]

YoY Variance Analysis Ordinary Income

Due to favorable base profit, actual results increased 55.3% YoY and base profit increased 34.6% (Excluding the impact of the change in the fiscal year-end: Base profit increased 26.7%)

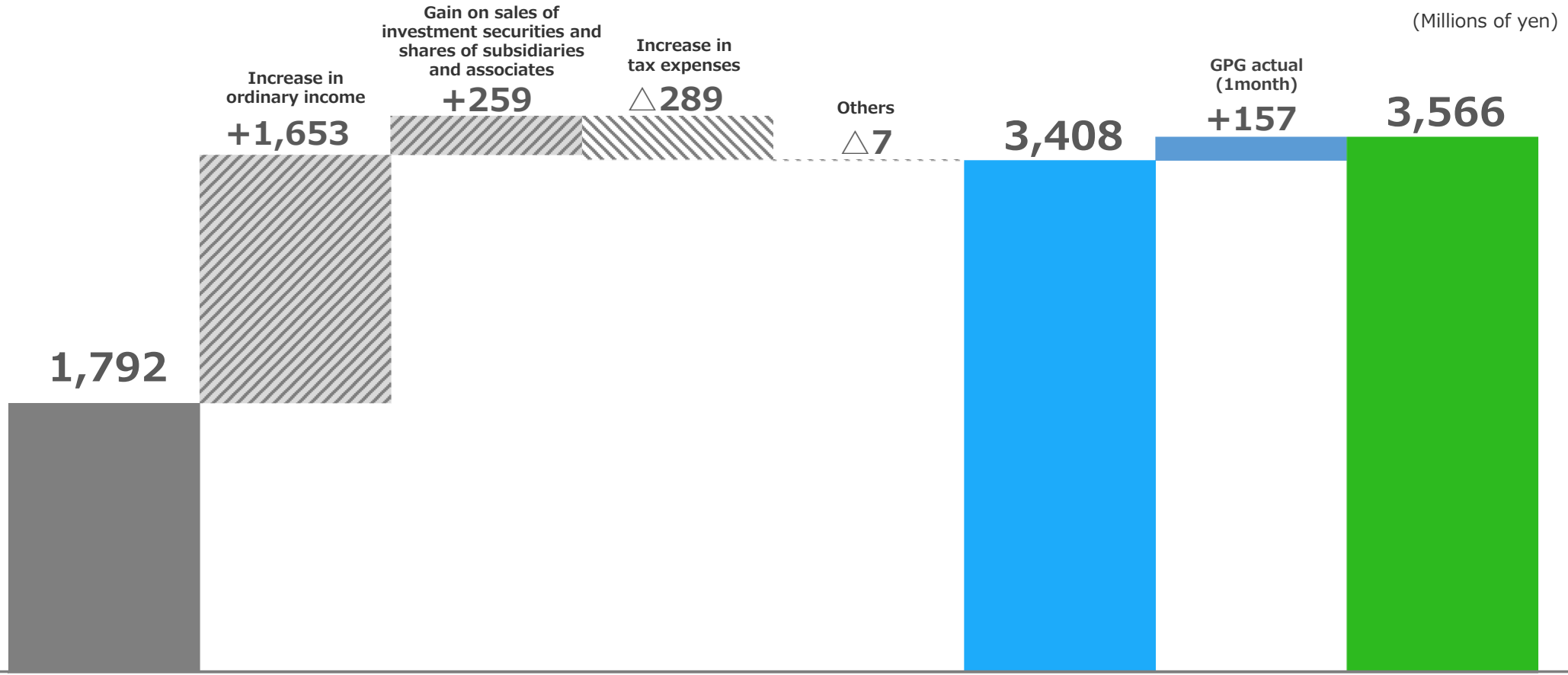
(Millions of yen)



※ Base profit and figures excluding the impact of the change in the fiscal year-end are unaudited reference figures.

YoY Variance Analysis Net Income Attributable to Owners of Parent

Results increased 99.0% year on year (Excluding the impact of the change in the fiscal year end: 90.2%)
There were temporary factors due to gains on sales of investment securities and shares of subsidiaries and associates and the recording of deferred tax assets.



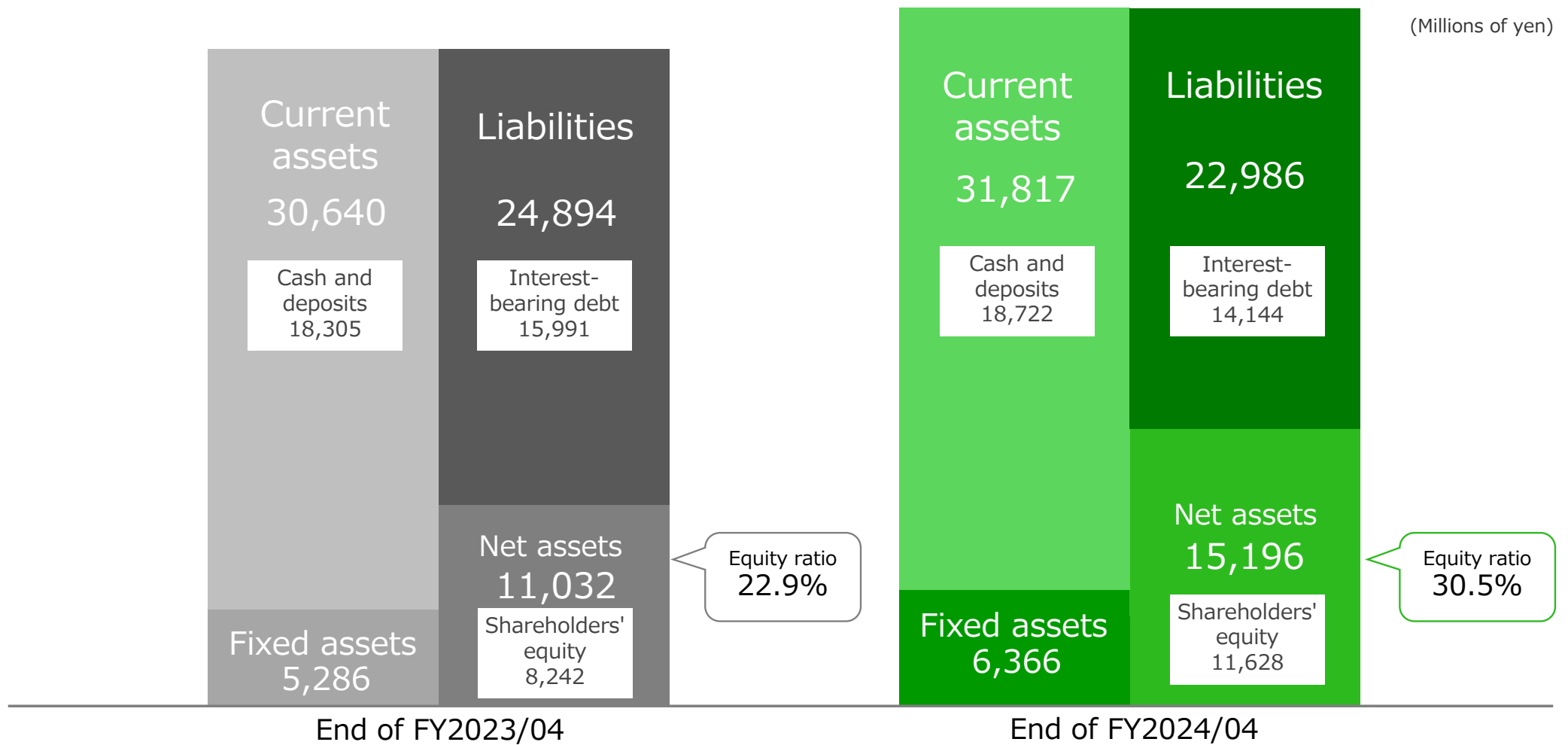
※ Figures excluded from the impact of changes in the fiscal year-end are unaudited reference figures.

