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Consolidated Financial Results for the Fiscal Year Ended April 30, 2025 (Under Japanese GAAP)

June 13, 2025

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Listing: Tokyo Stock Exchange
Securities code: 3843
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Scheduled date of ordinary general meeting of shareholders: July 24, 2025
Scheduled date to commence dividend payments: July 10, 2025
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Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (Video streaming only)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended April 30, 2025 (May 1, 2024–April 30, 2025)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended April 30, 2025	55,073	–	5,883	–	5,230	–	2,748	–
Fiscal year ended April 30, 2024	53,037	–	5,887	–	5,756	–	3,566	–

Note: Comprehensive income For the fiscal year ended April 30, 2025: 3,889 million yen [–%]
For the fiscal year ended April 30, 2024: 4,709 million yen [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended April 30, 2025	135.81	134.96	30.4	13.3	10.7
Fiscal year ended April 30, 2024	178.58	176.74	35.9	15.5	11.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended April 30, 2025: 0 million yen

For the fiscal year ended April 30, 2024: 2 million yen

Note: A consolidated subsidiary GIGA PRIZE Co., Ltd. and its subsidiaries changed the date of their fiscal year-end from March 31 to April 30 in the previous fiscal year. As the previous fiscal year was a transitional period for changing the date of their fiscal year-end, the percentages representing year-on-year changes for the fiscal years ended April 30, 2024 and April 30, 2025 have been omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2025	40,558	8,536	16.0	297.46
As of April 30, 2024	38,183	15,196	30.5	582.26

Reference: Equity As of April 30, 2025: 6,479 million yen
As of April 30, 2024: 11,628 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended April 30, 2025	4,573	(687)	(1,924)	20,677
Fiscal year ended April 30, 2024	4,225	(1,085)	(2,720)	18,722

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended April 30, 2024	—	0.00	—	27.00	27.00	539	15.1	5.4
Fiscal year ended April 30, 2025	—	0.00	—	30.00	30.00	653	22.1	6.8
Fiscal year ending April 30, 2026 (forecast)	—	0.00	—	41.00	41.00		25.5	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending April 30, 2026 (May 1, 2025–April 30, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	60,000	8.9	6,100	3.7	5,770	10.3	3,500	27.3	160.69

(Note) Since we manage our operations on an annual basis, we have omitted the presentation of consolidated earnings forecasts for the first six months of the fiscal year ending April 30, 2026. For details, please refer to Attachment page 6 “1. Overview of Financial Performance and Outlook (4) Outlook.” For the average number of shares outstanding during the period, which is the basis for calculating basic earnings per share, we used the number of shares issued (excluding treasury shares) as of April 30, 2025.

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 4 companies (LERZ Co., Ltd., YOYO Holdings Pte. Ltd. and its two subsidiaries)
 Excluded: None
- (2) Changes in accounting policies, changes of accounting estimates and restatements
- (i) Changes in accounting policies due to revisions to accounting standards, etc.: None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(3) Number of shares issued (common shares)

- (i) Total number of shares issued at the end of the period (including treasury shares)

As of April 30, 2025	23,414,000 shares
As of April 30, 2024	23,414,000 shares

- (ii) Number of treasury shares at the end of the period

As of April 30, 2025	1,632,541 shares
As of April 30, 2024	3,441,941 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended April 30, 2025	20,238,797 shares
Fiscal year ended April 30, 2024	19,968,319 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended April 30, 2025 (May 1, 2024–April 30, 2025)

(1) Non-consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended April 30, 2025	10,013	8.9	752	(8.0)	783	(4.9)	760	(4.4)
Fiscal year ended April 30, 2024	9,194	(1.0)	818	51.3	823	60.7	794	454.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended April 30, 2025	37.55	37.32
Fiscal year ended April 30, 2024	39.80	39.39

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2025	31,585	10,618	33.5	486.51
As of April 30, 2024	25,066	8,259	32.6	408.72

Reference: Equity As of April 30, 2025: 10,596 million yen
 As of April 30, 2024: 8,163 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

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

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, but are not promises by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to Attachment page 6 “1. Overview of Financial Performance and Outlook (4) Outlook” for assumptions for business performance forecasts and points to consider in utilizing them.

Method of obtaining supplementary material on financial results and details of financial results briefing

- The supplementary material will be disclosed on TDnet on the same day and will also be posted on our website.
- The recorded video of the financial results briefing will be posted promptly on our website.

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1. Overview of Financial Performance and Outlook

(1) Operating Results

The forward-looking statements contained in this document are based on the Group's judgments as of the end of the fiscal year ended April 30, 2025 (the "fiscal year under review").

Our consolidated subsidiary GIGA PRIZE Co., Ltd. ("GIGA PRIZE") and its subsidiaries changed their fiscal year-end from March 31 to April 30, which is the same as the consolidated fiscal year-end, in the previous fiscal year. As a result, the previous fiscal year of these consolidated subsidiaries was the 13 months started April 1, 2023 and ended April 30, 2024.

