

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



December 10, 2021

Company Name: gumi Inc. Stock exchange listing: Tokyo

Stock code: 3903 URL 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 December 10, 2021

Scheduled date to commence dividend payments

Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

Consolidated financial results for the Six months ended October 31, 2021 (from May, 2021 to October 31, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicateyear-on-year changes)

	Net sales Operating profi		rofit	Ordinary profit		Profit attributable to owners of parent		
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended October 31, 2021	8,578	△12.8	△1,573	_	△2,861	_	△4,359	_
Six months ended October 31, 2020	9,833	10.6	1,319	322.7	1,732	718.8	1,004	_

Note. Comprehensive income: 2nd quarter of FYE April 30, 2022: \triangle 4,253 millions of yen (-%) 2nd quarter of FYE April 30, 2021: 974 millions of yen (-%)

	Earnigs per share	Diluted earnings per share
	Yen	Yen
As of October 31, 2021	△148.05	-
As of October 31, 2020	33.27	32.90

Notes: 1. Due to net loss, the diluted earnings per share in 2nd quareter of FYE April 30, 2022 is not listed above.

(2) Consolidatd financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2021	21,444	11,714	49.9
As of April 30, 2021	25,012	17,190	64.7

(Reference) Equity capital: 2nd quarter of FYE April 30, 2022 10,705 millions of yen FYE Apr

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	1 st quarter-end 2 nd quarter-end 3 nd 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	_	0. 00				
FYE April 30, 2022 (Forecast)			_	_	_	

Notes: 1. The amendments of latest published dividends forecast $% \left(1\right) =\left(1\right) \left(1\right) \left($

: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.

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.



X Notes

(1) Changes in significant subsidiaries during the Six months eneded October 31, 2021 (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

4) Restatements : Not applicable

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

3) Changes in accounting estimates

1) Total number of issued shares at the end of the period (including treasury shares)

2) Total number of treasury shares at the end of the period

3) Average number of shares during the period (cumulative)

As of October 31,	31,268,400	As of April 30,	31,231,900
2021	shares	2021	shares
As of October 31,	2,101,039	As of April 30,	980,039
2021	shares	2021	shares
As of October 31,	29,445,230	As of October 31,	30,208,191
2021	shares	2020	shares

: Not applicable

:No

* 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. Thereore, there might be cases in which actual results differ materially from forecast values due to various factors.