FY2024/04 Full-year results (excluding impact of change in fiscal year-end)

FY2024/04 Full-year results (including impact of change in fiscal year-end)

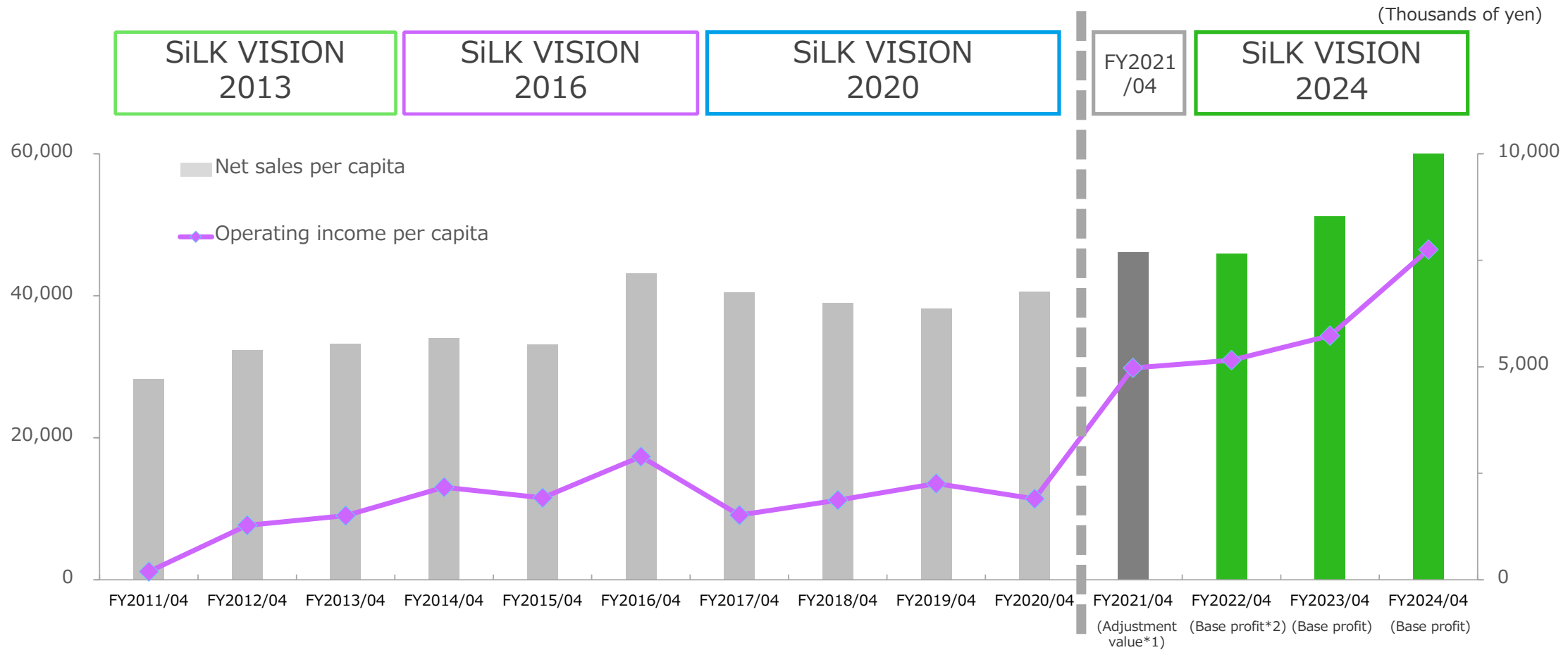
Summary of Consolidated Financial Results Comparison

Shareholders' equity ratio increased to 30.5% due to an increase in retained earnings resulting from solid performance and a reduction in interest-bearing debt.



Net Sales and Operating Income per Employee

Net sales and operating income (base profit) per employee increased from the previous fiscal year.

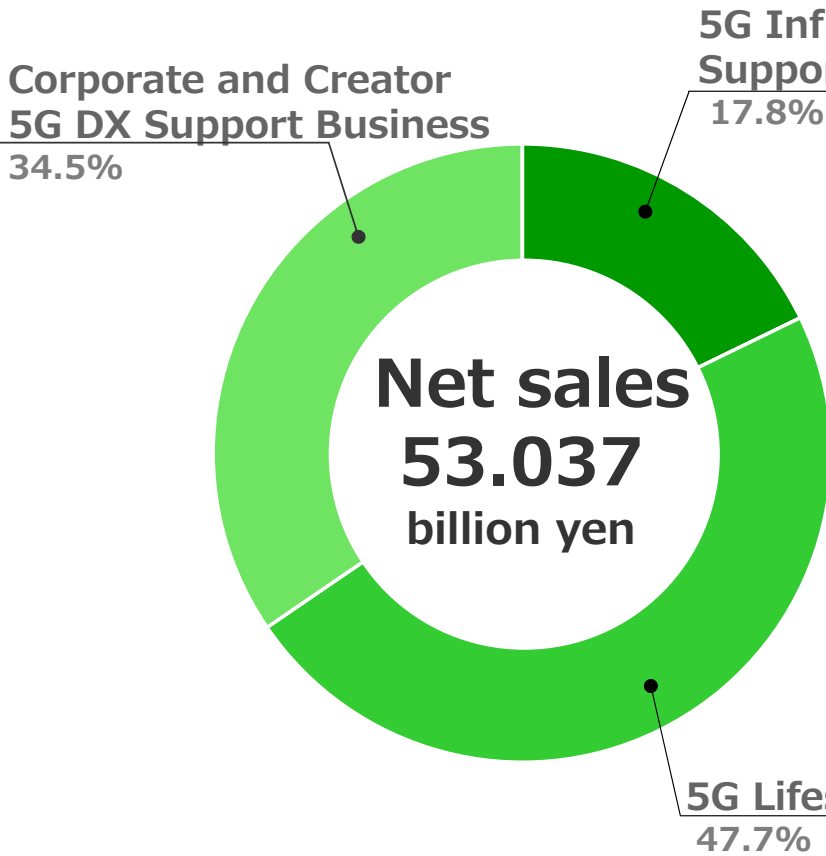


※1 The supplementary figures are unaudited reference figures that exclude the effects of accounting standards for revenue recognition, off-balance sheet operations, strategic investments and changes in the DTI fiscal year-end.

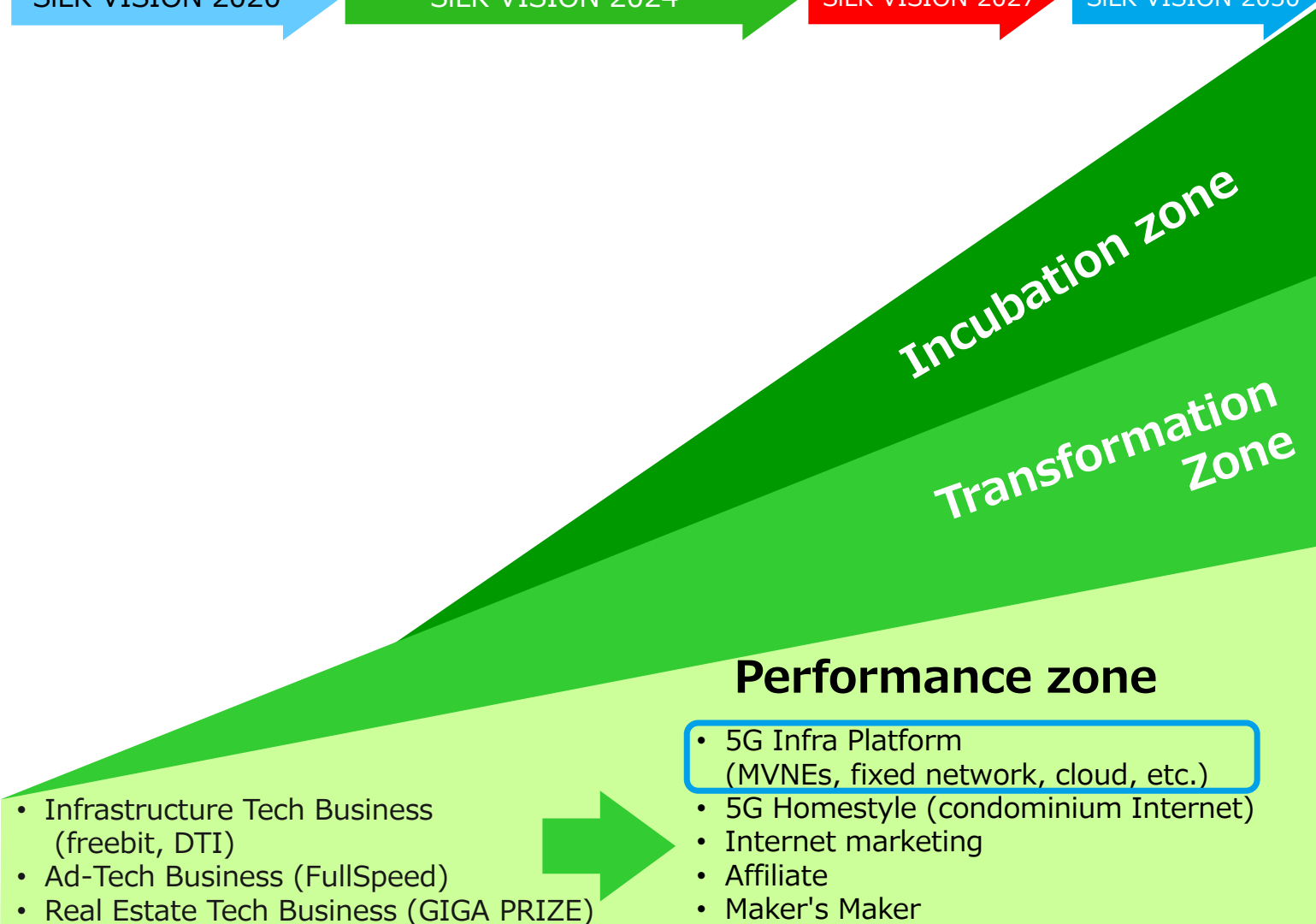
※2 Base profits are unaudited reference figures.

