

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2023 (Based on Japanese GAAP)

April 14, 2023

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: April 14, 2023
 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 nine months ended February 28, 2023 (from June 1, 2022 to February 28, 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	%
Nine months ended February 28, 2023	6,045	(8.4)	(156)	–	(1,233)	–	(492)	–
Nine months ended February 28, 2022	6,598	2.3	189	(66.4)	(31)	–	(14)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2023	(20.56)		–	
Nine months ended February 28, 2022	(0.62)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2023	13,011	11,515	87.7
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				
Year ended May 31, 2022	–	0.00	–	0.00	0.00
Year ending May 31, 2023	–	0.00	–	–	–
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	8,250	(8.3)	(290)	–	–	–	–	–	–

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 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: 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 February 28, 2023	24,237,774 shares	As of May 31, 2022	24,237,774 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	222,359 shares	As of May 31, 2022	320,009 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2023	23,963,159 shares	Nine months ended February 28, 2022	23,738,720 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	6,492	5,811
Accounts receivable - trade	772	815
Other	612	766
Total current assets	7,877	7,392
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15	14
Other, net	10	7
Total property, plant and equipment	26	21
Intangible assets		
Goodwill	63	46
Other	50	38
Total intangible assets	114	84
Investments and other assets		
Investment securities	5,180	5,414
Deferred tax assets	241	16
Other	76	81
Total investments and other assets	5,499	5,511
Total non-current assets	5,641	5,618
Total assets	13,518	13,011

(Millions of yen)

	As of May 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	637	515
Accounts payable - other	297	309
Income taxes payable	73	16
Advances received	348	456
Provision for point card certificates	7	0
Provision for share awards	13	2
Provision for bonuses	–	9
Other	185	141
Total current liabilities	1,563	1,451
Non-current liabilities		
Provision for share awards	3	11
Deferred tax liabilities	16	33
Total non-current liabilities	20	44
Total liabilities	1,583	1,495
Net assets		
Shareholders' equity		
Share capital	4,099	4,099
Capital surplus	4,099	4,099
Retained earnings	3,709	3,136
Treasury shares	(463)	(307)
Total shareholders' equity	11,444	11,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47	53
Deferred gains or losses on hedges	55	72
Foreign currency translation adjustment	257	251
Total accumulated other comprehensive income	360	377
Share acquisition rights	86	69
Non-controlling interests	43	40
Total net assets	11,934	11,515
Total liabilities and net assets	13,518	13,011

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Net sales	6,598	6,045
Cost of sales	3,692	3,675
Gross profit	2,906	2,369
Selling, general and administrative expenses	2,717	2,526
Operating profit (loss)	189	(156)
Non-operating income		
Interest income	0	5
Foreign exchange gains	13	9
Other	0	2
Total non-operating income	14	18
Non-operating expenses		
Commission expenses	9	12
Idle asset expenses	204	–
Loss on investments in investment partnerships	14	17
Share of loss of entities accounted for using equity method	–	1,055
Other	5	10
Total non-operating expenses	234	1,095
Ordinary loss	(31)	(1,233)
Extraordinary income		
Gain on sale of investment securities	80	9
Gain on change in equity	–	1,001
Gain on reversal of share acquisition rights	10	18
Other	–	2
Total extraordinary income	91	1,030
Extraordinary losses		
Loss on valuation of investment securities	50	–
Total extraordinary losses	50	–
Profit (loss) before income taxes	9	(202)
Income taxes - current	139	66
Income taxes - deferred	(121)	226
Total income taxes	18	293
Loss	(9)	(495)
Profit (loss) attributable to non-controlling interests	5	(2)
Loss attributable to owners of parent	(14)	(492)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Loss	(9)	(495)
Other comprehensive income		
Valuation difference on available-for-sale securities	39	6
Deferred gains or losses on hedges	–	17
Foreign currency translation adjustment	(15)	10
Share of other comprehensive income of entities accounted for using equity method	–	(16)
Total other comprehensive income	23	17
Comprehensive income	14	(477)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9	(475)
Comprehensive income attributable to non-controlling interests	5	(2)