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毎日、発明する会社

FY2024/04

Financial Results for the First Quarter

FreeBit Co., Ltd.

September 8, 2023

10-year plan from FY2021 to FY2030

SILK VISION
2024



**Pre
5G**

SILK VISION
2027



**Core
5G**

SILK VISION
2030



**6G
Standby**

SILK VISION 2020

SILK VISION 2024

SILK VISION 2027

SILK VISION 2030

Promoting the growth of the transformation zone and the creation of growth businesses from the incubation zone in the Next Medium-Term Management Plan, utilizing earnings from the Performance Zone

Incubation Zone

Transformation Zone

Performance zone

- 5G Infra Platform (MVNE, fixed network, cloud, etc.)
- 5G Homestyle (Internet services targeting housing complex)
- Internet marketing
- Affiliate
- Maker's Maker

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

Corporate and Creator 5G DX Support Business

Creator Maker (StandAlone)
Bizmodel Maker (4.0)

5G Lifestyle Support Business

5G Workstyle / 5G Healthstyle

5G Lifestyle Support Business

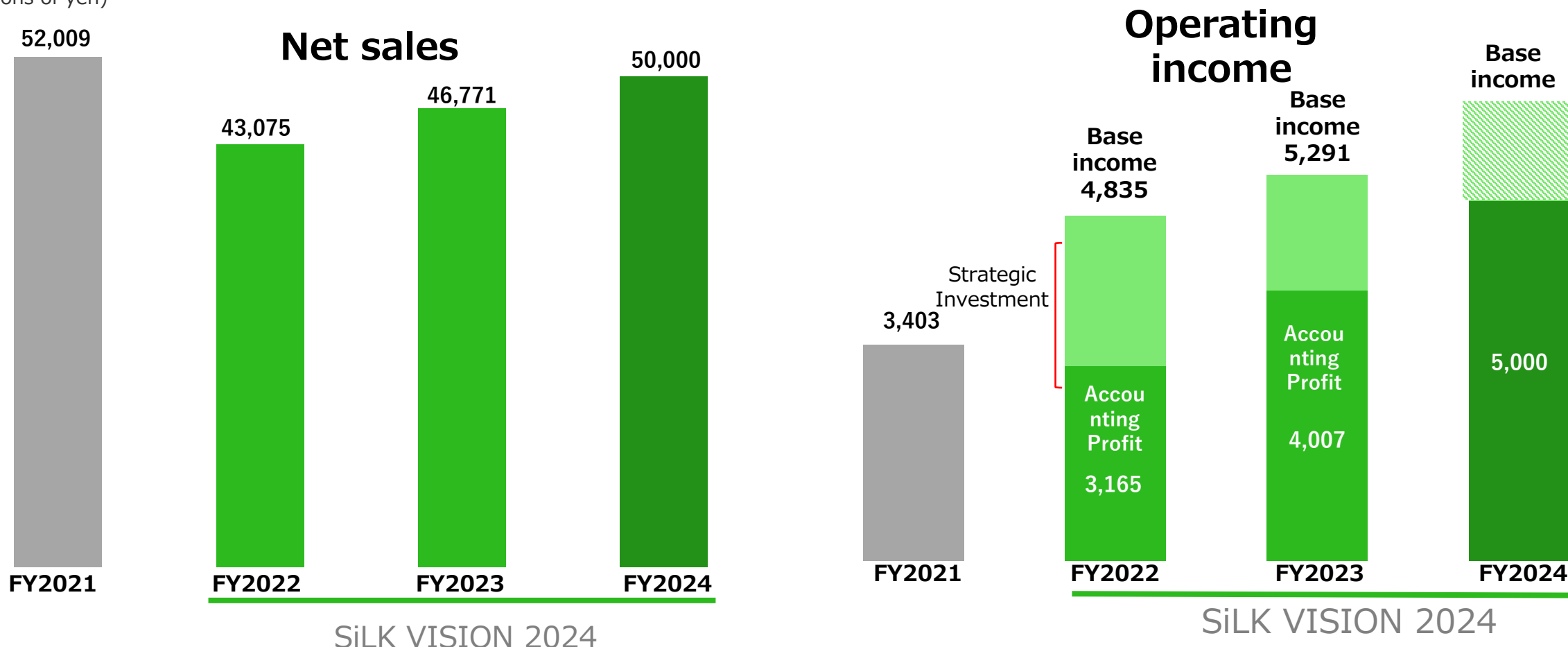
5G Lifestyle (TONE/DTI)

5G Infrastructure Support Business

Most existing businesses have shifted to the Performance zone. Those businesses grow continuously incorporating the changing times such as 5G and eSIM.

FreeBit Group Earnings Targets for the Fiscal Year Ending April 2024
 Aiming for **50 billion yen** in sales and **5 billion yen** in operating profit

(Millions of yen)



※1 Net sales and operating income in FY2021 are figures before adjusting "Accounting Standard for Recognition of Revenue" and other factors.

※2 Base income is the business income figure excluding temporary investments and unaudited for the reference.

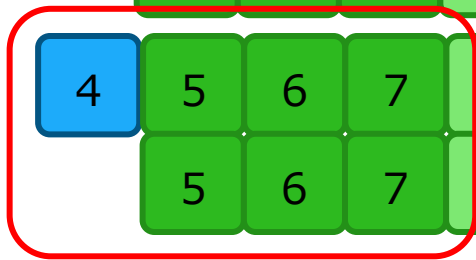
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1. Financial Results for the First Quarter of FY2024/04

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 the first quarter of the fiscal year under review, the four-month period from April 1, 2023 to July 31, 2023 has been incorporated into the consolidated settlement.
- In this presentation material, we describe the figures as the figure including the impact of the change in the fiscal year-end and the figure excluding the impact of the change in the fiscal year-end.

Consolidated period		First quarter			Second quarter			Third quarter			Fourth quarter			(month)	
(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 Fiscal Year) 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		
(From the 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		



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending April 2024

(Millions of yen)		FY2023/04 First quarter	FY2024/04 First quarter (Including the impact of the change in the fiscal year-end)			(Reference) FY2024/04 1Q (Excluding the impact of change in fiscal year-end)*2		
			Actual	Increase/ Decrease	Percentage increase/ decrease *1	Actual	Increase/ Decrease	Percentage increase/ decrease
Net sales	Actual	11,142	14,040	+2,897	-	12,308	+1,166	+10.5%
EBITDA	Actual	867	1,614	+747	-	1,237	+369	+42.6%
Operating income	Actual	864	1,664	+800	-	1,266	+401	+46.5%
	Base income*3	1,106	1,877	+771	-	1,479	+373	+33.7%
Ordinary income	Actual	773	1,623	+850	-	1,228	+455	+58.8%
	Base income	1,015	1,836	+821	-	1,441	+426	+42.0%
Quarterly income attributable to owners of the parent	Actual	305	863	+557	-	706	+400	+131.0%
Quarterly net income per share owners of the parent	Actual	16.26 yen	43.26 yen	27.00 yen	-	35.37 yen	19.11 yen	-

※1 Considering the impact of the change in GPG's fiscal year-end explained in page 7, the comparison of percentage of the previous fiscal year and current fiscal year is described as [-].

※2 The figures in "Excluding the impact of the change in the fiscal year-end" is an unaudited reference figure that excludes the impact of the change in the fiscal year-end of GPG.

※3 Base income is an unaudited reference figure.

- **Significant progress over the same period of the previous fiscal year** in net sales and all incomes at each stage. Reference figures excluding the impact of the change in GPG's fiscal year-end also showed steady progress compared to the same period of the previous fiscal year
- Net sales **increased 26.0% year on year** (excluding the impact of the change in the fiscal year ^(*1): increased 10.5%) due to solid performance in **5G Lifestyle Support Business, 5G Homestyle (GPG)** and **the Corporate and Creator 5G DX Support Business**
- **Operating income grew in all segments**, including 5G Infrastructure Support Business, 5G Lifestyle Support Business, and the Corporate and Creator 5G DX Support Business, despite implementing strategic investments. Operating income **increased 92.5% year on year and increased 69.7% year on year by base comparison** ^(*2) **compared to the previous fiscal year** (the excluding the impact of the change in the fiscal year: 46.5% year on year / increased 33.7% year on year by base comparison).
- Ordinary income **increased 110.0% year on year** due to favorable base profit growth, and **increased 81.0% year on year by base comparison** (excluding the impact of the change in the fiscal year-end: 58.8% up / 42.0% year on year by base comparison)
- Quarterly income attributable to owners of the parent **increased 182.5% year on year** due to growth in operating income and ordinary income, etc. (Excluding the impact of the change in the fiscal year end: 131.0% increase)

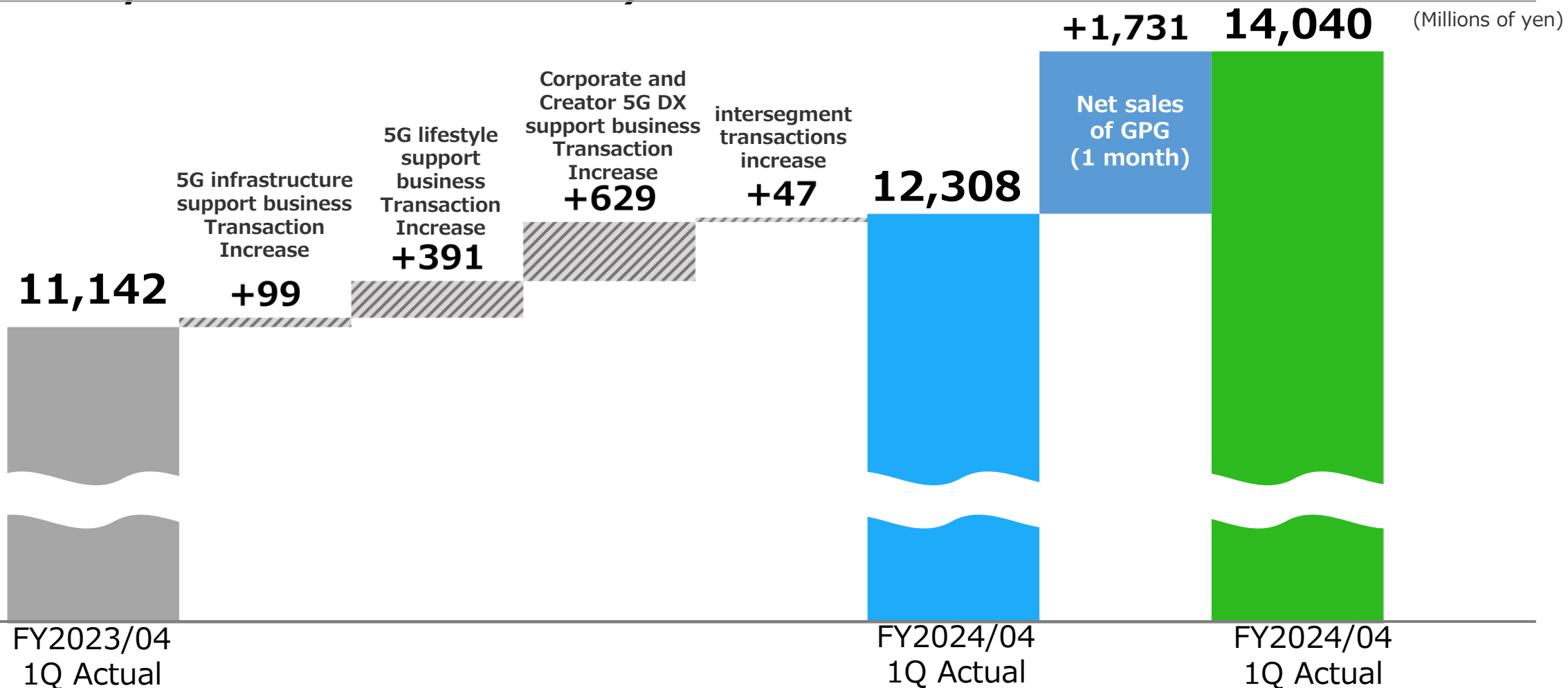
※1 Figures of “excluding the impact of the change in the fiscal year-end” are unaudited reference figures.

