

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

Company name: GREENS CO.,LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6547 URL <https://www.kk-greens.jp/>  
 Representative: President & Representative Director Muraki Takeya  
 Director and General Manager  
 Inquiries: Hiroya Ito TEL 059(351)5593  
 Administration Div.  
 Scheduled date to file Quarterly Securities Report: February 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(( Amounts less than one million yen are rounded down))

### 1. Consolidated financial results for the six months ended December 31, 2021 (from July 1, 2021 to December 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	%
Six months ended December 31, 2021	11,601	41.1	(1,876)	–	(2,047)	–	(2,071)	–
Six months ended December 31, 2020	8,223	(48.2)	(3,637)	–	(3,478)	–	(3,513)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2021	(160.84)	–
Six months ended December 31, 2020	(272.86)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	25,317	1,456	5.8
As of June 30, 2021	17,296	(2,933)	(17.0)

### 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 June 30, 2021	–	0.00	–	0.00	0.00
Year ending June 30, 2022	–	0.00			
Year ending June 30, 2022 (Forecast)			–	0.00	0.00

### 3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

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	26,000	65.5	(1,800)	–	(1,800)	–	(1,900)	–	(147.56)

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 2021  
(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: Yes
- (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 December 31, 2021	12,886,200 shares	As of June 30, 2021	12,886,200 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	9,742 shares	As of June 30, 2021	9,742 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2021	12,876,458 shares	Six months ended December 31, 2020	12,876,458 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	3,881,696	10,235,548
Accounts receivable - trade	894,719	1,734,090
Raw materials and supplies	100,253	126,077
Prepaid expenses	958,825	982,407
Consumption taxes receivable	397,849	—
Other	50,629	130,170
Allowance for doubtful accounts	(890)	(1,460)
Total current assets	6,283,084	13,206,834
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,230,966	2,167,111
Tools, furniture and fixtures, net	377,424	497,039
Land	1,965,426	1,815,257
Leased assets, net	142,058	209,767
Construction in progress	137,932	1,303,444
Total property, plant and equipment	4,853,809	5,992,620
Intangible assets	191,333	170,296
Investments and other assets		
Investment securities	53,327	59,403
Long-term loans receivable	27,657	23,189
Guarantee deposits	5,817,317	5,789,379
Other	119,138	120,424
Allowance for doubtful accounts	(49,000)	(45,000)
Total investments and other assets	5,968,441	5,947,397
Total non-current assets	11,013,585	12,110,313
Total assets	17,296,669	25,317,148

(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	708,570	1,006,832
Short-term borrowings	7,600,000	9,600,000
Current portion of long-term borrowings	731,628	740,071
Accounts payable - other	571,973	752,431
Accrued expenses	546,269	630,706
Income taxes payable	43,366	31,749
Accrued consumption taxes	—	101,714
Other	270,254	395,360
Total current liabilities	10,472,062	13,258,865
Non-current liabilities		
Long-term borrowings	8,948,225	9,745,967
Asset retirement obligations	555,845	555,413
Other	253,826	300,807
Total non-current liabilities	9,757,897	10,602,189
Total liabilities	20,229,960	23,861,055
Net assets		
Shareholders' equity		
Share capital	1,948,025	100,000
Capital surplus	1,949,813	3,433,240
Retained earnings	(6,812,327)	(2,062,623)
Treasury shares	(8,917)	(8,917)
Total shareholders' equity	(2,923,405)	1,461,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(9,884)	(5,606)
Total accumulated other comprehensive income	(9,884)	(5,606)
Total net assets	(2,933,290)	1,456,092
Total liabilities and net assets	17,296,669	25,317,148

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

## Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Net sales	8,223,734	11,601,636
Cost of sales	9,844,830	11,180,195
Gross profit (loss)	(1,621,095)	421,440
Selling, general and administrative expenses	2,016,433	2,298,361
Operating loss	(3,637,528)	(1,876,920)
Non-operating income		
Interest income	358	275
Subsidy income	151,344	119,029
Other	29,322	37,501
Total non-operating income	181,025	156,806
Non-operating expenses		
Interest expenses	18,489	51,922
Commission expenses	—	175,474
Share issuance costs	—	68,650
Other	3,585	30,855
Total non-operating expenses	22,074	326,903
Ordinary loss	(3,478,577)	(2,047,017)
Extraordinary income		
Gain on sale of non-current assets	37	8,897
Total extraordinary income	37	8,897
Extraordinary losses		
Loss on retirement of non-current assets	3,125	1,248
Total extraordinary losses	3,125	1,248
Loss before income taxes	(3,481,665)	(2,039,368)
Income taxes	31,742	31,742
Loss	(3,513,407)	(2,071,111)
Loss attributable to owners of parent	(3,513,407)	(2,071,111)

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

(Thousands of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Loss	(3,513,407)	(2,071,111)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,267)	4,277
Total other comprehensive income	(2,267)	4,277
Comprehensive income	(3,515,675)	(2,066,833)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,515,675)	(2,066,833)

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Cash flows from operating activities		
Loss before income taxes	(3,481,665)	(2,039,368)
Depreciation	243,496	242,854
Amortization of goodwill	1,568	–
Gain on sale of non-current assets	–	(8,897)
Interest and dividend income	(1,039)	(901)
Interest expenses	18,489	51,922
Borrowing fees	–	1,375
Commission expenses	–	175,474
Share issuance costs	–	68,650
Decrease (increase) in trade receivables	(642,349)	(839,370)
Decrease (increase) in inventories	(16,209)	(25,824)
Increase (decrease) in trade payables	312,775	298,262
Increase (decrease) in income taxes payable - factor based tax	39,121	(3,573)
Increase (decrease) in accrued consumption taxes	1,012	101,714
Decrease (increase) in consumption taxes refund receivable	–	397,849
Increase (decrease) in accounts payable - other	339,378	150,671
Other, net	161,988	73,729
Subtotal	(3,023,432)	(1,355,429)
Interest and dividends received	1,039	901
Interest paid	(18,247)	(51,706)
Income taxes refund (paid)	303,324	(39,786)
Net cash provided by (used in) operating activities	(2,737,315)	(1,446,020)
Cash flows from investing activities		
Purchase of property, plant and equipment	(233,198)	(1,331,279)
Proceeds from sale of property, plant and equipment	–	159,066
Purchase of intangible assets	(67,761)	(30,303)
Purchase of investment securities	(1,798)	(1,798)
Payments of guarantee deposits	(167,173)	(79,852)
Proceeds from refund of guarantee deposits	54,568	98,995
Purchase of long-term prepaid expenses	(7,628)	(15,775)
Other, net	(7,868)	(24,535)
Net cash provided by (used in) investing activities	(430,861)	(1,225,483)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,700,000	2,000,000
Proceeds from long-term borrowings	–	1,172,000
Repayments of long-term borrowings	(365,814)	(365,814)
Proceeds from issuance of shares	–	6,431,349
Dividends paid	(128,635)	(666)
Payments of borrowing fee	–	(1,375)
Commission fee paid	–	(175,474)
Repayments of finance lease obligations	(22,737)	(34,662)
Net cash provided by (used in) financing activities	3,182,812	9,025,355
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	14,635	6,353,851
Cash and cash equivalents at beginning of period	4,295,298	3,881,696
Cash and cash equivalents at end of period	4,309,933	10,235,548