



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (IFRS)

* Please note this document is a translation of the original Japanese document "Consolidated Financial Results for the fiscal year ended March 31, 2025 (Kessan Tanshin)" and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

May 12, 2025

Company Name: erex Co., Ltd. Listing Market: Tokyo Stock Exchange

Stock Code: 9517 URL: <https://www.erex.co.jp/en/ir/>

Representative Director (Title): Representative Director and President (Name): Hitoshi Honna

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Scheduled Date for General Shareholders' Meeting: Jun 24, 2025 Scheduled Date to Start Dividend Payment: Jun 25, 2025

Scheduled Date to File Securities Report: Jun 25, 2025

Preparation of Supplementary Material on Financial Results: Yes

Holding of Financial Results Meeting: Yes (for institutional investors and analysts)

(Rounded down to the nearest million Japanese Yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(% shows year-over-year changes)

	Net Sales		Operating Income		Income before Income Taxes		Net Income	
Fiscal Year Ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%
March 31, 2025	171,217	△30.1	7,137	-	6,330	-	3,751	-
March 31, 2024	244,977	-	△21,949	-	△19,949	-	△21,616	-

	Net Income Attributable to the Owners of the Parent Company		Comprehensive Income		Net Income per Share (EPS, Basic)	Net Income per Share (EPS, Diluted)
Fiscal Year Ended	JPY million	%	JPY million	%	JPY	JPY
March 31, 2025	2,118	-	6,266	-	28.65	-
March 31, 2024	△21,347	-	△10,328	-	△359.94	-

	Net Income (Attributable to the Owners of the Parent Company) Ratio	Income before Income Taxes on Total Assets	Operating Margin
Fiscal Year Ended	%	%	%
March 31, 2025	3.8	4.2	4.2
March 31, 2024	△39.3	△12.3	△9.0

(Reference) Share of profit/loss(△) of investments accounted for using the equity method: △JPY239 million (FY March 2025), JPY350 million (FY March 2024)

(Note) Diluted EPS for the fiscal year ended March 31, 2025 is not stated, as there are no dilutive shares having dilutive effects. Diluted EPS for the fiscal year ended March 31, 2024 is not stated, as dilutive shares exist, but they are anti-dilutive.

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of the Parent Company	Ratio of Equity Attributable to Owners of the Parent Company to Total Assets	Equity Attributable to Owners of the Parent Company Per Share
	JPY million	JPY million	JPY million	%	JPY
March 31, 2025	153,382	72,480	64,144	41.8	823.19
March 31, 2024	148,611	55,601	48,104	32.4	810.17

(3) Consolidated Cash Flow

	Operating Cash Flow	Investing Cash Flow	Financing Cash Flow	Cash and Cash Equivalents at Fiscal Year End
Fiscal Year Ended	JPY million	JPY million	JPY million	JPY million
March 31, 2025	19,495	△5,533	32	33,613
March 31, 2024	△22,701	△6,558	15,148	19,670

2. Dividend

	Annual Dividend					Total Dividend Amount	Payout Ratio (Consolidated)	DOE (Consolidated)
	1Q	2Q	3Q	4Q	Total			
Fiscal Year Ended March 31, 2024	JPY -	JPY 0.00	JPY -	JPY 0.00	JPY 0.00	JPY million -	% -	% -
Fiscal Year Ended March 31, 2025	-	0.00	-	11.00	11.00	858	38.4	1.3
Fiscal Year Ending March 31, 2026 (Forecasts)	-	0.00	-	11.00	11.00		-	

3. Financial Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(% shows year-over-year changes)

	Net Sales		Operating Income		Income before Income Taxes		Net Income Attributable to the Owners of the Parent Company		Net Income per Share (EPS, Basic)
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY
Full Year	176,181	2.9	8,601	20.5	7,510	18.6	3,415	61.3	43.83

(*Notes)

(1) Important changes in the scope of consolidation during the fiscal year ended March 31, 2025: Yes

Removal: 1 (Company Name) T'dash G.K.

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies as required by IFRS: No

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

3) Changes in accounting estimates: No

(3) The Number of Issued and Outstanding Shares (Common Shares)

① Number of Issued and Outstanding Shares (Including Treasury Stocks) at the End of the Period	As of March 31, 2025	78,066,758 shares	As of March 31, 2024	59,517,808 shares
② Number of Treasury Stocks at the End of the Period	As of March 31, 2025	144,714 shares	As of March 31, 2024	142,014 shares
③ Average Number of Shares during the Period	12 Months ended March 31, 2025	73,934,965 shares	12 Months ended March 31, 2024	59,307,857 shares

(Reference) Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-Consolidated Operating Results (% shows year-over-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal Year Ended	JPY million	%	JPY million	%	JPY million	%	JPY million	%
March 31, 2025	123,355	△42.0	769	-	5,528	-	5,461	-
March 31, 2024	212,528	△16.6	△21,986	-	△26,119	-	△17,789	-

	EPS	Diluted EPS
Fiscal Year Ended	JPY	JPY
March 31, 2025	73.86	-
March 31, 2024	△299.95	-

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	BPS
	JPY million	JPY million	%	JPY
March 31, 2025	114,068	49,539	43.4	635.76
March 31, 2024	106,452	30,908	29.0	520.55

(*Reference) Net Worth March 31, 2025 49,539 JPY million March 31, 2024 30,908 JPY million

(*) This document (Kessan Tanshin) is not subject to the audit procedures by certified public accountants or audit firms.

(*) Explanations regarding the appropriate use of financial forecasts and other special instructions

(Cautions regarding forward looking statements)

Forward looking statements included in this document, including financial forecasts, are based on information that is currently available to management of erex Co., Ltd. and certain assumptions that are judged to be reasonable, and are not intended to guarantee the achievement of these financial forecasts. Actual results may be significantly different from these financial forecasts due to various factors.

(Application of International Financial Reporting Standards (IFRS))

erex Group voluntarily started to adopt International Financial Reporting Standards (IFRS) from the current consolidated fiscal year, and financial figures for the previous consolidated fiscal year are also presented in accordance with IFRS.

(Supplementary Materials)

Supplementary materials will be posted on the website of erex (<https://www.erex.co.jp/ir/>) on the same day.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Current Fiscal year

During the current consolidated fiscal year, while inflationary pressures eased worldwide, the outlook for the Japanese economy remained uncertain due to the new U.S. administration, in addition to ongoing geopolitical risks such as Russia's invasion of Ukraine and the Israel-Hamas conflict. In the energy sector, fuel prices were on a gradual downward trend, and domestic electric power market prices were relatively low. Under these circumstances, consolidated net sales for the current fiscal year were 171,217 million yen (down 30.1% YoY), cost of sales was 150,713 million yen (down 40.6% YoY), and gross profit was 20,504 million yen (as compared to gross loss of 8,708 million yen in the previous fiscal year). Selling, general and administrative expenses were 10,894 million yen (+6.7% YoY), operating income was 7,137 million yen (as compared to operating loss of 21,949 million yen in the previous fiscal year), income before income taxes was 6,330 million yen (as compared to loss before income taxes of 19,949 million yen in the previous fiscal year), and net income attributable to the owners of the parent company was 2,118 million yen (as compared to net loss attributable to the owners of the parent company of 21,347 million yen in the previous fiscal year).

In the previous fiscal year ended March 31, 2024, the trading business incurred a large loss due to surplus in procured power sources, which erex Group was forced to sell with a negative spread. In the current fiscal year ended March 31, 2025, erex Group stopped taking surplus positions in power source procurement based on price forecasts, and changed its organizational structure so that the power procurement and retail divisions can communicate more smoothly and in a more timely manner. As a result, the trading business was able to record a profit in the current fiscal year. In addition, the power retail business grew, as a result of sales expansion of its proprietary plans that enable customers to have more predictability on electric power rates in the high-voltage sector, and acquisition of corporate customers with high usage and high gross margins in the low-voltage sector. Power plants in Japan also generally operated steadily. In addition, in the overseas business, which is in the upfront investment phase, the pellet factory of erex Group's Vietnamese subsidiary started commercial operations in March 2025.

