

## Summary of Consolidated Financial Results for the Six months Ended October 31, 2022 (Based on Japanese GAAP)



December 9, 2022

Company Name: gumi Inc. Stock exchange listing: Tokyo  
 Stock code: 3903 URL: [https:// gu3.co.jp/](https://gu3.co.jp/)  
 Representative: Title CEO Name Hiroyuki Kawamoto  
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 Scheduled date to file Quarterly Securities Report December 9, 2022  
 Scheduled date to commence dividend payments –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the Six months ended October 31, 2022 (from May 1, 2022 to October 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	%
Six months ended October 31, 2022	8,308	△3.2	423	—	△37	—	△55	—
Six months ended October 31, 2021	8,578	△12.8	△1,573	—	△2,861	—	△4,359	—

Note. Comprehensive income: 2nd quarter of FYE April 30, 2023: 379 millions of yen (—%) 2nd quarter of FYE April 30, 2022: △4,253 millions of yen (—%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
As of October 31, 2022	△1.89	—
As of October 31, 2021	△148.05	—

Notes: 1. Due to net loss, the diluted earnings per share in 2nd quarter of FYE April 30, 2022 and 2nd 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 October 31, 2022	19,818	10,492	49.4
As of April 30, 2022	18,362	10,084	50.2

(Reference) Equity capital: 2nd quarter of FYE April 30, 2023 9,788 millions of yen FYE April 30, 2022 9,221 millions of yen

2. Cash dividends

	Annual dividends per share				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> 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	—	0.00	—	—	—
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 Six months ended October 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 October 31, 2022	31,319,300 shares	As of April 30, 2022	31,271,400 shares
2) Total number of treasury shares at the end of the period	As of October 31, 2022	2,101,066 shares	As of April 30, 2022	2,101,039 shares
3) Average number of shares during the period (cumulative)	As of October 31, 2022	29,192,348 shares	As of October 31, 2021	29,445,230 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 October 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,302,742	7,027,278
Accounts receivable - trade and contract assets	1,852,967	1,657,770
Other current assets	1,856,398	1,869,268
Total current assets	<u>10,012,108</u>	<u>10,554,317</u>
Non-current assets		
Property, plant and equipment	128,663	157,092
Intangible assets		
Software	359,920	240,515
Software in progress	2,548,821	3,346,326
Other intangible assets	25,051	650
Total intangible assets	<u>2,933,793</u>	<u>3,587,491</u>
Investment and other assets		
Investment securities	1,687,546	1,569,814
Investments in other securities of subsidiaries and associates	2,340,035	2,649,673
Other investments	1,260,562	1,300,319
Total investment and other assets	<u>5,288,143</u>	<u>5,519,807</u>
Total non-current assets	<u>8,350,600</u>	<u>9,264,391</u>
Total assets	<u>18,362,709</u>	<u>19,818,708</u>

(Thousands of yen)

	As of April 30, 2022	As of October 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	393,015	350,272
Current portion of bonds payable	-	160,000
Current portion of long-term borrowings	3,049,208	2,293,349
Asset retirement obligation-CL	53,156	59,409
Income taxes payable	442,151	187,853
Provision for bonuses	106,754	71,563
Other current liabilities	1,698,293	1,907,650
Total current liabilities	<u>5,742,578</u>	<u>5,030,099</u>
Non-current liabilities		
Bonds payable	-	340,000
Long-term borrowings	2,368,124	3,869,378
Asset retirement obligation-NCL	64,763	68,992
Other non-current liabilities	102,880	17,623
Total non-current liabilities	<u>2,535,767</u>	<u>4,295,994</u>
Total liabilities	<u>8,278,346</u>	<u>9,326,094</u>

### Net assets

Shareholders' equity		
Share capital	9,417,653	9,442,588
Capital surplus	3,425,432	3,450,367
Retained earnings	△2,218,164	△2,273,379
Treasury shares	△2,058,370	△2,058,399
Total shareholders' equity	<u>8,566,551</u>	<u>8,561,176</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,151	88,281
Foreign currency translation adjustment	583,300	1,139,422
Total accumulated other comprehensive income	<u>654,451</u>	<u>1,227,703</u>
Share acquisition rights	385,108	363,838
Non-controlling interests	478,251	339,895
Total net assets	<u>10,084,362</u>	<u>10,492,614</u>
Total liabilities and net assets	<u>18,362,709</u>	<u>19,818,708</u>