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

YoY Variance Analysis Net Sales

Sales remained solid performance in all segments, including the Corporate and Creator 5G DX Support Business and 5G Lifestyle Support Business.

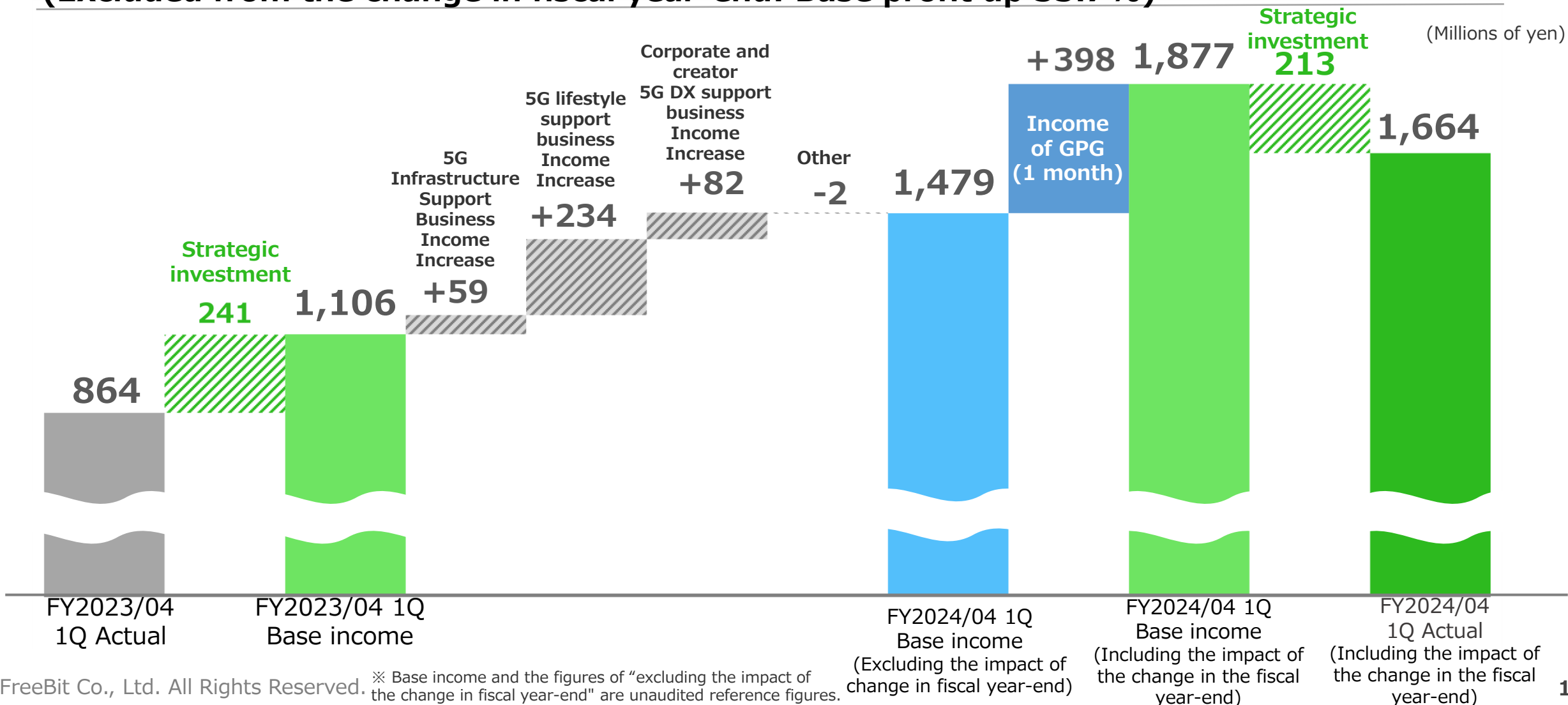
As a result, sales increased 26.0% year on year (excluding the impact of the change in the fiscal year end: 10.5% increase).



YoY Variance Analysis Operating Income

While implementing strategic investments, all segments remained solid performance, mainly in 5G Lifestyle Support Business. As a result, actual results increased by 92.5% year on year and base income increased by 69.7%.

(Excluded from the change in fiscal year-end: Base profit up 33.7%)



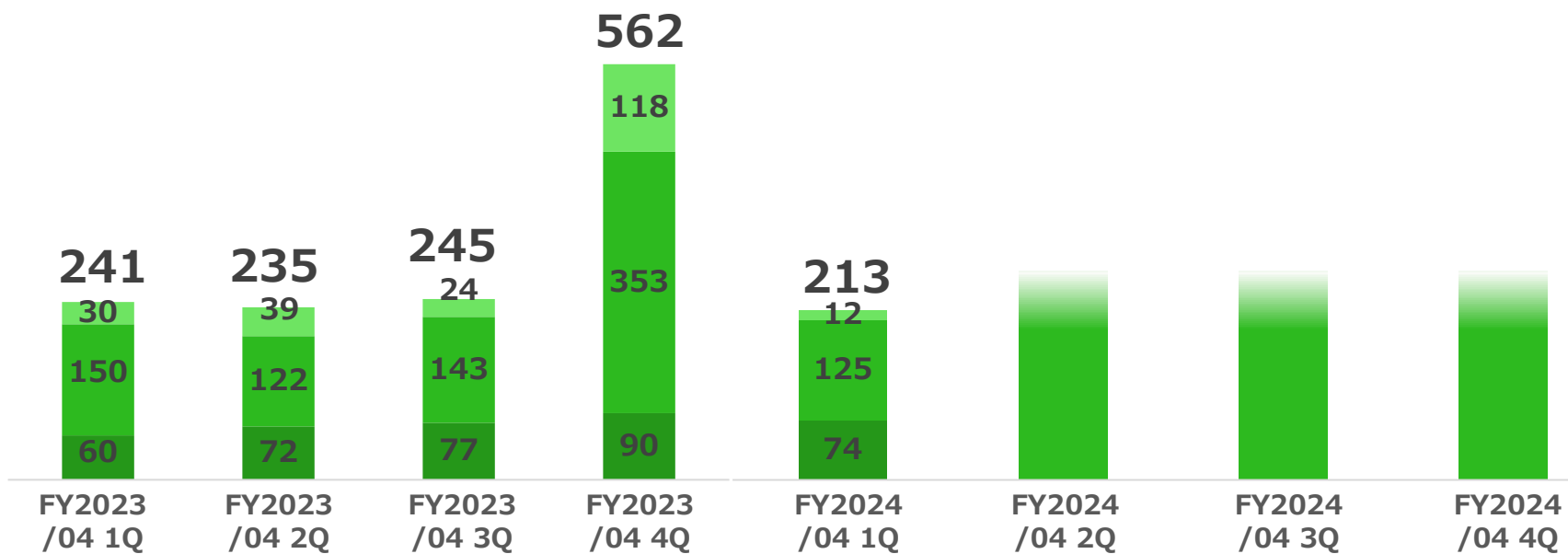
Continuous implementation of strategic investments, including acquisition of users for TONE mobile and promotion of businesses in the incubation zone

(Millions of yen)

- 5G Infrastructure Support Business
- 5G Lifestyle Support Business
- Corporate and Creator 5G DX Support Business

FY2023/4
Total 1.28 billion yen

FY2024/04



FY2024/04 Strategic Investment Results

5G Infrastructure Support Business (74 million yen)

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

5G Lifestyle Support Business (125 million yen)

- Promotion-related to TONE
 - Develop and test 5G Healthstyle area "TONE Care"
 - Web3(Blockchain) Development and testing of relationships
- etc.

Support for corporate and creator 5G DX (12 million yen)

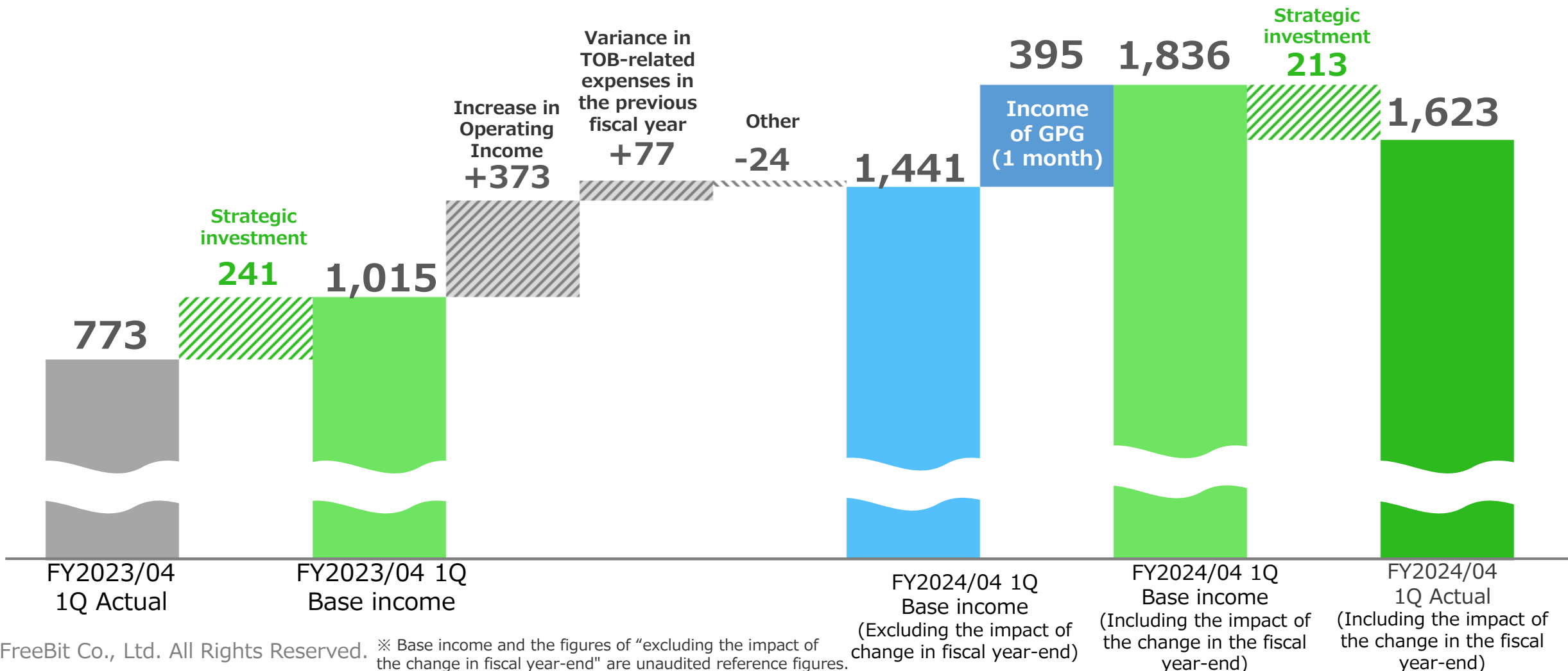
- Develop and expand human resources for multi-faceted development of StandAlone, a Creator Maker area

YoY Variance Analysis Ordinary Income

Due to strong performance in base profit, actual results increased by **110.0%** year on year and base profit increased by **81.0%**.

