

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2023 (Based on Japanese GAAP)

October 13, 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: October 13, 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 three months ended August 31, 2023 (from June 1, 2023 to August 31, 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	%
Three months ended August 31, 2023	1,880	(2.4)	(185)	–	(525)	–	(714)	–
Three months ended August 31, 2022	1,927	(15.4)	(83)	–	(628)	–	384	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2023	(29.74)		–	
Three months ended August 31, 2022	16.06		16.05	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2023	11,936	10,504	87.4
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	–	–	–	–	–
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	7,880	(2.1)	(500)	–	(999)	–	(1,070)	–	(44.57)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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 August 31, 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 August 31, 2023	213,744 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)

Three months ended August 31, 2023	24,016,575 shares	Three months ended August 31, 2022	23,917,852 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	5,925	5,855
Accounts receivable - trade	669	722
Other	677	473
Total current assets	<u>7,272</u>	<u>7,052</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8	8
Other, net	4	4
Total property, plant and equipment	<u>12</u>	<u>12</u>
Intangible assets		
Goodwill	40	34
Other	0	0
Total intangible assets	<u>40</u>	<u>34</u>
Investments and other assets		
Investment securities	4,940	4,766
Deferred tax assets	18	31
Other	39	39
Total investments and other assets	<u>4,998</u>	<u>4,837</u>
Total non-current assets	<u>5,051</u>	<u>4,884</u>
Total assets	<u>12,324</u>	<u>11,936</u>

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	421	430
Accounts payable - other	325	393
Income taxes payable	42	43
Advances received	466	398
Provision for point card certificates	0	0
Provision for share awards	9	1
Provision for bonuses	–	8
Other	172	110
Total current liabilities	1,438	1,386
Non-current liabilities		
Provision for share awards	9	13
Deferred tax liabilities	19	32
Total non-current liabilities	28	46
Total liabilities	1,466	1,432
Net assets		
Shareholders' equity		
Share capital	4,099	4,099
Capital surplus	4,099	4,099
Retained earnings	2,478	1,764
Treasury shares	(307)	(298)
Total shareholders' equity	10,369	9,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16	52
Deferred gains or losses on hedges	90	124
Foreign currency translation adjustment	311	588
Total accumulated other comprehensive income	419	766
Share acquisition rights	68	73
Total net assets	10,857	10,504
Total liabilities and net assets	12,324	11,936

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, 2022	Three months ended August 31, 2023
Net sales	1,927	1,880
Cost of sales	1,192	1,194
Gross profit	734	686
Selling, general and administrative expenses	817	871
Operating loss	(83)	(185)
Non-operating income		
Interest income	0	1
Foreign exchange gains	14	6
Other	0	0
Total non-operating income	15	8
Non-operating expenses		
Commission expenses	4	2
Loss on investments in investment partnerships	7	8
Share of loss of entities accounted for using equity method	549	337
Other	0	–
Total non-operating expenses	561	348
Ordinary loss	(628)	(525)
Extraordinary income		
Gain on change in equity	1,001	–
Total extraordinary income	1,001	–
Extraordinary losses		
Loss on valuation of investment securities	–	165
Total extraordinary losses	–	165
Profit (loss) before income taxes	372	(690)
Income taxes - current	12	34
Income taxes - deferred	(17)	(11)
Total income taxes	(4)	23
Profit (loss)	377	(714)
Loss attributable to non-controlling interests	(6)	–
Profit (loss) attributable to owners of parent	384	(714)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 31, 2022	Three months ended August 31, 2023
Profit (loss)	377	(714)
Other comprehensive income		
Valuation difference on available-for-sale securities	32	36
Deferred gains or losses on hedges	110	34
Foreign currency translation adjustment	2	–
Share of other comprehensive income of entities accounted for using equity method	289	277
Total other comprehensive income	434	347
Comprehensive income	812	(367)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	818	(367)
Comprehensive income attributable to non-controlling interests	(6)	–