

Summary of Consolidated Financial Results for the Three months Ended July 31, 2022 (Based on Japanese GAAP)



September 9, 2022

Company Name: gumi Inc. Stock exchange listing: Tokyo
 Stock code: 3903 URL: [https:// gu3.co.jp/](https://gu3.co.jp/)
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 Scheduled date to file Quarterly Securities Report September 9, 2022
 Scheduled date to commence dividend payments –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Three months ended July 31, 2022 (from May 1, 2022 to July 31, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended July 31, 2022	4,280	17.3	163	—	△618	—	△570	—
Three months ended July 31, 2021	3,650	△31.8	△596	—	△1,808	—	△1,593	—

Note. Comprehensive income: 1st quarter of FYE April 30, 2023: △530 millions of yen (–%) 1st quarter of FYE April 30, 2022: △1,640 millions of yen (–%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
As of July 31, 2022	△19.54	—
As of July 31, 2021	△53.62	—

Notes: 1. Due to net loss, the diluted earnings per share in 1st quarter of FYE April 30, 2022 and 1st quarter of FYE April 30, 2023 is not listed above.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	17,931	9,575	49.1
As of April 30, 2022	18,362	10,084	50.2

(Reference) Equity capital: 1st quarter of FYE April 30, 2023 8,799 millions of yen FYE April 30, 2022 9,221 millions of yen

2. Cash dividends

	Annual dividends per share				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FYE April 30, 2022	—	0.00	—	0.00	0.00
FYE April 30, 2023	—	—	—	—	—
FYE April 30, 2023 (Forecast)	—	—	—	—	—

Notes: 1. The amendments of latest published dividends forecast : No

2. It is undetermined for the dividends in FYE April 30, 2023

3. Forecast of consolidated financial results FYE April 30, 2023 (May 1, 2022 to April 30, 2023)

Due to volatility of our business environmental changes, it is difficult to calculate and predict our accurate financial results. Therefore, we do not publish forecast of our business.

※ Notes

(1) Changes in significant subsidiaries during the Three months ended July 31, 2022 : No
 (changes in specified subsidiaries with the change in the scope of consolidation)

(2) Applications of special accounting methods for preparing quarterly consolidated financial reports. : No

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

- 1) Changes in accounting policies due to the revision of accounting standards : Applicable
- 2) Changes in accounting policies other than 1) : Not applicable
- 3) Changes in accounting estimates : Not applicable
- 4) Restatements : Not applicable

(4) Total number of issued shares (Common stock)

1) Total number of issued shares at the end of the period (including treasury shares)	As of July 31, 2022	31,278,200 shares	As of April 30, 2022	31,271,400 shares
2) Total number of treasury shares at the end of the period	As of July 31, 2022	2,101,039 shares	As of April 30, 2022	2,101,039 shares
3) Average number of shares during the period (cumulative)	As of July 31, 2022	29,171,950 shares	As of July 31, 2021	29,722,194 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants and audit firms.

* Explanation for the appropriate use of performance forecast and other special notes:
 (Cautionary note on forward-looking statements)

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of April 30, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	6,302,742	6,493,429
Accounts receivable - trade and contract assets	1,852,967	1,619,812
Other current asset	1,856,398	1,481,275
Total current assets	10,012,108	9,594,516
Non-current assets		
Property, plant and equipment	128,663	117,387
Intangible assets		
Software	359,920	302,178
Software in progress	2,548,821	2,930,865
Other intangible assets	25,051	12,850
Total intangible assets	2,933,793	3,245,894
Investment and other assets		
Investment securities	1,687,546	1,518,214
Investments in other securities of subsidiaries and associates	2,340,035	2,060,540
Other investments	1,260,562	1,394,921
Total investment and other assets	5,288,143	4,973,676
Total non-current assets	8,350,600	8,336,958
Total assets	18,362,709	17,931,475

(Thousands of yen)

	As of April 30, 2022	As of July 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	393,015	316,896
Current portion of long-term borrowings	3,049,208	3,174,199
Asset retirement obligation-CL	53,156	54,389
Income taxes payable	442,151	434,011
Provision for bonuses	106,754	51,171
Other current liabilities	1,698,293	1,659,354
Total current liabilities	5,742,578	5,690,021
Non-current liabilities		
Long-term borrowings	2,368,124	2,584,998
Asset retirement obligation-NCL	64,763	64,893
Other non-current liabilities	102,880	15,838
Total non-current liabilities	2,535,767	2,665,730
Total liabilities	8,278,346	8,355,752
Net assets		
Shareholders' equity		
Share capital	9,417,653	9,421,804
Capital surplus	3,425,432	3,429,577
Retained earnings	△2,218,164	△2,788,318
Treasury shares	△2,058,370	△2,058,370
Total shareholders' equity	8,566,551	8,004,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,151	78,311
Foreign currency translation adjustment	583,300	716,283
Total accumulated other comprehensive income	654,451	794,595
Share acquisition rights	385,108	398,438
Non-controlling interests	478,251	377,995
Total net assets	10,084,362	9,575,722
Total liabilities and net assets	18,362,709	17,931,475

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income
(cumulative)**

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2022	Three months ended July 31, 2022
Net sales	3,650,618	4,280,733
Cost of Sales	3,471,586	3,378,405
Gross profit	179,031	902,327
Selling, general and administrative expenses	775,458	739,209
Operating profit	△596,427	163,118
Non-operating income		
Interest and dividend income	226	131
Subsidy income	545	-
Gain on sales of Crypto Assets	22,201	-
Gain from exemption of consumption	28,963	-
Gain on investments in investment partnerships	9,725	22,537
Other non-operating incomes	4,466	2,874
Total non-operating income	66,128	25,542
Non-operating expenses		
Interest expenses	7,329	11,068
Foreign exchange losses	10,361	82,348
Loss on valuation of Crypto Assets	672,367	342,669
Share of loss of entities accounted for using equity method	587,589	368,817
Other non-operating expenses	852	2,178
Total non-operating expenses	1,278,500	807,082
Ordinary profit	△1,808,799	△618,421
Extraordinary losses		
Loss on valuation of investment securities	773	171,623
Other extraordinary expenses	150,000	-
Total extraordinary losses	150,773	171,623
Profit (loss) before income taxes	△1,959,572	△790,045
Income taxes - current	5,603	9,644
Income taxes - deferred	△363,492	△129,280
Total income taxes	△357,888	△119,635
Profit (loss)	△1,601,683	△670,409
Loss attributable to non-controlling interests	△8,031	△100,256
Profit (loss) attributable to owner of parent	△1,593,652	△570,153

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2022	Three months ended July 31, 2022
Profit (loss)	△1,601,683	△670,409
Other comprehensive income		
Valuation difference on available-for-sale securities	△21,412	7,160
Foreign currency translation adjustment	△27,502	178,999
Share of other comprehensive income of entities accounted for using equity method	9,696	△46,017
Total other comprehensive income	△39,219	140,143
Comprehensive income	△1,640,903	△530,266
Comprehensive income attributable to owners of parent	△1,632,871	△430,010
Comprehensive income attributable to non-controlling interests	△8,031	△100,256