

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

October 30, 2020

Company name: Fundely Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 3137 URL <https://www.fundely.co.jp/>  
 Representative: President, Founder Kosuke Abe  
 Director and General Manager of Administration Department Tomonori Kayano TEL 03-6741-5880  
 Inquiries: Administration Department  
 Scheduled date to file Quarterly Securities Report: November 13, 2020  
 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, 2020 (from April 1, 2020 to September 30, 2020)

#### (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, 2020	1,512	(10.7)	(21)	–	(24)	–	(39)	–
Six months ended September 30, 2019	1,694	1.3	259	(24.7)	259	(24.9)	164	(25.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	(6.25)		–	
Six months ended September 30, 2019	25.78		25.50	

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

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2020	8,201		2,947		35.8	
As of March 31, 2020	8,713		3,096		35.3	

### 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, 2020	–	0.00	–	3.00	3.00
Year ending March 31, 2021	–	0.00			
Year ending March 31, 2021 (Forecast)			–	3.00	3.00

### 3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	3,350	0.1	(295)	–	(298)	–	(243)	–	(38.22)

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, 2020	⋮	6,455,100 shares	As of March 31, 2020	⋮	6,455,100 shares
--------------------------	---	------------------	----------------------	---	------------------

Number of treasury shares at the end of the period

As of September 30, 2020	⋮	100,000 shares	As of March 31, 2020	⋮	– shares
--------------------------	---	----------------	----------------------	---	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	⋮	6,389,228 shares	Six months ended September 30, 2019	⋮	6,395,360 shares
-------------------------------------	---	------------------	-------------------------------------	---	------------------

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	1,923,057	907,373
Accounts receivable - trade	209,669	154,882
Merchandise and finished goods	196,889	613,168
Work in process	1,621	4,845
Raw materials and supplies	7,072	99,853
Other	344,166	174,890
Allowance for doubtful accounts	(60)	(50)
Total current assets	2,682,416	1,954,962
Non-current assets		
Property, plant and equipment		
Buildings	16,248	2,520,047
Accumulated depreciation	(11,954)	(79,520)
Buildings, net	4,293	2,440,527
Structures	–	528,839
Accumulated depreciation	–	(20,765)
Structures, net	–	508,074
Machinery, equipment and vehicles	–	2,688,660
Accumulated depreciation	–	(99,342)
Machinery, equipment and vehicles, net	–	2,589,317
Tools, furniture and fixtures	27,776	98,789
Accumulated depreciation	(16,545)	(31,941)
Tools, furniture and fixtures, net	11,230	66,848
Land	516,725	516,725
Construction in progress	5,434,045	–
Total property, plant and equipment	5,966,295	6,121,493
Intangible assets	3,856	85,367
Investments and other assets	60,734	39,624
Total non-current assets	6,030,887	6,246,485
Total assets	8,713,303	8,201,448

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	112,137	119,363
Short-term borrowings	5,000,000	–
Current portion of long-term borrowings	–	270,360
Accounts payable - other	384,454	133,018
Income taxes payable	62,733	8,175
Provision for bonuses	23,526	22,870
Other	28,306	32,639
<b>Total current liabilities</b>	<b>5,611,158</b>	<b>586,425</b>
<b>Non-current liabilities</b>		
Long-term borrowings	–	4,662,050
Asset retirement obligations	5,465	5,469
<b>Total non-current liabilities</b>	<b>5,465</b>	<b>4,667,519</b>
<b>Total liabilities</b>	<b>5,616,624</b>	<b>5,253,944</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	279,703	279,703
Capital surplus	229,703	229,703
Retained earnings	2,570,529	2,511,201
Treasury shares	–	(87,143)
<b>Total shareholders' equity</b>	<b>3,079,936</b>	<b>2,933,464</b>
Share acquisition rights	16,743	14,039
<b>Total net assets</b>	<b>3,096,679</b>	<b>2,947,503</b>
<b>Total liabilities and net assets</b>	<b>8,713,303</b>	<b>8,201,448</b>

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

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	1,694,400	1,512,789
Cost of sales	686,710	795,782
Gross profit	1,007,690	717,007
Selling, general and administrative expenses		
Freight costs	219,244	152,890
Provision for bonuses	23,198	17,525
Other	505,257	567,701
Total selling, general and administrative expenses	747,701	738,117
Operating profit (loss)	259,989	(21,110)
Non-operating income		
Commission income	321	312
Interest on tax refund	–	1,170
Miscellaneous income	611	140
Total non-operating income	932	1,622
Non-operating expenses		
Interest expenses	1,516	4,160
Commission expenses	–	312
Miscellaneous loss	–	650
Total non-operating expenses	1,516	5,122
Ordinary profit (loss)	259,404	(24,610)
Extraordinary income		
Gain on reversal of share acquisition rights	–	2,172
Total extraordinary income	–	2,172
Profit (loss) before income taxes	259,404	(22,437)
Income taxes	94,553	17,525
Profit (loss)	164,851	(39,963)

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	259,404	(22,437)
Depreciation	2,791	212,511
Increase (decrease) in allowance for doubtful accounts	(27)	(9)
Increase (decrease) in provision for bonuses	(634)	(655)
Interest and dividend income	(10)	(8)
Interest expenses	1,516	4,160
Gain on reversal of share acquisition rights	–	(2,172)
Decrease (increase) in trade receivables	100,250	54,786
Decrease (increase) in inventories	81,478	(512,283)
Increase (decrease) in trade payables	77	7,225
Decrease (increase) in consumption taxes refund receivable	(20,270)	151,121
Other, net	(22,843)	(24,968)
Subtotal	401,732	(132,732)
Interest and dividends received	10	8
Income taxes paid	(145,916)	(57,112)
Interest paid	(1,840)	(4,108)
Net cash provided by (used in) operating activities	253,986	(193,944)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,718,765)	(617,390)
Purchase of intangible assets	–	(30,358)
Net cash provided by (used in) investing activities	(1,718,765)	(647,748)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,720,000	–
Repayments of long-term borrowings	–	(67,590)
Proceeds from exercise of employee share options	6,030	–
Purchase of treasury shares	–	(87,143)
Dividends paid	–	(19,257)
Net cash provided by (used in) financing activities	1,726,030	(173,990)
Net increase (decrease) in cash and cash equivalents	261,251	(1,015,684)
Cash and cash equivalents at beginning of period	1,950,093	1,923,057
Cash and cash equivalents at end of period	2,211,345	907,373