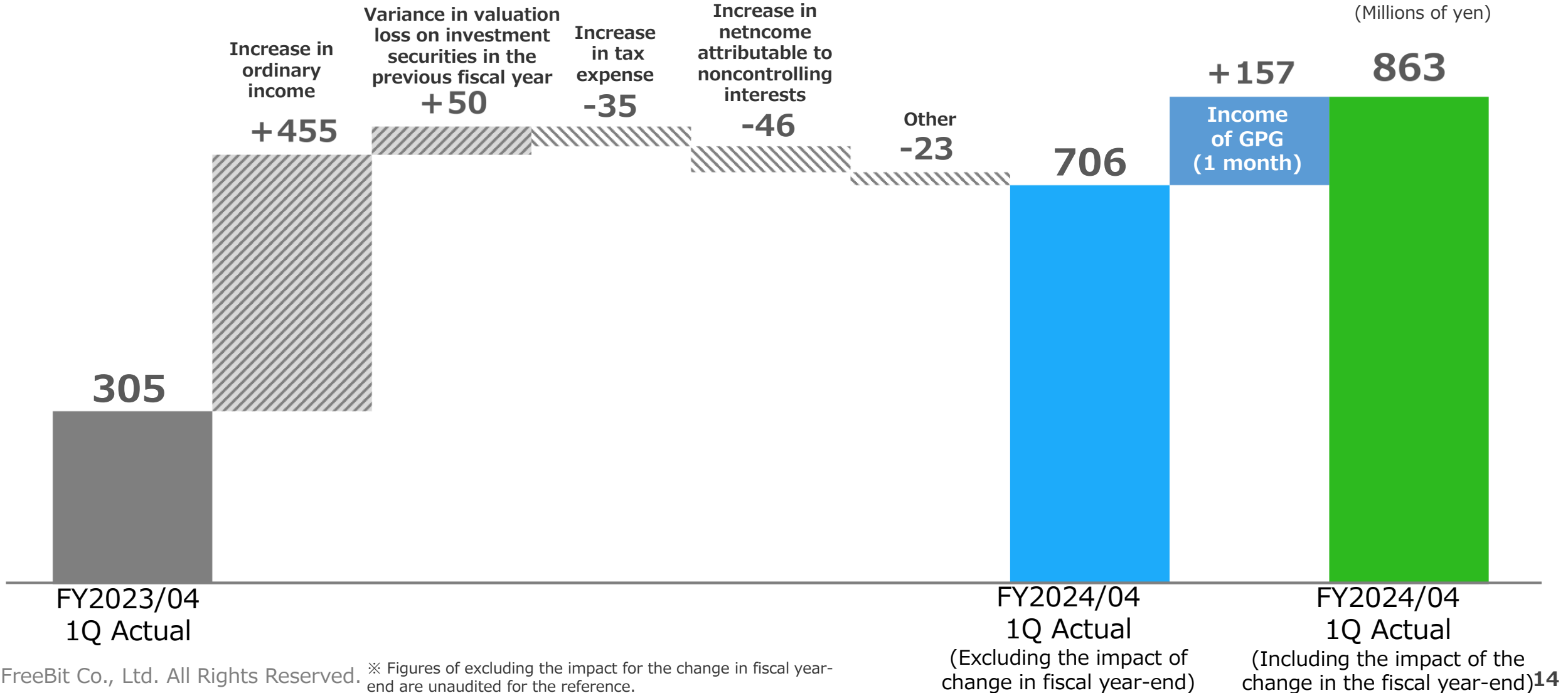
(Excluded from the change in fiscal year-end: Base profit up 42.0%)

(Millions of yen)



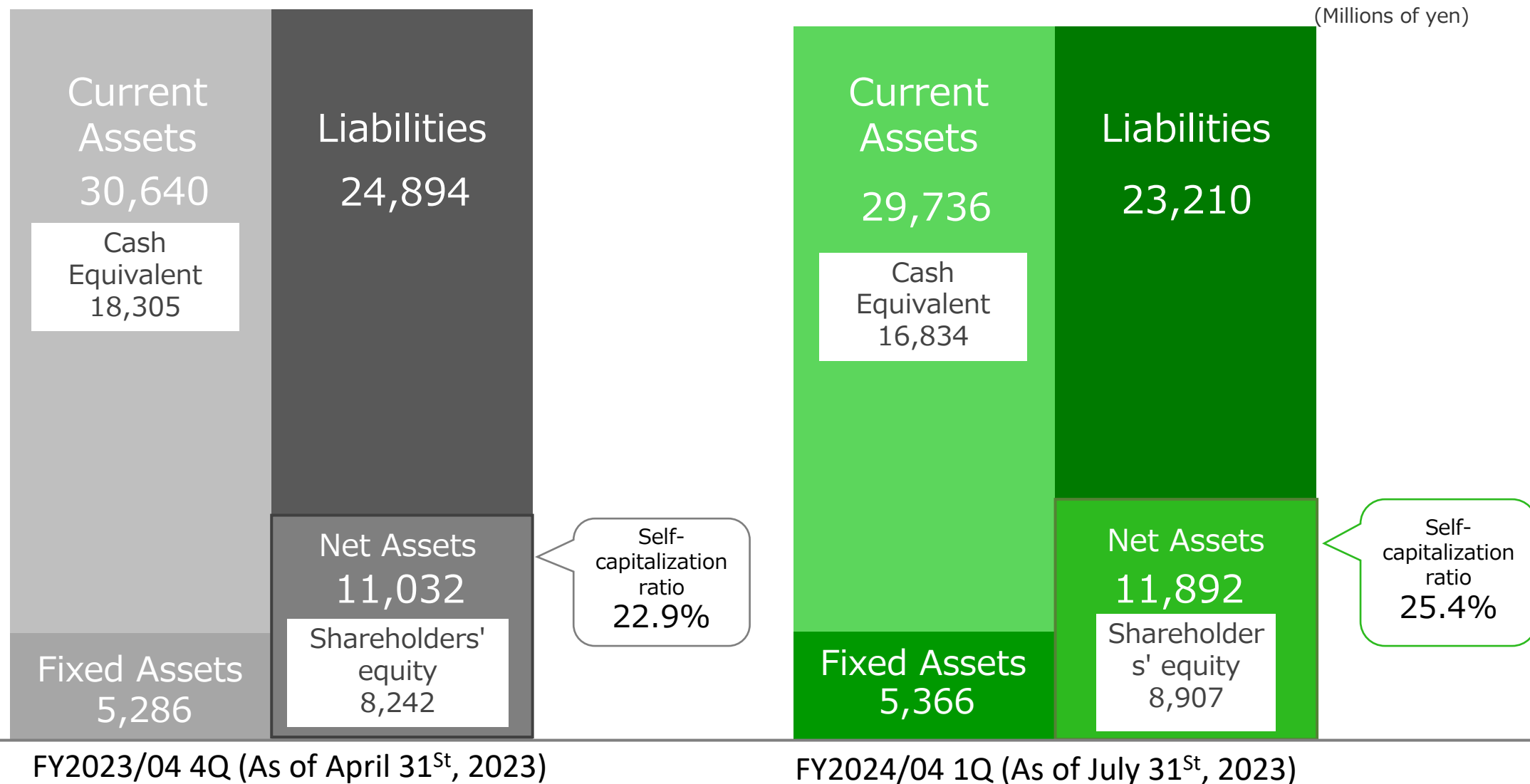
YoY Variance Analysis Quarterly net income attributable to owners of the parent

**Increased by 182.5% Year on Year due to increase in ordinary income, etc.
(Excluded from the change in fiscal year-end: 131.0% increase)**



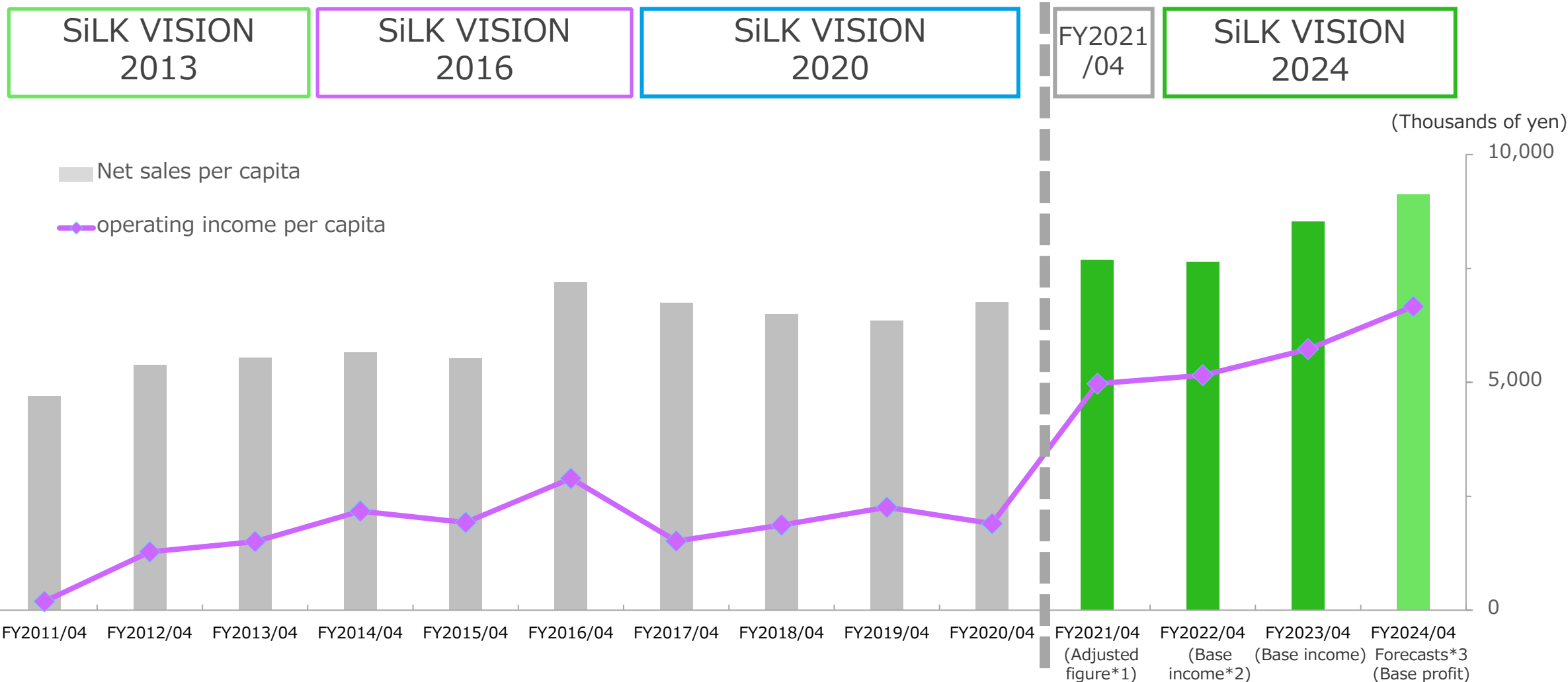
Consolidated Results Summary BS

Retained earnings increased due to solid performance, and the equity ratio increased to 25.4%.