The full forms and explanations of the terms used in "Overview of Financial Performance and Outlook" are as follows:

Term used in this section	Full form	Explanation
web3	web3	A concept of the next-generation, distributed internet, which enables users to exchange data and content directly with each other without involving a giant platform provider
Web 2.0	Web 2.0	A form of the internet that allows users to share and distribute contents generated on the internet through centralized platforms such as social media
AI	Artificial Intelligence	Technologies that use computers to learn or reproduce human intellectual behavior
IoT	Internet of Things	A system that enables automatic recognition and automatic control without human intervention by equipping things with communication function, allowing them to interact with each other
DX	Digital Transformation	To transform products, services, business models, and others by utilizing data and digital technologies
5G	5th Generation	An abbreviation for the fifth generation mobile communication systems, which is one of the next generation communications standards
Trusted Web	Trusted Web	A concept regarding mechanisms for ensuring the trustworthiness of information and data distributed on the web, advocated in "Trusted Web White Paper Ver1.0" issued in March 2021 by the Headquarters for Digital Market Competition of the Cabinet Secretariat of Japan. It is a mechanism that aims to increase the level of trust by expanding the domain where data and data exchange can be verified, without relying excessively on a specific service.
MVNO	Mobile Virtual Network Operator	An acronym for Mobile Virtual Network Operator
MVNE	Mobile Virtual Network Enabler	An operator that provides support for MVNOs
Cloud	Cloud computing	A general term for systems that provide software and other computing resources to users over networks as well as data centers and servers in which the data of such resources are accumulated or operated

The reportable segments for the fiscal year under review are as follows:

Reportable segment	Main services
5G Infrastructure Support Business	<ul style="list-style-type: none"> • Business support services for ISPs • Business support services for MVNOs (MVNE) • Cloud services for corporate customers
5G Lifestyle Support Business	<ul style="list-style-type: none"> • Mobile communications-related services for individual customers • Internet connection-related services for individual customers • Internet connection-related services for housing complexes • Real estate-related services • web3-related platforms
Enterprise/Creator 5G DX Support Business	<ul style="list-style-type: none"> • Internet marketing-related services • Ad technology-related services • Support platforms for creators

(a) Management policies and strategies

Guided by our corporate philosophy, "Being The NET Frontier! (We work to expand the Internet to contribute to society)," we provide internet-related services primarily to corporations and individuals by leveraging our accumulated technological capabilities, such as the development of internet-related core technologies and the operation of large-scale systems.

Moreover, the Group has been promoting corporate management with a view to the 10-year plan from 2021 to 2030. We have started a three-year medium-term management plan SiLK VISION 2027 (the "MTMP SiLK VISION 2027"), which ends in the fiscal year ending April 30, 2027, from the fiscal year ending April 30, 2025 (the "fiscal year under review"). The theme

of the MTMP SiLK VISION 2027 is to pursue becoming a company “Where Trust Belongs” as what is needed to solve social issues we face on a global scale. This is an initiative based on our belief that it is important to create a situation where people can put their trust in us even though the environment surrounding us is flooded with uncertain information, and to achieve such a situation utilizing our web3 technology and patented technologies, among other things. Then, through the combination of our accumulated expertise in telecommunications with our proprietary Layer-1 blockchain technology, we aim to solve social issues by making a variety of things trusted, while gradually and complementarily implementing Web2.0 and web3 in a hybrid manner.

To further accelerate these initiatives, we announced on January 31, 2025, the “Notice of Capital and Business Alliance with SoftBank Corp. and Disposal of Treasury Shares through Third-Party Allotment” and the “Notice of Commencement of Tender Offer for Shares of GIGA PRIZE Co., Ltd. (securities code: 3830)” (hereinafter the “Tender Offer”). Subsequently, the Tender Offer was completed on March 19, 2025, and the disposal of treasury shares through third-party allotment to SoftBank Corp. (hereinafter “SoftBank”) was completed on April 3, 2025. Following the completion of the Tender Offer, on April 22, 2025, we made a demand for cash-out of shares as part of the squeeze-out process.

Through the capital and business alliance with SoftBank, the Group aims to implement business strategies such as (1) further promoting and accelerating the social implementation of web3/AI, (2) enhancing the mobile business to deliver new services to a broader range of people, (3) expanding the use of IoT and unmanned devices, and (4) increasing our competitiveness in the housing market.

We acquired all voting rights of GIGA PRIZE as we should invest our resources in the company more flexibly and take drastic measures to enhance its competitive advantage in a bid to achieve further growth in internet connection-related services for housing complexes and maximize the corporate value of the entire Group.

By undertaking the above initiatives as part of our growth strategy, the Group will transform into a “web3 implementation company leveraging expertise in telecommunications” that goes beyond merely providing telecommunications services. In addition, the Group will drive forward with its all-hands-on-deck efforts to expand its business areas and aim to achieve the medium-term management plan, with the consolidated performance targets of net sales ranging from 63 billion yen to 70 billion yen and operating profit of 8 billion yen set for the fiscal year ending April 30, 2027, the final year of the MTMP SiLK VISION 2027.

