

Translation

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**Summary of Non-Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

April 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
 Executive Officer, Department Manager of
 Inquiries: Accounting Masaharu Sugita TEL 03-6741-5880
 Scheduled date of ordinary general meeting of shareholders: June 23, 2020
 Scheduled date to file Securities Report: June 24, 2020
 Scheduled date to commence dividend payments: June 24, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of 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 year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Non-consolidated operating results

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	%
Year ended March 31, 2020	3,348	(1.4)	539	(24.3)	536	(23.2)	345	(21.8)
Year ended March 31, 2019	3,394	2.7	713	9.9	699	7.2	441	5.0

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	53.81	53.40	11.9	8.3	16.1
Year ended March 31, 2019	69.20	68.33	17.6	20.1	21.0

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	8,713	3,096	35.3	477.13
As of March 31, 2019	4,279	2,734	63.7	426.85

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	205	(4,092)	3,859	1,923
Year ended March 31, 2019	299	(1,614)	1,136	1,950

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2020	—	0.00	—	3.00	3.00	19	5.6	0.7
Year ending March 31, 2021 (Forecast)	—	0.00	—	3.00	3.00		6.2	

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
Six months ending September 30, 2020	2,143	26.5	4	–	0	–	0	–	–
Full year	5,028	50.2	500	(7.4)	491	(8.4)	314	(8.9)	48.77

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2020	6,455,100 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 March 31, 2020	– shares	As of March 31, 2019	– shares
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Average number of shares during the period

Year ended March 31, 2020	6,418,238 shares	Year ended March 31, 2019	6,382,631 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	1,950,093	1,923,057
Accounts receivable - trade	248,512	209,669
Merchandise	282,497	196,889
Work in process	3,342	1,621
Supplies	299	7,072
Prepaid expenses	28,450	52,175
Other	69,978	291,990
Allowance for doubtful accounts	(74)	(60)
Total current assets	2,583,100	2,682,416
Non-current assets		
Property, plant and equipment		
Buildings	16,248	16,248
Accumulated depreciation	(11,300)	(11,954)
Buildings, net	4,947	4,293
Tools, furniture and fixtures	17,487	27,776
Accumulated depreciation	(11,853)	(16,545)
Tools, furniture and fixtures, net	5,633	11,230
Land	516,725	516,725
Construction in progress	1,100,216	5,434,045
Total property, plant and equipment	1,627,523	5,966,295
Intangible assets		
Trademark right	2,013	2,506
Software	2,782	1,350
Total intangible assets	4,796	3,856
Investments and other assets		
Leasehold deposits	31,078	30,850
Guarantee deposits	6,604	6,617
Deferred tax assets	26,365	23,267
Total investments and other assets	64,048	60,734
Total non-current assets	1,696,368	6,030,887
Total assets	4,279,469	8,713,303

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	105,199	112,137
Short-term borrowings	1,150,000	5,000,000
Accounts payable - other	73,183	384,454
Accrued expenses	22,574	20,661
Income taxes payable	154,195	62,733
Deposits received	10,648	7,644
Provision for bonuses	23,833	23,526
Total current liabilities	1,539,634	5,611,158
Non-current liabilities		
Asset retirement obligations	5,458	5,465
Total non-current liabilities	5,458	5,465
Total liabilities	1,545,092	5,616,624
Net assets		
Shareholders' equity		
Share capital	274,939	279,703
Capital surplus		
Legal capital surplus	224,939	229,703
Total capital surpluses	224,939	229,703
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,225,154	2,570,529
Total retained earnings	2,225,154	2,570,529
Total shareholders' equity	2,725,033	3,079,936
Share acquisition rights	9,343	16,743
Total net assets	2,734,376	3,096,679
Total liabilities and net assets	4,279,469	8,713,303