Net Sales and Operating Income per Employee

Net sales and operating income (base profit) per employee are expected to increase from the previous fiscal year



※1 Adjusted figure is unaudited reference figure that exclude the impact of accounting standards for revenue recognition, off-balance-sheet businesses, strategic investments, and changes in DTI fiscal year-ends.

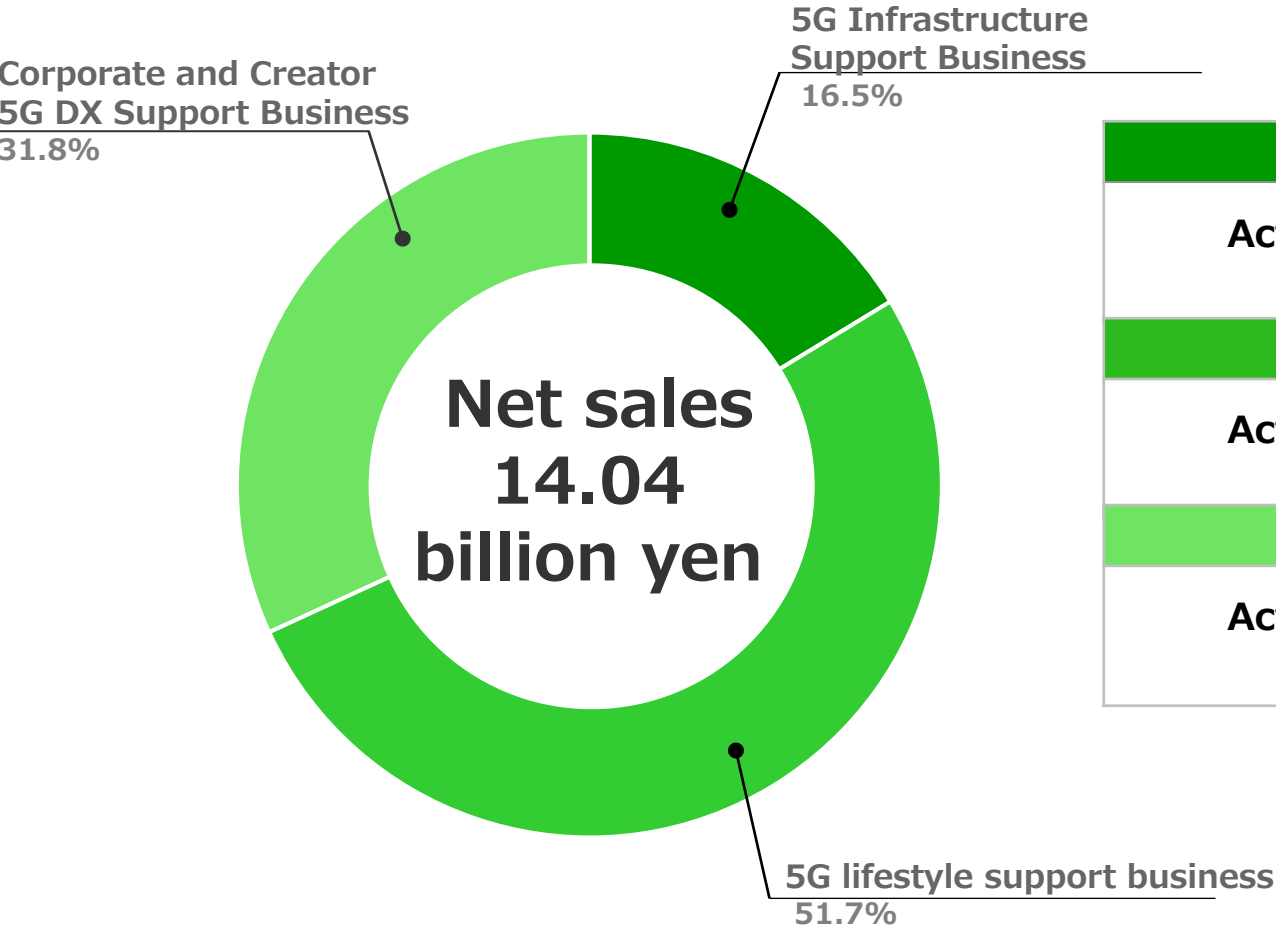
※2 Base income is unaudited reference figure.

※3 Adopting the number of employees in the 23rd fiscal period for the 24th fiscal period for FY2024/04 Forecast.

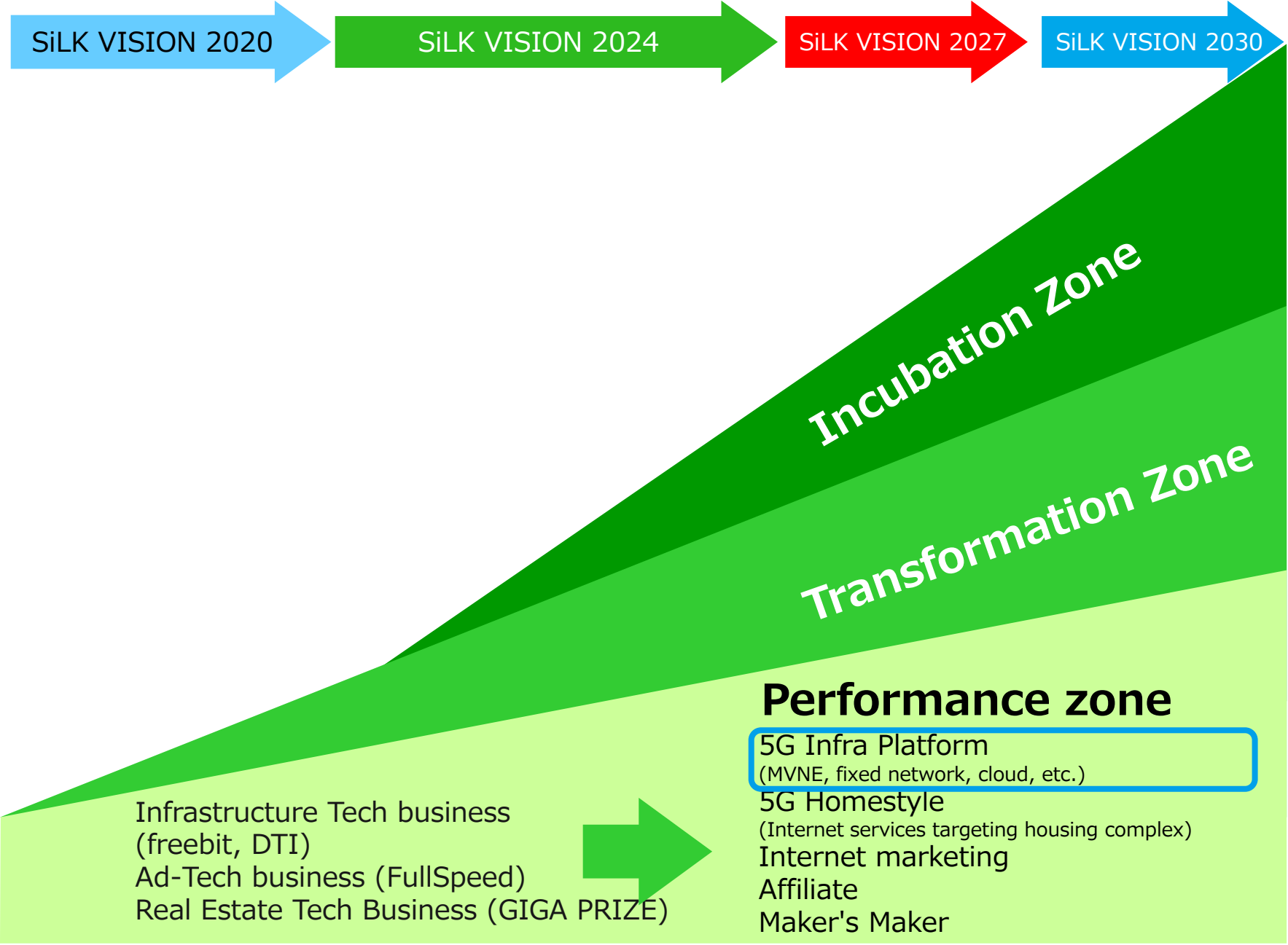
2. Financial results by segment for the First Quarter of FY2024/04

Composition by segment

Revenues and profits increased in all segments of 5G Infrastructure Support Business, 5G Lifestyle Support Business, and the Corporate and Creator 5G DX Support Business



Net sales	Segment profit or loss
5G Infrastructure Support Business	
Actual 2,427 million yen YoY +4.3%	Actual 438 million yen YoY +11.5% (Actual profit) +13.1% (Base profit)
5G Lifestyle Support Business	
Actual 7,600 million yen YoY +38.8%	Actual 1,034 million yen YoY +174.4% (Actual profit) +120.0% (Base profit)
Corporate and creator 5G DX support business	
Actual 4,668 million yen YoY +15.6%	Actual 197 million yen YoY +104.7% (Actual profit) +65.0% (Base profit)



Corporate and Creator 5G DX Support Business

Creator Maker (StandAlone)
Bizmodel Maker (4.0)

5G Lifestyle Support Business

5G Workstyle / 5G Healthstyle

5G Lifestyle Support Business

5G Lifestyle (TONE/DTI)

5G Infrastructure Support Business

Most existing businesses have shifted to the Performance zone. Those businesses grow continuously incorporating the changing times such as 5G and eSIM.