(b) Business environment

The business environment surrounding the Group remains uncertain, due to unstable international situations, fluctuations in resource prices, price increases, and other factors that are affecting the economy as a whole. Meanwhile, the domestic IT market continued to grow at a solid rate, driven by growing interest in investing in cutting-edge technologies such as generative AI and the accelerating progress of DX across all industries and businesses. Furthermore, along with the spread of 5G, the emergence of a new concept of shifting from the conventional Web 2.0 (centralized) to web3 (decentralized) internet services is actively promoting the creation of new businesses in Japan and abroad by utilizing decentralized infrastructure and services.

In this environment, in the information and telecommunications market in which our Group operates, demand for both fixed-line and mobile-line internet services continued to grow owing to the spread of telework, cloud computing, and the expansion of rich content and social media usage. The importance of stable operation of reliable networks and systems, including higher-quality networks and cybersecurity measures is expected to increase. In the internet services market for housing complexes, the standardization of internet connections and security equipment such as automatic door locks and security cameras is progressing, and the demand for safe and secure housing via communication lines is expected to remain strong. There is a growing movement to enhance asset value through a focus on the comfort of the property. In addition, the internet marketing market is continuing to grow due to the advancement of digitalization and mobile technology, with social media advertising and influencer marketing leading the market. Competition is intensifying as video content and e-commerce consolidate, approaches and new service areas focused on optimizing the customer experience emerge, and more businesses enter the market. The need for differentiation is expected to increase further going forward.

Furthermore, in our pursuit of providing a new social infrastructure through the implementation of web3 within the society, we will build an ID platform capable of user-driven management of data, including personal information, based on web3's decentralized technology and the “Trusted Web” concept. By integrating the decentralized services that are linked to the platform and incorporating them into various devices, including smartphones, we will strive to ensure and enhance the trustworthiness and fairness of information.

(c) The Group's operating results

The operating results of each reportable segment are as follows:

From the fiscal year under review, the Company partially changed the classification of reportable segments. Accordingly, the figures for the previous fiscal year have been restated to reflect the said changes for the following year-on-year comparisons and analyses.

(i) 5G Infrastructure Support Business

In the fixed-line network sector, changes in working styles and lifestyles have boosted the use of social media and rich content such as online video viewing and video game playing at home, and online meetings and learning have become the norm with the spread of telework and home learning, both of which have led to a continued increase in the use of various services via the internet. This has increased the use of fixed lines, resulting in the persistently high network costs.

In the mobile-line network sector, the growth of independent MVNO service providers has continued to be affected by the provision of inexpensive service plans by major mobile carriers and the offering of such plans under their sub-brands. However, the mobile market as a whole has continued to grow, and we believe that the market will continue to expand in the future as the use of independent MVNO services for IoT and inbound marketing is expected to increase.

Against this backdrop, the 5G Infrastructure Support Business posted net sales of 10,567,877 thousand yen (up 6.4% year on year) and segment profit of 1,405,438 thousand yen (down 13.0% year on year) mainly attributable to increases in costs for improving communication quality and strengthening human resources, despite solid growth in the size of business support services for MVNOs we offer as an MVNE.

(ii) 5G Lifestyle Support Business

As explained in “5G Infrastructure Support Business” above, network costs have been increasing in the fixed-line network service market. However, the market size of 5G Homestyle services (internet services for housing complexes) is likely to continue to grow at a steady pace as the high-speed broadband environment aimed at improving the asset value and occupancy rates of buildings is being standardized, and the use of telework, online learning, video content viewing and other services has been recognized to be the norm. In view of such a business environment, we endeavored to expand the scope of services we offer by including security-related services such as cloud-based security and surveillance camera services, in addition to internet services for housing complexes and services for single-family houses for rent, thereby further expanding our revenue base.

GIGA PRIZE, which provides the 5G Homestyle services (internet services for housing complexes), has increased the number of units served in both new and existing properties. The number of units served by ISP services for housing complexes increased by 132,844, bringing the total to 1,342,366 units, from 1,209,522 units at the end of the previous fiscal year.

As to the 5G Lifestyle services (mobile communications and internet-related services for individual customers), we are expanding the number of smartphone models the service will cover and promoting increase in users in accordance with the TONE IN strategy. The goal of this strategy is to make the technologies and services cultivated in a smartphone service TONE Mobile, which utilizes the Group’s proprietary technologies, available on smartphones other than in-house smartphones and a wide range of other devices, as well as in other sectors, including IoT. Additionally, we are focused on enhancing profitability primarily through tighter control of TONE Mobile contract acquisition costs.

Against this backdrop, the 5G Lifestyle Support Business posted net sales of 26,307,622 thousand yen and segment profit of 3,545,579 thousand yen, mainly as a result of steady progress in the number of housing complexes to which we have provided the 5G Homestyle services (internet services for housing complexes).