The following is an explanation of the situation by business.

In the electric power retail business, erex Group's sales subsidiaries, Evergreen Marketing Co., Ltd. and Evergreen Retailing Co., Ltd. play a central role, while Okinawa Gas New Power Co., Ltd., and e-sell Co., Ltd. are also engaged in sales activities. In the high-voltage sector, power sales volume increased by 60.1% YoY to 2,438 million kWh due to expanded sales of erex Group's pioneering plans such as fully fixed plans and hybrid plans. However, net sales increased by only 29.6% YoY due to a decrease in unit sales prices resulting from a decline in fuel adjustment costs. In the low-voltage sector, the number of customers decreased to 240 thousand (down 21.8% YoY) due to the transfer of the sales subsidiary, T'dash G.K. at the end of December 2024, but the power sales volume decreased by only 2.1%, to 1,352 million kWh, due to acquisition of high-usage-volume corporate customers and increased usage due to climate effects. Net sales increased by 7.8% YoY due to higher unit sales prices resulting from increased usage per customer.

In the trading business, the risk of having excess supply capacity decreased due to the strategy of procuring electric power based on reasonable volume and price in relation to fixed retail sales volume each time. As a result, both power sales volume and net sales for wholesale decreased significantly YoY, but profits were stabilized and exceeded the business plans. In addition, the trading business also contributed to erex Group's retail sales by utilizing its expertise in the trading business, such as trading on the Japan Electric Power Exchange (JEPX) and electricity derivatives trading, for erex Group's retail business, and by developing and structuring its proprietary plans and schemes.

In the power generation business, the Saiki, Buzen, and Nakagusuku biomass power plants generally operated as planned, but the Ofunato Power Plant saw a decrease in power generation due to facility inspections, including the effects of the Ofunato City forest fire. In addition, the Itoigawa Power Plant continued to "operate and shut down" in consideration of electricity market prices based on the capacity market operation rules, and its power generation volume remained at a low level during the current consolidated fiscal year. The Tosa Power Plant has been suspending its operations due to its low efficiency and aging facilities.

In the fuel business, the majority of biomass fuel is procured under long-term contracts, but erex Group was able to reduce procurement prices as compared to the plans by monitoring changes in market conditions caused by troubles at other companies' biomass power plants and delays in starting operations, and making appropriate procurement. In addition, sales to third parties increased due to the start of sales to other companies' power plants based on long-term fuel supply contracts. To further strengthen its fuel supply system, erex Group is continuing to produce and develop its own biomass fuels, mainly in Vietnam.

As for overseas business, in March 2025, erex Group started manufacturing FSC-certified woody pellets at the Tuyen Quang Pellet Factory in Vietnam. erex Group is also promoting the construction of three biomass power plants in Vietnam (Hau Giang, construction completed in April 2025, Note 1), Yen Bai (Note 2), and Tuyen Quang (Note 2), and a hydroelectric power plant and biomass power plants in Cambodia.

Selling, general and administrative expenses increased by 6.7% due to an increase in agent compensation resulting from an increase in power sales volume and an increase in personnel expenses resulting from an increase in headcount.

With the vision " - To realize a sustainable society -, To become a pioneer in the new era of electric power with renewable energy at its core", erex Group will steadily and step by step realize its initiatives to de-carbonize not only the Japanese market but also Vietnam and other Southeast Asian countries and evolve into a "comprehensive energy company" with

the "Culture of Challenge" inherited since its foundation.

Note1: The project was selected for Financing Programme for Joint Crediting Mechanism (JCM) Model Projects (*1) in FY2022 (*2)

(*1) Ministry of the Environment, Japan has been implementing the "JCM Model Projects," which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan's GHG emission reduction and the partner countries' emission reduction target. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

(*2) The announcement was made on July 1, 2022

Note 2: These power plants have been selected as the Ministry of the Environment's Financing Programme for Joint Crediting Mechanism (JCM) Model Projects (*3) in FY2023 (*4)

(*3) Ministry of the Environment, Japan has been implementing the "JCM Model Projects," which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan's GHG emission reduction and the partner countries' emission reduction target. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

(*4) The announcement was made on March 22, 2024

(2) Summary of Financial Position for the Current Fiscal Year

(Assets)

Current assets at the end of the current consolidated fiscal year were 65,521 million yen, a decrease of 1,326 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in other current assets and other financial assets (current), despite an increase in cash and cash equivalents. Non-current assets were 87,860 million yen, an increase of 6,097 million yen from the end of the previous fiscal year. This was mainly due to an increase in other financial assets (non-current) despite a decrease in goodwill resulting from the transfer of the equity interest in T'dash G.K. and the recognition of impairment losses due to the suspension of the Itoigawa Power Plant's operations.

As a result, total assets were 153,382 million yen, up 4,771 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the current fiscal year were 37,569 million yen, a decrease of 8,834 million yen from the end of the previous fiscal year. This was mainly due to a decrease in trade and other payables and borrowings (current), despite an increase in other current liabilities and allowances (current) for the difference between the purchase price of unpurchased inventories and the market price as a purchase commitment valuation allowance. Non-current liabilities were 43,332 million yen, down 3,274 million yen from the end of the previous fiscal year. This was mainly due to a decrease in bonds payable and borrowings (non-current).

As a result, total liabilities were 80,901 million yen, down 12,108 million yen from the end of the previous fiscal year.

(Equity)

Total equity at the end of the current fiscal year was 72,480 million yen, an increase of 16,879 million yen from the end of the previous fiscal year. This was mainly due to an increase in common stock and capital surplus as a result of the third-party allotment and the recording of net income attributable to the owners of the parent company.

As a result, the ratio of equity attributable to the owners of the parent company was 41.8%.

(3) Summary of Cash Flow

Cash and cash equivalents (hereinafter referred to as the "Funds") increased by 13,942 million yen to 33,613 million yen in the current consolidated fiscal year from the end of the previous consolidated fiscal year. The status and factors of each cash flow in the current consolidated fiscal year are as follows.

(Cash Flows from Operating Activities)

The Funds provided by operating activities were 19,495 million yen (use of 22,701 million yen in the same period of the previous fiscal year). The major factors were income before income taxes of 6,330 million yen, depreciation and amortization expenses of 3,639 million yen, and an increase/decrease in consumption taxes payable or receivable (increase in Funds) of 5,210 million yen, despite a decrease in operating liabilities and other liabilities (decrease in Funds) of 1,884 million yen.

(Cash Flows from Investing Activities)

The Funds used in investing activities were 5,533 million yen (down 15.6% YoY). The major factors were expenditures of 5,597 million yen for the acquisition of tangible fixed assets and expenditures of 4,085 million yen for loans, etc., despite proceeds of 3,626 million yen from the repayment of time deposits, proceeds of 2,187 million yen from the sale of subsidiaries, etc.

(Cash Flows from Financing Activities)

The Funds provided by financing activities were 32 million yen (down 99.8% YoY). The major factors were proceeds of 13,886 million yen from the issuance of new shares, etc., despite a net decrease of 7,477 million yen in short-term borrowings (due within three months) and expenditures of 5,562 million yen for the repayment of long-term borrowings, etc.

(Reference) Historical Management Indicators related to Cash Flow

	FY March 2024	FY March 2025
Ratio of Equity Attributable to Owners of the Parent Company to Total Assets (%)	32.4	41.8
Ratio of Equity Attributable to Owners of the Parent Company to Total Assets Using Market Cap (%)	27.7	40.9
Interest-Bearing Debt to Cash Flow Ratio (Year)	-	2.3
Interest Coverage Ratio (Times)	-	23.4

Ratio of Equity Attributable to Owners of the Parent Company to Total Assets: Equity Attributable to Owners of the Parent Company / Total Asset

Ratio of Equity Attributable to Owners of the Parent Company to Total Assets Using Market Cap: Market Capitalization / Total Asset

Interest-Bearing Debt to Cash Flow Ratio: Interest-Bearing Debt / Cash Flow

Interest Coverage Ratio: Cash Flow / Interest Payment

(Note 1) All indicators in this section are calculated using consolidated financial numbers.

