

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2022 (Based on Japanese GAAP)

October 14, 2022

Company name: Gunosy Inc.
 Stock exchange listing: Tokyo
 Stock code: 6047 URL <https://gunosy.co.jp>
 Representative: Representative Director and President Yuya Taketani
 Inquiries: Corporate Officer and CFO Tatsuyuki Iwase TEL (03)5953-8030
 Scheduled date to file Quarterly Securities Report: October 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 31, 2022 (from June 1, 2022 to August 31, 2022)

(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 | % |
| Three months ended August 31, 2022 | 1,927 | (15.4) | (83) | – | (628) | – | 384 | – |
| Three months ended August 31, 2021 | 2,277 | 3.1 | 141 | (11.3) | 39 | (75.0) | 33 | (57.7) |

| | Earnings per share | | Diluted earnings per share | |
|------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended August 31, 2022 | 16.06 | | 16.05 | |
| Three months ended August 31, 2021 | 1.43 | | 1.41 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of August 31, 2022 | 14,270 | 12,747 | 88.5 |
| As of May 31, 2022 | 13,518 | 11,934 | 87.3 |

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, 2022 | – | 0.00 | – | 0.00 | 0.00 |
| Year ending May 31, 2023 | – | – | – | – | – |
| Year ending May 31, 2023 (Forecast) | – | – | – | – | – |

3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

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 | 9,000 | 0.0 | 200 | (51.5) | (312) | – | 547 | 320.5 | 22.85 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 2022
(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: Yes
- 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 August 31, 2022 | 24,237,774 shares | As of May 31, 2022 | 24,237,774 shares |
|-----------------------|-------------------|--------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-----------------------|----------------|--------------------|----------------|
| As of August 31, 2022 | 312,034 shares | As of May 31, 2022 | 320,009 shares |
|-----------------------|----------------|--------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Three months ended August 31, 2022 | 23,917,852 shares | Three months ended August 31, 2021 | 23,616,528 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of May 31, 2022 | As of August 31, 2022 |
|-------------------------------------|--------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,492 | 6,413 |
| Accounts receivable - trade | 772 | 747 |
| Other | 612 | 506 |
| Total current assets | <u>7,877</u> | <u>7,666</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 15 | 15 |
| Other, net | 10 | 10 |
| Total property, plant and equipment | <u>26</u> | <u>25</u> |
| Intangible assets | | |
| Goodwill | 63 | 58 |
| Other | 50 | 47 |
| Total intangible assets | <u>114</u> | <u>105</u> |
| Investments and other assets | | |
| Investment securities | 5,180 | 6,142 |
| Deferred tax assets | 241 | 260 |
| Other | 76 | 69 |
| Total investments and other assets | <u>5,499</u> | <u>6,472</u> |
| Total non-current assets | <u>5,641</u> | <u>6,603</u> |
| Total assets | <u>13,518</u> | <u>14,270</u> |

(Millions of yen)

| | As of May 31, 2022 | As of August 31, 2022 |
|---|--------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 637 | 598 |
| Accounts payable - other | 297 | 270 |
| Income taxes payable | 73 | 26 |
| Advances received | 348 | 409 |
| Provision for point card certificates | 7 | 4 |
| Provision for share awards | 13 | 6 |
| Provision for bonuses | – | 9 |
| Other | 185 | 146 |
| Total current liabilities | 1,563 | 1,472 |
| Non-current liabilities | | |
| Provision for share awards | 3 | 6 |
| Deferred tax liabilities | 16 | 43 |
| Total non-current liabilities | 20 | 50 |
| Total liabilities | 1,583 | 1,522 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,099 | 4,099 |
| Capital surplus | 4,099 | 4,099 |
| Retained earnings | 3,709 | 4,093 |
| Treasury shares | (463) | (455) |
| Total shareholders' equity | 11,444 | 11,837 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 47 | 79 |
| Deferred gains or losses on hedges | 55 | 166 |
| Foreign currency translation adjustment | 257 | 548 |
| Total accumulated other comprehensive income | 360 | 794 |
| Share acquisition rights | 86 | 78 |
| Non-controlling interests | 43 | 36 |
| Total net assets | 11,934 | 12,747 |
| Total liabilities and net assets | 13,518 | 14,270 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended August 31, 2021 | Three months ended August 31, 2022 |
|---|---------------------------------------|---------------------------------------|
| Net sales | 2,277 | 1,927 |
| Cost of sales | 1,276 | 1,192 |
| Gross profit | 1,001 | 734 |
| Selling, general and administrative expenses | 859 | 817 |
| Operating profit (loss) | 141 | (83) |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Foreign exchange gains | 2 | 14 |
| Interest on tax refund | 0 | – |
| Other | 0 | 0 |
| Total non-operating income | 2 | 15 |
| Non-operating expenses | | |
| Commission expenses | 3 | 4 |
| Idle asset expenses | 101 | – |
| Loss on investments in investment partnerships | – | 7 |
| Share of loss of entities accounted for using equity method | – | 549 |
| Other | 0 | 0 |
| Total non-operating expenses | 105 | 561 |
| Ordinary profit (loss) | 39 | (628) |
| Extraordinary income | | |
| Gain on change in equity | – | 1,001 |
| Gain on reversal of share acquisition rights | 10 | – |
| Total extraordinary income | 10 | 1,001 |
| Profit before income taxes | 49 | 372 |
| Income taxes - current | 43 | 12 |
| Income taxes - deferred | (30) | (17) |
| Total income taxes | 13 | (4) |
| Profit | 36 | 377 |
| Profit (loss) attributable to non-controlling interests | 2 | (6) |
| Profit attributable to owners of parent | 33 | 384 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended August 31, 2021 | Three months ended August 31, 2022 |
|--|---------------------------------------|---------------------------------------|
| Profit | 36 | 377 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 229 | 32 |
| Deferred gains or losses on hedges | – | 110 |
| Foreign currency translation adjustment | (5) | 2 |
| Share of other comprehensive income of entities accounted for using equity method | – | 289 |
| Total other comprehensive income | 223 | 434 |
| Comprehensive income | 259 | 812 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 256 | 818 |
| Comprehensive income attributable to non-controlling interests | 2 | (6) |