In the fiscal year ended April 30, 2024, our consolidated subsidiary GIGA PRIZE and its subsidiaries changed their fiscal year-end from March 31 to April 30. As the fiscal year ended April 30, 2024 was a transitional period for the change in fiscal year-end, year-on-year percentage changes are not provided.

(iii) Enterprise/Creator 5G DX Support Business

As for internet marketing and ad technology services offered by a consolidated subsidiary Full Speed Inc. and its subsidiaries, demand for advertising continued to increase with the acceleration of digital measures attributable to the diversification of society and work styles triggered by the COVID-19 pandemic, amid the ongoing digital shift by consumers. Under such an environment, overseas demand in the affiliate business for ad technology services performed well.

In addition, the segment saw an increase in the number of service offerings for a creator platform StandAlone, which allows creators to disseminate information themselves without involving major platform providers to maximize the value of such

information. The StandAlone is intended to form fan communities and expand the creator economy (economic community where creators monetize their own skills) in the 5G/web3 era.

Against this backdrop, the Enterprise/Creator 5G DX Support Business posted net sales of 20,699,423 thousand yen (up 7.4% year on year) and segment profit of 954,448 thousand yen (up 14.0% year on year), mainly as a result of strong performance in overseas business centering on affiliate business, despite increase in expenses in relation to the multifaceted development of StandAlone and upfront investment in the e-commerce business etc.

As a result of the above, the Group posted net sales of 55,073,206 thousand yen, operating profit of 5,883,783 thousand yen, ordinary profit of 5,230,578 thousand yen, and profit attributable to owners of parent of 2,748,537 thousand yen for the fiscal year under review.

In the fiscal year ended April 30, 2024, our consolidated subsidiary GIGA PRIZE and its subsidiaries changed their fiscal year-end from March 31 to April 30. As the fiscal year ended April 30, 2024 was a transitional period for the change in fiscal year-end, year-on-year percentage changes are not provided.

Net sales and segment profit (loss) by segment

(Thousands of yen)

Classification	Net sales	Segment profit (loss)
5G Infrastructure Support Business	10,567,877	1,405,438
5G Lifestyle Support Business	26,307,622	3,545,579
Enterprise/Creator 5G DX Support Business	20,699,423	954,448
Other	—	(21,101)
Adjustment	(2,501,716)	(581)
Total	55,073,206	5,883,783

Comparison of business results for the fiscal year under review and the previous fiscal year

(Thousands of yen)

	FY4/2024 (A) (May 1, 2023–Apr. 30, 2024)	FY4/2025 (B) (May 1, 2024–Apr. 30, 2025)	YoY change (B-A)	YoY change (%)
Net sales	53,037,592	55,073,206	2,035,614	3.8
Gross profit	15,386,361	15,713,347	326,986	2.1
SG&A expenses	9,498,658	9,829,564	330,905	3.5
Operating profit	5,887,702	5,883,783	(3,919)	(0.1)
Ordinary profit	5,756,351	5,230,578	(525,773)	(9.1)
Profit attributable to owners of parent	3,566,009	2,748,537	(817,472)	(22.9)

(2) Financial Position

Assets

Total net assets at the end of the fiscal year under review increased by 2,375,306 thousand yen from the end of the previous fiscal year to 40,558,896 thousand yen. This was mainly due to increases of 1,955,163 thousand yen in cash and deposits, 354,281 thousand yen in accounts receivable – trade, 348,483 thousand yen in assets for lease, and 420,536 thousand yen in software, which were partially offset by a decrease of 402,144 thousand yen in construction in progress.

Liabilities

Total liabilities amounted to 32,022,359 thousand yen, an increase of 9,035,596 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 2,051,241 thousand yen in accounts payable – other and 7,528,824 thousand yen in long-term borrowings, which were partially offset by a decrease of 620,381 thousand yen in income taxes payable.

Net assets

Total net assets amounted to 8,536,536 thousand yen, a decrease of 6,660,290 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 1,496,844 thousand yen in capital surplus, 5,331,446 thousand yen in retained earnings, and 1,398,060 thousand yen in non-controlling interests, resulting from the acquisition of all voting rights in the consolidated subsidiary GIGA PRIZE Co., Ltd., which were partially offset by the disposal of treasury shares of 1,703,309 thousand yen through third-party allotment to SoftBank Corp. and other means. As a result, the equity ratio as of the end of the fiscal year under review stood at 16.0%.

(3) Cash Flows

The balance of cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review was 20,677,536 thousand yen, an increase of 1,955,163 thousand yen from the end of the previous fiscal year.

The status of each cash flow for the fiscal year under review and its factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to 4,573,382 thousand yen (compared with 4,225,973 thousand yen provided for the previous fiscal year). This was mainly due to the recording of profit before income taxes of 5,074,007 thousand yen and depreciation of 692,553 thousand yen, as well as an increase in accounts payable – other, which were partially offset by income taxes paid of 1,929,818 thousand yen.