(Note 2) Market Capitalization is calculated using the total number of issued and outstanding shares excluding treasury stock.

(Note 3) Cash Flow in this section means operating cash flow.

(Note 4) Interest-Bearing Debt includes all the liabilities on the consolidated balance sheet for which interest is paid. Interest Payment means the interest payment amount on the consolidated cash flow statement.

(Note 5) Interest-Bearing Debt to Cash Flow Ratio and Interest Coverage Ratio for the fiscal year ended March 2024 is not stated due to negative operating cashflow.

(Note 6) The transition date to IFRS accounting standards is April 1, 2023, and IFRS accounting standards have been applied from the fiscal year ended March 2025. Therefore, information for the fiscal years ended March 2023 and earlier is not stated.

(4) Outlook for the Future

1) Outlook for the Next Fiscal Year

Geopolitical risks and uncertainties regarding the future direction of policies under the new U.S. administration are expected to continue. Meanwhile, abnormal weather conditions have been occurring worldwide, and erex Group recognizes that the need for de-carbonization will continue.

Under these circumstances, in the power retail business, erex Group will implement measures that leverage its nationwide sales network and expertise in electric power trading accumulated over more than 20 years. In the power generation and fuel business, erex Group will expand sales of biomass fuel to external customers. Regarding overseas business, one biomass power plant and one pellet factory are in operation in Vietnam. Additionally, erex Group is constructing two more biomass power plants and preparing for the construction of a hydroelectric power plant and biomass power plants in Cambodia.

(Power Retail Business)

With regard to high-voltage power, erex Group will propose plans tailored to customer needs, such as fixed-rate plans and hybrid plans, while also expanding market-linked plans and working to increase sales prices through new plans. Additionally, erex Group will also provide solutions such as corporate PPAs and demand response (DR) to support the transition toward a de-carbonized society. For low-voltage power, erex Group will focus on strengthening efforts to acquire new customers when they relocate and retaining existing customers when they relocate, with the goal of increasing the number of supply contracts over the medium to long term to secure stable revenue.

(Trading Business)

erex Group will continue to procure the necessary power based on fixed power sales volume, as it did in the previous fiscal year. erex Group will also develop plans utilizing the electricity futures market. erex Group is receiving an increasing number of inquiries and communication opportunities from electricity market participants, and will actively engage in PPA wholesale transactions.

(Power Generation Business)

Regarding domestic biomass power plants, power generation is expected to decrease due to output restriction orders. However, erex Group will strive to reduce the number of days required for regular maintenance by improving efficiency and thoroughly conduct daily maintenance to prevent equipment problems. In addition, erex Group will work on environmental assessments for the planned mega biomass power plant.

(Fuel Business)

Starting in the fiscal year ending March 2026, erex Group will start handling wood pellets produced at its own factory in Vietnam. In Japan, erex Group will start long-term fuel supply contracts, which will increase external sales and result in fuel handling volumes increasing by approximately 1.5 times compared to fiscal year ended March 2025. erex Group will also actively promote spot fuel sales outside of long-term supply contracts.

(Overseas Business)

In Vietnam, the Hau Giang Biomass Power Plant commenced commercial operations in April 2025. Additionally, construction is underway for biomass power plants in Tuyen Quang Province and Yen Bai Province, with completion targeted in fiscal year ending March 2028. Furthermore, erex Group plans to conduct co-firing tests of biomass fuel at coal-fired power plants in Vietnam. In Cambodia, erex Group will continue construction of the hydropower plant with the aim of commencing trial operations in 2026. Additionally, preparations for the construction of new biomass power plants, which received approval from the Cambodian government in September 2024, are underway.

(De-Carbonization Strategy)

erex Group has set a de-carbonization strategy to reduce CO2 emissions by 25 million tons by 2030 and will accelerate efforts to achieve carbon neutrality by 2050. Looking ahead to the realization of a net-zero society in which environmental value trading, such as carbon pricing and global emissions trading, will take shape, erex Group will transform itself from an energy company into a leading de-carbonization company and accelerate its growth by using environmental value as a source of revenue.

2) Dividend Outlook

erex Group recognizes that returning profits to its shareholders is an important management issue, and will strive to ensure stable and continuous returns, taking into consideration factors such as profit levels, financial forecasts, and financial conditions, excluding short-term factors affecting profits. In addition, erex Group will continue to proceed with CAPEX to ensure the safe and stable supply of electric power, while promoting investment in growth areas, with the aim of achieving sustainable growth and enhancing corporate value.

2. Basic Approach to the Selection of Accounting Standards

erex Group has voluntarily adopted International Financial Reporting Standards (IFRS) from the 1Q of the fiscal year ended March 2025, replacing the previous Japanese standards, with the aim of improving the international comparability of financial information in the capital market and enhancing communication with investors and other stakeholders.

3. Consolidated Financial Statements and Important Notes
(1) Consolidated Statement of Financial Position

	Transition Date (Apr 1, 2023)	Previous Consolidated Fiscal Year (Mar 31, 2024)	Current Consolidated Fiscal Year (Mar 31, 2025)
	JPY million	JPY million	JPY million
Assets			
Current Assets			
Cash and Cash Equivalents	33,488	19,670	33,613
Trade and Other Receivables	29,719	27,312	24,462
Inventory	2,311	2,388	1,675
Other Financial Assets	11,288	8,108	2,960
Income Taxes Receivable	402	2,360	40
Other Current Assets	2,109	7,008	2,769
Total Current Assets	79,320	66,848	65,521
Noncurrent Assets			
Property, Plant and Equipment	57,373	34,618	35,255
Right-of-Use Assets	4,096	1,676	1,501
Goodwill	3,943	3,078	708
Intangible Assets	1,707	1,629	1,488
Investments Accounted for Using the Equity Method	3,258	9,644	9,409
Other Financial Assets	25,042	29,860	37,763
Deferred Tax Assets	885	590	573
Other Noncurrent Assets	729	663	1,158
Total Noncurrent Assets	97,036	81,763	87,860
Total Assets	176,356	148,611	153,382

	Transition Date (Apr 1, 2023)	Previous Consolidated Fiscal Year (Mar 31, 2024)	Current Consolidated Fiscal Year (Mar 31, 2025)
	JPY million	JPY million	JPY million
Liabilities and Equity			
Liabilities			
Current Liabilities			
Trade and Other Payables	21,968	17,644	14,795
Borrowings	14,761	22,386	12,619
Lease Liabilities	531	383	402
Other Financial Liabilities	4,529	320	257
Income Taxes Payable	4,611	1,727	1,878
Allowances	-	-	1,613
Other Current Liabilities	3,020	3,941	6,001
Total Current Liabilities	49,424	46,403	37,569
Noncurrent Liabilities			
Bonds and Borrowings	40,265	33,516	30,720
Lease Liabilities	3,495	1,495	1,475
Other Financial Liabilities	409	421	334
Retirement Benefit Liabilities	1,011	886	881
Allowances	6,840	5,424	4,988
Deferred Tax Liabilities	2,677	4,682	4,933
Total Noncurrent Liabilities	54,700	46,606	43,332
Total Liabilities	104,124	93,009	80,901
Equity			
Common Stock	11,313	11,362	18,346
Capital Surplus	10,225	11,013	18,009
Retained Earnings	35,797	13,283	15,381
Treasury Stock	△124	△124	△124
Other Components of Equity	3,407	12,568	12,531
Equity Attributable to the Owners of the Parent Company	60,620	48,104	64,144
Non-Controlling Interests	11,612	7,497	8,335
Total Equity	72,232	55,601	72,480
Total Liabilities and Equity	176,356	148,611	153,382