Performance zone

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

5G Homestyle
(Internet services targeting housing complex)
Internet marketing
Affiliate
Maker's Maker

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

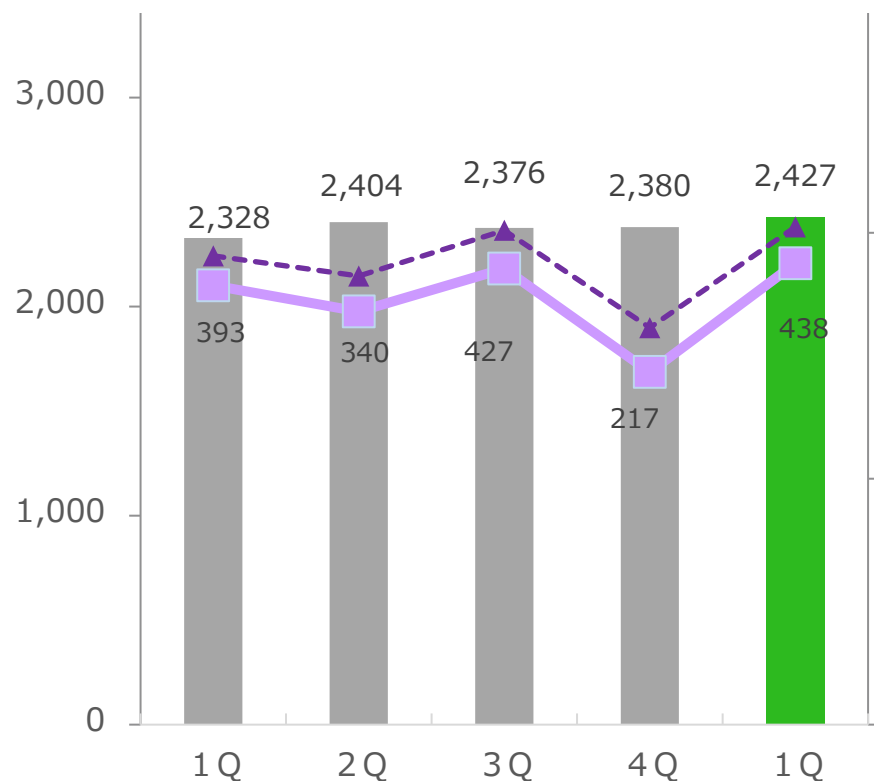


Despite decrease in use of B2B fixed network services and increase in personnel expenses, operating income (Base income) increased 13.1% year on year due to increase in use of B2B mobile services

Net Sales and Segment Profit/Loss

(Millions of yen)

- Net Sales(Actual)
- Segment Income (Actual)
- ▲- Segment Income (Base Income) ※

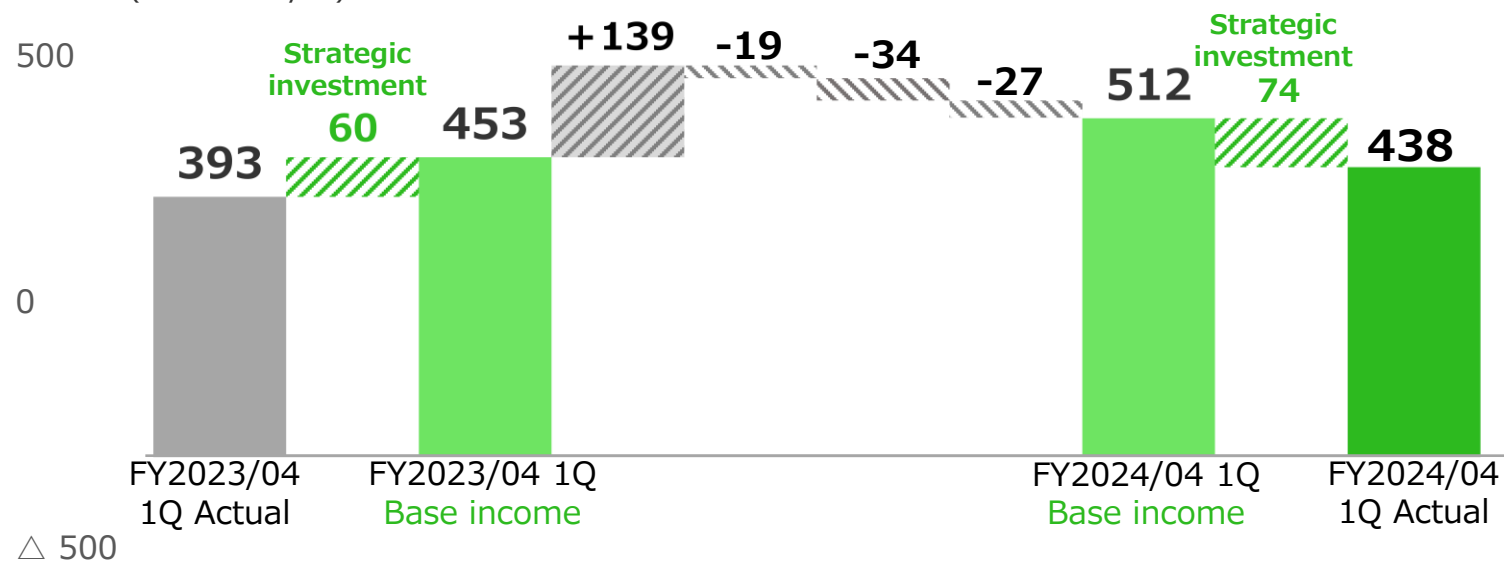


Segment Profit/Loss YoY Variance Analysis

- +139** B2B Mobile: Profits increased due to increased use of services
- 19** B2B fixed network: Profits decreased due to decrease in use of services
- 34** Increase in personnel expenses due to strengthening of human resources
- 27** Other

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

(Millions of yen)



※ Base income is unaudited reference figure.

● Unique plans to meet customer needs Provides components

Provision of proprietary plans
Support planning for your own company. A dedicated representative will assist your company to differ from your competitors.

Provision at bandwidth
We provide the necessary bandwidth when needed. It can be started in the account and migrated to bandwidth without changing the setting after user acquisition.

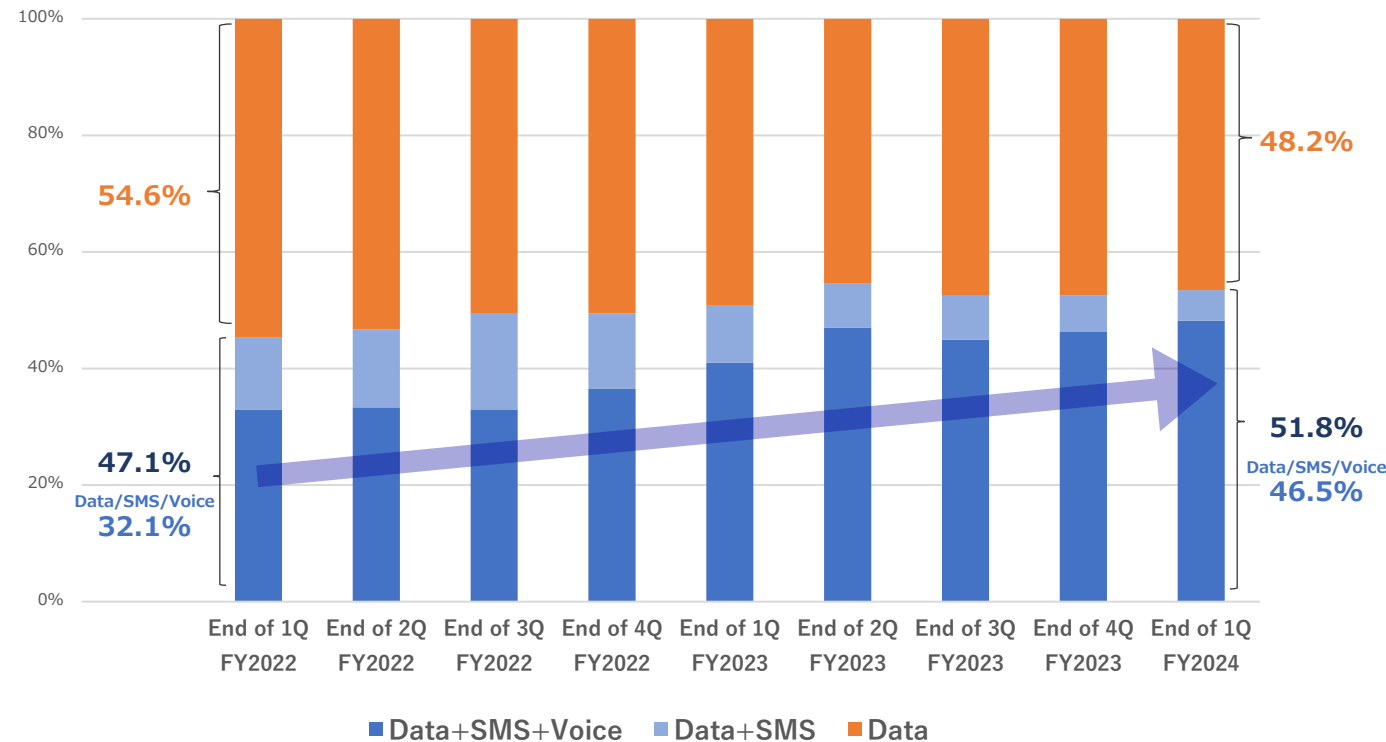
Provision of network operation monitoring services
We conduct connection with and operational monitoring of the docomo Network. You can concentrate on marketing, sales, and support.

Provision of management tool
We provide web tools, API, and data DL sites for user management. We also provide traffic visualization tools to customers with bandwidth subscriptions, which allows them to check traffic status.

Component Provision
Provides cloud, VDC, fixed IP, VoIP, and various security functions. We also provide communications equipment such as smartphones, surveillance cameras, and IoT modules. User support and shipping are also available on your behalf. Please consult us.

● Trends in composition of sales SIM

While the number of data SIM sales remained unchanged, higher value-added data + SMS+ voice sales increased, contributing to sales



SiLK VISION 2020

SiLK VISION 2024

SiLK VISION 2027

SiLK VISION 2030

Incubation Zone

Transformation Zone

Performance zone

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

5G Homestyle
(Internet services targeting housing complex)

Internet marketing
Affiliate

Maker's Maker

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

Corporate and Creator 5G DX
Support Business

Creator Maker (StandAlone)
Bizmodel Maker (4.0)

5G Lifestyle Support Business

5G Workstyle / 5G Healthstyle

5G Lifestyle Support Business

5G Lifestyle (TONE/DTI)