Cash flows from investing activities

Net cash used in investing activities was 687,485 thousand yen (compared with 1,085,370 thousand yen used for the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 194,220 thousand yen, purchase of intangible assets of 372,542 thousand yen, and purchase of investment securities of 199,920 thousand yen.

Cash flows from financing activities

Net cash used in financing activities was 1,924,976 thousand yen (compared with 2,720,485 thousand yen used for the previous fiscal year). This was mainly due to repayments of long-term borrowings of 5,204,484 thousand yen and purchase of shares of subsidiaries not resulting in change in scope of consolidation of 12,740,094 thousand yen, which were partially offset by proceeds from long-term borrowings of 13,250,000 thousand yen, proceeds from sale of treasury shares of 2,042,373 thousand yen, and proceeds from share issuance to non-controlling shareholders of 2,000,000 thousand yen.

(4) Outlook

For the fiscal year ending April 30, 2026, the second year of the medium-term management plan “SiLK VISION 2027,” we will continue to pursue the theme of becoming a company “Where trust belongs.” Under the “Trusted Web” concept, we aim to implement tamper-proof transactions in society using decentralized IDs and blockchain technology, which are the components that support this concept. While continuing to grow our business, and transform our business category from the telecommunications business to the web3/AI business, striving to become a “web3 implementation company leveraging expertise in telecommunications.”

For the fiscal year ending April 30, 2026, we will strive for continuous growth of 8.9% year-on-year in net sales based on the 7%-10% compound annual growth rate (CAGR) index set forth in “SiLK VISION 2027,” and for operating income, we will invest in growth to achieve the final year targets of “SiLK VISION 2027,” and aggressively refactor our business.

Taking the opportunity of the capital and business alliance with SoftBank and GIGA PRIZE becoming a wholly owned subsidiary (voting rights), we will thoroughly reform the business structure, including the group-wide management system, joint procurement

system, joint sales system, and joint technology/service development system, to achieve synergy effects.

Furthermore, the Group, which has been centered on the telecommunications business, aims to transform itself into a highly profitable and sustainable business entity by implementing the cutting-edge technologies of web3/AI into society and making concrete contributions to solving social issues.

Under the slogan “One freebit ~Giga-speed for freedom~,” which is a combination of the company names of our core group companies, we will continue to move forward at a speed beyond common sense, aiming to realize a decentralized free society and a future where everyone can experience a more free and open world faster than anyone else.

As a result of the above, for the fiscal year ending April 30, 2026, we forecast consolidated net sales of 60,000 million yen, operating profit of 6,100 million yen, ordinary profit of 5,770 million yen, and profit attributable to owners of parent of 3,500 million yen.

Note: The above forecasts are based on information available to the Company as of the date when this document was released.

Actual results may differ from the forecasts due to various factors in the future.

2. Basic Approach to the Selection of Accounting Standards

Considering the time-series and cross-sectional comparability of the Group’s consolidated financial statements, our policy for the time being is to prepare the consolidated financial statements in accordance with Japanese GAAP.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY4/2024 (As of April 30, 2024)	FY4/2025 (As of April 30, 2025)
Assets		
Current assets		
Cash and deposits	18,722,373	20,677,536
Notes receivable – trade	132,810	–
Accounts receivable – trade	8,349,738	8,704,019
Contract assets	23,525	10,718
Lease receivables and investments in leases	926,302	1,088,001
Merchandise and finished goods	83,453	137,180
Work in process	195,266	290,854
Raw materials and supplies	1,982,762	1,800,705
Prepaid expenses	573,202	648,382
Accounts receivable - other	471,028	435,245
Other	410,840	400,817
Allowance for doubtful accounts	(53,727)	(89,061)
Total current assets	31,817,576	34,104,399
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	341,196	308,964
Land	162,135	162,135
Assets for lease, net	1,178,585	1,527,069
Leased assets, net	815,380	592,248
Construction in progress	402,144	–
Other, net	138,081	185,592
Total property, plant and equipment	3,037,524	2,776,010
Intangible assets		
Goodwill	2,406	90,912
Software	248,223	668,759
Software in progress	312,661	23,078
Other	21,841	21,330
Total intangible assets	585,132	804,079
Investments and other assets		
Investment securities	989,025	1,076,831
Long-term loans receivable	1,496,914	1,496,914
Deferred tax assets	1,099,115	1,127,025
Guarantee deposits	482,037	515,300
Other	407,869	393,027
Allowance for doubtful accounts	(1,731,604)	(1,734,693)
Total investments and other assets	2,743,356	2,874,405
Total non-current assets	6,366,013	6,454,496
Total assets	38,183,589	40,558,896

(Thousands of yen)