(2) Consolidated Statement of Income

	Previous Consolidated Fiscal Year (Apr 1, 2023 – Mar 31, 2024)	Current Consolidated Fiscal Year (Apr 1, 2024 – Mar 31, 2025)
	JPY million	JPY million
Net Sales	244,977	171,217
Cost of Sales	253,685	150,713
Gross Profit/Loss(Δ)	Δ8,708	20,504
Selling, General, and Administrative Expenses	10,208	10,894
Other Revenues	192	690
Other Expenses	3,224	3,162
Operating Income/Loss(Δ)	Δ21,949	7,137
Financial Income	2,227	553
Financial Expenses	577	1,120
Share of Profit/Loss(Δ) of Investments Accounted for Using the Equity Method	350	Δ239
Income/Loss(Δ) before Income Taxes	Δ19,949	6,330
Income Taxes	1,667	2,578
Net Income/Loss(Δ)	Δ21,616	3,751
Net Income/Loss(Δ) Attributable to		
Owners of the Parent Company	Δ21,347	2,118
Non-Controlling Interests	Δ269	1,633
Net Income/Loss(Δ)	Δ21,616	3,751
Net Income/Loss(Δ) Per Share (yen)		
Basic Net Income/Loss(Δ) Per Share (yen)	Δ359.94	28.65

(Note) Diluted EPS for the fiscal year ended March 31, 2024 is not stated as dilutive shares exist, but they are anti-dilutive. Diluted EPS for the fiscal year ended March 31, 2025 is not stated as there are no dilutive shares having dilutive effects.

(3) Consolidated Statement of Comprehensive Income

	Previous Consolidated Fiscal Year (Apr 1, 2023 – Mar 31, 2024)	Current Consolidated Fiscal Year (Apr 1, 2024 – Mar 31, 2025)
	JPY million	JPY million
Net Income/Loss(Δ)	Δ21,616	3,751
Other Comprehensive Income		
Items that will not be Reclassified to Profit or Loss		
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,125	587
Remeasurement of Defined Benefit Plans	147	Δ14
Total of Items that will not be Reclassified to Profit or Loss	2,272	572
Items that may be Reclassified Subsequently to Profit or Loss		
Cash Flow Hedges	8,756	1,874
Exchange Differences on Translating Foreign Operations	204	76
Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method	54	Δ8
Total of Items that may be Reclassified Subsequently to Profit or Loss	9,015	1,942
Total Other Comprehensive Income/Loss(Δ), Net of Tax	11,287	2,515
Comprehensive Income/Loss(Δ)	Δ10,328	6,266
Comprehensive Income/Loss(Δ) Attributable to		
Owners of the Parent Company	Δ10,121	4,679
Non-Controlling Interests	Δ207	1,586
Comprehensive Income/Loss(Δ)	Δ10,328	6,266

(4) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)

Equity Attributable to the Owners of the Parent Company

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Other Components of Equity	
					Exchange Differences on Translating Foreign Operations	Cash Flow Hedges
	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)
Balance as of Apr 1, 2023	11,313	10,225	35,797	△124	-	4,101
Net Income/Loss (△)	-	-	△21,347	-	-	-
Other Comprehensive Income	-	-	-	-	167	8,793
Comprehensive Income	-	-	△21,347	-	167	8,793
Dividend	-	-	△1,306	-	-	-
Share-Based Compensation Transaction	48	20	-	-	-	-
Transfer to Non-Financial Assets, etc.	-	-	-	-	-	△1,924
Capital Transactions with Non-Controlling Interests	-	766	-	-	-	-
Transfer from Other Components of Equity to Retained Earnings	-	-	139	-	-	-
Changes in the Scope of Consolidation	-	-	-	-	-	-
Total Amount of Transactions with Owners	48	787	△1,166	-	-	△1,924
Balance as of Mar 31, 2024	11,362	11,013	13,283	△124	167	10,970

Equity Attributable to the Owners of the Parent Company

	Other Components of Equity			Total	Non-Controlling Interests	Total
	Financial Assets Measured at Fair Value through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total			
	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)
Balance as of Apr 1, 2023	△694	-	3,407	60,620	11,612	72,232
Net Income/Loss (△)	-	-	-	△21,347	△269	△21,616
Other Comprehensive Income	2,125	139	11,225	11,225	62	11,287
Comprehensive Income	2,125	139	11,225	△10,121	△207	△10,328
Dividend	-	-	-	△1,306	-	△1,306
Share-Based Compensation Transaction	-	-	-	69	-	69
Transfer to Non-Financial Assets, etc.	-	-	△1,924	△1,924	-	△1,924
Capital Transactions with Non-Controlling Interests	-	-	-	766	△542	224
Transfer from Other Components of Equity to Retained Earnings	-	△139	△139	-	-	-
Changes in the Scope of Consolidation	-	-	-	-	△3,365	△3,365
Total Amount of Transactions with Owners	-	△139	△2,064	△2,394	△3,908	△6,302
Balance as of Mar 31, 2024	1,431	-	12,568	48,104	7,497	55,601

Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)

	Equity Attributable to the Owners of the Parent Company					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Other Components of Equity	
					Exchange Differences on Translating Foreign Operations	Cash Flow Hedges
	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)
Balance as of Apr 1, 2024	11,362	11,013	13,283	△124	167	10,970
Net Income/Loss (△)	-	-	2,118	-	-	-
Other Comprehensive Income	-	-	-	-	29	1,955
Comprehensive Income	-	-	2,118	-	29	1,955
Issuance of New Shares	6,967	6,932	-	-	-	-
Dividend	-	-	-	-	-	-
Share-Based Compensation Transaction	16	63	-	-	-	-
Transfer to Non-Financial Assets, etc.	-	-	-	-	-	△2,618
Capital Transactions with Non-Controlling Interests	-	-	-	-	-	-
Transfer from Other Components of Equity to Retained Earnings	-	-	△20	-	-	-
Total Amount of Transactions with Owners	6,983	6,995	△20	-	-	△2,618
Balance as of Mar 31, 2025	18,346	18,009	15,381	△124	197	10,307

	Equity Attributable to the Owners of the Parent Company					
	Other Components of Equity			Total	Non-Controlling Interests	Total
	Financial Assets Measured at Fair Value through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total			
	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)	(million yen)
Balance as of Apr 1, 2024	1,431	-	12,568	48,104	7,497	55,601
Net Income/Loss (△)	-	-	-	2,118	1,633	3,751
Other Comprehensive Income	587	△11	2,561	2,561	△46	2,515
Comprehensive Income	587	△11	2,561	4,679	1,586	6,266
Issuance of New Shares	-	-	-	13,899	-	13,899
Dividend	-	-	-	-	△940	△940
Share-Based Compensation Transaction	-	-	-	79	-	79
Transfer to Non-Financial Assets, etc.	-	-	△2,618	△2,618	-	△2,618
Capital Transactions with Non-Controlling Interests	-	-	-	-	192	192
Transfer from Other Components of Equity to Retained Earnings	9	11	20	-	-	-
Total Amount of Transactions with Owners	9	11	△2,598	11,360	△747	10,612
Balance as of Mar 31, 2025	2,027	-	12,531	64,144	8,335	72,480