2. Financial Results by Segment for Fiscal Year Ended April 2024

Higher sales and profits in all segments : 5G Infrastructure Support Business, 5G Lifestyle Support Business, and Corporate and Creator 5G DX Support Business



Net sales	Segment income (loss)
5G Infrastructure Support Business	
Actual 9,932 million yen YoY +4.7%	Actual 1,506 million yen YoY +9.3% (vs. Actual) / +7.6% (vs. Base)
5G Lifestyle Support Business	
Actual 26,612 million yen YoY +14.4%	Actual 3,319 million yen YoY +62.8% (vs. Actual) / +36.8% (vs. Base)
Corporate and Creator 5G DX Support Business	
Actual 19,278 million yen YoY +14.4%	Actual 1,104 million yen YoY +82.7% (vs. Actual) / +51.6% (vs. Base)



Corporate and Creator 5G DX Support Business

Creator Maker (StandAlone)
Bizmodel Maker (4.0)

5G Lifestyle Support Business

5G Workstyle / 5G Healthstyle/
5G Carlifestyle (MaaS)

5G Lifestyle Support Business

5G Lifestyle(TONE/DTI)
5G Homestyle

5G Infrastructure Support Business

Most existing businesses shifted to performance zones
Continued growth while incorporating changes when needed, such as 5G and eSIM responses

Performance zone

• 5G Infra Platform (MVNEs, fixed network, cloud, etc.)

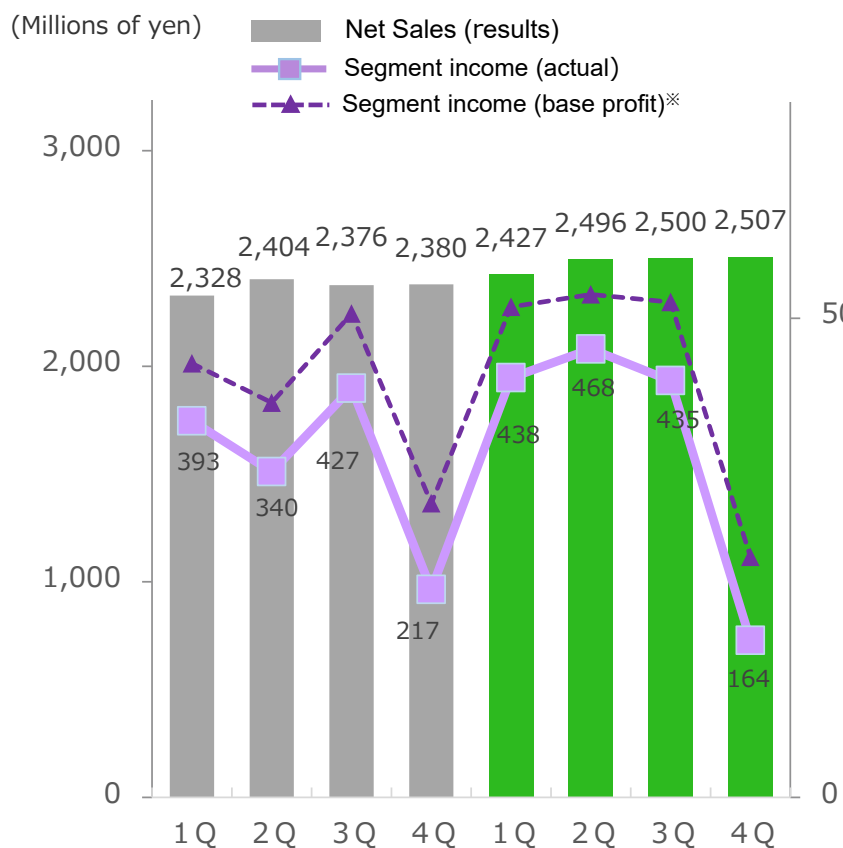
- 5G Homestyle (condominium Internet)
- Internet marketing
- Affiliate
- Maker's Maker

- Infrastructure Tech Business (freebit, DTI)
- Ad-Tech Business (FullSpeed)
- Real Estate Tech Business (GIGA PRIZE)

5G Infrastructure Support Business Performance Progress

B2B2X(B/C) Profit increased by 7.6% year-on-year (compared to the base) due to an increase in the use of B2B2X (B/C) mobile services, despite a decrease in the use of fixed network services and an increase in personnel expenses.

Net Sales and Segment Income (Loss)

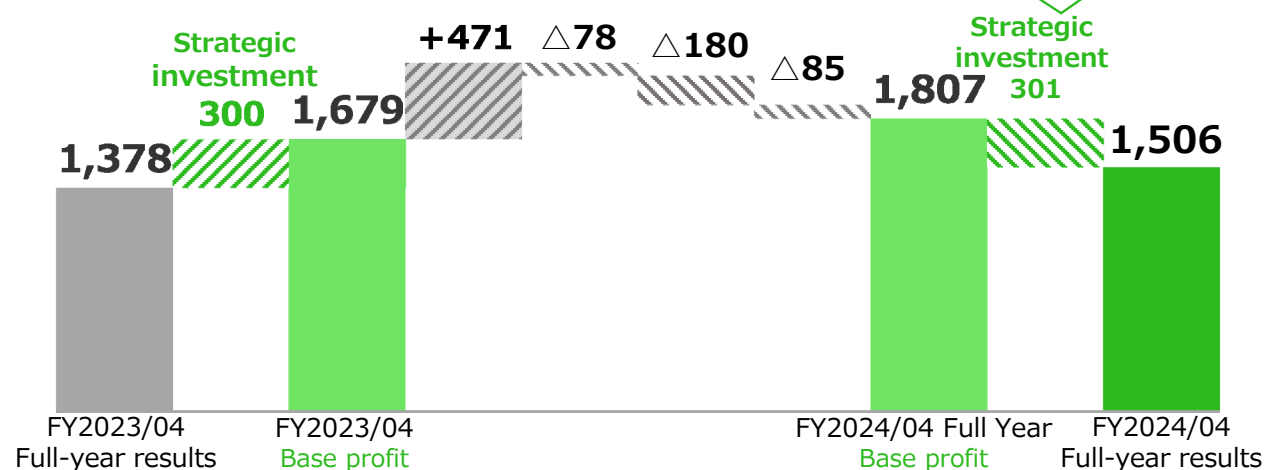


Segment income/loss YoY variance analysis

(Millions of yen)

- +471** B2B2X(B/C) Mobile: Increase in profit due to increased use of services
- Δ **78** B2B2X(B/C) Fixed network: Decrease in profit due to decrease in use of services
- Δ **180** Increase in personnel expenses due to strengthening of human resources
- Δ **85** Others

Breakdown · Development of 5G data centers
· Data collaboration projects, etc.





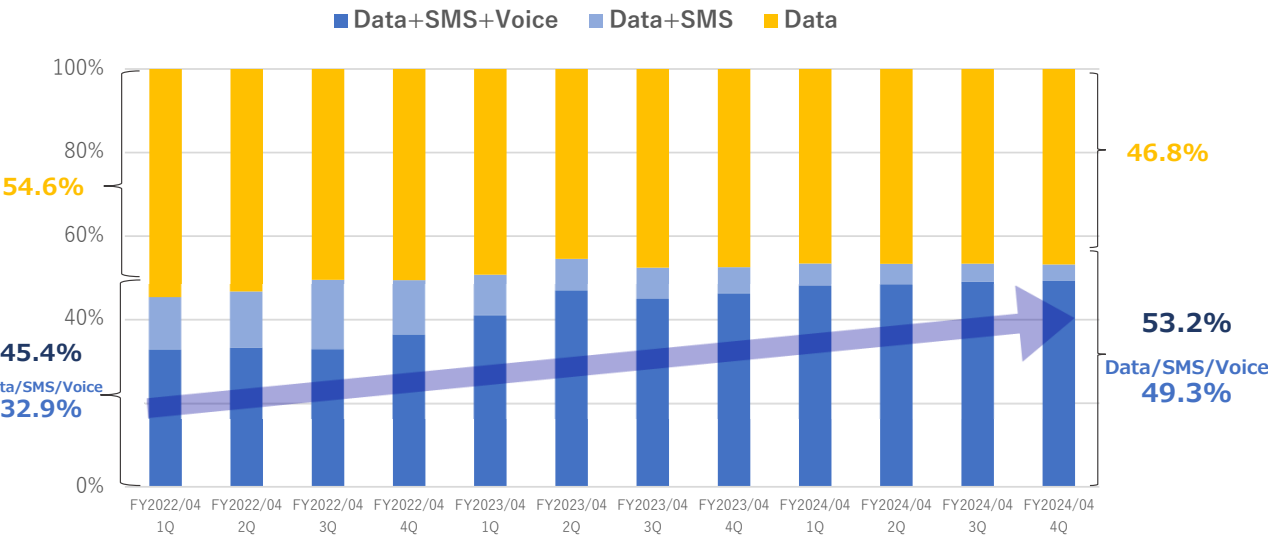
MVNO support service, a service that packages lines, network infrastructure, various management tools, user support, logistics systems, SIM issuance centers, etc., and provides MVNO operators with their own branded mobile communications services to end users under their own plans



A portable fixed IP address service that can be taken around, without relying on [contracted provider/communication environment], enabling access to internal servers easily with high security from the outside using the fixed IP address.