	FY4/2024 (As of April 30, 2024)	FY4/2025 (As of April 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	352,019	104,665
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	4,948,783	5,465,475
Lease liabilities	557,414	369,989
Accounts payable – other	5,272,919	7,324,160
Income taxes payable	1,131,940	511,559
Contract liabilities	461,862	454,395
Provision for bonuses	259,526	208,465
Other provisions	102,098	37,649
Other	763,303	1,070,046
Total current liabilities	14,149,868	15,846,408
Non-current liabilities		
Long-term borrowings	7,629,384	15,158,208
Lease liabilities	708,750	456,369
Provision for retirement benefits for directors (and other officers)	60,527	60,527
Other provisions	–	36,382
Retirement benefit liability	66,206	73,290
Other	372,025	391,173
Total non-current liabilities	8,836,893	16,175,950
Total liabilities	22,986,762	32,022,359
Net assets		
Shareholders' equity		
Share capital	4,514,185	4,514,185
Capital surplus	1,496,844	–
Retained earnings	8,693,075	3,361,628
Treasury shares	(3,240,129)	(1,536,820)
Total shareholders' equity	11,463,975	6,338,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	174,924	155,839
Foreign currency translation adjustments	(10,015)	(15,772)
Total accumulated other comprehensive income	164,909	140,067
Share award rights	133,359	21,733
Share acquisition rights	780	–
Non-controlling interests	3,433,802	2,035,742
Total net assets	15,196,827	8,536,536
Total liabilities and net assets	38,183,589	40,558,896

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	FY4/2024 (May 1, 2023–April 30, 2024)	FY4/2025 (May 1, 2024–April 30, 2025)
Net sales	53,037,592	55,073,206
Cost of sales	37,651,230	39,359,859
Gross profit	15,386,361	15,713,347
Selling, general and administrative expenses	9,498,658	9,829,564
Operating profit	5,887,702	5,883,783
Non-operating income		
Interest and dividend income	1,459	10,923
Share of profit of entities accounted for using equity method	2,223	245
Foreign exchange gains	21,799	–
Gain on sale of investment securities	13,634	108,860
Penalty income	22,031	19,291
Other	24,043	14,494
Total non-operating income	85,191	153,816
Non-operating expenses		
Interest expenses	99,397	111,550
Commission expenses	18,021	609,608
Other	99,123	85,861
Total non-operating expenses	216,542	807,020
Ordinary profit	5,756,351	5,230,578
Extraordinary income		
Gain on sale of non-current assets	6,440	–
Gain on sale of investment securities	172,799	203
Gain on sale of shares of subsidiaries and associates	86,462	–
Gain on sale of businesses	4,000	–
Gain on reversal of share acquisition rights	–	780
Total extraordinary income	269,702	983
Extraordinary losses		
Impairment losses	141,123	142,869
Loss on sale and retirement of non-current assets	3,127	5,076
Loss on valuation of shares of subsidiaries and associates	4,216	–
Loss on liquidation of subsidiaries and associates	–	2,854
Cost contribution for communication equipment removal	–	6,753
Total extraordinary loss	148,466	157,554
Profit before income taxes	5,877,587	5,074,007
Income taxes – current	1,570,185	1,174,369
Income taxes – deferred	(285,323)	(14,699)
Total income taxes	1,284,861	1,159,669
Profit	4,592,726	3,914,338
Profit attributable to non-controlling interests	1,026,716	1,165,801
Profit attributable to owners of parent	3,566,009	2,748,537

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	FY4/2024 (May 1, 2023–April 30, 2024)	FY4/2025 (May 1, 2024–April 30, 2025)
Profit	4,592,726	3,914,338
Other comprehensive income		
Valuation difference on available-for-sale securities	120,696	(19,084)
Foreign currency translation adjustments	(3,514)	(5,757)
Total other comprehensive income	117,182	(24,841)
Comprehensive income	4,709,909	3,889,496
Comprehensive income attributable to:		
Owners of the parent	3,683,192	2,723,695
Non-controlling interests	1,026,716	1,165,801

(3) Consolidated Statements of Changes in Equity
FY4/2024 (May 1, 2023–April 30, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,514,185	1,645,027	5,286,747	(3,251,237)	8,194,722
Changes during period					
Dividends of surplus			(159,682)		(159,682)
Profit (loss) attributable to owners of parent			3,566,009		3,566,009
Change in ownership interest of parent due to transactions with non-controlling interests		(151,053)			(151,053)
Restricted stock compensation		2,870		11,108	13,978
Net changes in items other than shareholders' equity					
Total changes during period	–	(148,182)	3,406,327	11,108	3,269,253
Balance at end of period	4,514,185	1,496,844	8,693,075	(3,240,129)	11,463,975

	Accumulated other comprehensive income			Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income				
Balance at beginning of period	54,227	(6,500)	47,726	75,185	780	2,713,938	11,032,352
Changes during period							
Dividends of surplus							(159,682)
Profit (loss) attributable to owners of parent							3,566,009
Change in ownership interest of parent due to transactions with non-controlling interests							(151,053)
Restricted stock compensation							13,978
Net changes in items other than shareholders' equity	120,696	(3,514)	117,182	58,174	–	719,864	895,221
Total changes during period	120,696	(3,514)	117,182	58,174	–	719,864	4,164,474
Balance at end of period	174,924	(10,015)	164,909	133,359	780	3,433,802	15,196,827

