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Consolidated Financial Results for the Six Months Ended September 30, 2019 [Japanese GAAP]



November 14, 2019

Company name: Remixpoint, inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3825
 URL: <https://www.remixpoint.co.jp>
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 Scheduled date of filing quarterly securities report: November 14, 2019
 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Not Scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2019	6,200	▲17.7	▲365	—	▲378	—	▲4,032	—
September 30, 2018	7,532	54.8	710	124.2	706	128.3	391	59.2

(Note) Comprehensive income: Six months ended September 30, 2019: ¥ ▲4,032million [—%]

Six months ended September 30, 2018: ¥ 391 million [58.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2019	▲69.66	—
September 30, 2018	6.87	6.87

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2019	19,618	4,716	23.9
As of March 31, 2019	21,797	8,221	37.7

(Reference) Equity: As of September 30, 2019: ¥ 4,688million

As of March 31, 2019: ¥ 8,220million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2020	-	0.00			
Fiscal year ending March 31, 2020 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

The crypto currency exchange business of the Group's financial business, is influenced by crypto currency market which reflects economic conditions and trends in the financial market and makes it difficult to calculate an appropriate and reasonable financial results forecast, and therefore a financial results forecast for the fiscal year ending March 31, 2020 is not provided.

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2019: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stock)

1) Number of issued shares at the end of the period (including treasury shares):

September 30, 2019: 58,467,600 shares

March 31, 2019: 57,057,200 shares

2) Number of treasury shares at the end of the period:

September 30, 2019: 60,000 shares

March 31, 2019: 60,000 shares

3) Average number of shares during the period:

Six months ended September 30, 2019: 57,891,705
shares

Six months ended September 30, 2018: 56,977,149 shares

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

* Explanation of the proper use of financial results forecast and other special notes
(Caution regarding forward-looking statements)

In these materials, the consolidated financial results forecast for the fiscal year ending March 31, 2020 is undetermined, and statements herein are based on information that is currently available and certain assumptions deemed reasonable by the Company.

Table of Contents

1. Quarterly Consolidated Financial Statements	2
(1) Quarterly Consolidated Balance Sheets	2
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	4
(3) Quarterly Consolidated Statements of Cash Flows	6

1. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	6,457	3,857
Accounts receivable - trade	745	1,048
Merchandise	341	254
Virtual currencies	10,327	12,330
Deposits paid	1,370	235
Other	917	274
Allowance for doubtful accounts	(15)	(17)
Total current assets	20,144	17,982
Non-current assets		
Property, plant and equipment	84	76
Intangible assets		
Software	849	536
Software in progress	19	88
Total intangible assets	869	625
Investments and other assets		
Lease and guarantee deposits	358	352
Fixed loan	86	86
Other	339	580
Allowance for doubtful accounts	(86)	(86)
Total investments and other assets	698	933
Total non-current assets	1,652	1,635
Total assets	21,797	19,618

(Million yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	198	217
Current portion of long-term	50	—
Accounts payable - other	404	419
Deposits received	2,303	1,930
Deposits received for virtual currency	8,186	10,287
Income taxes payable	41	61
Loans payable-virtual currencies	2,006	1,944
Other	374	39
Total current liabilities	13,565	14,900
Non-current liabilities		
Lease obligations	0	0
Deferred tax liabilities	9	—
Total non-current liabilities	10	0
Total liabilities	13,576	14,901
Net assets		
Shareholders' equity		
Share capital	3,696	3,947
Capital surplus	3,718	3,968
Retained earnings	823	(3,208)
Treasury shares	(18)	(18)
Total shareholders' equity	8,220	4,688
Share acquisition rights	0	28
Total net assets	8,221	4,716
Total liabilities and net assets	21,797	19,618