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	3,394,826	3,348,269
Cost of sales		
Beginning merchandise inventory	225,227	282,497
Cost of purchased goods	1,414,128	1,258,011
Total	1,639,355	1,540,508
Transfer to other account	13,142	11,290
Ending merchandise inventory	282,497	196,889
Cost of goods sold	1,343,716	1,332,328
Gross profit	2,051,110	2,015,940
Selling, general and administrative expenses		
Freight costs	353,289	411,481
Advertising expenses	132,826	144,605
Storage expenses	162,444	159,953
Provision of allowance for doubtful accounts	29	54
Remuneration for directors (and other officers)	95,958	93,545
Salaries and allowances	231,552	263,418
Provision for bonuses	23,833	23,526
Rent expenses on land and buildings	44,247	44,553
Depreciation	4,931	7,093
Commission expenses	91,881	111,024
Other	196,631	216,799
Total selling, general and administrative expenses	1,337,625	1,476,056
Operating profit	713,485	539,883
Non-operating income		
Commission income	720	882
Miscellaneous income	403	952
Total non-operating income	1,123	1,834
Non-operating expenses		
Interest expenses	171	4,960
Commission expenses	15,000	–
Miscellaneous loss	400	8
Total non-operating expenses	15,571	4,968
Ordinary profit	699,038	536,749
Profit before income taxes	699,038	536,749
Income taxes - current	262,348	188,276
Income taxes - deferred	(5,004)	3,098
Total income taxes	257,343	191,374
Profit	441,694	345,375

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	274,236	224,236	224,236	1,783,460	1,783,460	2,281,932	97	2,282,029
Changes during period								
Issuance of new shares - exercise of share acquisition rights	703	703	703			1,407		1,407
Profit				441,694	441,694	441,694		441,694
Net changes in items other than shareholders' equity							9,245	9,245
Total changes during period	703	703	703	441,694	441,694	443,101	9,245	452,347
Balance at end of period	274,939	224,939	224,939	2,225,154	2,225,154	2,725,033	9,343	2,734,376

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity						Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	274,939	224,939	224,939	2,225,154	2,225,154	2,725,033	9,343	2,734,376
Changes during period								
Issuance of new shares - exercise of share acquisition rights	4,763	4,763	4,763			9,527		9,527
Profit				345,375	345,375	345,375		345,375
Net changes in items other than shareholders' equity							7,400	7,400
Total changes during period	4,763	4,763	4,763	345,375	345,375	354,902	7,400	362,302
Balance at end of period	279,703	229,703	229,703	2,570,529	2,570,529	3,079,936	16,743	3,096,679

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	699,038	536,749
Depreciation	4,931	7,093
Increase (decrease) in allowance for doubtful accounts	(18)	(14)
Increase (decrease) in provision for bonuses	621	(306)
Interest and dividend income	(37)	(35)
Interest expenses	171	4,960
Commission expenses	15,000	–
Share-based remuneration expenses	9,245	7,400
Decrease (increase) in trade receivables	(50,750)	38,843
Decrease (increase) in inventories	(60,456)	80,555
Increase (decrease) in trade payables	256	6,938
Decrease/increase in consumption taxes receivable/payable	(85,074)	(193,546)
Decrease (increase) in guarantee deposits	8,072	–
Other, net	(1,472)	(84)
Subtotal	539,527	488,552
Interest and dividends received	21	22
Interest paid	(310)	(5,601)
Income taxes paid	(239,249)	(277,080)
Net cash provided by (used in) operating activities	299,988	205,892
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,614,206)	(4,091,878)
Purchase of intangible assets	–	(806)
Payments of leasehold and guarantee deposits	(264)	–
Proceeds from refund of leasehold and guarantee deposits	–	228
Net cash provided by (used in) investing activities	(1,614,470)	(4,092,457)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,135,000	3,850,000
Proceeds from exercise of employee share options	1,407	9,527
Net cash provided by (used in) financing activities	1,136,407	3,859,527
Net increase (decrease) in cash and cash equivalents	(178,074)	(27,036)
Cash and cash equivalents at beginning of period	2,128,168	1,950,093
Cash and cash equivalents at end of period	1,950,093	1,923,057