FY4/2025 (May 1, 2024–April 30, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,514,185	1,496,844	8,693,075	(3,240,129)	11,463,975
Changes during period					
Dividends of surplus			(539,245)		(539,245)
Profit (loss) attributable to owners of parent			2,748,537		2,748,537
Disposal of treasury shares		536,186		1,506,187	2,042,373
Transfer from retained earnings to capital surplus		7,540,738	(7,540,738)		–
Change in ownership interest of parent due to transactions with non-controlling interests		(9,578,023)			(9,578,023)
Restricted stock compensation		4,254		197,122	201,376
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,496,844)	(5,331,446)	1,703,309	(5,124,982)
Balance at end of period	4,514,185	–	3,361,628	(1,536,820)	6,338,993

	Accumulated other comprehensive income			Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income				
Balance at beginning of period	174,924	(10,015)	164,909	133,359	780	3,433,802	15,196,827
Changes during period							
Dividends of surplus							(539,245)
Profit (loss) attributable to owners of parent							2,748,537
Disposal of treasury shares							2,042,373
Transfer from retained earnings to capital surplus							–
Change in ownership interest of parent due to transactions with non-controlling interests							(9,578,023)
Restricted stock compensation							201,376
Net changes in items other than shareholders' equity	(19,084)	(5,757)	(24,841)	(111,625)	(780)	(1,398,060)	(1,535,308)
Total changes during period	(19,084)	(5,757)	(24,841)	(111,625)	(780)	(1,398,060)	(6,660,290)
Balance at end of period	155,839	(15,772)	140,067	21,733	–	2,035,742	8,536,536

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY4/2024 (May 1, 2023–April 30, 2024)	FY4/2025 (May 1, 2024–April 30, 2025)
Cash flows from operating activities		
Profit before income taxes	5,877,587	5,074,007
Depreciation	753,606	692,553
Impairment losses	141,123	142,869
Amortization of goodwill	13,743	11,650
Increase (decrease) in allowance for doubtful accounts	(16,898)	38,422
Interest and dividend income	(1,459)	(10,923)
Interest expenses on borrowings and bonds	99,397	111,550
Foreign exchange losses (gains)	(217)	306
Share of loss (profit) of entities accounted for using equity method	(2,223)	(245)
Loss (gain) on valuation of investment securities	53,044	29,225
Loss (gain) on sale of investment securities	(186,434)	(109,063)
Loss (gain) on sale of shares of subsidiaries and associates	(86,462)	–
Decrease (increase) in trade receivables	(116,732)	(147,459)
Decrease (increase) in inventories	(423,088)	32,741
Increase (decrease) in accounts payable - other	(653,947)	796,505
Increase (decrease) in other current liabilities	59,486	(142,575)
Increase (decrease) in other non-current liabilities	124,889	59,165
Other, net	(180,352)	9,278
Subtotal	5,455,061	6,588,005
Interest and dividends received	2,500	10,925
Interest paid	(100,118)	(103,235)
Income taxes paid	(1,223,299)	(1,929,818)
Income taxes refund	91,830	7,504
Net cash provided by operating activities	4,225,973	4,573,382
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,116,678)	(194,220)
Purchase of intangible assets	(303,417)	(372,542)
Purchase of investment securities	–	(199,920)
Proceeds from sale of investment securities	240,143	171,202
Proceeds from sale of shares of subsidiaries and associates	112,500	–
Payments of guarantee deposits	(1,988)	(57,114)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(38,834)
Other, net	(15,929)	3,944
Net cash provided by (used in) investing activities	(1,085,370)	(687,485)
Cash flows from financing activities		
Proceeds from long-term borrowings	3,800,000	13,250,000
Repayments of long-term borrowings	(4,799,077)	(5,204,484)
Redemption of bonds	(300,000)	–
Dividends paid	(159,156)	(537,496)
Dividends paid to non-controlling interests	(72,641)	(167,153)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(390,804)	(12,740,094)
Proceeds from share issuance to non-controlling shareholders	–	2,000,000
Repayments of lease liabilities	(802,942)	(568,121)
Proceeds from sale of treasury shares	5,644	2,042,373
Other, net	(1,507)	–
Net cash provided by (used in) financing activities	(2,720,485)	(1,924,976)
Effect of exchange rate change on cash and cash equivalents	(3,513)	(5,757)
Net increase (decrease) in cash and cash equivalents	416,603	1,955,163
Cash and cash equivalents at beginning of period	18,305,769	18,722,373
Cash and cash equivalents at end of period	18,722,373	20,677,536

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Segment Information

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group develops comprehensive domestic and overseas strategies for each of its services and conducts business activities accordingly. Its business segments are therefore determined based on services. The Group has three reportable segments: 5G Infrastructure Support Business, 5G Lifestyle Support Business, and Enterprise/Creator 5G DX Support Business.