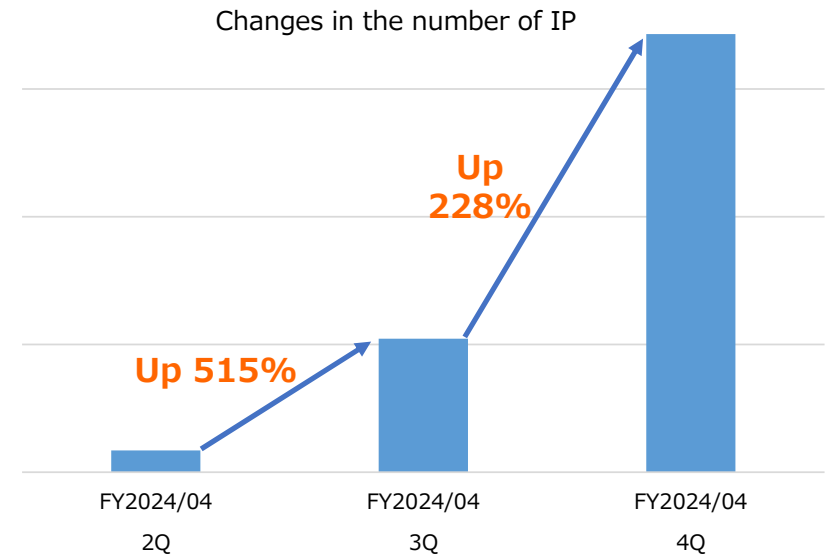
■ Sales SIM Composition

Contribute to sales by **increasing the number of sales of [Data + SMS + Voice]** with higher added value

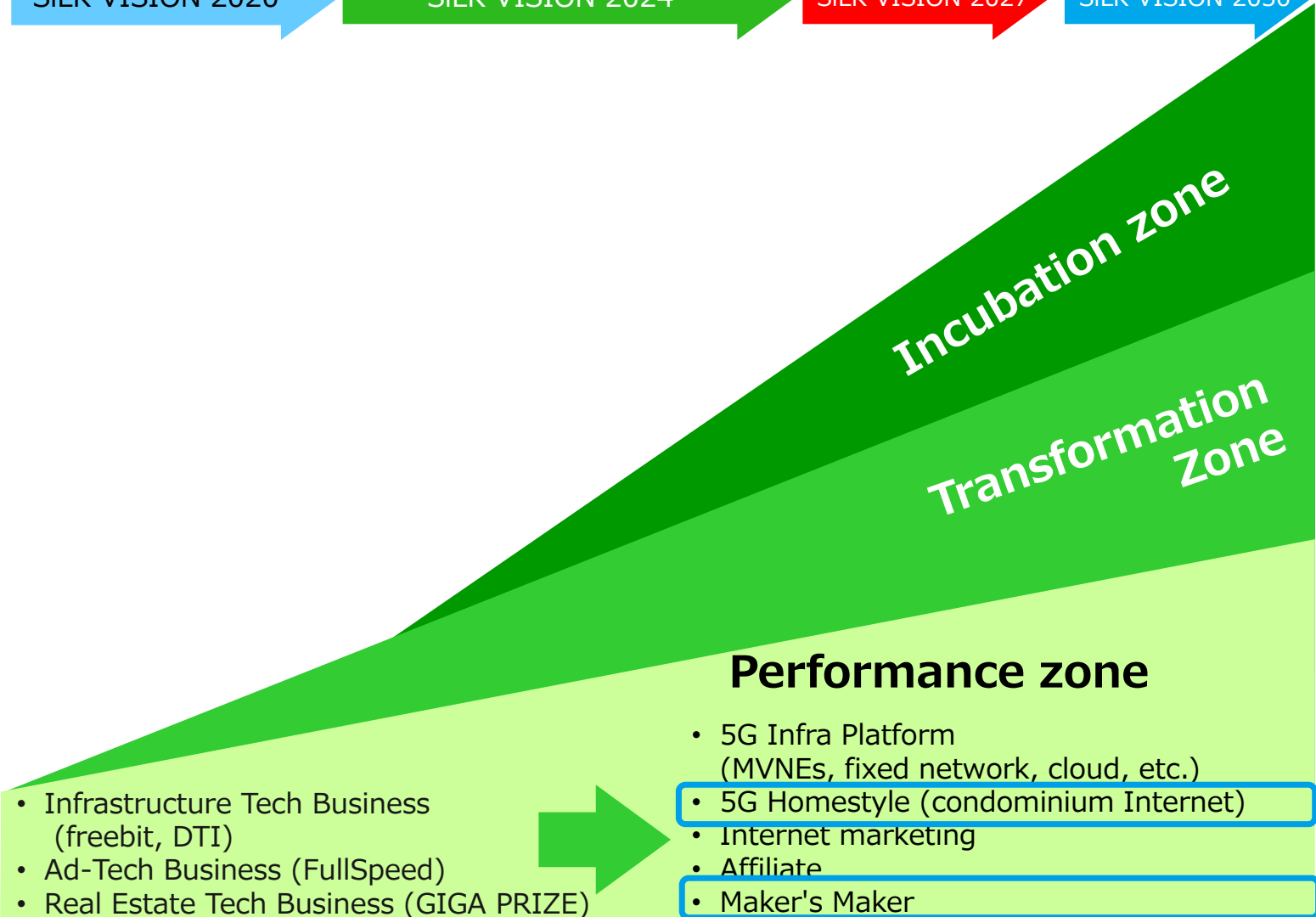


■ Trends in Number of IP Offered

Acquired more than 300 subscribers from services in September 2023 and steadily increased the number of subscribers



[Performance Progress] 5G Lifestyle Support Business (Lifestyle Revolution Area)



Corporate and Creator 5G DX Support Business

Creator Maker (StandAlone)
Bizmodel Maker (4.0)

5G Lifestyle Support Business

5G Workstyle / 5G Healthstyle/
5G Carlifestyle (MaaS)

5G Lifestyle Support Business

5G Lifestyle(TONE/DTI)
5G Homestyle

5G Infrastructure Support Business

Most existing businesses shifted to performance zones
Continued growth while incorporating changes when needed, such as 5G and eSIM responses

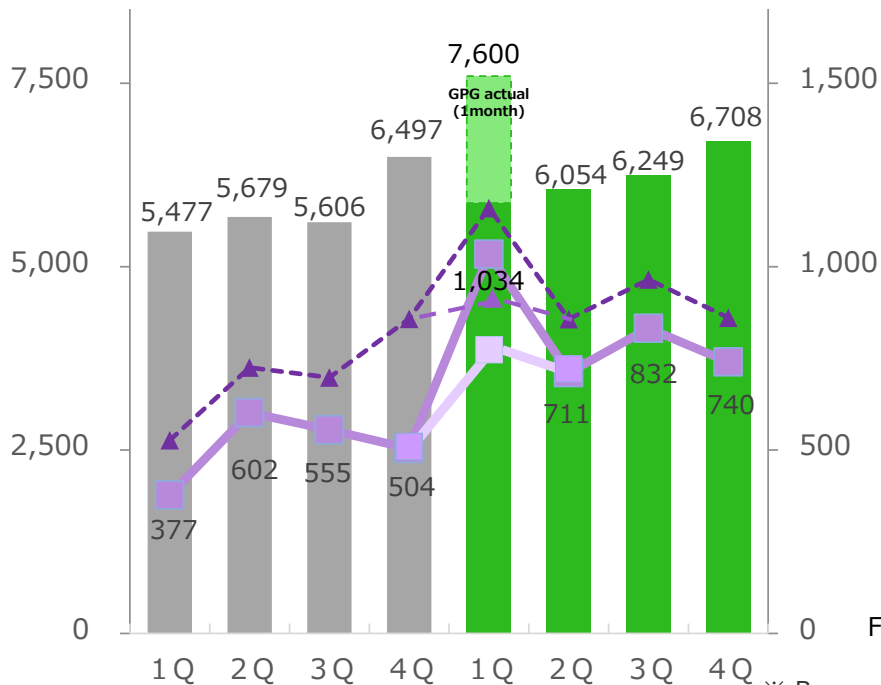
5G Lifestyle Support Business Performance Progress

