

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

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 11, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	1,397	(12.6)	(17)	–	(41)	–	(41)	–
Six months ended September 30, 2021	1,598	5.7	18	–	4	–	1	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	(6.51)		–	
Six months ended September 30, 2021	0.24		0.24	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	5,229	602	11.3
As of March 31, 2022	5,462	643	11.6

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 March 31, 2022	–	0.00	–	0.00	0.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	3.00	3.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	3,200	2.5	105	–	114	–	79	–	12.49

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, 2022	⋮	6,457,500 shares	As of March 31, 2022	⋮	6,457,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	⋮	100,000 shares	As of March 31, 2022	⋮	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, 2022	⋮	6,357,500 shares	Six months ended September 30, 2021	⋮	6,357,500 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,066,839	967,181
Accounts receivable - trade	187,510	180,894
Merchandise and finished goods	374,215	359,689
Work in process	1,548	581
Raw materials and supplies	45,228	52,382
Other	42,988	46,852
Allowance for doubtful accounts	(64)	(93)
Total current assets	1,718,265	1,607,487
Non-current assets		
Property, plant and equipment		
Buildings	2,538,445	2,538,445
Accumulated depreciation	(283,176)	(351,102)
Buildings, net	2,255,268	2,187,342
Structures	528,839	528,839
Accumulated depreciation	(83,061)	(104,244)
Structures, net	445,777	424,595
Machinery, equipment and vehicles	965,927	965,927
Accumulated depreciation	(502,641)	(531,597)
Machinery, equipment and vehicles, net	463,286	434,330
Tools, furniture and fixtures	99,136	99,136
Accumulated depreciation	(80,951)	(85,164)
Tools, furniture and fixtures, net	18,185	13,971
Land	516,725	516,725
Total property, plant and equipment	3,699,243	3,576,966
Intangible assets	3,234	3,691
Investments and other assets	41,884	41,853
Total non-current assets	3,744,362	3,622,512
Total assets	5,462,628	5,229,999

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	112,039	108,953
Current portion of long-term borrowings	270,360	270,360
Accounts payable - other	69,775	66,246
Income taxes payable	6,367	3,838
Provision for bonuses	13,369	15,725
Other	85,552	36,010
Total current liabilities	557,464	501,134
Non-current liabilities		
Long-term borrowings	4,256,510	4,121,330
Asset retirement obligations	5,480	5,483
Total non-current liabilities	4,261,990	4,126,813
Total liabilities	4,819,454	4,627,948
Net assets		
Shareholders' equity		
Share capital	279,864	279,864
Capital surplus	229,864	229,864
Retained earnings	208,410	167,015
Treasury shares	(87,143)	(87,143)
Total shareholders' equity	630,995	589,599
Share acquisition rights	12,177	12,451
Total net assets	643,173	602,051
Total liabilities and net assets	5,462,628	5,229,999

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	1,598,351	1,397,690
Cost of sales	847,404	758,514
Gross profit	750,947	639,175
Selling, general and administrative expenses		
Freight costs	206,707	181,156
Provision for bonuses	11,950	11,444
Other	514,213	464,066
Total selling, general and administrative expenses	732,871	656,666
Operating profit (loss)	18,075	(17,491)
Non-operating income		
Commission income	324	256
Bounty income	–	400
Interest on tax refund	767	–
Miscellaneous income	376	700
Total non-operating income	1,468	1,356
Non-operating expenses		
Interest expenses	14,956	24,279
Miscellaneous losses	–	651
Total non-operating expenses	14,956	24,931
Ordinary profit (loss)	4,586	(41,066)
Extraordinary income		
Gain on reversal of share acquisition rights	1,810	410
Total extraordinary income	1,810	410
Extraordinary losses		
Subsidy reduction loss	30,897	–
Total extraordinary losses	30,897	–
Loss before income taxes	(24,499)	(40,655)
Income taxes	(8,584)	740
Refund of income taxes for prior periods	(17,440)	–
Profit (loss)	1,525	(41,395)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(24,499)	(40,655)
Depreciation	248,909	122,584
Increase (decrease) in allowance for doubtful accounts	(33)	29
Increase (decrease) in provision for bonuses	(1,850)	2,355
Interest and dividend income	(3)	(5)
Interest expenses	14,956	24,279
Gain on reversal of share acquisition rights	(1,810)	(410)
Subsidy reduction loss	30,897	–
Decrease (increase) in trade receivables	28,202	6,615
Decrease (increase) in inventories	(108,141)	8,338
Increase (decrease) in trade payables	(13,038)	(3,085)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	126,123	(52,480)
Bounty income	–	(400)
Other, net	25,128	(6,429)
Subtotal	324,840	60,735
Interest and dividends received	3	5
Bounty income received	–	400
Subsidies received	53,756	–
Interest paid	(18,247)	(24,557)
Income taxes refund (paid)	225,223	(920)
Net cash provided by (used in) operating activities	585,577	35,663
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,801)	–
Purchase of intangible assets	(438)	(160)
Proceeds from refund of leasehold deposits	–	18
Net cash provided by (used in) investing activities	(48,239)	(142)
Cash flows from financing activities		
Repayments of long-term borrowings	(135,180)	(135,180)
Dividends paid	(19,038)	–
Net cash provided by (used in) financing activities	(154,218)	(135,180)
Net increase (decrease) in cash and cash equivalents	383,120	(99,658)
Cash and cash equivalents at beginning of period	668,474	1,066,839
Cash and cash equivalents at end of period	1,051,594	967,181