

Summary of Consolidated Financial Results for the Three months Ended July 31, 2021 (Based on Japanese GAAP)



September 10, 2021

Company Name: gumi Inc. Stock exchange listing: Tokyo
 Stock code: 3903 URL: [https:// gu3.co.jp/](https://gu3.co.jp/)
 Representative: Title CEO Name Hiroyuki Kawamoto
 Inquiries: Title CFO Name Makoto Motoyoshi (TEL) 03 (5358) 5322
 Scheduled date to file Quarterly Securities Report September 10, 2021
 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 July 31, 2021 (from May, 2021 to July 31, 2021)

(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 July 31, 2021	3,650	△31.8	△596	—	△1,808	—	△1,593	—
Three months ended July 31, 2020	5,351	11.1	950	632.7	1,082	—	901	—

Note. Comprehensive income: 1st quarter of FYE April 30, 2022: △1,640 millions of yen (— %) 1st quarter of FYE April 30, 2021: 861 millions of yen (— %)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
As of July 31, 2021	△53.62		—	
As of July 31, 2020	29.87		29.52	

Notes: 1. Due to net loss, the diluted earnings per share in 1st quarter of FYE April 30, 2022 is not listed above.

2. Since “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29), etc. have been applied from the three months ended July 31, 2021, the above amounts of consolidated financial results reflect the application of the accounting standard, etc.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2021	21,665	14,304	61.4
As of April 30, 2021	25,012	17,190	64.7

(Reference) Equity capital: 1st quarter of FYE April 30, 2022 13,306 millions of yen FYE April 30, 2021 16,189 millions of yen

Note. Since “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29), etc. have been applied from the three months ended July 31, 2021, the above amounts of consolidated financial results reflect the application of the accounting standard, etc.

2. Cash dividends

	Annual dividends per share				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FYE April 30, 2021	—	0.00	—	5.00	5.00
FYE April 30, 2022	—	—	—	—	—
FYE April 30, 2022 (Forecast)	—	—	—	—	—

Notes: 1. The amendments of latest published dividends forecast : No

2. It is undetermined for the dividends in FYE April 30, 2022

3. Forecast of consolidated financial results FYE April 30, 2022 (May 1, 2021 to April 30, 2022)

Due to volatility of our business environmental changes, it is difficult to calculate and predict our accurate financial results. Therefore, we do not publish forecast of our business.

※ Notes

(1) Changes in significant subsidiaries during the Three months ended July 31, 2021 : No
 (changes in specified subsidiaries with the change in the scope of consolidation)

(2) Applications of special accounting methods for preparing quarterly consolidated financial reports. : No

(3) Changes in accounting policies, changes in accounting estimates and restatements

- 1) Changes in accounting policies due to the revision of accounting standards : Applicable
- 2) Changes in accounting policies other than 1) : Not applicable
- 3) Changes in accounting estimates : Not applicable
- 4) Restatements : Not applicable

(4) Total number of issued shares (Common stock)

1) Total number of issued shares at the end of the period (including treasury shares)	As of July 31, 2021	31,263,700 shares	As of April 30, 2021	31,231,900 shares
2) Total number of treasury shares at the end of the period	As of July 31, 2021	2,101,039 shares	As of April 30, 2021	980,039 shares
3) Average number of shares during the period (cumulative)	As of July 31, 2021	29,722,194 shares	As of July 31, 2021	30,189,380 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants and audit firms.

* Explanation for the appropriate use of performance forecast and other special notes:
 (Cautionary note on forward-looking statements)

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of April 30, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	8,492,510	7,588,095
Accounts receivable - trade	1,812,179	1,639,250
Other current asset	3,280,230	1,352,323
Total current assets	<u>13,584,920</u>	<u>10,579,669</u>
Non-current assets		
Property, plant and equipment	135,386	133,138
Intangible assets		
Software	493,142	290,495
Software in progress	3,405,522	3,922,375
Other intangible assets	73,855	61,654
Total intangible assets	<u>3,972,519</u>	<u>4,274,525</u>
Investment and other assets		
Investment securities	1,823,758	1,776,221
Other investment securities of affiliates	3,671,840	2,998,196
Other investments	1,823,870	1,903,890
Total investment and other assets	<u>7,319,469</u>	<u>6,678,309</u>
Total non-current assets	<u>11,427,375</u>	<u>11,085,973</u>
Total assets	<u>25,012,295</u>	<u>21,665,643</u>

