

Consolidated Financial Statements

[Consolidated Statements of Cash Flows]

	(Thousands of yen)			(Thousands of yen)	
	Fiscal 2018 (From December 1, 2017 to November 30, 2018)	Fiscal 2019 (From December 1, 2018 to November 30, 2019)		Fiscal 2018 (From December 1, 2017 to November 30, 2018)	Fiscal 2019 (From December 1, 2018 to November 30, 2019)
Cash flows from operating activities			Cash flows from investing activities		
Loss before income taxes	¥ (265,125)	¥(1,218,088)	Purchase of cryptocurrencies	(3,112,542)	–
Depreciation and amortization	206,046	112,840	Proceeds from sales of cryptocurrencies	1,961,815	–
Impairment loss	1,110,179	124,103	Purchase of property, plant and equipment	(278,180)	(85,702)
Amortization of goodwill	53,388	34,679	Purchase of intangible assets	(960,887)	(2,948)
Decrease in allowance for doubtful accounts	(103,385)	(7,052)	Purchase of investment securities	(320,864)	(800)
Interest and dividend income	(28,409)	(22,278)	Proceeds from sales of investment securities	1,998,795	1,056,212
Interest expenses	40,350	27,938	Increase in long-term loans receivable	(760,000)	(332,000)
Loss on valuation of investment securities	10,366	–	Collection of long-term loans receivable	442,000	580,017
(Loss) gain on sales of investment securities	(705,622)	381,092	Payments for guarantee deposits	(64,927)	(20,207)
Loss on valuation of cryptocurrencies	192,004	–	Proceeds from collection of guarantee deposits	32,977	58,096
Loss on sale of cryptocurrencies	201,021	–	Other, net	(37,317)	(22,211)
Loss on retirement of property, plant and equipment	10,457	34,822	Net cash (used in) provided by investing activities	(1,099,133)	1,230,455
Gain on change in equity	(207,547)	–	Cash flows from financing activities		
Increase in notes and accounts receivable—trade	(926,553)	(46,110)	Net increase (decrease) in short-term loans payable	241,540	(33,200)
Decrease (increase) in cryptocurrencies	751,992	(9,858)	Proceeds from long-term loans payable	392,800	110,000
(Increase) decrease in inventories	(104,188)	17,874	Repayment of long-term loans payable	(1,055,493)	(807,406)
Decrease in advance payments	667,465	60,709	Redemption of bonds	(1,165,000)	–
Decrease in accounts receivable—other	118,615	12,988	Proceeds from issuance of bonds with subscription rights to shares	200,000	–
Decrease in deposits paid	146,268	20,913	Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(4,011)	(990)
(Decrease) increase in notes and accounts payable—trade	(24,411)	53,558	Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	2,460	–
Decrease in accounts payable—other	(67,749)	(64,182)	Other	(1,688)	(1,647)
Decrease in accrued expenses	(204,629)	(30,969)	Net cash used in financing activities	(1,389,394)	(733,243)
Increase (decrease) in advances received	92,603	(63,608)	Effect of exchange rate change on cash and cash equivalents	690	(3,585)
Other, net	54,569	35,561	Net decrease in cash and cash equivalents	(1,506,821)	(108,734)
Subtotal	1,017,708	(545,065)	Cash and cash equivalents at beginning of the fiscal year	2,529,595	1,022,774
Interest and dividends income received	28,157	22,026	Cash and cash equivalents at end of the fiscal year	*1 ¥ 1,022,774	*1 ¥ 914,039
Interest paid	(54,670)	(27,627)			
Income taxes paid	(10,179)	(51,693)			
Net cash provided by (used in) operating activities	981,015	(602,360)			

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