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

Quarterly consolidated financial statements

Consolidated balance sheets

Current assets			(Thousands of yen)
Current assets		As of April 30, 2021	As of October 31, 2021
Cash and deposits 8,99,510 9,186,457 Accounts receivable - trade 1,812,179 2,313,309 Other current assets 3,280,230 1,858,652 Total current assets 13,594,900 13,358,393 Non-current assets 135,386 141,983 Property, plant and equipment 135,386 141,983 Intangible assets 3,905,222 1,791,371 Software 493,142 563,902 Software in progress 3,405,522 1,791,371 Other intangible assets 7,3855 4,9453 Total intangible assets 3,972,519 2,404,727 Investment and other assets 1,823,758 1,809,023 Other investments 5,495,710 3,739,772 Total non-current assets 11,427,375 8,086,507 Total assets 25,012,295 21,444,901 Total assets 4,507,002 7,000,000 Current insplitties 4,507,002 7,000,000 Current insplitties 5,409,002 3,000,000 Accounts payable - trade 542,9	Assets		
Accounts receivable - trade 1,812,179 2,13,309 Other current assets 1,588,625 13,588,020 1,858,625 Total current assets 13,588,920 13,358,398 Non-current assets 135,386 141,983 Property, plant and equipment 135,386 141,983 Intangible assets 493,142 563,902 Software in progress 3,405,522 1,791,371 Other intangible assets 3,972,519 2,404,727 Total intangible assets 3,972,519 2,404,727 Total intangible assets 3,972,519 2,404,727 Investment and other assets 1,823,758 1,809,023 Other investments 5,499,710 3,730,772 Other investments 5,499,510 3,730,772 Total on-current assets 7,319,469 5,539,795 Total assets 7,319,469 5,539,795 Total current assets 7,319,409 5,539,795 Total assets 7,319,409 5,539,795 Total assets 7,319,409 5,539,795 Total in	Current assets		
Other current assets 3,280,230 1,858,625 Total current assets 13,584,920 13,358,398 Non-current assets 155,386 141,983 Property, plant and equipment 135,386 141,883 Intangible assets 493,142 563,902 Software in progress 3,405,522 1,791,711 Other intangible assets 3,972,519 2,404,727 Total intangible assets 3,972,519 2,404,727 Investment and other assets 3,972,519 3,730,772 Other investments 5,495,710 3,730,772 Total investment and other assets 7,191,469 5,539,795 Total investment and other assets 11,427,375 8,086,507 Total assets 4,547,473 8,086,507 Total assets 1,427,375 8,086,507 Total current assets 1,427,375 8,086,507 Total assets 2,511,293 2,1444,900 Current jabilities 452,982 558,303 Accounts payable - trade 542,982 558,303 Current jortion of lon	Cash and deposits	8,492,510	9,186,457
Total current assets 13,584,920 13,358,308 Non-current assets 1155,386 141,983 Intangible assets 493,142 563,002 Software 493,145 563,002 Software in progress 3,405,522 1,791,371 Other intangible assets 3,972,519 2,404,727 Total intangible assets 3,972,519 2,404,727 Investment and other assets 1,823,758 1,809,023 Other investments 5,495,710 3,730,772 Total investment and other assets 7,319,469 5,539,795 Total assets 25,012,295 21,444,900 Total assets 25,012,295 21,444,900 Total assets 3,500,000 3,500,000 Total assets 3,500,000 3,500,000 Current liabilities 3,500,000 3,500,000 Current portion of long-term borrowings 1,999,734 2,632,540 Current portion of long-term borrowings 1,999,734 2,632,540 Other current liabilities 1,169,477 1,076,800 Total current	Accounts receivable - trade	1,812,179	2,313,309
Non-current assets	Other current asset	3,280,230	1,858,625
Property, plant and equipment 135,386 141,983 Intangible assets 493,142 563,902 Software in progress 3,405,522 1,791,371 Other intangible assets 3,397,519 2,404,727 Investment and other assets 0 0 Investment securities 1,823,758 1,809,023 Other investments 5,495,710 3,730,772 Total investment and other assets 7,319,469 5,539,795 Total non-current assets 11,427,375 8,086,507 Total assets 25,012,295 21,444,900 Current portain of long-term borrowings 1,492,322 3,500,000 Current portion of long-term borrowings 1,999,734 2,632,540 Provision for bonuses 1,002,397 9,3181 Other current liabilities 3,500,000 9,3181 Total current liabilities 4,576,010 5,072,427 Non-current liabilities 4,576,010 5,072,427 Non-current liabilities 3,245,846 4,588,259 Total current liabilities 3,245,846 4,588,259	Total current assets	13,584,920	
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Software in progress 3,405,522 1,791,371 Other intangible assets 73,855 49,453 Total intangible assets 3,972,519 2,404,727 Investment and other assets 1,823,758 1,809,027 Investment securities 1,823,758 1,809,027 Other investments 5,495,710 3,730,772 Total investment and other assets 7,319,469 5,539,795 Total non-current assets 11,427,375 8,086,507 Total assets 25,012,295 21,444,900 Liabilities (Thousands of yen) Accounts payable - trade 542,982 558,303 Current portion of long-term borrowings 1,993,734 2,632,540 Current portion of long-term borrowings 1,993,737 8,660 Provision for bonuses 100,239 93,818 Other current liabilities 1,169,477 1,707,800 Total current liabilities 1,576,010 5,072,427 Non-current liabilities 2,500,404 4,434,396 Asset retirement oblitation 114,145 115,187	Intangible assets		
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Non-current liabilities 2,500,404 4,434,396 Asset retirement oblitation 114,145 115,187 Other non-current liabilities 631,297 108,676 Total non-current liabilities 3,245,846 4,658,259 Total liabilities 7,821,857 9,730,687 Net assets Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Long-term borrowings 2,500,404 4,434,396 Asset retirement oblitation 114,145 115,187 Other non-current liabilities 631,297 108,676 Total non-current liabilities 3,245,846 4,658,259 Total liabilities 7,821,857 9,730,687 Net assets Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208		4,576,010	5,072,427
Asset retirement oblitation 114,145 115,187 Other non-current liabilities 631,297 108,676 Total non-current liabilities 3,245,846 4,658,259 Total liabilities 7,821,857 9,730,687 Net assets Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208	Non-current liabilities		
Other non-current liabilities 631,297 108,676 Total non-current liabilities 3,245,846 4,658,259 Total liabilities 7,821,857 9,730,687 Net assets Shareholders' equity 9,399,470 9,416,668 Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208	Long-term borrowings		4,434,396
Total non-current liabilities 3,245,846 4,658,259 Total liabilities 7,821,857 9,730,687 Net assets Shareholders' equity Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208		114,145	115,187
Total liabilities 7,821,857 9,730,687 Net assets Shareholders' equity 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208	Other non-current liabilities	631,297	108,676
Net assets Shareholders' equity Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income Share acquisition rights 316,551 340,208	Total non-current liabilities	3,245,846	4,658,259
Shareholders' equity Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income Share acquisition rights 316,551 340,208	Total liabilities	7,821,857	9,730,687
Shareholders' equity Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income Share acquisition rights 316,551 340,208			
Share capital 9,399,470 9,416,668 Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Capital surplus 3,407,249 3,424,447 Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Retained earnings 4,336,840 -303,783 Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Treasury shares -1,058,438 -2,058,370 Total shareholders' equity 16,085,121 10,478,961 Accumulated other comprehensive income Valuation difference on available-for-sale securities 74,790 56,651 Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Total accumulated other comprehensive income Share acquisition rights 16,085,121 10,478,961 74,790 56,651 729,978 170,258 170,258 1704,769 226,910 340,208			The state of the s
Accumulated other comprehensive income Valuation difference on available-for-sale securities Foreign currency translation adjustment Total accumulated other comprehensive income Share acquisition rights 74,790 56,651 29,978 170,258 170,258 316,759 340,208			
Valuation difference on available-for-sale securities74,79056,651Foreign currency translation adjustment29,978170,258Total accumulated other comprehensive income104,769226,910Share acquisition rights316,551340,208	· , ,	16,085,121	10,478,961
Foreign currency translation adjustment 29,978 170,258 Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Total accumulated other comprehensive income 104,769 226,910 Share acquisition rights 316,551 340,208			
Share acquisition rights 316,551 340,208			
	·		
Non-controlling interests 683 995 668 133			
	Non-controlling interests	683,995	668,133
Total net assets 17,190,437 11,714,213			
Total liabilities and net assets 25,012,295 21,444,900	Total liabilities and net assets	25,012,295	21,444,900