(5) Consolidated Statement of Cash Flows

	Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)
	(million yen)	(million yen)
Cashflow from Operating Activities		
Income (△Loss) before Income Taxes	△19,949	6,330
Depreciation and Amortization	4,073	3,639
Impairment Loss	2,530	1,459
Financial Income	△934	△553
Financial Expenses	577	1,391
Share of Loss (△Profit) of Investments Accounted for Using the Equity Method	△350	239
Loss (△Gain) on Sale of Noncurrent Assets	41	0
Loss (△Gain) on Sale of Investments in Affiliated Companies	-	△487
Purchase Commitment Valuation Allowance	-	1,613
Decrease (△Increase) in Trade and Other Receivables	1,252	1,251
Decrease (△Increase) in Inventory	△600	725
Increase (△Decrease) in Trade and Other Payables	△3,315	△1,884
Increase/Decrease in Consumption Tax Receivable/Payable	△3,884	5,210
Others	2,649	847
Sub-Total	△17,908	19,783
Interests Received	344	415
Dividends Received	47	56
Interests Paid	△403	△833
Income Taxes Refunded	280	2,284
Income Taxes Paid	△5,062	△2,209
Cashflow from Operating Activities	△22,701	19,495
Cashflow from Investing Activities		
Proceeds from Withdrawal of Time Deposits	-	3,626
Payments into Time Deposits	△3,637	△1,386
Payments for Purchase of Property, Plant and Equipment	△2,674	△5,597
Payments for Purchase of Intangible Assets	△393	△804
Proceeds from Sale and Redemption of Investments	429	-
Decrease in Subsidiaries Not Accompanied by Sale of Equity	△6,444	-
Proceeds from Collection of Lease and Guarantee Deposits	4,328	30
Payments for Lease and Guarantee Deposits	△405	△113
Proceeds from Collection of Loans Receivable	2,618	435
Payments for Loans Receivable	△130	△4,085
Proceeds from Sales of Subsidiaries	-	2,187
Others	△249	174
Cashflow from Investing Activities	△6,558	△5,533
Cashflow from Financing Activities		
Net Increase/Decrease in Short Term Borrowings (3 Months or Less)	4,390	△7,477
Increase in Short Term Borrowings (Over 3 Months)	3,000	312
Decrease in Short Term Borrowings (Over 3 Months)	△2,000	△1,000
Proceeds from Long Term Borrowings	9,501	1,200
Repayments of Long Term Borrowings	△4,007	△5,562
Proceeds from Issuance of Bonds	5,970	-
Repayments of Lease Obligations	△514	△410
Proceeds from Issuance of New Shares	13	13,886
Dividends Paid	△1,306	-
Dividends Paid to Non-Controlling Interests	-	△940
Proceeds from Equity Issuance to Non-Controlling Interests	-	192
Payments for Acquisition of Subsidiary Equities from Non- Controlling Interests	△72	-
Others	172	△166
Cashflow from Financing Activities	15,148	32

Effect of Exchange Rate Changes on Cash and Cash Equivalents	293	△52
Increase (△Decrease) in Cash and Cash Equivalents	△13,818	13,942
Cash and Cash Equivalents at the Beginning of the Period	33,488	19,670
Cash and Cash Equivalents at the End of the Period	19,670	33,613

(6) Notes to Consolidated Financial Statements

(Significant Changes in the Scope of Consolidation)

Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)

erex Group owns a majority stake in Buzen New Energy G.K. on its own account. However, due to the conclusion of a memorandum of understanding on changes to the investor agreement dated April 1, 2023, the consent of all investors is now required for decisions on important matters, and therefore erex Group no longer controls the company's financial and business policy decisions. For this reason, Buzen New Energy G.K. was removed from the scope of consolidation and became an equity method affiliate. As no sales of shares was made, there is no change in the ownership percentage.

Additionally, EREX INTERNATIONAL CO., LTD, EREX SAKURA BIOMASS YEN BAY CO., LTD, and EREX SAKURA BIOMASS TUYEN QUANG CO., LTD were newly established and included in the scope of consolidation.

Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)

At a meeting of the board of directors held on November 29, 2024, erex Group resolved to transfer all of its interests in its wholly owned subsidiary, T'dash G.K., to HBD Inc., and the transfer was completed on December 31, 2024. As a result, T'dash G.K. was excluded from the scope of consolidation.

(Segment Information)

Summary of Reportable Segments

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024) and current consolidated fiscal year (April 1, 2024 – March 31, 2025)

erex Group's reportable segments are components of erex Group for which separate financial information is available and are subject to periodic review by the board of directors for the purpose of determining the allocation of management resources and evaluating business performance.

Since erex Group consists of a single segment, primarily engaged in the electric power business, the statement by reportable segment has been omitted.

(Notes Related to Going Concern Assumptions)

Not applicable

(Per Share Information)

The basis for calculating basic earnings (△loss) per share is as follows.

	Previous Consolidated Fiscal Year (Apr 1, 2023 – Mar 31, 2024)	Current Consolidated Fiscal Year (Apr 1, 2024 – Mar 31, 2025)
Net Income/Loss(△) Attributable to Owners of the Parent Company (million yen)	△21,347	2,118
Average Number of Common Shares during the Period (shares)	59,307,857	73,934,965
Basic Earnings (△Loss) Per Share	△359.94	28.65

(Note 1) In calculating basic earnings (△loss) per share, erex shares owned by the Director Remuneration BIP Trust are included in treasury stock deducted in calculating the average number of shares during the period. (138,586 shares in the previous consolidated fiscal year and 138,586 shares in the current consolidated fiscal year)

(Note 2) Diluted earnings (△loss) per share for the previous fiscal year is not stated, as dilutive shares exist, but they are anti-dilutive. Diluted earnings (△loss) per share for the current fiscal year is not stated, as there are no dilutive shares having dilutive effects.

(Material Subsequent Events)

Not applicable

(First-Time Adoption)

erex Group adopted IFRS from the 1H of the current consolidated fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP relate to the consolidated fiscal year ended March 31, 2024, and the date of transition to IFRS is April 1, 2023.

(1) Exemptions from IFRS1

In principle, IFRS requires companies applying IFRS for the first time (hereinafter referred to as "first-time adopters") to apply the standards required by IFRS retrospectively. However, IFRS1 "First-time Adoption of International Financial Reporting Standards" (hereinafter referred to as "IFRS1") specifies some of the standards required by IFRS to which mandatory exemptions must be applied and others to which optional exemptions apply. The effect of the application of these provisions is adjusted in retained earnings or other components of equity at the date of transition to IFRS. The exemptions adopted by erex Group in transitioning from Japanese GAAP to IFRS are as follows.

Business Combinations

First-time adopters are allowed to elect not to apply IFRS3 "Business Combinations" (hereinafter referred to as "IFRS3") retrospectively to business combinations that took place before the date of transition to IFRS. erex Group applied this exemption and elected not to apply IFRS3 retrospectively to business combinations that took place before the date of transition. As a result, the amount of goodwill arising from business combinations prior to the transition date is based on the carrying amount as of the transition date in accordance with Japanese GAAP. Goodwill was tested for impairment as of the transition date, regardless of whether there was any indication of impairment.

Exchange Differences on Translating Foreign Operations

IFRS1 allows first-time adopters to elect to treat the accumulated translation differences of foreign operations as zero as of the date of transition to IFRS. erex Group elected to treat the accumulated translation differences of foreign operations as zero at the date of transition.

Stock-Based Compensation

erex Group elected not to apply IFRS2 to share-based compensation that vested prior to the transition date.

Leasing

IFRS1 allows first-time adopters to determine whether leases are included in contracts that exist at the date of transition to IFRS based on facts and circumstances that exist as of that date. First-time adopters are also allowed to measure the lease liability at the present value of the remaining lease payments discounted at the lessee's additional borrowing rate as at the date of transition, and to measure the right-of-use assets at the same amount as the lease liability.

erex Group applies this exemption to lease recognition and measurement.

Borrowing Cost

IFRS1 allows the beginning date of capitalization of borrowing costs related to qualifying assets to be the date of transition to IFRS. erex Group capitalizes borrowing costs related to qualifying assets on and after the transition date.

Designation of Previously Recognized Financial Instruments

IFRS1 allows the designation of equity financial assets as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing at the transition date.

erex Group designated certain equity financial assets as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing at the transition date.

(2) Mandatory Exceptions to IFRS1

IFRS1 prohibits retrospective application of IFRS to "estimates", "derecognition of financial assets and financial liabilities", "hedge accounting", "non-controlling interests" and "classification and measurement of financial instruments". erex Group applied these items prospectively from the date of transition.

