

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 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 of ordinary general meeting of shareholders: June 21, 2022
 Scheduled date to file Securities Report: June 22, 2022
 Scheduled date to commence dividend payments: –
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	3,123	2.0	(177)	–	(158)	–	(1,948)	–
Year ended March 31, 2021	3,062	(8.5)	(553)	–	(559)	–	(374)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	(306.54)	–	(120.7)	(2.4)	(5.7)
Year ended March 31, 2021	(58.79)	–	(13.2)	(6.8)	(18.1)

(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, 2022	5,462	643	11.6	99.25
As of March 31, 2021	7,732	2,613	33.6	408.82

(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, 2022	738	(50)	(289)	1,066
Year ended March 31, 2021	(278)	(667)	(308)	668

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			
Year ended March 31, 2021	Yen –	Yen 0.00	Yen –	Yen 3.00	Yen 3.00	Millions of yen 19	% –	% 0.7
Year ended March 31, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	3.00	3.00		24.0	

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
Six months ending September 30, 2022	1,527	(4.4)	(35)	–	(59)	–	(40)	–	(6.44)
Full year	3,200	2.5	105	–	114	–	79	–	12.49

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:	Yes
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, 2022	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 March 31, 2022	100,000 shares	As of March 31, 2021	100,000 shares
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Average number of shares during the period

Year ended March 31, 2022	6,357,500 shares	Year ended March 31, 2021	6,372,440 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	668,474	1,066,839
Accounts receivable - trade	187,692	187,510
Merchandise and finished goods	327,850	374,215
Work in process	147	1,548
Raw materials and supplies	95,475	45,228
Prepaid expenses	39,964	39,037
Other	396,810	3,951
Allowance for doubtful accounts	(90)	(64)
Total current assets	1,716,325	1,718,265
Non-current assets		
Property, plant and equipment		
Buildings	2,538,445	2,538,445
Accumulated depreciation	(147,279)	(283,176)
Buildings, net	2,391,165	2,255,268
Structures	528,839	528,839
Accumulated depreciation	(41,530)	(83,061)
Structures, net	487,308	445,777
Tools, furniture and fixtures	99,136	99,136
Accumulated depreciation	(48,632)	(80,951)
Tools, furniture and fixtures, net	50,504	18,185
Machinery, equipment and vehicles	2,688,660	965,927
Accumulated depreciation	(233,775)	(502,641)
Machinery, equipment and vehicles, net	2,454,884	463,286
Land	516,725	516,725
Total property, plant and equipment	5,900,588	3,699,243
Intangible assets		
Trademark right	2,639	2,900
Software	73,426	333
Total intangible assets	76,065	3,234
Investments and other assets		
Leasehold deposits	30,832	33,104
Guarantee deposits	8,685	8,708
Other	95	71
Total investments and other assets	39,613	41,884
Total non-current assets	6,016,267	3,744,362
Total assets	7,732,592	5,462,628

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	136,917	112,039
Current portion of long-term borrowings	270,360	270,360
Accounts payable - other	127,931	69,775
Accrued expenses	21,637	16,710
Income taxes payable	3,426	6,367
Deposits received	7,949	6,571
Provision for bonuses	18,975	13,369
Other	–	62,270
Total current liabilities	587,197	557,464
Non-current liabilities		
Long-term borrowings	4,526,870	4,256,510
Asset retirement obligations	5,472	5,480
Total non-current liabilities	4,532,342	4,261,990
Total liabilities	5,119,540	4,819,454
Net assets		
Shareholders' equity		
Share capital	279,864	279,864
Capital surplus		
Legal capital surplus	229,864	229,864
Total capital surplus	229,864	229,864
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,176,501	208,410
Total retained earnings	2,176,501	208,410
Treasury shares	(87,143)	(87,143)
Total shareholders' equity	2,599,086	630,995
Share acquisition rights	13,966	12,177
Total net assets	2,613,052	643,173
Total liabilities and net assets	7,732,592	5,462,628

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	3,062,696	3,123,619
Cost of sales		
Beginning inventory of merchandise and finished goods	196,889	992,599
Cost of purchased goods	1,265,677	1,217,126
Cost of products manufactured	1,097,001	867,360
Total	2,559,568	3,077,086
Transfer to other account	131,022	95,920
Ending inventory of merchandise and finished goods	992,599	1,033,873
Valuation loss on finished goods	664,748	(5,090)
Cost of merchandise and finished goods sold	2,100,695	1,942,202
Gross profit	962,000	1,181,417
Selling, general and administrative expenses		
Freight costs	385,737	387,574
Advertising expenses	352,297	233,836
Storage expenses	140,914	141,922
Provision of allowance for doubtful accounts	74	76
Remuneration for directors (and other officers)	106,198	108,563
Salaries and allowances	194,060	153,294
Provision for bonuses	13,941	9,654
Rent expenses on land and buildings	44,015	43,432
Depreciation	5,549	4,117
Commission expenses	130,136	66,630
Other	142,267	209,780
Total selling, general and administrative expenses	1,515,193	1,358,883
Operating loss	(553,192)	(177,466)
Non-operating income		
Commission income	708	748
Bounty income	–	56,420
Interest on tax refund	1,170	767
Miscellaneous income	860	920
Total non-operating income	2,739	58,855
Non-operating expenses		
Interest expenses	8,412	39,606
Commission expenses	312	–
Miscellaneous losses	679	699
Total non-operating expenses	9,403	40,306
Ordinary loss	(559,856)	(158,916)
Extraordinary income		
Subsidy income	84,653	–
Gain on reversal of share acquisition rights	2,962	2,715
Total extraordinary income	87,616	2,715

