

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2024 (Based on Japanese GAAP)

January 14, 2025

Company name: Gunosy Inc.
 Stock exchange listing: Tokyo
 Stock code: 6047 URL <https://gunosy.co.jp>
 Representative: Representative Director and President Kentaro Nishio
 Inquiries: Director and CFO Tatsuyuki Iwase TEL (03)5953-8030
 Scheduled date to file Semi-annual Securities Report: January 14, 2025
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from June 1, 2024 to November 30, 2024)

(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, 2024	3,075	(17.5)	366	–	89	–	(64)	–
Six months ended November 30, 2023	3,729	(5.1)	(205)	–	(751)	–	(1,018)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2024	(2.70)	–
Six months ended November 30, 2023	(42.36)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	12,428	11,259	90.0
As of May 31, 2024	11,339	9,970	87.2

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, 2024	–	0.00	–	0.00	0.00
Year ending May 31, 2025	–	0.00	–	–	–
Year ending May 31, 2025 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

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	6,120	(16.7)	680	859.9	429	–	180	–	7.50

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended November 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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 November 30, 2024	24,237,774 shares	As of May 31, 2024	24,237,774 shares
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Number of treasury shares at the end of the period

As of November 30, 2024	217,970 shares	As of May 31, 2024	278,119 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, 2024	23,987,465 shares	Six months ended November 30, 2023	24,041,321 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	5,874	5,373
Accounts receivable - trade	676	649
Other	499	971
Total current assets	<u>7,050</u>	<u>6,994</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7	7
Other, net	2	2
Total property, plant and equipment	<u>10</u>	<u>10</u>
Intangible assets		
Other	0	0
Total intangible assets	<u>0</u>	<u>0</u>
Investments and other assets		
Investment securities	4,175	5,318
Deferred tax assets	62	45
Other	40	58
Total investments and other assets	<u>4,277</u>	<u>5,423</u>
Total non-current assets	<u>4,288</u>	<u>5,434</u>
Total assets	<u>11,339</u>	<u>12,428</u>

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	249	206
Accounts payable - other	288	289
Income taxes payable	334	108
Advances received	287	258
Provision for share awards	9	12
Other	135	101
Total current liabilities	1,306	978
Non-current liabilities		
Provision for share awards	8	4
Deferred tax liabilities	54	186
Total non-current liabilities	62	191
Total liabilities	1,368	1,169
Net assets		
Shareholders' equity		
Share capital	4,099	4,099
Capital surplus	4,099	4,099
Retained earnings	1,223	2,775
Treasury shares	(288)	(226)
Total shareholders' equity	9,134	10,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58	434
Deferred gains or losses on hedges	37	9
Foreign currency translation adjustment	660	–
Total accumulated other comprehensive income	756	443
Share acquisition rights	79	68
Total net assets	9,970	11,259
Total liabilities and net assets	11,339	12,428

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, 2023	Six months ended November 30, 2024
Net sales	3,729	3,075
Cost of sales	2,334	1,614
Gross profit	1,395	1,460
Selling, general and administrative expenses	1,600	1,094
Operating profit (loss)	(205)	366
Non-operating income		
Interest income	20	44
Foreign exchange gains	20	–
Other	2	1
Total non-operating income	42	45
Non-operating expenses		
Commission expenses	4	3
Loss on investments in investment partnerships	21	11
Share of loss of entities accounted for using equity method	562	261
Foreign exchange losses	–	46
Other	0	0
Total non-operating expenses	588	322
Ordinary profit (loss)	(751)	89
Extraordinary income		
Gain on reversal of share acquisition rights	0	12
Total extraordinary income	0	12
Extraordinary losses		
Impairment losses	19	–
Loss on valuation of investment securities	165	106
Total extraordinary losses	185	106
Loss before income taxes	(937)	(4)
Income taxes - current	79	83
Income taxes - deferred	1	(23)
Total income taxes	81	60
Loss	(1,018)	(64)
Loss attributable to owners of parent	(1,018)	(64)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Loss	(1,018)	(64)
Other comprehensive income		
Valuation difference on available-for-sale securities	48	376
Deferred gains or losses on hedges	(101)	(28)
Foreign currency translation adjustment	–	(835)
Share of other comprehensive income of entities accounted for using equity method	330	175
Total other comprehensive income	277	(312)
Comprehensive income	(741)	(377)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(741)	(377)
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Cash flows from operating activities		
Loss before income taxes	(937)	(4)
Depreciation	1	1
Impairment losses	19	–
Amortization of goodwill	11	–
Foreign exchange losses (gains)	(156)	31
Interest income	(20)	(44)
Loss (gain) on valuation of investment securities	165	106
Share of loss (profit) of entities accounted for using equity method	562	261
Decrease (increase) in trade receivables	(52)	26
Increase (decrease) in trade payables	(34)	(43)
Increase (decrease) in accounts payable - other	(23)	1
Decrease (increase) in prepaid expenses	(300)	(468)
Increase (decrease) in advances received	(46)	(28)
Increase (decrease) in provision for share awards	8	6
Other, net	12	(18)
Subtotal	(789)	(172)
Interest and dividends received	20	39
Income taxes paid	(6)	(286)
Net cash provided by (used in) operating activities	(775)	(418)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	882	787
Purchase of investment securities	(14)	(17)
Proceeds from refund of leasehold and guarantee deposits	–	6
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	866	775
Cash flows from financing activities		
Purchase of treasury shares	–	(0)
Proceeds from disposal of treasury shares	–	1
Commission fee paid	(5)	(3)
Net cash provided by (used in) financing activities	(5)	(1)
Effect of exchange rate change on cash and cash equivalents	2	(72)
Net increase (decrease) in cash and cash equivalents	87	282
Cash and cash equivalents at beginning of period	5,100	5,090
Cash and cash equivalents at end of period	5,188	5,373