(3) Adjustment Table

The adjustments required to be disclosed on first-time adoption of IFRS are as follows.

erex Group had applied provisional accounting treatment for the business combination with Itoigawa Power Generation Co., Ltd. on August 1, 2022 under Japanese GAAP for the fiscal year ended March 31, 2023, and the subsequently finalized accounting treatment was reflected retroactively to the date erex Group had acquired control. With the finalization of this provisional accounting treatment, the initial allocation of acquisition cost reflects a significant revision, resulting in an increase in "intangible assets" and "asset retirement obligations" and a decrease in "retained earnings" and "non-controlling interest", respectively.

Adjustments to Equity as at April 1, 2023 (Date of Transition to IFRS)

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Assets						Assets
Current Assets						Current Assets
Cash and Deposits	33,621	△133	-	33,488	(a)	Cash and Cash Equivalents
Accounts Receivable/Trade Materials and Supplies	26,078	3,640	-	29,719	(b)	Trade and Other Receivables
Short-Term Loans to Affiliated Companies	2,311	-	-	2,311		Inventory
Accrued Revenue	5,195	6,092	-	11,288	(a)(c)	Other Financial Assets
Consumption Taxes Receivable, etc.	3,640	△3,640	-	-	(b)	
Derivative Receivables	1,297	△1,297	-	-	(d)	
	5,714	△5,714	-	-	(c)	
	-	402	-	402	(d)	Income Taxes Receivable
Others	1,468	701	△60	2,109	(d)(i)(t)	Other Current Assets
Total Current Assets	79,329	50	△60	79,320		Total Current Assets
Noncurrent Assets						Noncurrent Assets
Property, Plant and Equipment	57,503	△17	△111	57,373	(j)	Property, Plant and Equipment
	-	17	4,078	4,096	(k)	Right-of-Use Assets
Intangible Assets	5,701	△1,757	-	3,943	(l)	Goodwill
	-	1,707	-	1,707		Intangible Assets
Investment Securities	2,681	22,643	△282	25,042	(c)(n)	Other Financial Assets
Affiliated Companies' Shares	2,708	-	550	3,258	(e)(m)	Investments Accounted for Using the Equity Method
Deferred Tax Assets	808	-	77	885	(q)	Deferred Tax Assets
Long-Term Prepaid Expenses	729	△729	-	-	(d)	
Lease and Guarantee Deposits	6,959	△6,959	-	-	(c)	
Derivative Receivables	8,016	△8,016	-	-	(c)	
Others	8,218	△7,489	-	729	(c)(d)	Other Noncurrent Assets
Allowance for Doubtful Accounts	△550	550	-	-	(c)	
Total Noncurrent Assets	92,775	△50	4,312	97,036		Total Noncurrent Assets
Total Assets	172,105	-	4,251	176,356		Total Assets

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Liabilities						Liabilities and Equity
Current Liabilities						Liabilities Current Liabilities
Accounts Payable/Trade Short-Term Borrowings	19,137	2,462	368	21,968	(b)(s)	Trade and Other Payables
Current Portion of Long-Term Borrowings	9,440	5,342	△20	14,761	(f)(o)	Borrowings
	5,342	△5,342	-	-	(f)	
	-	12	519	531	(k)	Lease Liabilities Other Financial Liabilities
Accounts Payable /Other than Trade Income Taxes Payable	2,462	1,995	71	4,529	(b)(c)(p)	Income Taxes Payable
Provision for Bonuses	4,611	-	-	4,611		
	323	△323	-	-	(d)	
Derivative Liabilities	4,452	△4,452	-	-	(c)	
Others	2,629	305	85	3,020	(d)(r)	Other Current Liabilities
Total Current Liabilities	48,400	-	1,023	49,424		Total Current Liabilities Noncurrent Liabilities
Noncurrent Liabilities						Bonds and Borrowings
Bonds Payable Long-Term Borrowings	5,000	35,345	△80	40,265	(f)(o)	
	35,345	△35,345	-	-	(f)	
	-	5	3,490	3,495	(k)	Lease Liabilities
Retirement Benefit Liabilities	286	-	725	1,011	(r)	Retirement Benefit Liabilities
Asset Retirement Obligations	6,419	-	421	6,840	(d)(j)	Allowances
Deferred Tax Liabilities	2,161	-	515	2,677	(q)	Deferred Tax Liabilities
Derivative Liabilities	151	△151	-	-	(c)	
Others	387	145	△123	409	(c)(t)	Other Financial Liabilities
Total Noncurrent Liabilities	49,751	-	4,948	54,700		Total Noncurrent Liabilities
Total Liabilities	98,152	-	5,972	104,124		Total Liabilities
Net Assets						Equity
Common Stock	11,313	-	-	11,313		Common Stock
Capital Surplus	10,088	-	137	10,225	(t)	Capital Surplus
Retained Earnings	36,315	-	△518	35,797	(x)	Retained Earnings
Treasury Stock Accumulated Other Comprehensive Income	△124	-	-	△124		Treasury Stock Other Components of Equity
	4,420	-	△1,012	3,407	(n)(v)(w)	Equity Attributable to the Owners of the Parent Company
	-	-	△1,393	60,620		Non-Controlling Interests
Non-Controlling Interests	11,939	-	△327	11,612		
Total Net Assets	73,953	-	△1,720	72,232		Total Equity
Total Liabilities and Net Assets	172,105	-	4,251	176,356		Liabilities and Equity

Adjustments to Equity as at March 31, 2024 (Previous Consolidated Fiscal Year)

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Assets						Assets
Current Assets						Current Assets
Cash and Deposits	23,506	△3,836	-	19,670	(a)	Cash and Cash Equivalents
Accounts Receivable/Trade	21,106	6,205	-	27,312	(b)	Trade and Other Receivables
Materials and Supplies	2,388	-	-	2,388		Inventory
Short-Term Loans to Affiliated Companies	3,301	4,806	-	8,108	(a)(c)	Other Financial Assets
Accrued Revenue	6,205	△6,205	-	-	(b)	
Consumption Taxes Receivable, etc.	4,714	△4,714	-	-	(d)	
Derivative Receivables	740	△740	-	-	(c)	
	-	2,360	-	2,360	(d)	Income Tax Refunds Receivable
Others	4,938	2,124	△55	7,008	(d)(i)(t)	Other Current Assets
Total Current Assets	66,903	-	△55	66,848		Total Current Assets
Noncurrent Assets						Noncurrent Assets
Property, Plant and Equipment	34,682	△0	△62	34,618	(j)	Property, Plant and Equipment
	-	0	1,675	1,676	(k)	Right-of-Use Assets
Intangible Assets	4,428	△1,629	279	3,078	(l)	Goodwill
	-	1,629	-	1,629		Intangible Assets
Investment Securities	3,666	25,276	917	29,860	(c)(n)	Other Financial Assets
Long-Term Loans to Affiliated Companies	1,500	△1,500	-	-	(c)	
						Investments Accounted for Using the Equity Method
Affiliated Companies' Shares	2,759	6,290	594	9,644	(e)(m)	
Investments in Affiliated Companies	6,290	△6,290	-	-	(e)	
Deferred Tax Assets	570	-	20	590	(q)	Deferred Tax Assets
Long-Term Prepaid Expenses	602	△602	-	-	(d)	
Lease and Guarantee Deposits	2,817	△2,817	-	-	(c)	
Derivative Receivables	13,113	△13,113	-	-	(c)	
						Other Noncurrent Assets
Others	8,190	△7,587	61	663	(c)(d)(i)	
Allowance for Doubtful Accounts	△344	344	-	-	(c)	
Total Noncurrent Assets	78,277	-	3,485	81,763		Total Noncurrent Assets
Total Assets	145,180	-	3,430	148,611		Total Assets