(Thousands of yen)

	As of April 30, 2021	As of July 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	542,982	522,853
Current portion of long-term borrowings	1,999,734	1,916,401
Income taxes payable	763,577	57,750
Provision for bonuses	100,239	59,150
Other current liabilities	1,169,477	1,227,906
Total current liabilities	<u>4,576,010</u>	<u>3,784,062</u>
Non-current liabilities		
Long-term borrowings	2,500,404	3,042,138
Asset retirement obligation	114,145	114,005
Other non-current liabilities	631,297	421,140
Total non-current liabilities	<u>3,245,846</u>	<u>3,577,283</u>
Total liabilities	<u>7,821,857</u>	<u>7,361,346</u>

Net assets

Shareholders' equity		
Share capital	9,399,470	9,414,645
Capital surplus	3,407,249	3,422,424
Retained earnings	4,336,840	2,461,878
Treasury shares	-1,058,438	-2,058,370
Total shareholders' equity	<u>16,085,121</u>	<u>13,240,578</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	74,790	53,378
Foreign currency translation adjustment	29,978	12,172
Total accumulated other comprehensive income	<u>104,769</u>	<u>65,550</u>
Share acquisition rights	316,551	322,204
Non-controlling interests	683,995	675,963
Total net assets	<u>17,190,437</u>	<u>14,304,297</u>
Total liabilities and net assets	<u>25,012,295</u>	<u>21,665,643</u>

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended July 31, 2020	Three months ended July 31, 2021
Net sales	5,351,698	3,650,618
Cost of Sales	3,569,700	3,471,586
Gross profit	1,781,998	179,031
Selling, general and administrative expenses	831,531	775,458
Operating profit	950,466	-596,427
Non-operating income		
Interest and dividend income	196	226
Subsidy income	0	545
Gain on valuation of Crypto Assets	101,219	0
Gain on sales of Crypto Assets	0	22,201
Gain on sales of non-current assets	47,659	0
Gain on exemption of Consumption Tax	0	28,963
Share of profit of entities accounted for using equity method	21,858	0
Gain on investments in investment partnerships	0	9,725
Other non-operating incomes	418	4,466
Total non-operating income	171,352	66,128
Non-operating expenses		
Interest expenses	4,891	7,329
Foreign exchange losses	21,481	10,361
Loss on valuation of Crypto Assets	0	672,367
Share of loss of entities accounted for using equity method	0	587,589
Loss on investments in investment partnerships	11,527	0
Other non-operating expenses	1,460	852
Total non-operating expenses	39,360	1,278,500
Ordinary profit	1,082,458	-1,808,799
Extraordinary income		
Gain on reversal of share acquisition rights	5,620	0
Total extraordinary income	5,620	0
Extraordinary losses		
Loss on valuation of investment securities	1,940	773
Business restructuring expenses	6,246	0
retirement benefits for officers	0	150,000
Total extraordinary losses	8,186	150,773
Profit (loss) before income taxes	1,079,891	-1,959,572
Income taxes - current	150,771	5,603
Income taxes - deferred	35,353	-363,492
Total income taxes	186,125	-357,888
Profit (loss)	893,766	-1,601,683
Loss attributable to non-controlling interests	-7,855	-8,031
Profit (loss) attributable to owner of parent	901,621	-1,593,652

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended July 31, 2020	Three months ended July 31, 2021
Profit (loss)	893,766	-1,601,683
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,764	-21,412
Foreign currency translation adjustment	-36,563	-27,502
Share of other comprehensive income of entities accounted for using equity method	6,757	9,696
Total other comprehensive income	-32,570	-39,219
Comprehensive income	861,196	-1,640,903
Comprehensive income attributable to owners of parent	869,051	-1,632,871
Comprehensive income attributable to non-controlling interests	-7,855	-8,031