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Consolidated Financial Results for the Nine Months Ended November 30, 2021 [Japanese GAAP]

January 14, 2022

Company name: Serverworks Co., Ltd.

Stock exchange listing: Tokyo

Code number: 4434

URL: https://www.serverworks.co.jp/

Representative: Ryo Oishi Representative Director, President

Contact: Hiroyuki Oshio Director

Phone: 03(5579)8029

Scheduled date of filing quarterly securities report: January 14, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2021 (March 01, 2021 to November 30, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

Nine months ended November 30, 2021 Million yen 7,772 % - Million yen 525 % - Million yen 549 % - Million yen 383		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
November 30, 2021 7,772 - 525 - 549 - 383	Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
	November 30, 2021	7,772	-	525	-	549	-	383	-
November 30, 2020	November 30, 2020	-	-	-	-	-	-	-	_

(Note) Comprehensive income: Nine months ended November 30, 2021: ¥ 143 million [-%] Nine months ended November 30, 2020: ¥ - million [-%]

	Basic earnings per share	Diluted earnings per share	
Nine months ended	Yen	Yen	
November 30, 2021	50.06	48.35	
November 30, 2020	_	_	

(2) Consolidated Financial Position

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	Total assets	Net assets	Capital adequacy ratio					
As of	Million yen	Million yen	%					
November 30, 2021	11,350	9,126	79.8					
February 28, 2021	_	-	-					

(Reference) Equity: As of November 30, 2021: ¥ 9,058 million
As of February 28, 2021: ¥ - million

2. Dividends

	Annual dividends					
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total	
	Yen	Yen	Yen	Yen	Yen	
Fiscal year ended February 28, 2021	-	0.00	-	0.00	0.00	
Fiscal year ending February 28, 2022	-	0.00	-			
Fiscal year ending February 28, 2022				0.00	0.00	
(Forecast)				0.00	0.00	

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022(March 01, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period.)

	Net sale	s	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,212	-	420	-	443	-	319	-	41.79

(Note) Revision to the financial results forecast announced most recently: No

- * Notes:
- (1) Changes in significant subsidiaries during the nine months ended November 30, 2021 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2021: 7,674,892 shares February 28, 2021: 7,588,044 shares

2) Total number of treasury shares at the end of the period:

November 30, 2021: 372 shares February 28, 2021: 340 shares

3) Average number of shares during the period:

Nine months ended November 30, 2021: 7,656,163 shares Nine months ended November 30, 2020: 7,116,770 shares

As of November 30,2021

Assets	
Current assets	(920 1(9
Cash and deposits Notes and accounts receivable - trade	6,829,168
1.110 1010 1110 1110 1110 1110 1110	1,481,743
Work in process	60,322
Other	673,691
Allowance for doubtful accounts	(1,817)
Total current assets	9,043,108
Non-current assets	66.12.5
Property, plant and equipment	66,135
Intangible assets	110,185
Investments and other assets	
Investment securities	1,969,665
Shares of subsidiaries and associates	83,449
Other	78,117
Total investments and other assets	2,131,232
Total non-current assets	2,307,552
Total assets	11,350,661
Liabilities	
Current liabilities	
Accounts payable - trade	1,164,692
Income taxes payable	82,889
Provision for bonuses	34,248
Provision for loss on order received	4,762
Other	697,900
Total current liabilities	1,984,493
Non-current liabilities	
Deferred tax liabilities	225,580
Asset retirement obligations	14,310
Total non-current liabilities	239,890
Total liabilities	2,224,384
Net assets	
Shareholders' equity	
Share capital	3,214,220
Capital surplus	3,204,945
Retained earnings	2,003,243
Treasury shares	(1,994)
Total shareholders' equity	8,420,415
Accumulated other comprehensive income	, ,
Valuation difference on available-for-sale securities	637,624
Total accumulated other comprehensive income	637,624
Non-controlling interests	68,236
Total net assets	9,126,276
Total liabilities and net assets	11,350,661
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Quarterly Consolidated Statements of Income and Comprehensive Income Quarterly Consolidated Statements of Income (For the nine months)

	(Thousand yen)
	For the nine months ended November 30,2021
Net sales	7,772,540
Cost of sales	6,471,951
Gross profit	1,300,588
Selling, general and administrative expenses	775,086
Operating profit	525,502
Non-operating income	
Dividend income	7,772
Share of profit of entities accounted for using equity method	5,665
Commission income	39,704
Other	701
Total non-operating income	53,843
Non-operating expenses	
Loss on investments in investment partnerships	18,909
Foreign exchange losses	8,601
Other	2,399
Total non-operating expenses	29,910
Ordinary profit	549,434
Extraordinary losses	
Special executive bonuses	10,000
Other	17
Total extraordinary losses	10,017
Profit before income taxes	539,417
Total income taxes	162,226
Profit	377,191
Loss attributable to non-controlling interests	(6,038)
Profit attributable to owners of parent	383,229

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousand yen)

For the nine months ended November 30,202

	ended November 30,2021
Profit	377,191
Other comprehensive income	
Valuation difference on available-for-sale securities	(233,416)
Total other comprehensive income	(233,416)
Comprehensive income	143,774
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	149,812
Comprehensive income attributable to non-controlling interests	(6,038)