Profit increased 36.8% year on year due to steady growth in 5G Homestyle and improved profit in the TONE business (compared to the base) (Excluding the impact of the change in the fiscal year-end: 22.7% increase compared to the base)

Net Sales and Segment Income (Loss)

- Net Sales (results)
- Segment income (actual/including impact of change in fiscal year-end)
- Segment income (results/exclusion of effects of change in fiscal year-end)*
- ▲ Segment income/loss (base profit/including impact of change in fiscal year-end)*
- ▲ Segment Profit (base profit / excluding Impact of change in fiscal year-end)*

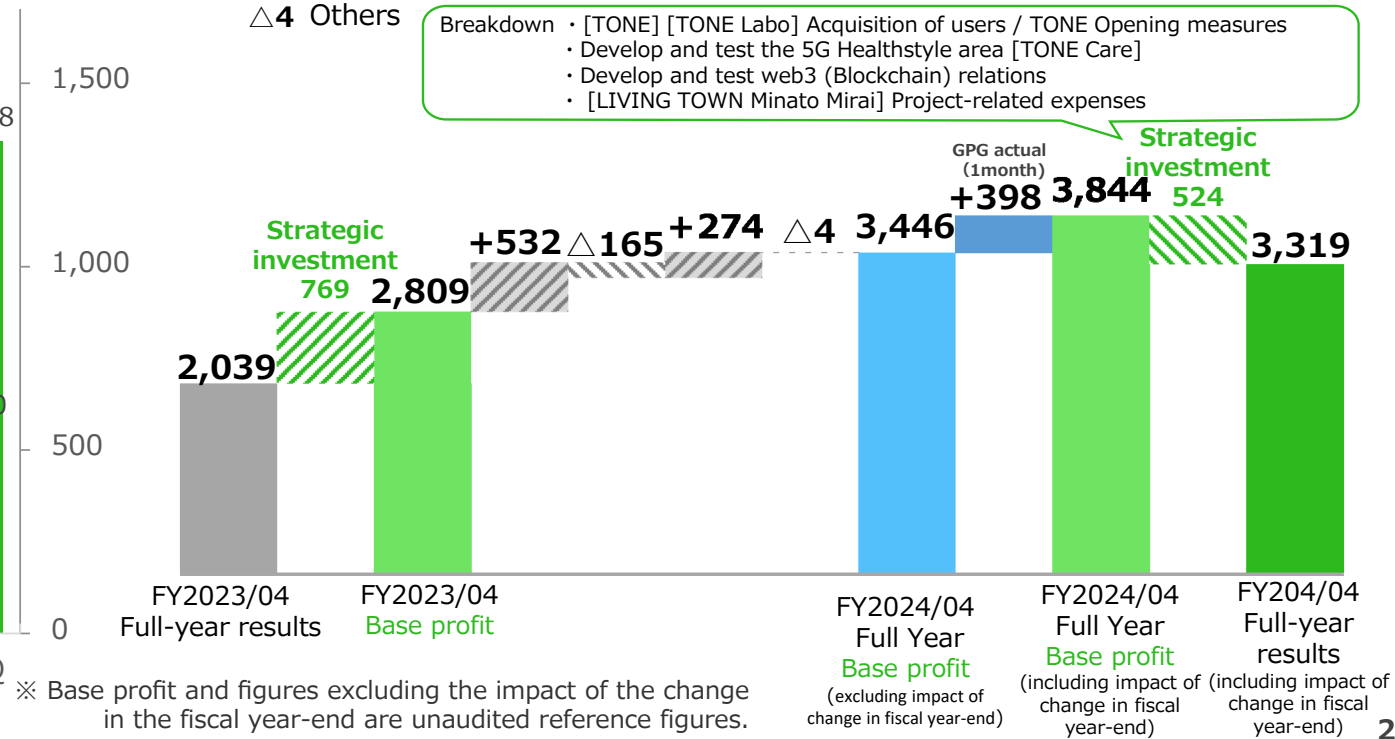
(Millions of yen)



Segment income/loss YoY variance analysis

- +532** Increase in profit due to increased sales of 5G Homestyle (GPG) (Millions of yen)
- △165** Decrease in profit due to decrease in use of 5G Lifestyle (DTI) fixed network services
- +274** Improved profit in the TONE business (decrease in one-time expenses for the launch of new handsets in the previous fiscal year and reduction in store development expenses)
- △4** Others

- Breakdown
- [TONE] [TONE Labo] Acquisition of users / TONE Opening measures
 - Develop and test the 5G Healthstyle area [TONE Care]
 - Develop and test web3 (Blockchain) relations
 - [LIVING TOWN Minato Mirai] Project-related expenses

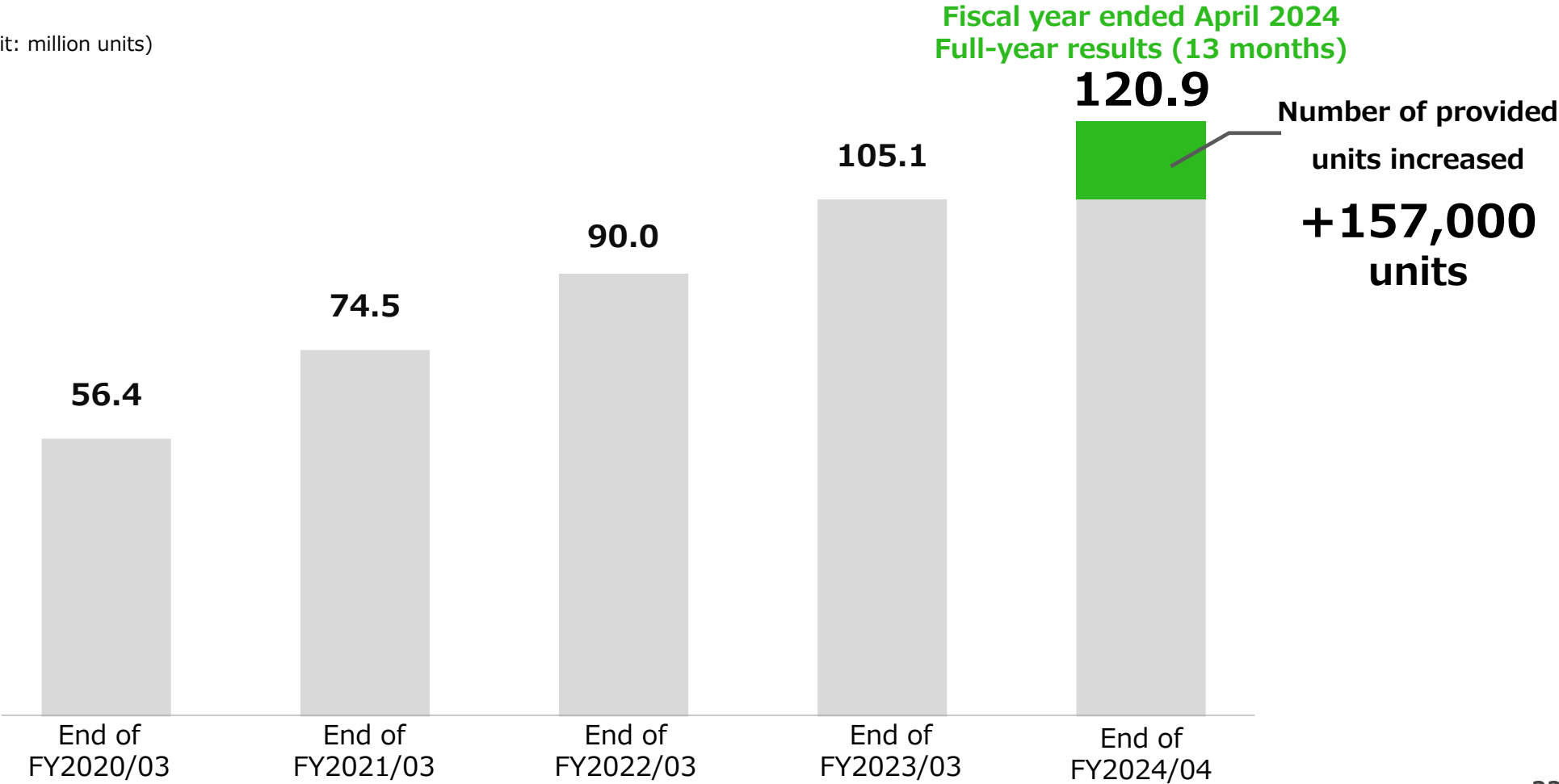


* Base profit and figures excluding the impact of the change in the fiscal year-end are unaudited reference figures.