The 5G Infrastructure Support Business provides business support services for ISPs, business support services for MVNOs (MVNE), and cloud services for corporate customers. The 5G Lifestyle Support Business provides mobile communications-related services for individual customers, internet connection-related services for individual customers, internet connection-related services for housing complexes, real estate-related services, and web3-related platforms. The Enterprise/Creator 5G DX Support Business provides internet marketing-related services, ad technology-related services, and support platforms for creators.

From FY4/2025, expenses related to certain basic research, which were previously classified into the 5G Infrastructure Support Business, 5G Lifestyle Support Business, and Enterprise/Creator 5G DX Support Business, have been reclassified into the 5G Lifestyle Support Business due to reaching the social implementation stage. The segment information for FY4/2024 is prepared and disclosed based on the classification for the fiscal year under review.

2. Calculation method for net sales, profit or loss, assets, and other items by reportable segment

The method of accounting for reportable business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Profit (loss) of reportable segment is based on operating profit.

Intersegment profits and transfers are based on prevailing market prices.

3. Information on net sales, profit (loss), assets, and other items by reportable segment
FY4/2024 (May 1, 2023–April 30, 2024)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total
	5G Infrastructure Support Business	5G Lifestyle Support Business	Enterprise/Creator 5G DX Support Business		
Net sales					
Sales to customers	7,732,335	26,489,538	18,815,717	–	53,037,592
Intersegment sales and transfers	2,199,858	122,883	462,527	–	2,785,268
Total	9,932,193	26,612,422	19,278,245	–	55,822,860
Segment profit (loss)	1,615,924	3,204,789	1,109,197	(20,753)	5,909,158
Segment assets	4,217,096	11,788,915	3,966,107	346,721	20,318,840

(Thousands of yen)

	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
Net sales		
Sales to customers	–	53,037,592
Intersegment sales and transfers	(2,785,268)	–
Total	(2,785,268)	53,037,592
Segment profit (loss)	(21,455)	5,887,702
Segment assets	17,864,749	38,183,589

Notes: 1. The “Other” category is a business segment not included in any reportable segments and includes the startup investment development business.

2. The adjustments are as follows:

(1) The “Adjustment” of segment profit (loss) of minus 21,455 thousand yen includes the elimination of intersegment transactions.

(2) The “Adjustment” of segment assets of 17,864,749 thousand yen includes cash and deposits of 18,722,373 thousand yen and other consolidation adjustments of minus 857,624 thousand yen.

3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

FY4/2025 (May 1, 2024–April 30, 2025)

(Thousands of yen)

	Reportable Segment			Other (Note 1)	Total
	5G Infrastructure Support Business	5G Lifestyle Support Business	Enterprise/Creator 5G DX Support Business		
Net sales					
Sales to customers	8,551,490	26,153,767	20,367,948	–	55,073,206
Intersegment sales and transfers	2,016,386	153,855	331,474	–	2,501,716
Total	10,567,877	26,307,622	20,699,423	–	57,574,922
Segment profit (loss)	1,405,438	3,545,579	954,448	(21,101)	5,884,365
Segment assets	4,485,041	11,531,760	4,211,628	330,372	20,731,021

(Thousands of yen)

	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
Net sales		
Sales to customers	–	55,073,206
Intersegment sales and transfers	(2,501,716)	–
Total	(2,501,716)	55,073,206
Segment profit (loss)	(581)	5,883,783
Segment assets	20,000,092	40,731,114

Notes: 1. The “Other” category is a business segment not included in any reportable segments and includes the startup investment development business.

2. The adjustments are as follows:

(1) The “Adjustment” of segment profit (loss) of minus 581 thousand yen includes the elimination of intersegment transactions.

(2) The “Adjustment” of segment assets of 20,000,092 thousand yen includes cash and deposits of 20,677,536 thousand yen and other consolidation adjustments of minus 677,444 thousand yen.

3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

Per Share Information

(Yen)

	FY4/2024 (May 1, 2023–April 30, 2024)	FY4/2025 (May 1, 2024–April 30, 2025)
Net assets per share	582.26	297.46
Basic earnings per share	178.58	135.81
Diluted earnings per share	176.74	134.96

Note: The basis for calculating basic earnings per share and diluted earnings per share is as follows.

(Thousands of yen, unless otherwise noted)

	FY4/2024 (May 1, 2023–April 30, 2024)	FY4/2025 (May 1, 2024–April 30, 2025)
Basic earnings per share		
Profit attributable to owners of parent	3,566,009	2,748,537
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	3,566,009	2,748,537
Average number of common shares outstanding during the period (shares)	19,968,319	20,238,797
Diluted earnings per share		
Increase in common shares (shares)	207,983	127,112
[of which share acquisition rights (shares)]	[20,283]	[—]
[of which restricted stock compensation with performance conditions (shares)]	[187,700]	[127,112]
Summary of potential shares not included in the calculation of diluted earnings per share due to anti-dilutive effect	—	—

Significant Subsequent Events

Not applicable.