

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2023 (Based on Japanese GAAP)

January 15, 2024

Company name: Gunosy Inc.
 Stock exchange listing: Tokyo
 Stock code: 6047 URL <https://gunosy.co.jp>
 Representative: Representative Director and President Kentaro Nishio
 Inquiries: Corporate Officer and CFO Tatsuyuki Iwase TEL (03)5953-8030
 Scheduled date to file Quarterly Securities Report: January 15, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2023 (from June 1, 2023 to November 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended November 30, 2023	3,729	(5.1)	(205)	–	(751)	–	(1,018)	–
Six months ended November 30, 2022	3,928	(10.4)	(162)	–	(929)	–	(160)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2023	(42.36)	–
Six months ended November 30, 2022	(6.70)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	11,577	10,162	87.1
As of May 31, 2023	12,324	10,857	87.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 31, 2023	–	0.00	–	0.00	0.00
Year ending May 31, 2024	–	0.00			
Year ending May 31, 2024 (Forecast)			–	–	–

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,200	(10.6)	(260)	–	(1,304)	–	(1,648)	–	(68.53)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2023	24,237,774 shares	As of May 31, 2023	24,237,774 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	163,744 shares	As of May 31, 2023	222,444 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 30, 2023	24,041,321 shares	Six months ended November 30, 2022	23,945,543 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	5,925	5,188
Accounts receivable - trade	669	722
Other	677	952
Total current assets	7,272	6,863
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8	8
Other, net	4	4
Total property, plant and equipment	12	12
Intangible assets		
Goodwill	40	29
Other	0	0
Total intangible assets	40	29
Investments and other assets		
Investment securities	4,940	4,599
Deferred tax assets	18	31
Other	39	41
Total investments and other assets	4,998	4,672
Total non-current assets	5,051	4,713
Total assets	12,324	11,577

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	421	386
Accounts payable - other	325	302
Income taxes payable	42	97
Advances received	466	420
Provision for point card certificates	0	0
Provision for share awards	9	8
Provision for bonuses	–	4
Other	172	135
Total current liabilities	1,438	1,355
Non-current liabilities		
Provision for share awards	9	9
Deferred tax liabilities	19	49
Total non-current liabilities	28	59
Total liabilities	1,466	1,414
Net assets		
Shareholders' equity		
Share capital	4,099	4,099
Capital surplus	4,099	4,099
Retained earnings	2,478	1,408
Treasury shares	(307)	(216)
Total shareholders' equity	10,369	9,390
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16	65
Deferred gains or losses on hedges	90	(11)
Foreign currency translation adjustment	311	642
Total accumulated other comprehensive income	419	696
Share acquisition rights	68	75
Total net assets	10,857	10,162
Total liabilities and net assets	12,324	11,577

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Net sales	3,928	3,729
Cost of sales	2,408	2,334
Gross profit	1,520	1,395
Selling, general and administrative expenses	1,683	1,600
Operating loss	(162)	(205)
Non-operating income		
Interest income	5	20
Foreign exchange gains	16	20
Other	1	2
Total non-operating income	23	42
Non-operating expenses		
Commission expenses	8	4
Loss on investments in investment partnerships	12	21
Share of loss of entities accounted for using equity method	768	562
Other	1	0
Total non-operating expenses	790	588
Ordinary loss	(929)	(751)
Extraordinary income		
Gain on sale of investment securities	9	–
Gain on change in equity	1,001	–
Gain on reversal of share acquisition rights	2	0
Total extraordinary income	1,012	0
Extraordinary losses		
Impairment losses	–	19
Loss on valuation of investment securities	–	165
Total extraordinary losses	–	185
Profit (loss) before income taxes	83	(937)
Income taxes - current	25	79
Income taxes - deferred	219	1
Total income taxes	245	81
Loss	(161)	(1,018)
Loss attributable to non-controlling interests	(1)	–
Loss attributable to owners of parent	(160)	(1,018)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Loss	(161)	(1,018)
Other comprehensive income		
Valuation difference on available-for-sale securities	51	48
Deferred gains or losses on hedges	30	(101)
Foreign currency translation adjustment	3	–
Share of other comprehensive income of entities accounted for using equity method	412	330
Total other comprehensive income	498	277
Comprehensive income	337	(741)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	338	(741)
Comprehensive income attributable to non-controlling interests	(1)	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	83	(937)
Depreciation	11	1
Impairment losses	–	19
Amortization of goodwill	11	11
Foreign exchange losses (gains)	(156)	(156)
Interest income	(5)	(20)
Loss (gain) on sale of investment securities	(9)	–
Loss (gain) on valuation of investment securities	–	165
Share of loss (profit) of entities accounted for using equity method	768	562
Loss (gain) on change in equity	(1,001)	–
Decrease (increase) in trade receivables	28	(52)
Increase (decrease) in trade payables	(39)	(34)
Increase (decrease) in accounts payable - other	103	(23)
Decrease (increase) in prepaid expenses	(391)	(300)
Increase (decrease) in advances received	85	(46)
Increase (decrease) in provision for share awards	9	8
Other, net	28	12
Subtotal	(472)	(789)
Interest and dividends received	5	20
Income taxes paid	(13)	(6)
Net cash provided by (used in) operating activities	(481)	(775)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,004	882
Purchase of investment securities	(247)	(14)
Proceeds from sale of investment securities	29	–
Other, net	2	(1)
Net cash provided by (used in) investing activities	789	866
Cash flows from financing activities		
Proceeds from disposal of treasury shares	12	–
Commission fee paid	(8)	(5)
Net cash provided by (used in) financing activities	3	(5)
Effect of exchange rate change on cash and cash equivalents	(3)	2
Net increase (decrease) in cash and cash equivalents	308	87
Cash and cash equivalents at beginning of period	4,947	5,100
Cash and cash equivalents at end of period	5,255	5,188