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary losses		
Impairment losses	–	1,777,679
Subsidy reduction loss	–	30,897
Total extraordinary losses	–	1,808,576
Loss before income taxes	(472,239)	(1,964,777)
Income taxes - current	(120,844)	1,480
Refund of income taxes for prior periods	–	(17,440)
Income taxes - deferred	23,267	–
Total income taxes	(97,576)	(15,960)
Loss	(374,663)	(1,948,817)

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	279,703	229,703	229,703	2,570,529	2,570,529	–	3,079,936
Cumulative effects of changes in accounting policies							–
Restated balance	279,703	229,703	229,703	2,570,529	2,570,529	–	3,079,936
Changes during period							
Issuance of new shares - exercise of share acquisition rights	160	160	160				321
Dividends of surplus				(19,365)	(19,365)		(19,365)
Loss				(374,663)	(374,663)		(374,663)
Purchase of treasury shares						(87,143)	(87,143)
Net changes in items other than shareholders' equity							–
Total changes during period	160	160	160	(394,028)	(394,028)	(87,143)	(480,850)
Balance at end of period	279,864	229,864	229,864	2,176,501	2,176,501	(87,143)	2,599,086

	Share acquisition rights	Total net assets
Balance at beginning of period	16,743	3,096,679
Cumulative effects of changes in accounting policies		–
Restated balance	16,743	3,096,679
Changes during period		
Issuance of new shares - exercise of share acquisition rights		321
Dividends of surplus		(19,365)
Loss		(374,663)
Purchase of treasury shares		(87,143)
Net changes in items other than shareholders' equity	(2,777)	(2,777)
Total changes during period	(2,777)	(483,627)
Balance at end of period	13,966	2,613,052

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	279,864	229,864	229,864	2,176,501	2,176,501	(87,143)	2,599,086
Cumulative effects of changes in accounting policies				(201)	(201)		(201)
Restated balance	279,864	229,864	229,864	2,176,300	2,176,300	(87,143)	2,598,885
Changes during period							
Issuance of new shares - exercise of share acquisition rights							-
Dividends of surplus				(19,072)	(19,072)		(19,072)
Loss				(1,948,817)	(1,948,817)		(1,948,817)
Purchase of treasury shares							-
Net changes in items other than shareholders' equity							-
Total changes during period	-	-	-	(1,967,889)	(1,967,889)	-	(1,967,889)
Balance at end of period	279,864	229,864	229,864	208,410	208,410	(87,143)	630,995

	Share acquisition rights	Total net assets
Balance at beginning of period	13,966	2,613,052
Cumulative effects of changes in accounting policies		(201)
Restated balance	13,966	2,612,851
Changes during period		
Issuance of new shares - exercise of share acquisition rights		-
Dividends of surplus		(19,072)
Loss		(1,948,817)
Purchase of treasury shares		-
Net changes in items other than shareholders' equity	(1,788)	(1,788)
Total changes during period	(1,788)	(1,969,678)
Balance at end of period	12,177	643,173

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Loss before income taxes	(472,239)	(1,964,777)
Depreciation	461,994	497,607
Impairment losses	–	1,777,679
Increase (decrease) in allowance for doubtful accounts	29	(25)
Increase (decrease) in provision for bonuses	(4,550)	(5,606)
Interest and dividend income	(32)	(767)
Interest expenses	8,412	39,606
Share-based payment expenses	185	926
Gain on reversal of share acquisition rights	(2,962)	(2,715)
Subsidy reduction loss	–	30,897
Decrease (increase) in trade receivables	21,976	182
Decrease (increase) in inventories	(217,890)	2,482
Increase (decrease) in trade payables	24,779	(24,878)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	168,658	155,511
Bounty income	–	(56,420)
Subsidy income	(84,653)	–
Other, net	(34,731)	(4,189)
Subtotal	(131,021)	445,514
Interest and dividends received	32	767
Bounty income received	–	56,420
Subsidies received	–	53,756
Interest paid	(8,341)	(42,647)
Income taxes refund (paid)	(139,388)	224,664
Net cash provided by (used in) operating activities	(278,719)	738,474
Cash flows from investing activities		
Purchase of property, plant and equipment	(636,134)	(47,801)
Purchase of intangible assets	(30,890)	(620)
Payments of leasehold and guarantee deposits	–	(2,272)
Proceeds from refund of leasehold and guarantee deposits	18	–
Net cash provided by (used in) investing activities	(667,007)	(50,693)
Cash flows from financing activities		
Repayments of long-term borrowings	(202,770)	(270,360)
Proceeds from exercise of employee share options	321	–
Purchase of treasury shares	(87,143)	–
Dividends paid	(19,263)	(19,055)
Net cash provided by (used in) financing activities	(308,855)	(289,415)
Net increase (decrease) in cash and cash equivalents	(1,254,582)	398,365
Cash and cash equivalents at beginning of period	1,923,057	668,474
Cash and cash equivalents at end of period	668,474	1,066,839