5G Lifestyle Support Business Performance Progress

The number of provided units for ISP services in apartment buildings, an important indicator of 5G Homestyle (GPG), increased by 157,000 units from the end of the previous fiscal year to a total of 1,209,000 units, showing steady growth.

(Unit: million units)




Supporting lifestyles in the 5G/web3 era by developing new products, expanding horizontally into existing markets and developing new markets using our expertise in ISP services for apartment homes

Strategic Image of the 5G Homestyle Domain




Providing a variety of solutions centered on ISP services for condominiums, contributing to the improvement of property value and the realization of comfortable and affluent lifestyles

 **High-value-added rental housing that enriches people's lives, developed jointly with Daito Trust Construction Co., Ltd., is completed in Nerima Ward.**

This housing is a three-story wooden rental house using Daito Trust Construction Co., Ltd.'s proprietary CLT method, which introduces GIGAPRIZE's various solutions services, such as Internet connection services with a maximum communication speed of 10Gbps* and cloud-based security cameras (floor plan: comprised of eight 1K-type houses for single customers).



 GIGAPRIZE will continue to develop and improve solution services tailored to issues and needs, and will contribute to enhancing property value and realizing a comfortable and affluent lifestyle

Two future-ready Internet access services



Cloud-based security cameras



Smart Pole



※ The maximum communication speed is the maximum value based on the technical standards and does not indicate the actual usage speed. The speed of Internet usage may decline depending on the usage environment, congestion status of lines, etc.

Contributing to Enhancing the Convenience and Satisfaction of Tenants through Cooperation with Partner Companies
Continue to create new services that generate competitive advantages

 **GIGAPRIZE, entered into a business alliance with Terra Charge CORPORATION, which operates EV-charging infrastructures**

- GIGAPRIZE began a business alliance with Terra Charge, which operates the EV-charging infrastructure business [Terra Charge]
- Under this business alliance, Terra Charge will propose a charging infrastructure [Terra Charge] to the management companies and owners of apartment houses with parking lots. Leading to escalation of property value and expanding the EV charging infrastructure of apartment houses by providing everything from installation to maintenance support. This will contribute to improving the convenience and satisfaction of tenants who own EV's.



Going forward, we will continue to create new services that create competitive advantages through collaboration with partner companies, aiming to achieve sustainable growth and increase corporate value

Terra Charge **GIGAPRIZE** 

Charging Infrastructure [Terra Charge]



5G Lifestyle Support Business Topics

By vertically integrating the 5G xweb3xAI xIoT's technologies, we will begin examining both the experiential and research-oriented aspects of housing, work and mobility, and promote "social implementation."



5G/web3 "Social Implementation" Experiment [LIVE!] to start in FY2025 Q1 at multi-purpose facility, [LIVINGTOWN Minato Mirai] "a facility that helps people enhance their lives" with the participation of FreeBit Group, Alps Alpine, Inc. and NEC Networks & System Integration



Technical collaboration between FreeBit Group, Alps Alpine, Inc. and NEC Networks & System Integration, Inc.





Verification of a hands-on experience model that allows people to experience smart homes and smart towns in the fields of housing, work, and mobility by constructing a 5G SA environment and installing IoT equipment, etc. within [LIVE! LIVINGTOWN] complex

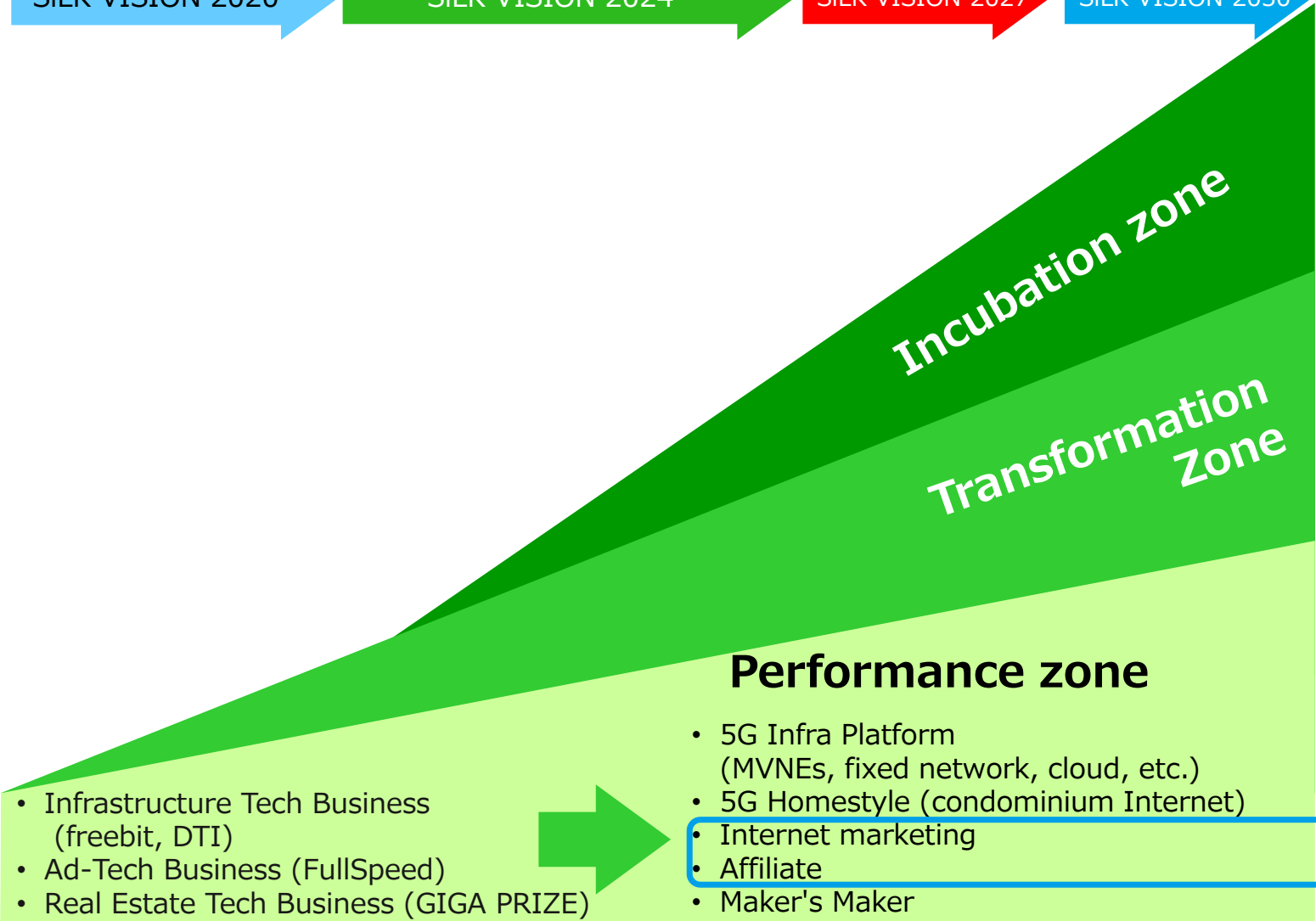
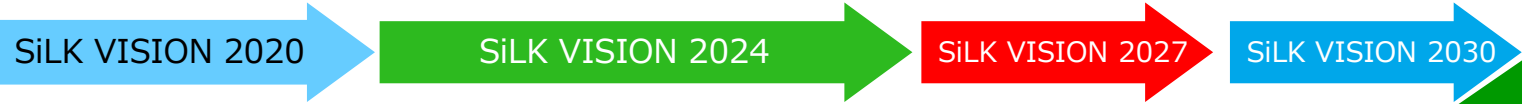


5G SA environment in [LIVINGTOWN Minatomirai]

We will also provide institutions and businesses that wish to conduct demonstration tests for other businesses, etc., and provide secure and stable 5G/web3 solutions that address issues and needs in a comprehensive and wide range of fields.