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

Consolidated statements of income (cumulative)

		(Thousands of yen)
	Six months ended	Six months ended
	October 31, 2020	October 31, 2021
Net sales	9,833,254	8,578,797
Cost of Sales	6,856,295	8,239,819
Gross profit	2,976,958	338,977
Selling, general and administrative expenses	1,657,336	1,912,374
Operating profit	1,319,622	-1,573,396
Non-opearting income		
Interest and dividend income	345	4,492
Subsidy income	0	1,107
Gain on valuation of Crypto Assets	303,562	0
Gain on sales of Crypto Assets	50,101	22,201
Gain on sales of non-current assets	47,661	0
Interest on tax refund	3,425	0
Gain on forgiveness of consumption tax	0	28,963
Share of profit of entities accounted for using equity method	70,394	0
Gain on investments in investment partnerships	0	16,885
Other non-operating incomes	1,053	7,342
Total non-operating income	476,544	80,992
Non-operating expenses		
Interest expenses	12,698	16,924
Foreign exchange losses	46,261	70,464
Loss on valuation of Crypto Assets	0	341,360
Share of loss of entities accounted for using equity method	0	938,763
Loss on investments in investment partnerships	1,669	0
Other non-operating expenses	2,841	1,128
Total non-operating expenses	63,469	1,368,642
Ordinary profit	1,732,697	-2,861,046
Extraordinary income	0	CF
Gain on sales of investment securities	0	65
Gain on reversal of share acquisition rights	9,398	0
Total extraordinary income	9,398	65
Extraordinary losses	0	0
Impairement losses	41,088	1,906,092
Loss on valuation of investment securities	284,553	773
Business restructuring expenses	8,371	0
Officer retirement allowance	0	150,000
Total extraordinary losses	334,014	2,056,865
Profit (loss) before income taxes	1,408,081	-4,917,846
Income taxes - current	272,390	12,935
Income taxes - deffered	147,366	-555,605
Total income taxes	419,756	-542,669
Profit (loss)	988,325	-4,375,176
Loss attributable to non-controlling interests	-16,577	-15,862
Profit (loss) attributable to owner of parent	1,004,902	-4,359,314
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Consolidated statements of comprehensive income (cumulative)