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Liabilities						Liabilities and Equity
Current Liabilities						Liabilities Current
Accounts Payable/Trade Short-Term	15,047	2,466	130	17,644	(b)(s)	Liabilities Trade and Other Payables
Borrowings	14,830	3,200	4,356	22,386	(f)(o)	Borrowings
Current Portion of Long-Term Borrowings	3,200	△3,200	-	-	(f)	
	-	3	379	383	(k)	Lease Liabilities
Accounts Payable /Other than Trade	2,466	△2,146	-	320	(b)(c)(p)	Other Financial Liabilities
Income Taxes Payable	1,727	-	-	1,727		Income Taxes Payable
Provision for Bonuses	166	△166	-	-	(d)	
Derivative Liabilities	316	△316	-	-	(c)	
Others	3,656	159	125	3,941	(d)(r)	Other Current Liabilities
Total Current Liabilities	41,411	-	4,992	46,403		Total Current Liabilities
Noncurrent Liabilities						Noncurrent Liabilities
Bonds Payable	11,000	26,913	△4,397	33,516	(f)(o)	Bonds and Borrowings
Long-Term Borrowings	26,913	△26,913	-	-	(f)	
	-	12	1,482	1,495	(k)	Lease Liabilities
Retirement Benefit Liabilities	360	--	525	886	(r)	Retirement Benefit Liabilities
Asset Retirement Obligations	5,303	-	120	5,424	(d)(j)	Allowances
Deferred Tax Liabilities	4,399	-	462	4,862	(q)	Deferred Tax Liabilities
Derivative Liabilities	161	△161	-	-	(c)	
Others	396	149	△123	421	(c)(t)	Other Financial Liabilities
Total Noncurrent Liabilities	48,536	-	△1,929	46,606		Total Noncurrent Liabilities
Total Liabilities	89,947	-	3,062	93,009		Total Liabilities
Net Assets						Equity
Common Stock	11,362	-	-	11,362		Common Stock
Capital Surplus	10,898	-	114	11,013	(t)	Capital Surplus
Retained Earnings	12,751	-	531	13,283	(x)	Retained Earnings
Treasury Stock	△125	-	1	△124		Treasury Stock
Accumulated Other Comprehensive Income	12,617	-	△48	12,568	(n)(w)	Other Components of Equity
	-	-	599	48,104		Attributable to the Owners of the Parent Company
Non-Controlling Interests	7,728	-	△231	7,497	(u)	Non-Controlling Interests
Total Net Assets	55,233	-	368	55,601		Total Equity
Total Liabilities and Net Assets	145,180	-	3,430	148,611		Liabilities and Equity

Adjustments to Income/Loss and Comprehensive Income/Loss from April 1, 2023 to March 31, 2024 (Previous Consolidated Fiscal Year)

(Items for Consolidated Income Statement)

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Net Sales	244,977	-	-	244,977		Net Sales
Cost of Sales	254,143	-	△458	253,685	(j)(k)(r)(s)	Cost of Sales
Gross Loss (△)	△9,166	-	458	△8,708		Gross Loss (△)
Selling, General, and Administrative Expenses	10,685	△13	△463	10,208	(h)(i)(k)(l)(o)(r) (s)	Selling, General, and Administrative Expenses
	-	192	-	192	(g)	Other Revenues
	-	2,984	240	3,224	(g)	Other Expenses
Operating Loss (△)	△19,851	△2,778	681	△21,949		Operating Loss (△)
Non-Operating Income	2,650	△2,650	-	-	(g)	
Non-Operating Expenses	1,187	△1,187	-	-	(g)	
	2,260	△2,260	-	-	(g)	
	-	2,222	5	2,227	(g)(n)	Financial Income
	-	464	113	577	(g)(o)	Financial Expenses
	-	235	114	350	(g)(m)	Share of Profit/Loss(△) of Investments Accounted for Using the Equity Method
Loss before Income Taxes (△)	△20,649	13	687	△19,949		Loss before Income Taxes (△)
Income Taxes	1,665	268	△266	1,667	(h)(q)	Income Taxes
Income Taxes Deferred	255	△255	-	-	(h)	
Net Loss (△)	△22,570	-	953	△21,616		Net Loss(△) Net Loss(△) Attributable to
Net Loss (△) Attributable to the Owners of the Parent Company	△22,257	-	910	△21,347		Owners of the Parent Company
Net Loss (△) Attributable to Non- Controlling Interests	△313	-	43	△269	(u)	Non-Controlling Interests

(Items for Consolidated Comprehensive Income Statement)

Japanese GAAP Presentation Items	Japanese GAAP	Re- Classification	Recognition & Measurement Difference	IFRS	Note	IFRS Presentation Items
	million yen	million yen	million yen	million yen		
Net Loss (Δ)	Δ22,570	-	953	Δ21,616		Net Loss (Δ)
Other Comprehensive Income						Other Comprehensive Income Items that will not be Reclassified to Profit or Loss
Valuation Difference on Available-for-Sale Securities	1,131	-	993	2,125	(n)	Financial Assets Measured at Fair Value through Other Comprehensive Income
	-	-	147	147	(r)	Remeasurement of Defined Benefit Plans
	-	-	1,141	2,272		Total of Items that will not be Reclassified to Profit or Loss
Deferred Hedge Gain/Loss	6,848	-	1,907	8,756	(w)	Items that may be Reclassified Subsequently to Profit or Loss
Foreign Currency Translation Adjustments	204	-	-	204		Cash Flow Hedges
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	54	-	Δ0	54		Exchange Differences on Translating Foreign Operations
	-	-	1,907	9,015		Share of Other Comprehensive Income of Investments
Total Other Comprehensive Income	8,239	-	3,048	11,287		Accounted for Using the Equity Method
Comprehensive Income	Δ14,331	-	4,002	Δ10,328		Total of Items that may be Reclassified Subsequently to Profit or Loss
Comprehensive Income Attributable to the Owners of the Parent Company	Δ14,060	-	3,938	Δ10,121		Total Other Comprehensive Income, Net of Tax
Comprehensive Income Attributable to Non-Controlling Interests	Δ270	-	63	Δ207	(u)	Comprehensive Income Comprehensive Income/Loss(Δ) Attributable to
						Owners of the Parent Company
						Non-Controlling Interests

(4) Notes to Adjustments to Equity, Income/Loss and Comprehensive Income/Loss

(Reclassification of Presentation)

Reclassifications were made to the presentation to conform to the provisions of IFRS. The main items are as follows.

(a) Cash and Deposits

Time deposits with deposit terms of over three months, which were included in "cash and deposits" under Japanese GAAP, have been reclassified to "other financial assets (current)" under IFRS.

(b) Trade Receivables and Trade Payables

"Accounts receivable/other than trade", that were separately presented under Japanese GAAP, have been reclassified and presented as "trade and other receivables" under IFRS, and "accounts payable/other than trade", that were separately presented under Japanese GAAP, have been reclassified and presented as "trade and other payables" under IFRS.

(c) Other Financial Assets and Financial Liabilities

"Short-term loans receivable to affiliates" and "derivative receivables (current)," that were separately presented under Japanese GAAP, have been reclassified and presented as "other financial assets (current)" under IFRS. "Investment securities", "long-term loans receivable to affiliates", "lease and guarantee deposits", and "derivative receivables (noncurrent)", that were separately presented, and investments, etc. included in "others" in noncurrent assets under Japanese GAAP, have been reclassified and presented as "other financial assets (noncurrent)" under IFRS.

In addition, "allowance for doubtful accounts (noncurrent)," that was separately presented under Japanese GAAP, has been reclassified under IFRS to be presented net, directly deducted from "other financial assets (noncurrent)."

"Derivative liabilities (current)", that were separately presented under Japanese GAAP, have been reclassified and presented as "other financial liabilities (current)" under IFRS, while "derivative liabilities (noncurrent)", that were separately presented under Japanese GAAP, have been reclassified and presented as "other financial liabilities (noncurrent)" under IFRS.