Roles of each institution

 毎日、発明する会社	<ul style="list-style-type: none"> · Overall coordination of [LIVE!] · Technological development of 5G and other next-generation communications · Provision of web3 techniques such as Ethereum (EVM) compatible layered 1 blockchain [TONE Chain] operating on smartphones and [freebit Edge LLM] operating on smartphones
 Perfecting the Art of Electronics	<ul style="list-style-type: none"> · Provision of device and sensor technologies with diverse freedom to install. Technologies with high environmental resistance, high robustness, and quietness cultivated in automotive applications · Provision of proprietary CPE enabling the provision of a Wi-Fi environment upstream of Local 5G
	<ul style="list-style-type: none"> · [LIVINGTOWN Minato Mirai] provides a venue for verifying and experiencing the realization of smart homes and smart towns
 NEC ネットワークスアイ	<ul style="list-style-type: none"> · Building a Local 5G Environment



Corporate and Creator 5G DX Support Business
 Creator Maker (StandAlone)
 Bizmodel Maker (4.0)

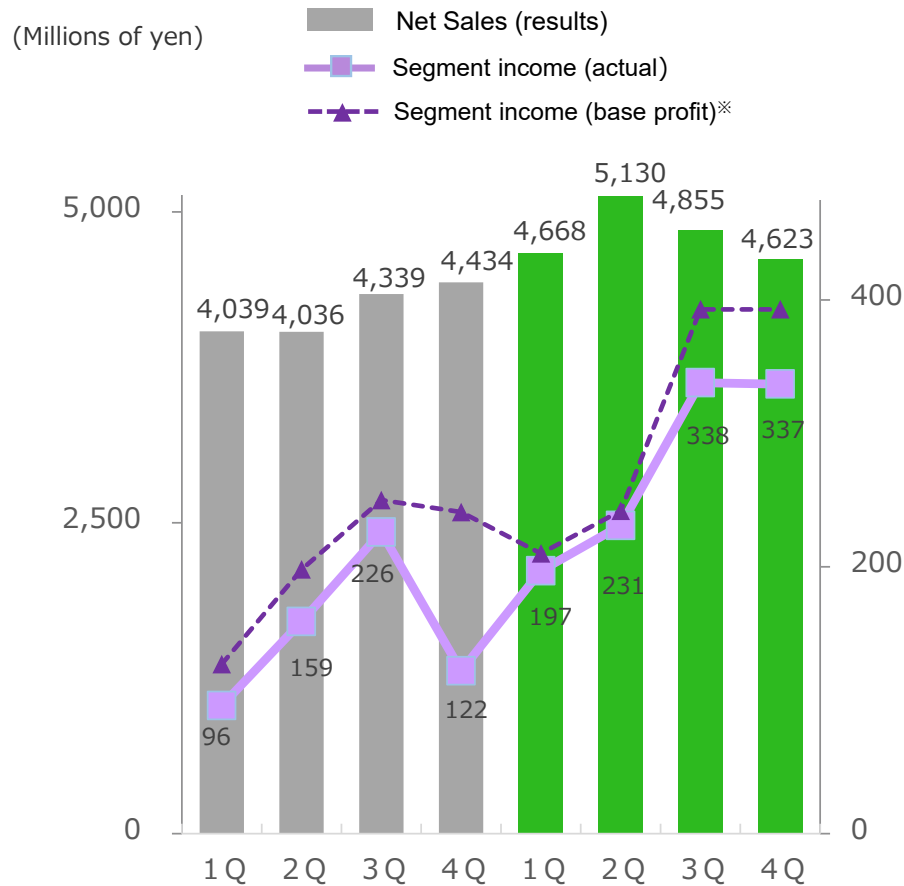
5G Lifestyle Support Business
 5G Workstyle / 5G Healthstyle/
 5G Carlifestyle (MaaS)

5G Lifestyle Support Business
 5G Lifestyle(TONE/DTI)
 5G Homestyle

5G Infrastructure Support Business
 Most existing businesses shifted to performance zones
 Continued growth while incorporating changes when needed, such as 5G and eSIM responses

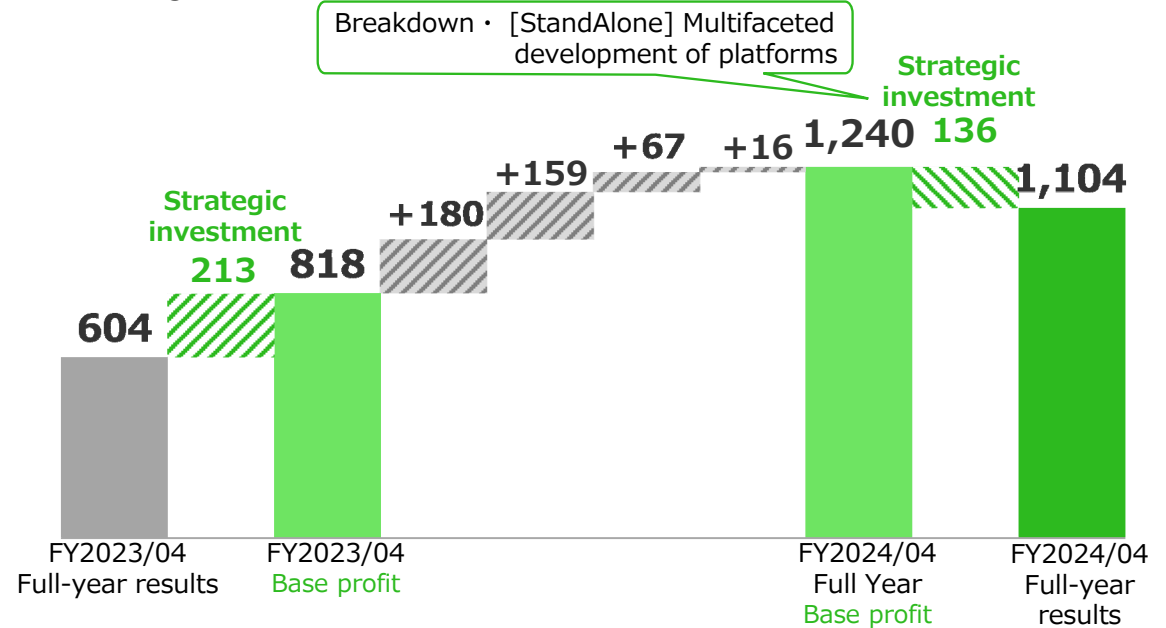
Profit increased by 51.6% year-on-year (compared to the base), due to steady sales mainly in the affiliate business and the success of various profit efficiencies , etc.

Net Sales and Segment Income (Loss)



Segment income/loss YoY variance analysis

- (Millions of yen)
- +180** Increase gross profit in the Affiliate Business by strengthening focus genres and acquiring new customers, including overseas customers
 - +159** Increase gross profit by reducing cost of sales ratio through optimization of resources within the Group
 - +67** Profit increase due to improved advertising efficiency
 - +16** Others



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Progress in the development of services for new artists in StandAlone
Aiming to expand the formation of a fan community in the 5G/web 3 era

■ List of StandAlone under development



Kentaro Sakaguchi
info.s



Eiji Akaso
EAWD



Maika Yamamoto
MK.ZeRo
(scheduled for release)