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended October 31, 2021	Six months ended October 31, 2022
Net sales	8,578,797	8,308,151
Cost of Sales	8,239,819	6,306,210
Gross profit	338,977	2,001,941
Selling, general and administrative expenses	1,912,374	1,578,647
Operating profit (loss)	△1,573,396	423,293
Non-operating income		
Interest and dividend income	4,492	352
Subsidy income	1,107	73
Gain on sales of Crypto Assets	22,201	-
Gain from exemption of consumption	28,963	-
Share of profit of entities accounted for using equity method	-	124,416
Gain on investments in investment partnerships	16,885	25,164
Other non-operating incomes	7,342	4,662
Total non-operating income	80,992	154,670
Non-operating expenses		
Interest expenses	16,924	25,825
Foreign exchange losses	70,464	216,283
Loss on valuation of Crypto Assets	341,360	350,033
Share of loss of entities accounted for using equity method	938,763	-
Other non-operating expenses	1,128	23,086
Total non-operating expenses	1,368,642	615,229
Ordinary loss	△2,861,046	△37,265
Extraordinary income		
Gain on sales of investment securities	65	-
Gain on reversal of share acquisition rights	-	2,072
Total extraordinary income	65	2,072
Extraordinary losses		
Impairment losses	1,906,092	-
Loss on valuation of investment securities	773	171,623
Loss on valuation of shares of subsidiaries and associates	-	57,999
Retirement benefits for directors (and other officers)	150,000	-
Total extraordinary losses	2,056,865	229,623
Loss before income taxes	△4,917,846	△264,816
Income taxes - current	12,935	101,019
Income taxes - deffered	△555,605	△172,265
Total income taxes	△542,669	△71,246
Loss	△4,375,176	△193,570
Loss attributable to non-controlling interests	△15,862	△138,355
Loss attributable to owner of parent	△4,359,314	△55,215

## Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended October 31, 2021	Six months ended October 31, 2022
Loss	△4,375,176	△193,570
Other comprehensive income		
Valuation difference on available-for-sale securities	△18,138	17,130
Foreign currency translation adjustment	61,501	622,874
Share of other comprehensive income of entities accounted for using equity method	78,777	△66,752
Total other comprehensive income	122,140	573,252
Comprehensive income	△4,253,035	379,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△4,237,173	518,036
Comprehensive income attributable to non-controlling interests	△15,862	△138,355

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended October 31, 2021	Six months ended October 31, 2022
Cash flows from operating activities		
Loss before income taxes	△4,917,846	△264,816
Depreciation	607,641	181,906
Impairment losses	1,906,092	–
Share-based payment expenses	58,016	27,184
Increase (decrease) in provision for bonuses	△8,465	△38,795
Interest and dividend income	△4,492	△352
Interest expenses	16,924	25,825
Foreign exchange losses (gains)	52,116	137,162
Subsidy income	△1,107	△73
Share of loss (profit) of entities accounted for using equity method	938,763	△124,416
Loss (gain) on investments in investment partnerships	△16,885	△25,164
Loss (gain) on valuation of crypto assets	341,360	350,033
Loss (gain) on sales of crypto assets	△22,201	–
Loss on valuation of shares of subsidiaries and associates	–	57,999
Loss (gain) on sales of investment securities	△65	–
Loss (gain) on valuation of investment securities	773	171,623
Decrease (increase) in trade receivables and contract assets	△493,858	219,184
Increase (decrease) in trade payables	14,738	△45,005
Increase (decrease) in accounts payable - other	129,290	△132,555
Increase (decrease) in accrued consumption taxes	△36,865	196,636
Decrease (increase) in accounts receivable - other	104,105	△847,281
Decrease (increase) in prepaid expenses	166,528	257,927
Decrease (increase) in consumption taxes refund receivable	53,574	90,090
Other, net	68,657	74,852
Subtotal	△1,043,204	311,964
Interest and dividend received	4,492	352
Interest paid	△13,733	△26,460
Subsidies received	1,107	73
Payment of the restructuring cost	△4,419	–
Income taxes refund (paid)	△674,494	△123,867
Net cash provided by (used in) operating activities	△1,730,251	162,062
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	–	2
Purchase of property, plant and equipment	△16,844	△61,306
Purchase of intangible assets	△928,589	△801,297
Proceeds from sales of investment securities	3,815	–
Purchase of investment securities	△49,900	△5,198
Purchase of investments in other securities of subsidiaries and affiliates	–	△407,910
Purchase of crypto assets	–	△25,000
Proceeds from sales of crypto assets	948,491	–
Proceeds from distributions from investment partnerships	929,682	537,943
Payments of leasehold and guarantee deposits	△2,583	△20,223
Proceeds from repayment of lease and guarantee deposits	92,117	310
Net cash provided by (used in) investing activities	976,189	△782,679
Cash flows from financing activities		
Proceeds from long-term borrowings	8,400,000	3,888,000
Repayments of long-term borrowings	△5,833,202	△3,154,604
Proceeds from issuance of bonds	–	493,710
Proceeds from issuance of shares	36	47
Purchase of treasury share	△999,932	△29
Dividends paid	△149,795	–
Net cash provided by (used in) financing activities	1,417,107	1,227,124
Effect of exchange rate change on cash and cash equivalents	30,901	118,029
Net increase (decrease) in cash and cash equivalents	693,947	724,536
Cash and cash equivalents at beginning of period	8,492,510	6,302,742
Cash and cash equivalents at end of period	9,186,457	7,027,278