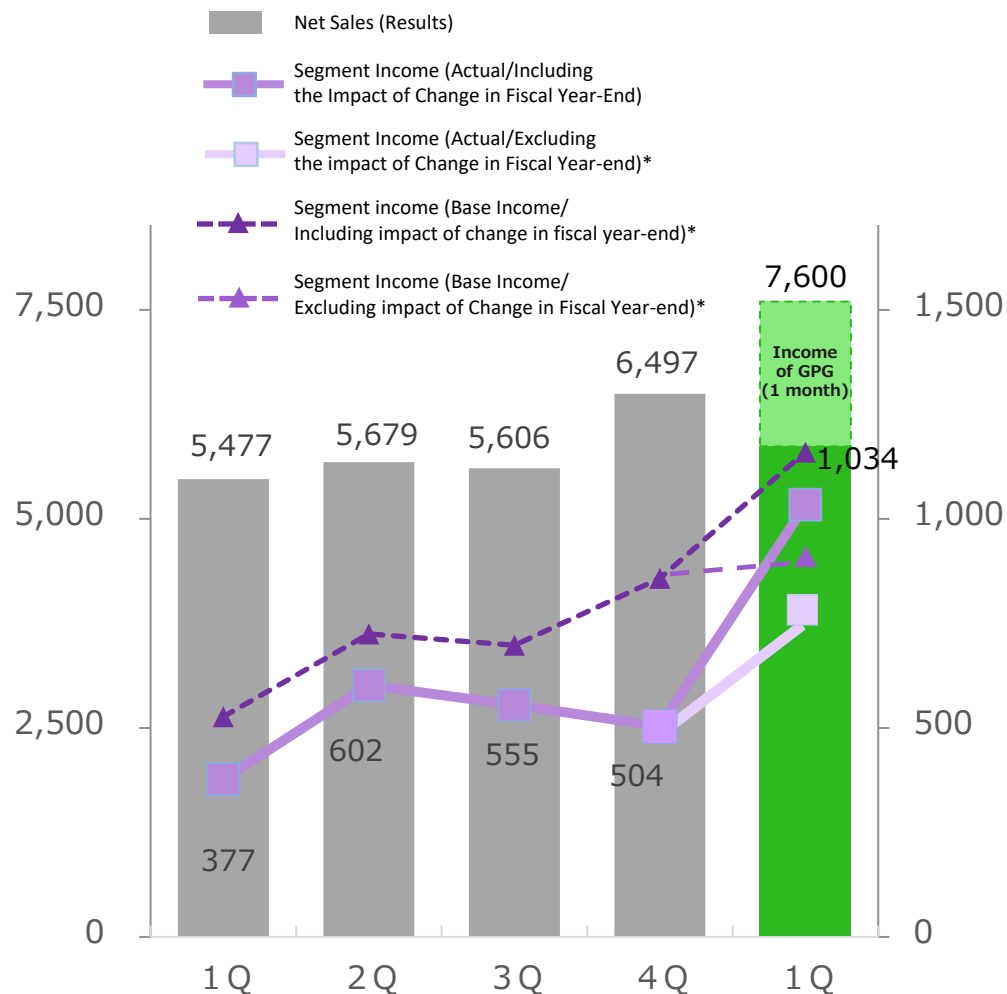
5G Infrastructure Support
Business

Most existing businesses have shifted to the Performance zone. Those businesses grow continuously incorporating the changing times such as 5G and eSIM.

5G Lifestyle Support Business: Performance Progress

(Millions of yen) **Due to several factors such as solid performance of 5G Homestyle and a decrease in SG&A expenses in TONE Business, operating income (Base Income) increased 120.0% year on year (Excluding the impact of the change in the fiscal year end: 44.5% year on year)**

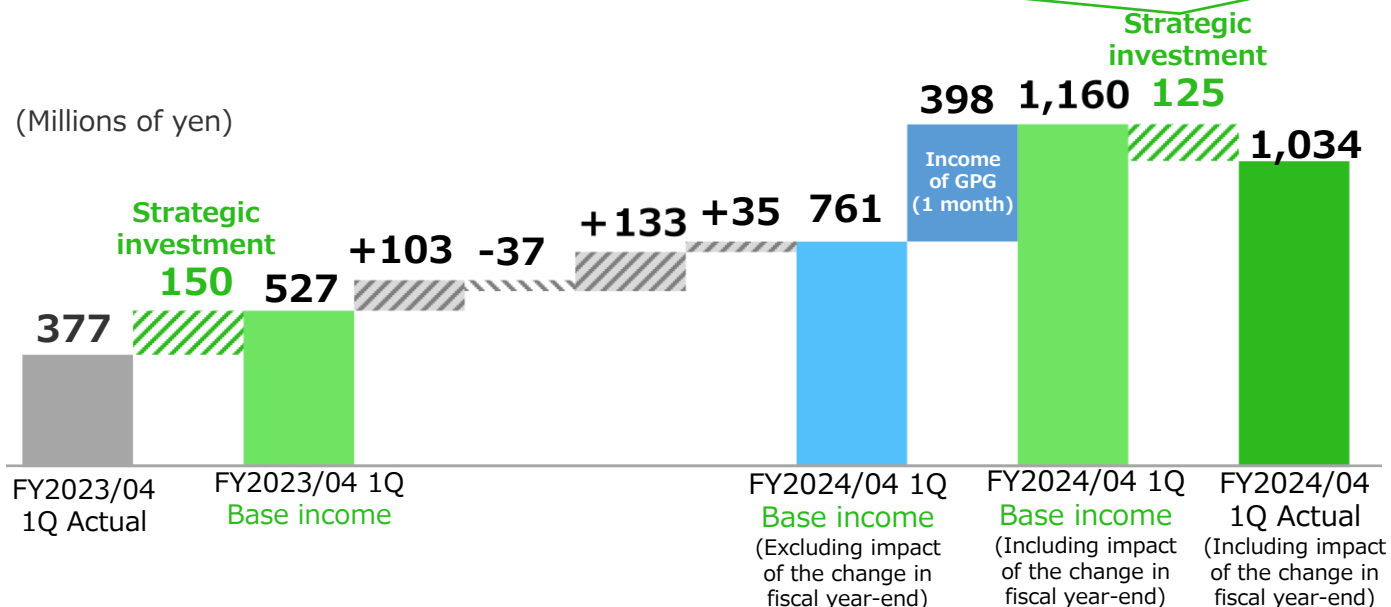
Net Sales and Segment Profit/Loss



Segment Profit/Loss YoY Variance Analysis

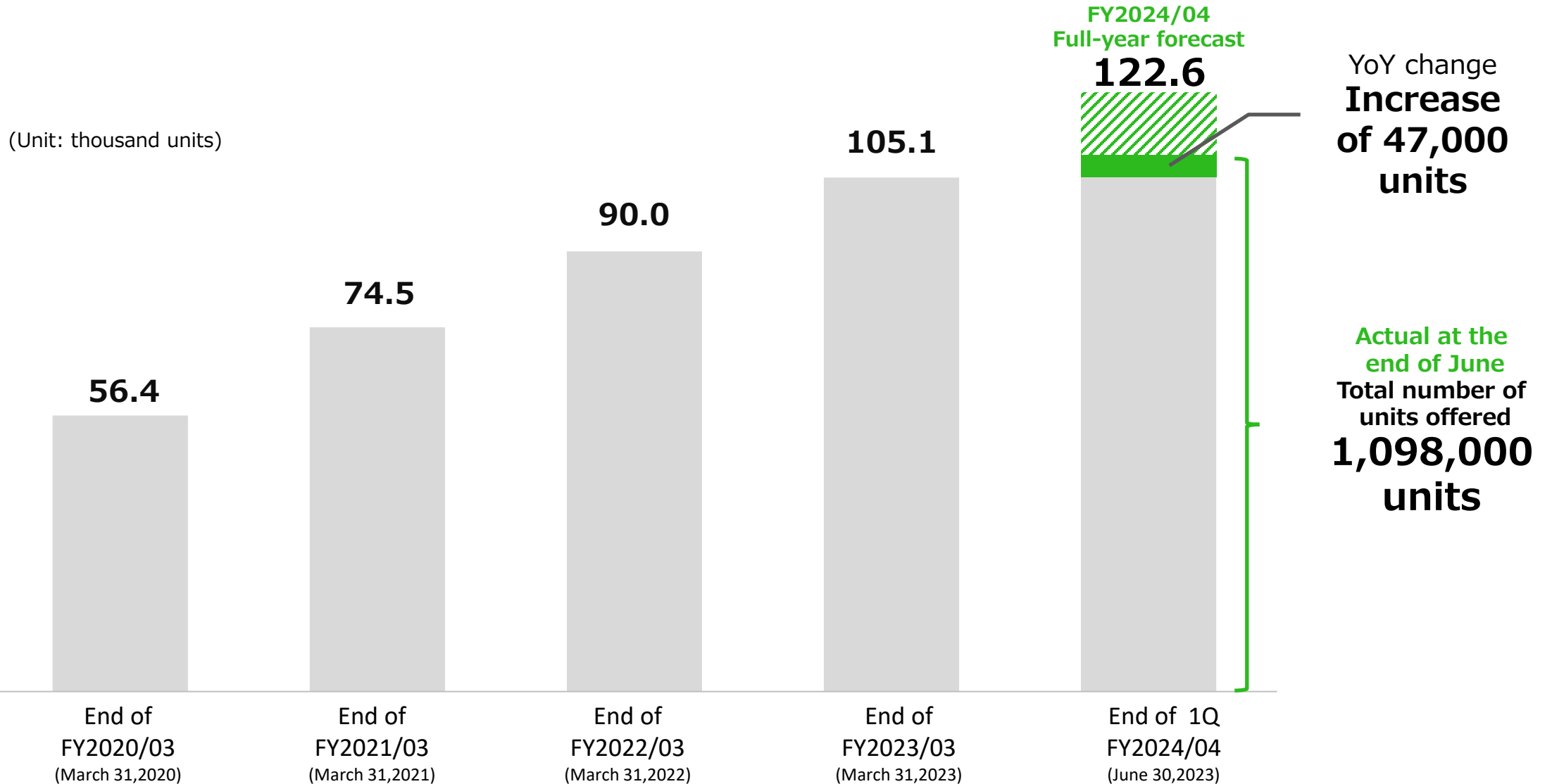
- +103** Increase in income due to sales increase in 5G Homestyle(GPG)
- 37** Decrease of income due to decrease in use of 5G Lifestyle(DTI) fixed network services
- +133** Increase in income due to decrease of temporary expenses incurred in the previous fiscal year for the launch of new devices and initial expenses for launching of collaboration with docomo shops
- +35** Other

Breakdown:
 · Acquisition of users for "TONE mobile"
 · Develop and test 5G Healthstyle area of "TONE Care"
 · Web3(Blockchain) Develop and test relationships., etc.



5G Lifestyle Support Business: Performance Progress

Steady growth in the number of units provided for ISP services for apartment buildings, a key indicator of 5G Homestyle(GPG), with a total of 1,098,000 units, an increase of 47,000 units compared to the end of the previous fiscal year



Launched new services, including ISP services for apartment buildings with a maximum communication rate of 10Gbps and the construction of an Internet connection environment for a multi-purpose gymnasium in Itoshima City Exercise Park (Fukuoka Prefecture)

- Launched ISP services for apartment buildings with a maximum communication rate of 10Gbps

With the increasing demand for "high-speed Internet" as a service that leads to differentiation from other properties and improved satisfaction for tenants, GPG has begun offering ISP services for apartment buildings with communication speeds of up to 10Gbps and down.



- Itoshima City Exercise Park Building an Internet connection environment for a multi-purpose gymnasium

Providing solutions to public facilities by leveraging our accumulated expertise. Constructing an optimal network environment on the assumption that many people will use the Internet in a certain area. Since the park is also a base equipped with "Disaster Prevention Functions", we also implement measures that can provide a communication environment in the building even in the event of a disaster.