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	7,532	6,200
Cost of sales	5,418	5,456
Gross profit	2,114	743
Selling, general and administrative expenses	1,403	1,109
Operating profit (loss)	710	(365)
Non-operating income		
Interest income	0	1
Dividend income	0	0
Royalty	1	0
Interest on tax refund	—	2
Other	0	1
Total non-operating income	1	5
Non-operating expenses		
Interest expenses	2	0
Issuance cost of subscription rights to shares	1	3
Share issuance cost	0	10
Foreign exchange losses	—	4
Other	0	0
Total non-operating expenses	5	18
Ordinary profit (loss)	706	(378)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	—	84
Total extraordinary income	—	84
Extraordinary losses		
Loss on retirement of non-current assets	—	267
Loss on sales of investments in capital of subsidiaries and associates	4	—
Loss on valuation of investments in capital of subsidiaries and associates	—	62
Theft loss of virtual currencies	—	3,246
Additional losses related to the theft of virtual currency	—	133
Impairment loss	—	2
Total extraordinary losses	4	3,714
Profit (loss) before income taxes	702	(4,009)
Income taxes - current	333	33
Income taxes - deferred	(24)	(9)
Total income taxes	308	23
Profit (loss)	393	(4,032)
Profit attributable to non-controlling interests	1	—
Profit (loss) attributable to owners of parent	391	(4,032)

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit (loss)	393	(4,032)
Comprehensive income	393	(4,032)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	391	(4,032)
Comprehensive income attributable to non-controlling interests	1	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit (loss) before income taxes	702	(4,009)
Depreciation	77	120
Increase (decrease) in allowance for doubtful accounts	(0)	2
Impairment loss	—	2
Interest and dividend income	(0)	(1)
Interest expenses	2	0
Loss (gain) on sales of shares of subsidiaries and associates	—	(84)
Share issuance cost	0	10
Issuance cost of subscription rights to shares	1	3
Loss on retirement of non-current assets	—	267
Theft loss of virtual currencies	—	3,246
Additional losses related to the theft of virtual currency	—	133
Gain on sales of investments in capital of subsidiaries and affiliates	4	—
Loss (gain) on valuation of investments in capital of subsidiaries and associates	—	62
Decrease (increase) in trade receivables	(852)	(347)
Decrease (increase) in inventories	27	86
Increase (decrease) in virtual money	(8,413)	(2,002)
Decrease (Increase) in operating guarantee deposit	1,126	1,135
Increase (decrease) in other current assets	(568)	300
Increase (decrease) in trade payables	(87)	20
Increase (decrease) in accounts payable - other	54	(145)
Increase (decrease) in deposits received	1,333	(373)
Increase (decrease) in deposits received from virtual money	3,160	2,101
Increase (decrease) in accrued consumption taxes	(72)	128
Increase (decrease) in loans payable-virtual currencies	3,931	(61)
Increase in other current liabilities	(104)	(83)
Other, net	(27)	173
Subtotal	294	689
Interest and dividends received	0	1
Interest paid	(1)	(0)
Income taxes paid	(1,023)	(31)
Expenditures on theft loss of virtual currencies	—	(3,079)
Expenditures on additional losses related to the theft of virtual currency	—	(54)
Net cash provided by (used in) operating activities	(729)	(2,474)
Cash flows from investing activities		
Purchase of investment securities	—	(270)
Loan advances	—	(35)
Purchase of property, plant and equipment	(26)	(12)
Proceeds from sales of property, Plant and equipment	—	1
Purchase of intangible assets	(158)	(184)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	(79)
Payments for guarantee deposits	(2)	(1)
Payments for leasehold deposits	(57)	(1)
Proceeds from refund of leasehold deposits	0	0
Payments for investments in capital	—	(170)
Net cash provided by (used in) investing activities	(244)	(754)

(Million yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(60)	168
Repayments of long-term borrowings	(50)	(50)
Repayments of lease obligations	(3)	(4)
Proceeds from issuance of shares	—	489
Proceeds from issuance of share acquisition rights	—	24
Proceeds from issuance of shares resulting from exercise of share acquisition rights	20	0
Dividends paid	(55)	(0)
Net cash provided by (used in) financing activities	(148)	628
Net increase (decrease) in cash and cash equivalents	(1,122)	(2,600)
Cash and cash equivalents at beginning of period	6,982	6,451
Cash and cash equivalents at end of period	5,859	3,851