Play.Goose
P.G@STAND ALONE



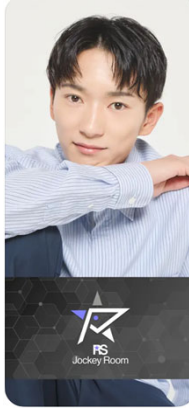
Hikari Kabashima
Hikari-dayori

Airu Kubozuka
AiRu



Kenichi Ikezoe
TEAM KEN.1

Takato Nagata
NAGATOWN

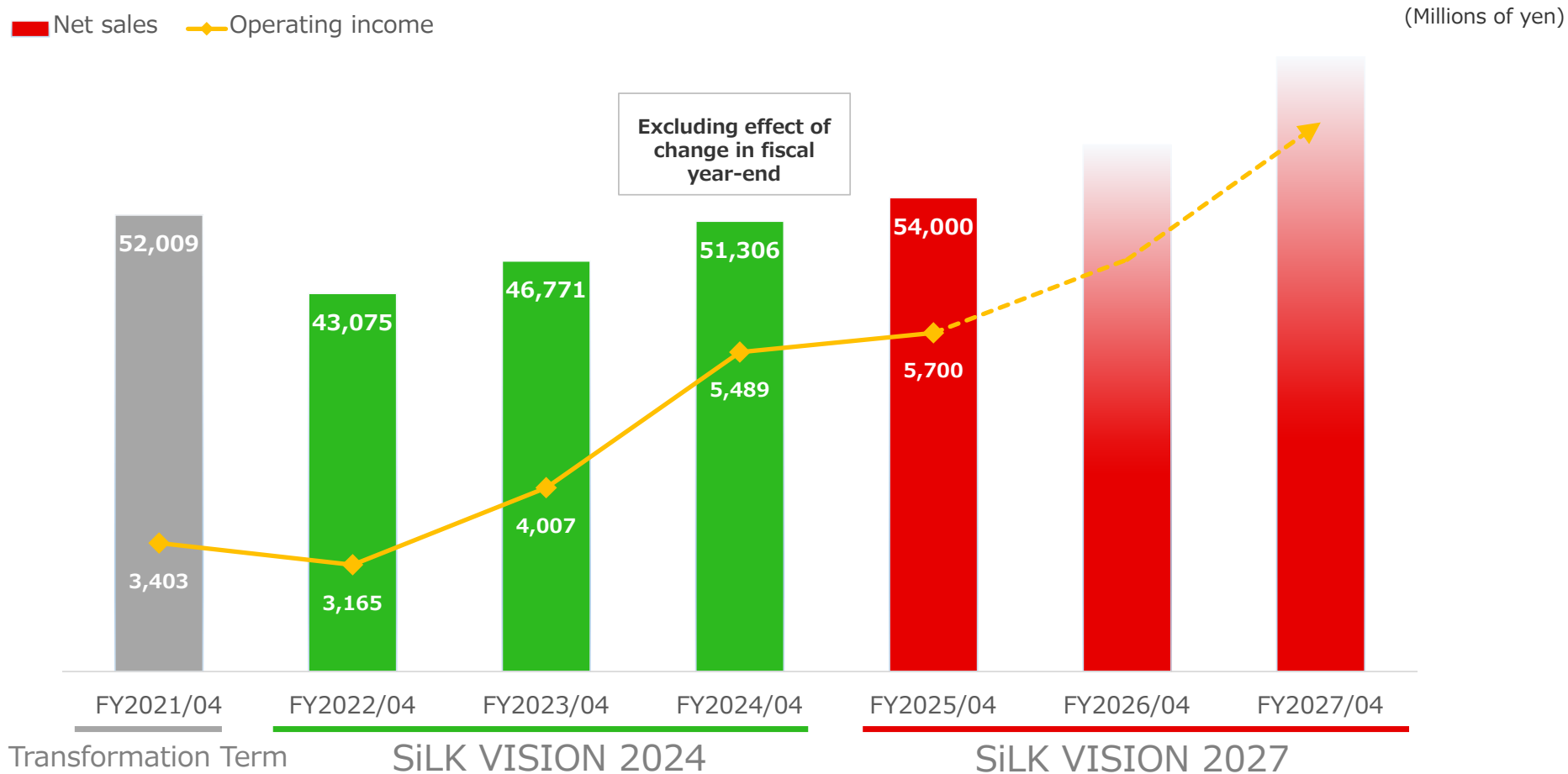


Ryusei Sakai
RS Jockey Room

3. Forecast of Consolidated Financial Results for the Year Ending April 2025

Forecast of Consolidated Financial Results for the Year Ending April 2025

Second Part of the 10-year plan from 2021 to 2030 is [SiLK VISION 2027] aiming for further growth.



Forecast of Consolidated Financial Results for the Year Ending April 2025

(Millions of yen)	FY2024/04	FY2024/04	FY2025/04	
	Actual (including impact of change in fiscal year-end)	Actual (a) (Excluding the impact of the change in the fiscal year-end)	Earnings forecast (b)	Rate of change (b÷a-1)
Net sales	53,037	51,306	54,000	- (+5.3%)
Operating income	5,887	5,489	5,700	- (+3.8%)
Ordinary income	5,756	5,360	5,500	- (+2.6%)
Profit attributable to owners of parent	3,566	3,408	3,000	- (△12.0%)

· Gain on sales of investment securities and shares of subsidiaries and associates
 · Recognition of deferred tax assets
Includes temporary factors totaling ¥450 million (approximate value)

- In the fiscal year ending April 2025, the first year of the medium-term management plan [SiLK VISION 2027], we will promote the "social implementation" of our business in the 5G/web3 domain of the transformation zone and the incubation zone, while continuously growing the performance zone.
- Enhance the competitive advantage of the Group as a whole by enhancing the strategic portfolio through M&A and business alliances to respond to rapid changes in technology, while making investments (such as data center relocations and upgrades of mobile network facilities) aimed at continuous growth and strengthening of the foundations for growth

Disclaimer

Forward-looking statements in this document, including our forecasts, forecasts, targets, plans and strategies, are based on information that we believe to be reasonable at the time of preparation of this document. Actual results may differ materially from these forecasts and targets due to various factors. These materials are explanatory materials for our business strategy and are not prepared for the purpose of soliciting investment.

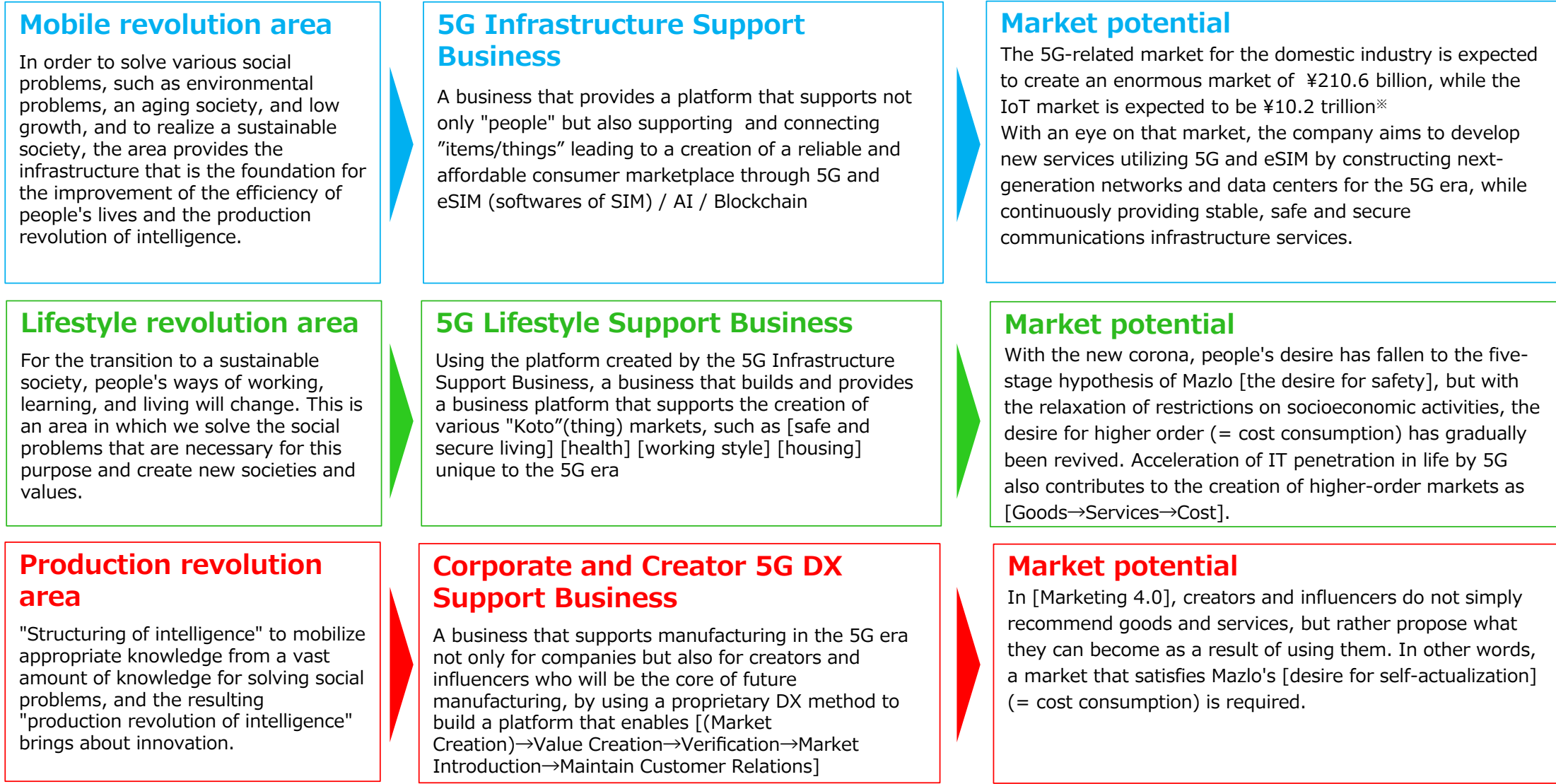
<Inquiries regarding IR and this material>

FreeBit Co., Ltd.
In charge of Investor Relations,
Group Corporate Planning Division

Email freebit-ir@freebit.net
WEB <https://freebit.com/>

4. Appendix

Explanation of the Three Revolution Areas and Each Business



* Figures for the domestic 5G-related market (2027) and the domestic IoT market (2025) are from the IDC Japan survey.