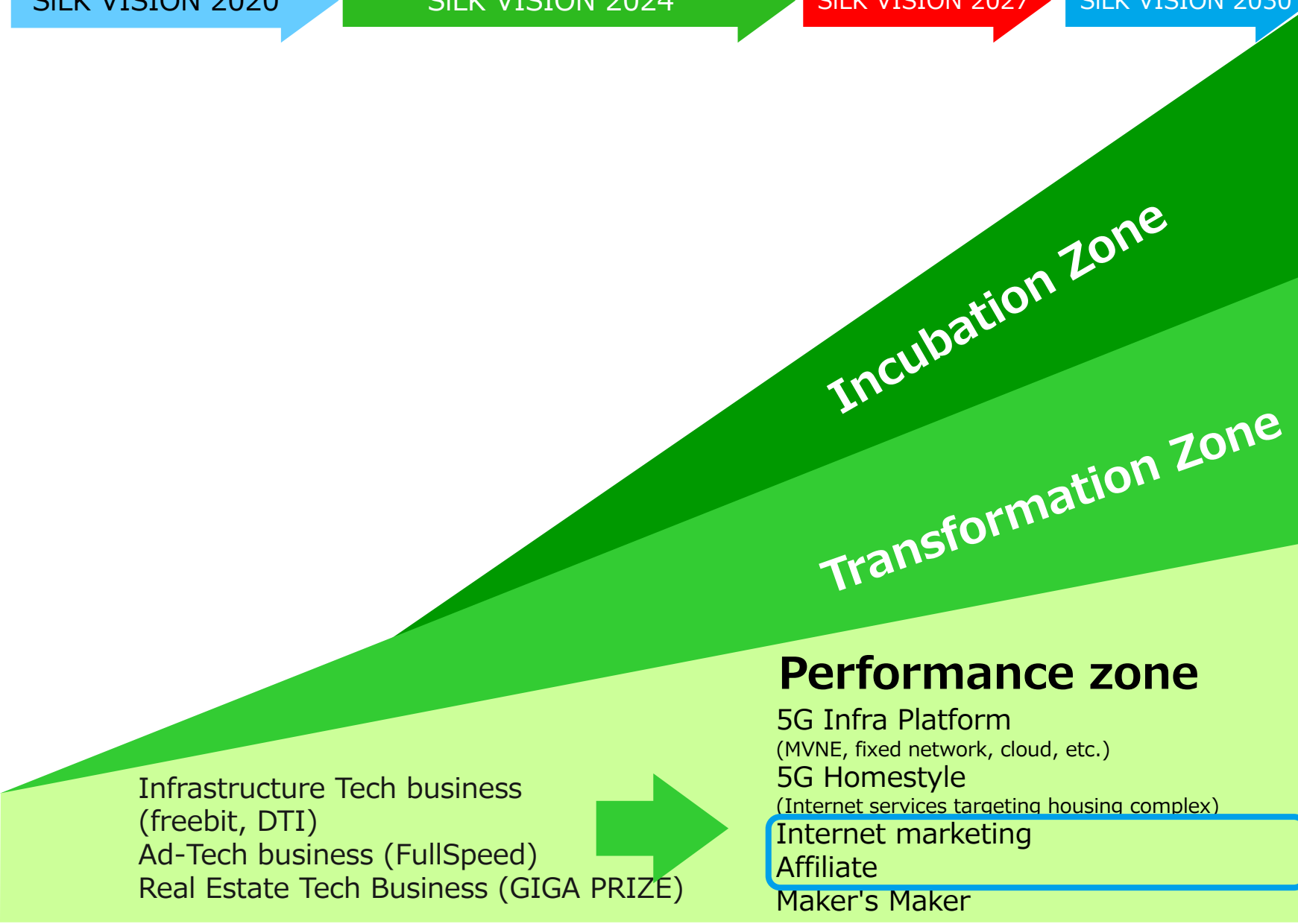


Itoshima City Exercise Park (The front building is a multi-purpose gymnasium)



Multi-purpose gymnasium Main Arena

[Performance Progress] Corporate and Creator 5G DX Support Business (Production 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 Lifestyle Support Business
5G Lifestyle (TONE/DTI)

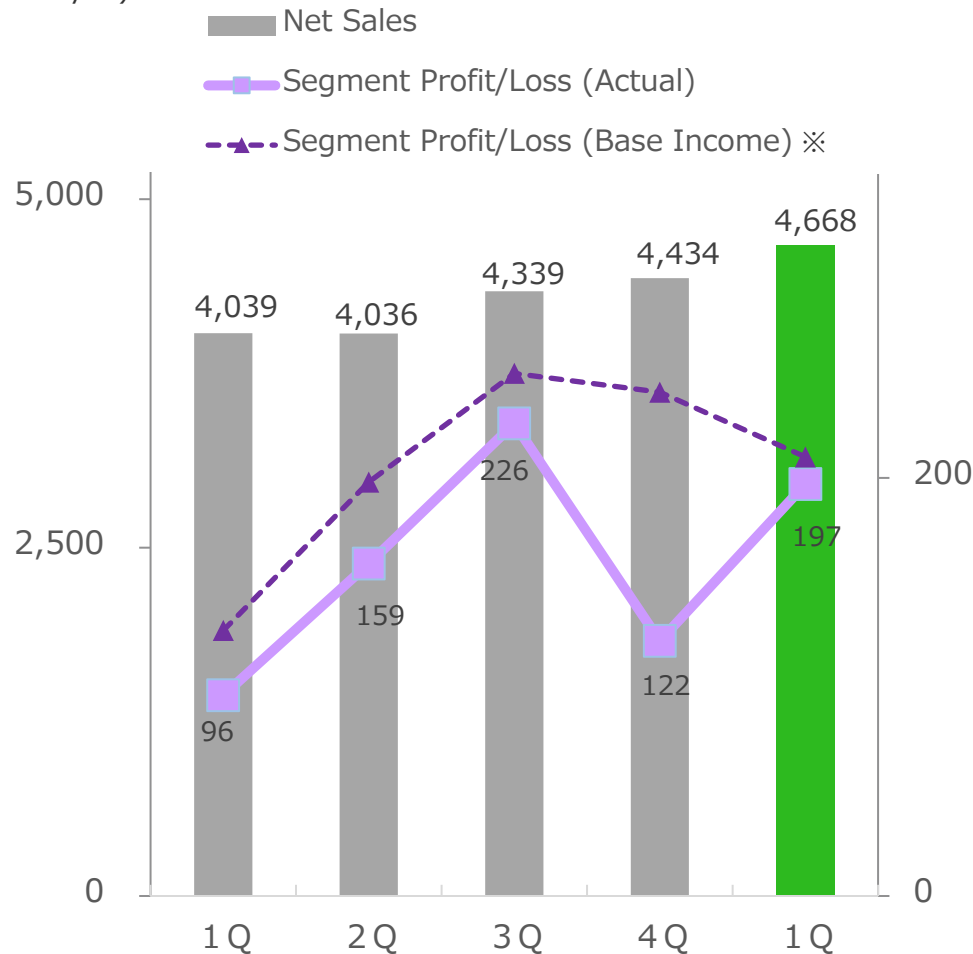
5G Infrastructure Support Business

Most existing businesses have shifted to the Performance zone. Those businesses grow continuously incorporating the changing times such as 5G and eSIM.

Increased gross income in the affiliate business and a decrease in SG&A expenses due to the PMI effect following the conversion of FS to a wholly owned subsidiary, **Operating income (Base Income) increased 65.0% year on year**

Net Sales and Segment Profit/Loss

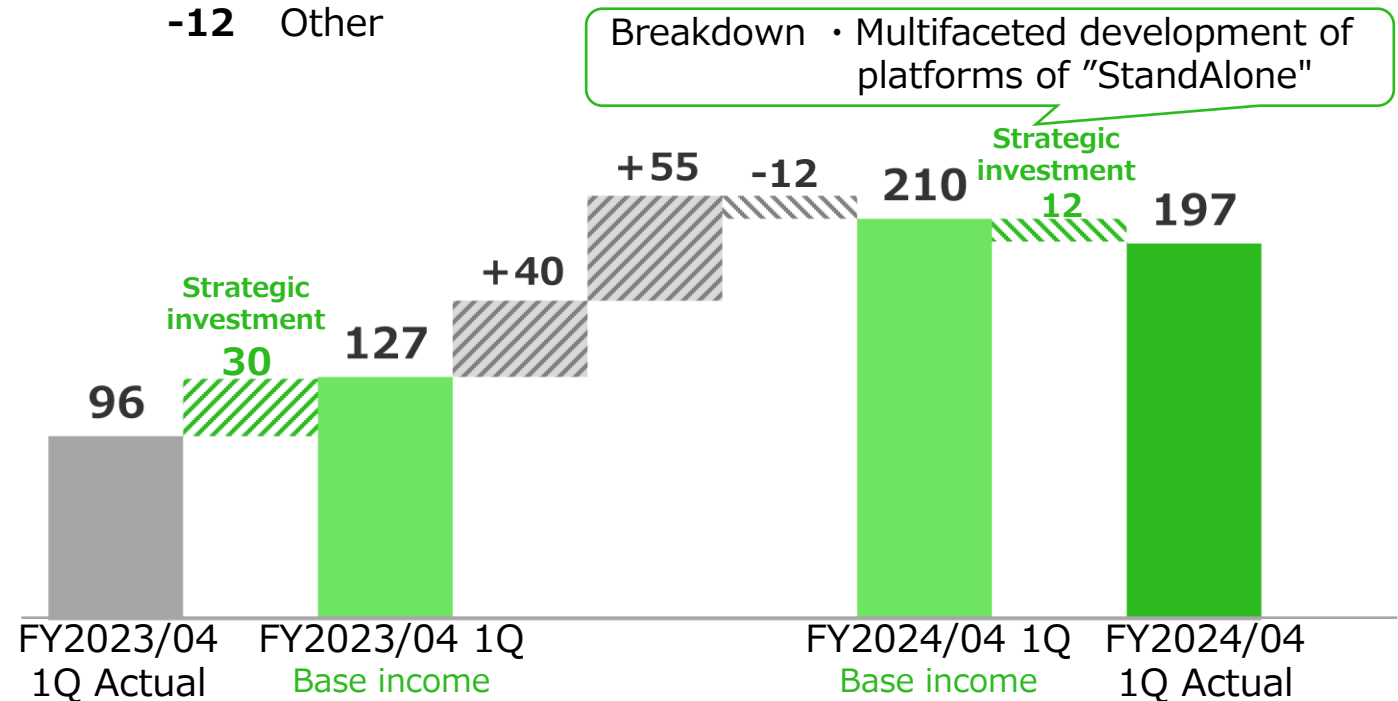
(Millions of yen)



Segment Profit/Loss YoY Variance Analysis

(Millions of yen)

- +40** Increase in gross income in affiliate business by strengthening focus genres and acquiring new customers
- +55** Decrease in SG&A expenses due to PMI effects such as resource optimization accompanying the conversion of FS to a wholly owned subsidiary
- 12** Other



※ Base income is an unaudited reference figure.

