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## Consolidated Financial Results for the Three Months Ended May 31, 2022 [Japanese GAAP]

July 15, 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: July 15, 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 Three Months Ended May 31, 2022 (March 01, 2022 to May 31, 2022)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 31, 2022	3,345	-	148	-	139	-	110	-
May 31, 2021	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Three months ended May 31, 2022: ¥ (12) million [ -%]  
Three months ended May 31, 2021: ¥ - million [ -%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2022	14.40	14.02
May 31, 2021	-	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of May 31, 2022	12,190	9,042	73.9
February 28, 2022	11,673	9,088	77.4

(Reference) Equity: As of May 31, 2022: ¥ 9,013 million  
As of February 28, 2022: ¥ 9,035 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, 2022	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2023	-				
Fiscal year ending February 28, 2023 (Forecast)		0.00	-	0.00	0.00

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending February 28, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023(March 01, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		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	13,485	23.5	429	(32.8)	453	(30.5)	373	(15.6)	48.74

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

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(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: Yes

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):

May 31, 2022: 7,726,444 shares

February 28, 2022: 7,681,948 shares

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

May 31, 2022: 372 shares

February 28, 2022: 372 shares

3) Average number of shares during the period:

Three months ended May 31, 2022: 7,709,144 shares

Three months ended May 31, 2021: 7,629,924 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of February 28,2022	As of May 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,798,191	6,344,541
Notes and accounts receivable - trade	1,607,300	-
Notes and accounts receivable - trade, and contract assets	-	1,738,215
Work in process	82,344	-
Advance payments to suppliers	828,486	1,510,388
Other	95,157	455,222
Allowance for doubtful accounts	(1,717)	(1,517)
Total current assets	9,409,762	10,046,851
Non-current assets		
Property, plant and equipment	63,794	62,398
Intangible assets	115,283	113,144
Investments and other assets		
Investment securities	1,921,333	1,805,044
Shares of subsidiaries and associates	86,643	87,655
Other	76,264	75,630
Total investments and other assets	2,084,241	1,968,330
Total non-current assets	2,263,318	2,143,873
Total assets	11,673,081	12,190,724
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,274,414	1,436,834
Income taxes payable	161,350	67,006
Advances received	605,406	-
Contract liabilities	-	1,276,751
Provision for bonuses	69,467	39,564
Provision for loss on order received	19,814	6,927
Other	259,415	190,500
Total current liabilities	2,389,867	3,017,584
Non-current liabilities		
Deferred tax liabilities	180,084	116,273
Asset retirement obligations	14,310	14,310
Total non-current liabilities	194,394	130,583
Total liabilities	2,584,261	3,148,168
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,218,069	3,223,990
Capital surplus	3,208,795	3,214,716
Retained earnings	2,065,262	2,129,808
Treasury shares	(1,994)	(1,994)
Total shareholders' equity	8,490,132	8,566,521
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	544,952	447,356
Total accumulated other comprehensive income	544,952	447,356
Non-controlling interests	53,735	28,679
Total net assets	9,088,819	9,042,556

Total liabilities and net assets

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11,673,081

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12,190,724

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Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended May 31,2022
Net sales	3,345,857
Cost of sales	2,883,600
Gross profit	462,257
Selling, general and administrative expenses	314,008
Operating profit	148,248
Non-operating income	
Dividend income	8,300
Share of profit of entities accounted for using equity method	1,012
Other	1,783
Total non-operating income	11,096
Non-operating expenses	
Loss on investments in investment partnerships	7,525
Foreign exchange losses	11,412
Other	453
Total non-operating expenses	19,392
Ordinary profit	139,953
Profit before income taxes	139,953
Income taxes	54,548
Profit	85,404
Loss attributable to non-controlling interests	(25,593)
Profit attributable to owners of parent	110,997

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

(Thousand yen)

	For the three months ended May 31,2022
Profit	85,404
Other comprehensive income	
Valuation difference on available-for-sale securities	(97,596)
Total other comprehensive income	(97,596)
Comprehensive income	(12,191)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	13,401
Comprehensive income attributable to non-controlling interests	(25,593)