(d) Other Current Assets and Current Liabilities

"Consumption taxes receivable" and advance payments, included in "others" in current assets, that were separately presented in current assets under Japanese GAAP, have been reclassified and presented in "other current assets" under IFRS, and "long-term prepaid expenses", which were separately presented in noncurrent assets under Japanese GAAP, have been reclassified and presented as "other noncurrent assets" under IFRS.

In addition, income taxes receivable, which were included in "others" in current assets, have been separately presented as "income taxes receivable" under IFRS.

"Provision for bonuses" and deposits received, etc., included in "others" in current liabilities under Japanese GAAP, that were separately presented in current liabilities under Japanese GAAP, have been reclassified and presented as "other current liabilities" under IFRS, and "asset retirement obligations", that were separately presented in noncurrent liabilities under Japanese GAAP, have been reclassified and presented as "allowances (noncurrent)" under IFRS.

(e) Amounts Recorded for Investments Accounted for Under the Equity Method

"Affiliated companies' shares" and "investments in affiliated companies", that were separately presented under Japanese GAAP, have been reclassified and presented as "investments accounted for using the equity method" under IFRS.

(f) Bonds and Borrowings

"Short-term borrowings" and "current portion of long-term borrowings", that were separately presented as current liabilities under Japanese GAAP, have been reclassified and presented as "borrowings (current)" under IFRS, and "bonds payable" and "long-term borrowings", which were presented separately as long-term liabilities under Japanese GAAP, have been reclassified and presented as "bonds and borrowings (noncurrent)" under IFRS.

(g) Non-Operating Income/Expenses and Extraordinary Gain/Loss

Out of the items that were presented as "non-operating income", "non-operating expenses", "extraordinary gain" and "extraordinary loss" under Japanese GAAP, financial-related gains and losses are recorded as "financial income" and "financial expenses," while other items are recorded as "other revenues", "other expenses", and "share of profit/loss of investments accounted for using the equity method", etc. under IFRS.

(h) Income Tax Expense

"Income taxes" and "income taxes deferred" were separately presented under Japanese GAAP, but are collectively presented as "income tax expense" under IFRS.

In addition, the value-added portion of the pro forma standard enterprise tax was included in "selling, general and administrative expenses" under Japanese GAAP, but is included in "income taxes" under IFRS.

(Recognition & Measurement Difference)

(i) Contract Costs

The incremental costs of acquiring contracts with customers, such as sales agency commissions, were expensed in a lump sum under Japanese GAAP, but are recognized as assets under IFRS for the portion expected to be recoverable.

(j) Property, Plant and Equipment

Under Japanese GAAP, the amount of the "asset retirement obligation" asset measured using the discount rate at the time of initial recognition was recognized continuously. Under IFRS, however, the "asset retirement obligation" asset is recognized after reassessing the discount rate at the end of the reporting period.

(k) Leases

Under Japanese GAAP, leases of lessees were classified into finance leases and operating leases, and operating leases were accounted for in the same manner as for normal rental transactions. Since there is no distinction between finance leases and operating leases under IFRS, basically "right-of-use assets" and "lease liabilities" are recorded for all leases.

(l) Amount of Goodwill Recognized

Under Japanese GAAP, goodwill is amortized, but under IFRS, goodwill is not amortized and is tested for impairment each period without amortization after the transition date.

(m) Amount Recognized for Investments Accounted for Using the Equity Method

Under Japanese GAAP, goodwill for investments accounted for using the equity method is amortized, but under IFRS it is not amortized and has not been amortized since the date of transition.

In addition, the declining-balance method was used for depreciation of property, plant and equipment (machinery, equipment and vehicles, and tools, furniture and fixtures) at certain equity-method affiliates under Japanese GAAP, but the straight-line method is used under IFRS.

(n) Financial Assets

Under Japanese GAAP, non-marketable securities are carried at cost, whereas under IFRS, securities are measured at fair value and changes in fair value are recognized in profit or loss or other comprehensive income, depending on the nature of the security.

(o) Bonds and Borrowings

Transaction costs directly attributable to the issuance of bonds and borrowings, which are measured at amortized cost after initial recognition, were expensed as incurred under Japanese GAAP, but are deducted from the initial measurement of bonds and borrowings under IFRS.

In addition, "long-term borrowings" which are in violation of financial covenants have been reclassified to "borrowings (current)" under IFRS.

(p) Conditional Consideration

Under Japanese GAAP, the conditional consideration for a business combination transaction accounted for under Japanese GAAP at the time of acquisition was not recognized until it was certain to be delivered after the business combination, whereas under IFRS, the fair value of the conditional consideration is measured and such fair value is recognized as "other financial liabilities (current)".

(q) Income Taxes

With the adoption of IFRS, the recoverability of all deferred tax assets was re-examined. Deferred tax assets and deferred tax liabilities have been recognized for temporary differences arising from the adjustments from Japanese GAAP to IFRS.

(r) Employee Benefits

Under IFRS, liabilities are recorded for unused paid vacations that were not accounted for under Japanese GAAP, and "cost of sales" and "selling, general and administrative expenses" have been adjusted accordingly.

Liabilities for retirement benefits and retirement benefit expenses were calculated using the simplified method (the amount payable at the end of the period for voluntary retirement is used as the retirement benefit obligation) under Japanese GAAP, but under IFRS, they are calculated using the projected unit credit method. Under IFRS, actuarial gains and losses are recognized as other comprehensive income and transferred immediately to retained earnings when incurred, and prior service cost is recognized as net income or loss when incurred.

(s) Levies

Under Japanese GAAP, property taxes and other levy items were expensed over the fiscal year, but under IFRS, they are expensed when the tax levy is determined and recognized as "trade and other payables" in current liabilities.

(t) Capital Surplus Adjustments

Under Japanese GAAP, the estimated amount of benefits related to stock-based compensation plans (performance-based stock compensation plans) was recorded as "others" in noncurrent liabilities, but under IFRS, the estimated amount of stock-based benefits is accounted for as equity-settled share-based payment compensation, and the adjustment is

recognized as "capital surplus".

With respect to restricted stock compensation, the increase in equity was recognized at the time the shares were granted under Japanese GAAP, whereas under IFRS, the increase in equity is recognized as the services are rendered after the shares are granted.

(u) Attribution of Comprehensive Income to Non-Controlling Interests

Under Japanese GAAP, when non-controlling interests result in a negative balance, the negative balance is borne by the owners of the parent company (unless the contract stipulates that the negative balance is still attributable to the owners of the parent company and the non-controlling interests), whereas under IFRS, the negative balance is attributable to the owners of the parent company and the non-controlling interests.

(v) Transfer of Accumulated Translation Differences Related to Foreign Subsidiaries

Upon first-time adoption, the exemption provided in IFRS1 was elected and all cumulative translation differences at the date of transition were transferred to retained earnings.

(w) Cash Flow Hedges

Under Japanese GAAP, the basis adjustment to non-financial assets or non-financial liabilities of amount accumulated in surplus related to cash flow hedges was made in accordance with a reclassification adjustment and affected other comprehensive income. However, under IFRS, this does not apply to reclassification adjustments, and therefore "other comprehensive income" is not affected.

(x) Adjustments to Retained Earnings

The impact on retained earnings of the adjustments resulting from the adoption of IFRS is as follows. The amounts below are after adjusting for related tax effects and non-controlling interests.

	Transition Date (April 1, 2023)	Previous Consolidated Fiscal Year (March 31, 2024)
	million yen	million yen
Adjustments of the Amount of Property, Plant and Equipment of Equity-Method Affiliates	822	912
Recognition of Right-of-Use Assets and Lease Liabilities	△491	△432
Adjustments related to Goodwill	-	366
Adjustments related to Asset Retirement Obligations	△350	△126
Adjustments related to Retirement Benefit Accounting	△650	△465
Transfer of Accumulated Translation Differences related to Foreign Subsidiaries	431	431
Others	△279	△153
Total	△518	531

(5) Adjustments to Cash Flows

There are no significant differences between the consolidated statement of cash flows presented under Japanese GAAP and that presented under IFRS.