

Translation

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## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

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  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	1,598	5.7	18	–	4	–	1	–
Six months ended September 30, 2020	1,512	(10.7)	(21)	–	(24)	–	(39)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	0.24		0.24	
Six months ended September 30, 2020	(6.25)		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	7,564		2,594		34.1	
As of March 31, 2021	7,732		2,613		33.6	

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, 2021	–	0.00	–	3.00	3.00
Year ending March 31, 2022	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	3.00	3.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	3,874	26.5	100	–	92	–	68	–	10.83

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: Yes

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, 2021	6,457,500 shares	As of March 31, 2021	6,457,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	100,000 shares	As of March 31, 2021	100,000 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, 2021	6,357,500 shares	Six months ended September 30, 2020	6,389,228 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	668,474	1,051,594
Accounts receivable - trade	187,692	159,490
Merchandise and finished goods	327,850	455,985
Work in process	147	1,083
Raw materials and supplies	95,475	74,545
Other	436,774	45,449
Allowance for doubtful accounts	(90)	(56)
Total current assets	1,716,325	1,788,092
Non-current assets		
Property, plant and equipment		
Buildings	2,538,445	2,538,445
Accumulated depreciation	(147,279)	(215,227)
Buildings, net	2,391,165	2,323,217
Structures	528,839	528,839
Accumulated depreciation	(41,530)	(62,296)
Structures, net	487,308	466,543
Machinery, equipment and vehicles	2,688,660	2,688,660
Accumulated depreciation	(233,775)	(368,208)
Machinery, equipment and vehicles, net	2,454,884	2,320,451
Tools, furniture and fixtures	99,136	99,136
Accumulated depreciation	(48,632)	(64,791)
Tools, furniture and fixtures, net	50,504	34,344
Land	516,725	516,725
Total property, plant and equipment	5,900,588	5,661,282
Intangible assets	76,065	67,410
Investments and other assets	39,613	48,185
Total non-current assets	6,016,267	5,776,878
Total assets	7,732,592	7,564,971

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	136,917	123,879
Current portion of long-term borrowings	270,360	270,360
Accounts payable - other	127,931	97,374
Income taxes payable	3,426	4,380
Provision for bonuses	18,975	17,125
Other	29,586	59,838
Total current liabilities	587,197	572,958
Non-current liabilities		
Long-term borrowings	4,526,870	4,391,690
Asset retirement obligations	5,472	5,476
Total non-current liabilities	4,532,342	4,397,166
Total liabilities	5,119,540	4,970,124
<b>Net assets</b>		
Shareholders' equity		
Share capital	279,864	279,864
Capital surplus	229,864	229,864
Retained earnings	2,176,501	2,158,753
Treasury shares	(87,143)	(87,143)
Total shareholders' equity	2,599,086	2,581,337
Share acquisition rights	13,966	13,509
Total net assets	2,613,052	2,594,847
Total liabilities and net assets	7,732,592	7,564,971

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	1,512,789	1,598,351
Cost of sales	795,782	847,404
Gross profit	717,007	750,947
Selling, general and administrative expenses		
Freight costs	152,890	206,707
Provision for bonuses	17,525	11,950
Other	567,701	514,213
Total selling, general and administrative expenses	738,117	732,871
Operating profit (loss)	(21,110)	18,075
Non-operating income		
Commission income	312	324
Interest on tax refund	1,170	767
Miscellaneous income	140	376
Total non-operating income	1,622	1,468
Non-operating expenses		
Interest expenses	4,160	14,956
Commission expenses	312	–
Miscellaneous losses	650	–
Total non-operating expenses	5,122	14,956
Ordinary profit (loss)	(24,610)	4,586
Extraordinary income		
Gain on reversal of share acquisition rights	2,172	1,810
Total extraordinary income	2,172	1,810
Extraordinary losses		
Subsidy reduction loss	–	30,897
Total extraordinary losses	–	30,897
Loss before income taxes	(22,437)	(24,499)
Income taxes	17,525	(8,584)
Refund of income taxes for prior periods	–	(17,440)
Profit (loss)	(39,963)	1,525

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Loss before income taxes	(22,437)	(24,499)
Depreciation	212,511	248,909
Increase (decrease) in allowance for doubtful accounts	(9)	(33)
Increase (decrease) in provision for bonuses	(655)	(1,850)
Interest and dividend income	(8)	(3)
Interest expenses	4,160	14,956
Gain on reversal of share acquisition rights	(2,172)	(1,810)
Subsidy reduction loss	–	30,897
Decrease (increase) in trade receivables	54,786	28,202
Decrease (increase) in inventories	(512,283)	(108,141)
Increase (decrease) in trade payables	7,225	(13,038)
Decrease (increase) in consumption taxes refund receivable	151,121	126,123
Other, net	(24,968)	25,128
Subtotal	(132,732)	324,840
Interest and dividends received	8	3
Subsidies received	–	53,756
Income taxes refund (paid)	(57,112)	225,223
Interest paid	(4,108)	(18,247)
Net cash provided by (used in) operating activities	(193,944)	585,577
Cash flows from investing activities		
Purchase of property, plant and equipment	(617,390)	(47,801)
Purchase of intangible assets	(30,358)	(438)
Net cash provided by (used in) investing activities	(647,748)	(48,239)
Cash flows from financing activities		
Repayments of long-term borrowings	(67,590)	(135,180)
Purchase of treasury shares	(87,143)	–
Dividends paid	(19,257)	(19,038)
Net cash provided by (used in) financing activities	(173,990)	(154,218)
Net increase (decrease) in cash and cash equivalents	(1,015,684)	383,120
Cash and cash equivalents at beginning of period	1,923,057	668,474
Cash and cash equivalents at end of period	907,373	1,051,594