

Translation

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## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

October 31, 2019

Company name: Fundely Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 3137 URL <http://www.fundely.co.jp/>  
 Representative: President, Founder Kosuke Abe  
 Executive Officer, Department Manager of Accounting Masaharu Sugita TEL 03-6741-5880  
 Scheduled date to file Quarterly Securities Report: November 13, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

#### (1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2019	1,694	1.3	259	(24.7)	259	(24.9)	164	(25.0)
Six months ended September 30, 2018	1,673	1.5	345	4.1	345	4.1	219	4.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	25.78		25.50	
Six months ended September 30, 2018	34.46		34.01	

#### (2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2019	6,258		2,909		46.3	
As of March 31, 2019	4,279		2,734		63.7	

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	0.00	–	0.00	0.00
Year ending March 31, 2020	–	0.00			
Year ending March 31, 2020 (Forecast)			–	3.00	3.00

### 3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,802	41.5	934	31.0	783	12.0	501	13.5	78.52

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2019	6,429,000 shares	As of March 31, 2019	6,384,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	– shares	As of March 31, 2019	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	6,395,360 shares	Six months ended September 30, 2018	6,381,269 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	1,950,093	2,211,345
Accounts receivable - trade	248,512	148,262
Merchandise	282,497	201,460
Work in process	3,342	2,986
Supplies	299	212
Other	98,429	148,409
Allowance for doubtful accounts	(74)	(46)
Total current assets	2,583,100	2,712,630
Non-current assets		
Property, plant and equipment		
Land	516,725	516,725
Construction in progress	1,100,216	2,950,701
Other	10,581	10,405
Total property, plant and equipment	1,627,523	3,477,832
Intangible assets	4,796	3,794
Investments and other assets	64,048	64,048
Total non-current assets	1,696,368	3,545,675
Total assets	4,279,469	6,258,305
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	105,199	105,276
Short-term borrowings	1,150,000	2,870,000
Accounts payable - other	73,183	214,703
Income taxes payable	154,195	102,728
Provision for bonuses	23,833	23,198
Other	33,223	27,361
Total current liabilities	1,539,634	3,343,268
Non-current liabilities		
Asset retirement obligations	5,458	5,461
Total non-current liabilities	5,458	5,461
Total liabilities	1,545,092	3,348,729
<b>Net assets</b>		
Shareholders' equity		
Share capital	274,939	277,954
Capital surplus	224,939	227,954
Retained earnings	2,225,154	2,390,006
Total shareholders' equity	2,725,033	2,895,915
Share acquisition rights	9,343	13,660
Total net assets	2,734,376	2,909,575
Total liabilities and net assets	4,279,469	6,258,305

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	1,673,037	1,694,400
Cost of sales	665,409	686,710
Gross profit	1,007,627	1,007,690
Selling, general and administrative expenses	662,381	747,701
Operating profit	345,246	259,989
Non-operating income		
Commission income	255	321
Other	337	611
Total non-operating income	592	932
Non-operating expenses		
Interest expenses	–	1,516
Miscellaneous loss	400	–
Total non-operating expenses	400	1,516
Ordinary profit	345,438	259,404
Profit before income taxes	345,438	259,404
Income taxes	125,566	94,553
Profit	219,871	164,851

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	345,438	259,404
Depreciation	2,371	2,791
Increase (decrease) in allowance for doubtful accounts	(27)	(27)
Increase (decrease) in provision for bonuses	1,120	(634)
Interest and dividend income	(11)	(10)
Interest expenses	–	1,516
Decrease (increase) in trade receivables	(17,749)	100,250
Decrease (increase) in inventories	6,623	81,478
Increase (decrease) in trade payables	561	77
Other, net	(10,699)	(43,113)
Subtotal	327,626	401,732
Interest and dividends received	11	10
Income taxes paid	(122,841)	(145,916)
Interest paid	–	(1,840)
Net cash provided by (used in) operating activities	204,796	253,986
Cash flows from investing activities		
Purchase of property, plant and equipment	(532,341)	(1,718,765)
Payments of leasehold and guarantee deposits	(264)	–
Net cash provided by (used in) investing activities	(532,605)	(1,718,765)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	1,720,000
Proceeds from exercise of employee share options	1,407	6,030
Net cash provided by (used in) financing activities	1,407	1,726,030
Net increase (decrease) in cash and cash equivalents	(326,402)	261,251
Cash and cash equivalents at beginning of period	2,128,168	1,950,093
Cash and cash equivalents at end of period	1,801,766	2,211,345