Creator Support Platform, "StandAlone" plans to hold events for several thousands audiences and release new apps

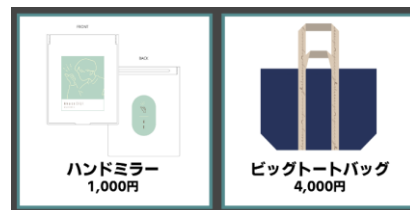
- Kentaro Sakaguchi and Eiji Akaso plan to hold events for several thousand audience. Merchandise sales are also planned to implement in each case.

The actor, Kentaro Sakaguchi, disseminates content "info.s" and the actor, Eiji Akaso, act as the editor to distribute content "EAWD", each planning to hold events of several thousand audience in September.

At the event, it is planned to sell tickets and goods.

- Planning to release new apps for Takato Nagata and Hikari Kabashima in September

In September, it is planned to release a new app for the actor, Takato Nagata, "NAGATOWN" and the actor, Hikari Kabashima "Hikaridayori". From September onward, the Company will continue to prepare for the release of new creators' apps.



- App Name Hikaridayori
- Artist Name Hikari Kabashima
- Entertainment
 - Drama Kamen Rider Revice
 - Drama: The End of the Little We
 - Don't love it because it is a family, but it was the family that loved it

- App Name NAGATOWN
- Artist Takato Nagata
- Entertainment
 - Theatre Haikyu!!
 - Drama: His husband and husband
 - Drama Black Postman

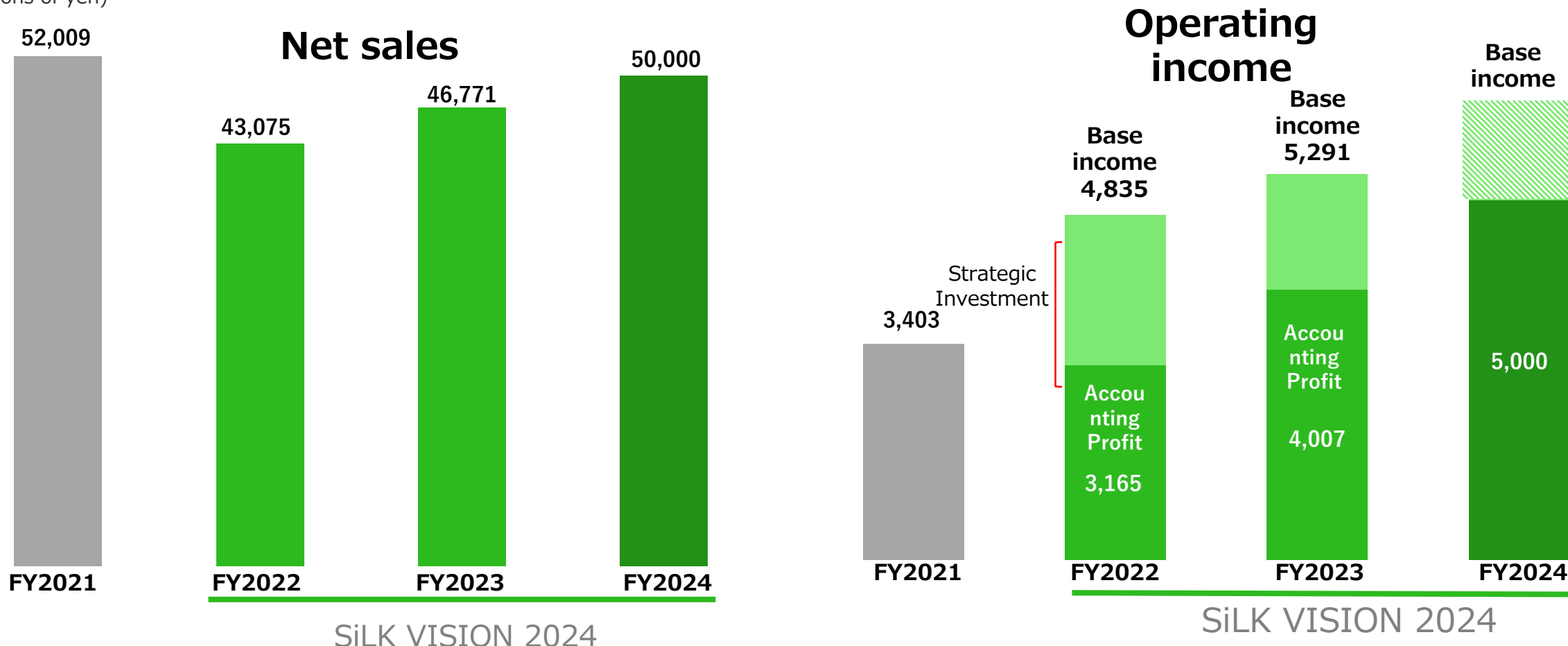


※ Design may be changed at release.

3. Progress against the FY2024/04 full-year forecast

FreeBit Group Earnings Targets for the Fiscal Year Ending April 2024
 Aiming for **50 billion yen** in sales and **5 billion yen** in operating profit

(Millions of yen)



SiLK VISION 2024

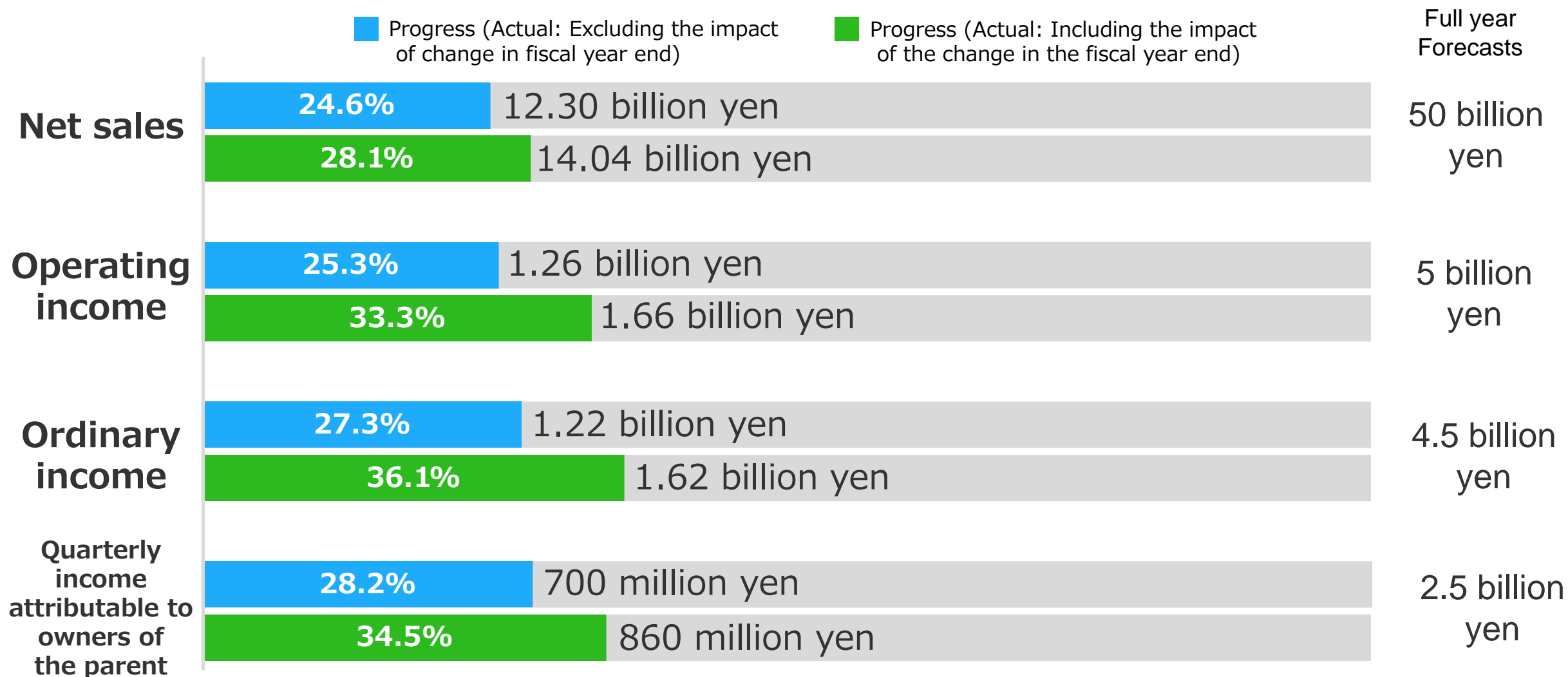
SiLK VISION 2024

※1 Net sales and operating income in FY2021 are figures before adjusting "Accounting Standard for Recognition of Revenue" and other factors.

※2 Base income are the business profit figure excluding temporary investments and unaudited reference figures. 30

Progress against the FY2024/04 full-year forecast

**Net sales and profits at each stage all exceeded forecasts
Projected to progress in 2Q and beyond as planned**



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.

<IR and Inquiries Regarding This Material>

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WEB <https://freebit.com/>

5. Appendix

Explanation of the Three Revolution Areas and Each Business

Mobile revolution area

In order to solve various social problems, such as environmental problems, an aging society, and low growth, and to realize a sustainable society, the area provides the infrastructure that is the foundation for the improvement of the efficiency of people's lives and the production revolution of intelligence.

Lifestyle revolution area

For the transition to a sustainable society, people's ways of working, learning, and living will change. This is an area in which we solve the social problems that are necessary for this purpose and create new societies and values.

Production revolution area

"Structuring of intelligence" to mobilize appropriate knowledge from a vast amount of knowledge for solving social problems, and the resulting "production revolution of intelligence" brings about innovation.

5G Infrastructure Support Business

A business that provides a platform that supports not only the creation of "human" but also the creation of "consumer" markets that lead to Connected and reliable use of "goods" at an affordable price through 5G and eSIM(SIM software/AI/Blockchain).

5G Lifestyle Support Business

Using platforms created by 5G support business, this business builds and provides business platforms that support the creation of various "cost" markets, such as "safe and secure lifestyles," "healthy lifestyles," "work styles," and "housing," which are unique to 5G era.

Support for corporate and creator 5G DX

A business that supports manufacturing in 5G age by using a proprietary DX method to build platforms that enable not only corporations but also creators and influencers that will become the core of future manufacturing, from "(Market Creation)→Value Creation→Verification→Market Introduction→Maintenance of Customer Relations."

Market potential

5G related market for the domestic industry is 210.6 billion yen, IoT market is 10.2 trillion yen, and even MaaS is 2.9 trillion yen. However, from a unique perspective of "DAO" (autonomous decentralized organization), which differs from the huge platform formers, where various issues are emerging, we approach these huge markets.

Market potential

With the new corona, people's desire has fallen to the "safety desire" of the 5-stage theory of Maslow, but with the spread of vaccines in the future, the higher-order desire (= cost consumption) has been revived. Accelerating the penetration of IT into lifestyles in 5G also contributes to the creation of higher-order markets-goods→services→outcomes.

Market potential

In Marketing 4.0, creators and influencers do not simply recommend goods and services, but rather propose what they can become as a result of using them. In other words, a market that satisfies Maslow's "desire for self-realization" (= cost consumption) is required.

(NOTE) Domestic 5G related markets (2027) and domestic IoT markets (2025) are based on IDC Japan surveys, and MaaS domestic markets (2030) are based on Fuji Keizai.