, , , , , , , , , , , , , , , , , , ,		(Thousands of yen)
	Six months ended October 31, 2020	Six months ended October 31, 2021
Profit (loss)	988,325	-4,375,176
Other comprehensive income		
Valuation difference on available-for-sale securities	-981	-18,138
Foreign currency translation adjustment	-21,110	61,501
Share of other comprehensive income of entities accounted for using equity method	7,805	78,777
Total other comprehensive income	-14,286	122,140
Comprehensive income	974,038	-4,253,035
Comprehensive income attributable to owners of parent	990,615	-4,237,173
Comprehensive income attributable to non-controlling interests	-16,577	-15,862

Consolicated Statements of Cash flows		(Thousands of yen)
	Six months ended October 31, 2020	Six months ended October 31, 2021
Cash flows from operating activities	, , , , , , , , , , , , , , , , , , , ,	,
Profit (loss) before income taxes	1,408,081	-4,917,846
Depreciation	455,987	607,641
Impairement loss	41,088	1,906,092
Share-based remuneration expenses	38,342	58,016
Increase (decrease) in provision for bonuses	20,624	-8,465
Interest and dividend income	-345	-4,492
Interest expenses	12,698	16,924
Foreign exchange losses (gains)	33,739	52,116
Subsidy income	0	-1,107
Share of loss (profit) of entities accounted for using equity method	-70,394	938,763
Loss (gain) on investments in investment partnerships	1,669	-16,885
Loss (gain) on valuation of crypto assets	-303,562	341,360
Loss (gain) on sales of crypto assets	-50,101	-22,201
Loss (gain) on sales of investment securities	0	-65
Loss (gain) on valuation of investment securities	284,553	773
Business restructuring expenses	8,371	0
Loss (gain) on sales of non-current assets	-47,661	0
Decrease (increase) in trade receivables	725,166	-493,858
Increase (decrease) in trade payables	-107,185	14,738
Increase (decrease) in accounts payable - other	-73,406	129,290
Increase (decrease) in accrued consumption taxes	-171,234	-36,865
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Decrease (increase) in accounts receivable - other	-138,478	104,105
Decrease (increase) in prepaid expenses	147,679	166,528
Decrease (increase) in consuption taxes refund receivable	-11,579	53,574
Other, net	-214,768	68,657
Subtotal	1,989,284	-1,043,204
Interest and dividend received	345	4,492
Interest paid	-13,665	-13,733
Subsidies received	0	1,107
Payment of the restructuring cost	-11,189	-4,419
Inccome taxes (paid) refundd	-34,417	-674,494
Net cash provided by (used in) operating activities	1,930,358	-1,730,251
Cash flows from investing activities		
Purchase of property, plant and equipment	-30,817	-16,844
Purchase of intangible assets	-1,081,308	-928,589
Proceeds from sale of intangible assets	289,926	0
Proceeds from sales of investment securities	0	3,815
Purchase of investment securities	0	-49,900
Purchase of investments in other securities of subsidiaries and affiliates	-111,356	0
Proceeds from sales of crypto assets	61,141	948,491
Proceeds from disbributions from investment partnerships	50,913	929,682
Payment for lease and guarantee deposits	-20,594	-2,583
Proceeds from repayment of lease and guarantee deposits	9,044	92,117
Net cash provided by (used in) investing activities	-833,051	976,189
Cash flows from financing activities	333,031	37.0/103
Proceeds from long-term borrowings	5,500,000	8,400,000
Repayments of long-term borrowings	-2,250,263	-5,833,202
Proceeds from issuance of shares	27,507	36
Purchase of treasury share	-38	-999,932
Dividends paid	-150,947	
Net cash provided by (used in) financing activities	3,126,258	-149,795 1,417,107
Effect of exchange rate change on cash and cash equivalents	26,115	30,901
Net increase (decrease) in cash and cash equivalents	4,249,681	693,947
Cash and cash equivalents at beginning of period	5,833,436	8,492,510
Cash and cash equivalents at end of period	10,083,117	9,186,457