

Consolidated Financial Results for the Six Months Ended June 30, 2022 [Japanese GAAP]



August 12, 2022

Company name: ProjectCompany, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9246
 URL: <https://projectcompany.co.jp/>
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 Scheduled date of filing quarterly securities report: August 12, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Financial Results for the Six Months Ended June 30, 2022 (January 1, 2022 – June 30, 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	%
Six months ended June 30, 2022	1,855	–	409	–	405	–	279	–
June 30, 2021	–	–	–	–	–	–	–	–

(Note) Comprehensive income: Six months ended June 30, 2022: ¥279 million [– %]
 Six months ended June 30, 2021: ¥– million [– %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2022	49.55	47.05
June 30, 2021	–	–

(Notes) 1. As the consolidated fiscal year under review is the first year of preparing consolidated financial results, the figures for the six months ended June 30, 2021 and changes from the previous corresponding period are not presented.

2. As the deemed date of acquisition of consolidated subsidiaries is set on April 30, 2022 and the difference between the date and the quarterly consolidated closing date is not more than three months, only the balance sheet as of April 30, 2022 is consolidated in the period under review.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	3,119	2,377	76.1
As of December 31, 2021	–	–	–

(Reference) Equity: As of June 30, 2022: ¥2,374 million
 As of December 31, 2021: ¥– million

(Notes) 1. As the consolidated fiscal year under review is the first year of preparing consolidated financial results, the figures for the six months ended June 30, 2021 and changes from the previous corresponding period are not presented.

2. As the deemed date of acquisition of consolidated subsidiaries is set on April 30, 2022 and the difference between the date and the quarterly consolidated closing date is not more than three months, only the balance sheet as of April 30, 2022 is consolidated in the period under review.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2022	–	0.00			
Fiscal year ending December 31, 2022 (Forecast)			–	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 - December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	4,160	–	910	–	900	–	620	–	109.63

(Note) Revision to the financial results forecast announced most recently: Yes

*As the consolidated fiscal year under review is the first year of preparing consolidated financial results, year-on-year changes are not presented.

For the financial results forecast for the Fiscal Year Ending December 31, 2022, please refer to “Notice of Revision of the Financial Results Forecast” announced today (August 12, 2022).

*** Notes:**

(1) Changes in significant subsidiaries during the period under review: Yes

(Changes in specified subsidiaries resulting in changes in scope of consolidation):

Newly included: 1 company (uloqo Co., Ltd), Excluded: None

(Note) As the Company acquired shares of uloqo Co., Ltd and made it a consolidated subsidiary, the Company has prepared quarterly consolidated statements since the second quarter ended June 30, 2022. Therefore, major management indicators are not presented in the cumulative second quarter of the previous fiscal year, the second quarter of the previous fiscal year, and the previous fiscal year.

Since the deemed date of acquisition of consolidated subsidiaries is set on April 30, 2022 and the difference between the date and the quarterly consolidated closing date is not more than three months, only the balance sheet as of April 30, 2022 is consolidated in the second quarter ended June 30, 2022, and the financial results of the company are not included in Quarterly Consolidated Statements of Income and Quarterly Statements of Cash Flows.

(2) Accounting methods adopted particularly for the preparation of quarterly 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: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) For details, please refer to “Changes in Accounting Policies” on page 8 of the attached document.

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

June 30, 2022: 5,664,150 shares

December 31, 2021: 5,637,150 shares

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

June 30, 2022: 55 shares

December 31, 2021: 55 shares

3) Average number of shares during the period:

Six months ended March 31, 2022: 5,646,349 shares

Six months ended March 31, 2021: 5,171,407 shares

(Note) The Company conducted a 10-for-1 stock split on June 2, 2021. Total number of issued and outstanding shares at the end of the period (including treasury shares), total number of treasury shares at the end of the period and average number of shares during the period were calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2021.

*These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not intend to promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

For the assumptions used for financial results forecasts and the notes regarding the use thereof, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

As of June 30, 2022

Assets	
Current assets	
Cash and deposits	1,754,659
Notes and accounts receivable - trade	425,164
Other	31,536
Total current assets	2,211,359
Non-current assets	
Property, plant and equipment	54,003
Intangible assets	
Goodwill	143,390
Other	1,953
Total intangible assets	145,343
Investments and other assets	
Leasehold deposits	644,646
Other	54,433
Total investments and other assets	699,079
Total non-current assets	898,427
Deferred assets	9,750
Total assets	3,119,537
Liabilities	
Current liabilities	
Accounts payable - trade	142,239
Current portion of bonds payable	55,200
Current portion of long-term borrowings	17,445
Income taxes payable	155,544
Other	187,373
Total current liabilities	557,802
Non-current liabilities	
Bonds payable	40,000
Long-term borrowings	141,360
Other	2,503
Total non-current liabilities	183,863
Total liabilities	741,666
Net assets	
Shareholders' equity	
Share capital	952,272
Capital surplus	615,460
Retained earnings	807,187
Treasury shares	(226)
Total shareholders' equity	2,374,694
Share acquisition rights	3,177
Total net assets	2,377,871
Total liabilities and net assets	3,119,537

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Six Months Ended June 30

(Thousand yen)

	For the Six Months ended June 30, 2022
Net sales	1,855,913
Cost of sales	1,073,604
Gross profit	782,308
Selling, general and administrative expenses	373,007
Operating profit	409,300
Non-operating income	
Interest income	9
Dividend income	0
Total non-operating income	9
Non-operating expenses	
Interest expenses	859
Interest on bonds	58
Amortization of share issuance costs	1,850
Amortization of bond issuance costs	713
Guarantee commission	352
Total non-operating expenses	3,833
Ordinary profit	405,476
Profit before income taxes	405,476
Income taxes - current	125,697
Total income taxes	125,697
Profit	279,779
Profit attributable to owners of parent	279,779

Quarterly Consolidated Statements of Comprehensive Income

For the Six Months Ended June 30

(Thousand yen)

	For the Six Months ended June 30, 2022
Profit	279,779
Comprehensive income	279,779
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	279,779

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the Six Months ended June 30, 2022
Cash flows from operating activities	
Profit before income taxes	405,476
Depreciation	10,831
Amortization of lease deposits	1,797
Amortization of share issuance costs	1,850
Amortization of bond issuance costs	713
Interest and dividend income	(9)
Interest expenses on borrowings and bonds	917
Decrease (increase) in trade receivables	(86,701)
Increase (decrease) in trade payables	25,233
Increase (decrease) in accrued consumption taxes	(48,417)
Other, net	50,140
Subtotal	361,831
Interest and dividends received	9
Interest paid	(1,124)
Income taxes paid	(121,456)
Net cash provided by (used in) operating activities	239,260
Cash flows from investing activities	
Purchase of securities	(5,000)
Purchase of shares of subsidiaries	(134,829)
Purchase of property, plant and equipment	(11,338)
Payments of leasehold deposits	(556,546)
Net cash provided by (used in) investing activities	(707,713)
Cash flows from financing activities	
Repayments of long-term borrowings	(7,346)
Redemption of bonds	(26,200)
Repayments of finance lease obligations	(1,261)
Proceeds of share issuance	6,750
Proceeds from issuance of share acquisition rights	3,177
Purchase of treasury shares	(55)
Net cash provided by (used in) financing activities	(24,935)
Net increase (decrease) in cash and cash equivalents	(493,388)
Cash and cash equivalents at beginning of period	2,248,047
Cash and cash equivalents at end of period	1,754,659