

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022

(Based on J-GAAP)

August 13, 2021

Listed company: Geniee Inc. Listed stock exchange: TSE
 Code No.: 6562 URL <https://en.geniee.co.jp>
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 General Manager & CFO
 Schedule date of first quarter report submission: August 13, 2021 Schedule date to commence dividend payments: —
 Supplemental quarterly earnings summary materials created: Yes
 Quarterly earnings conference held: Yes

(amounts below one million yen rounded off)

1. Consolidated earnings for the first quarter of FY2021 (April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

(% indicates YoY change)

	Net sales		Operating income		Ordinary income		EBITDA		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2021	2,968	—	50	—	43	—	193	—	17	—
1Q FY2010	3,063	(9.7)	(132)	—	(128)	—	(50)	—	(102)	—

(Note) As the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. has been adopted from the beginning of the fiscal year ending March 31, 2022, change in net sales is not listed due to the impact of changes in accounting standards.

(Note) Comprehensive income 1Q FY 2021 16 million yen (-%) 1Q FY 2020 (107) million yen (-%)

(Note) EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY2021	0.95	0.95
1Q FY2010	(5.73)	—

(Note) Although potentially dilutive shares do exist, they are not listed under diluted net income per share because they resulted in a net loss per share.

(2) Status of consolidated finances

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1Q FY2021	5,600	2,672	47.7
FY2020	5,652	2,657	47.0

(Ref.) Shareholders' equity 1Q FY2021 2,669 million yen FY2020 2,655 million yen

2. Status of dividends

	Total annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	0.00	—	0.00	0.00
FY2021	—	—	—	—	—
FY2021 (forecast)	—	—	—	—	—

(Note) Revisions since most recently announced dividend forecast: None

Dividend forecast amounts for FY2021 second quarter and end of fiscal year are not yet determined.

3. Consolidated earnings forecast for FY2021 (April 1, 2021 to March 31, 2022)

	Net Sales		Operating Income		Ordinary Income		EBITDA		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
FY2021	13,425~	—	640~	227.1~	620~	315.5~	1,259~	114.3~	526~	417.1~
	13,739	—	840	329.3	820	449.5	1,459	148.3	665	553.8

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*Notes

(1) Movement of important subsidiaries during consolidated cumulative quarter under review (movements of designated subsidiaries incidental to change in scope of consolidation): None

New companies: (Company name); Excluded companies: (Company name)

(2) Application of special accounting treatments during the creation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, changes in accounting estimates, and restatements

1) Change in accounting principles incidental to revisions to accounting standards, etc.: Yes

2) Changes in accounting principles other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of shares issued at end of fiscal year (including treasury stock)

1Q FY2021	18,048,200 shares	FY2020	18,048,200 shares
1Q FY2021	139 shares	FY2020	118 shares
1Q FY2021	18,048,200 shares	1Q FY2020	17,958,082 shares

2) Treasury stock as of end of term

3) Average number of shares during fiscal year (cumulative quarter)

*The quarterly earnings summary is not subject to quarterly review by the public certified accountant or auditing firm.

*Explanation concerning appropriate use of earnings forecasts and other special notes

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements indicated in these materials, are based on information available and certain assumptions deemed reasonable at the time. Statements in these materials do not constitute any guarantee of actual performance. Actual business results may differ substantially due to several factors. Refer to “(3) Information on consolidated earnings forecast and other forward-looking information in 1. Qualitative information concerning quarter earnings” on page 4 of the attachment for the assumptions behind earnings forecasts and notes concerning the use thereof.

(Method of obtaining notes on quarterly financial statements)

Notes on quarterly financial statements will be published to our website on August 13, 2021.

Consolidated Financial Statements
Consolidated Balance Sheets

	(Thousands of yen)	
	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	1,091,864	1,072,820
Trade accounts receivable	1,479,167	—
Trade accounts receivable and contractual assets	—	1,342,493
Other	188,299	197,738
Allowance for doubtful accounts	(32,194)	(29,933)
Total current assets	2,727,136	2,583,119
Non-current assets		
Total property, plant and equipment	447,052	514,968
Intangible assets		
Goodwill	1,025,345	984,180
Software	896,899	896,752
Software in progress	151,981	230,374
Total intangible assets	2,074,225	2,111,307
Investments and other assets		
Investment securities	142,255	145,516
Other	310,923	296,118
Allowance for doubtful accounts	(49,550)	(50,248)
Total investments and other assets	403,627	391,387
Total non-current assets	2,924,905	3,017,663
Total assets	5,652,042	5,600,783

	(Thousands of yen)	
	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable	1,012,031	965,835
Short-term borrowings	426,500	471,500
Current portion of long-term borrowings	160,928	139,301
Income taxes payable	39,062	21,424
Provision for bonuses	83,701	48,547
Other	432,211	444,781
Total current liabilities	2,154,435	2,091,390
Non-current liabilities		
Long-term borrowings	650,988	619,044
Asset retirement obligations	126,963	143,558
Other	62,325	74,579
Total non-current liabilities	840,276	837,182
Total liabilities	2,994,712	2,928,572
Net assets		
Shareholders' equity		
Common stock	1,549,591	1,549,591
Capital surplus	1,556,829	1,556,829
Retained earnings	(462,395)	(446,519)
Treasury stock	(144)	(173)
Total shareholders' equity	2,643,880	2,659,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,581)	(2,608)
Foreign currency translation adjustment	13,934	12,830
Total accumulated other comprehensive income	11,353	10,221
Stock acquisition rights	2,095	2,261
Total net assets	2,657,329	2,672,210
Total liabilities and net assets	5,652,042	5,600,783

Consolidated Statements of Income

	(Thousands of yen)	
	For the fiscal year ended June 30, 2020	For the fiscal year ended June 30, 2021
Net sales	3,063,170	2,968,471
Cost of sales	2,599,681	2,171,103
Gross profit	463,489	797,368
Selling, general and administrative expenses	596,304	746,382
Operating income (loss)	(132,814)	50,985
Non-operating income		
Interest income	74	100
Foreign exchange gains	9,670	—
Consumption Tax Definition	—	235
Other	493	1
Total non-operating income	10,238	337
Non-operating expenses		
Interest expenses	1,819	4,410
Commission fee	3,539	204
Foreign exchange losses	—	2,626
Other	414	156
Total non-operating expenses	5,773	7,398
Ordinary income (loss)	(128,350)	43,924
Extraordinary income		
Gain on reversal of subscription rights to shares	189	181
Total extraordinary income	189	181
Extraordinary losses		
Loss on retirement of noncurrent assets	—	0
Loss on sale of shares in an affiliated company	8,211	—
Special severance payment	4,058	—
Total extraordinary losses	12,270	0
Profit (loss) before income taxes	(140,430)	44,106
Income taxes - current	1,758	12,356
Income taxes - deferred	(38,996)	14,599
Total income taxes	(37,238)	26,956
Net income (loss)	(103,191)	17,150
Loss attributable to non-controlling interests	(226)	—
Profit (loss) attributable to owners of parent	(102,965)	17,150