

Summary of Consolidated Financial Results for the Three months Ended July 31, 2023 (Based on Japanese GAAP)

September 8, 2023

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 8, 2023
 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, 2023 (from May 1, 2023, to July 31, 2023)

(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, 2023	2,689	△37.2	△642	—	△612	—	△765	—
Three months ended July 31, 2022	4,280	17.3	163	—	△618	—	△570	—

Note. Comprehensive income: 1st quarter of FYE April 30, 2024: △88 millions of yen (- %) 1st quarter of FYE April 30, 2023: △530 millions of yen (- %)

	Earnings per share	Diluted earnings per share
	Yen	Yen
As of July 31, 2023	△19.38	—
As of July 31, 2022	△19.54	—

Notes: 1. Due to net loss, the diluted earnings per share in 1st quarter of FYE April 30, 2023, and 1st quarter of FYE April 30, 2024, is not listed above.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2023	27,014	18,387	66.4
As of April 30, 2023	26,550	18,664	68.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FYE April 30, 2023	—	0.00	—	5.00	5.00
FYE April 30, 2024	—	—	—	—	—
FYE April 30, 2024 (Forecast)	—	—	—	—	—

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

2. It is undetermined for the dividends in FYE April 30, 2024

3. Forecast of consolidated financial results FYE April 30, 2024 (May 1, 2023, to April 30, 2024)

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 Therefore, we do not publish forecast of our business.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, 2023 : 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 : Not 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, 2023	39,512,234 shares	As of April 30, 2023	39,481,234 shares
As of July 31, 2023	— shares	As of April 30, 2023	— shares
As of July 31, 2023	39,499,104 shares	As of July 31, 2022	29,171,950 shares

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

3) Average number of shares during the period (cumulative)

* 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, 2023	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	10,464,169	9,002,950
Accounts receivable - trade and contract assets	1,696,053	1,329,035
Other current assets	3,239,800	3,309,658
Total current assets	<u>15,400,024</u>	<u>13,641,644</u>
Non-current assets		
Property, plant and equipment	166,091	169,164
Intangible assets		
Software	122,844	17,369
Software in progress	4,284,682	4,857,442
Other intangible assets	600	575
Total intangible assets	<u>4,408,127</u>	<u>4,875,386</u>
Investment and other assets		
Investment securities	3,127,451	4,874,561
Investments in other securities of subsidiaries and associates	2,565,378	2,527,604
Other investments	883,407	925,991
Total investment and other assets	<u>6,576,237</u>	<u>8,328,158</u>
Total non-current assets	<u>11,150,456</u>	<u>13,372,709</u>
Total assets	<u>26,550,480</u>	<u>27,014,354</u>

(Thousands of yen)

	As of April 30, 2023	As of July 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	401,116	354,510
Short-term borrowings	—	1,500,000
Current portion of bonds payable	160,000	160,000
Current portion of long-term borrowings	2,126,817	2,366,702
Income taxes payable	170,692	50,256
Provision for bonuses	74,394	49,325
Other current liabilities	1,995,681	1,553,544
Total current liabilities	<u>4,928,702</u>	<u>6,034,339</u>
Non-current liabilities		
Bonds payable	260,000	260,000
Long-term borrowings	2,394,726	1,576,750
Asset retirement obligations-NCL	87,154	88,282
Other non-current liabilities	215,753	667,645
Total non-current liabilities	<u>2,957,634</u>	<u>2,592,678</u>
Total liabilities	<u>7,886,337</u>	<u>8,627,017</u>
Net assets		
Shareholders' equity		
Share capital	13,080,578	13,092,712
Capital surplus	5,029,958	296,968
Retained earnings	△ 1,772,230	2,010,121
Total shareholders' equity	<u>16,338,306</u>	<u>15,399,802</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,058,092	1,632,460
Foreign currency translation adjustment	741,125	901,612
Total accumulated other comprehensive income	<u>1,799,217</u>	<u>2,534,073</u>
Share acquisition rights	371,271	355,955
Non-controlling interests	155,347	97,505
Total net assets	<u>18,664,143</u>	<u>18,387,336</u>
Total liabilities and net assets	<u>26,550,480</u>	<u>27,014,354</u>

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended July 31, 2022	Three months ended July 31, 2023
Net sales	4,280,733	2,689,510
Cost of Sales	3,378,405	2,536,580
Gross profit	902,327	152,929
Selling, general and administrative expenses	739,209	795,868
Operating profit (loss)	163,118	△ 642,938
Non-operating income		
Interest and dividend income	131	677
Gain on valuation of Crypto Assets	—	13,534
Gain on sales of Crypto Assets	—	3,854
Gain on investments in investment partnerships	22,537	—
Share of profit of entities accounted for using equity method	—	87,535
Other non-operating income	2,874	3,638
Total non-operating income	25,542	109,241
Non-operating expenses		
Interest expenses	11,068	15,795
Foreign exchange losses	82,348	20,006
Donations	—	240
Loss on valuation of Crypto Assets	342,669	—
Share of loss of entities accounted for using equity method	368,817	—
Loss on investments in investment partnerships	—	40,357
Other non-operating expenses	2,178	2,060
Total non-operating expenses	807,082	78,459
Ordinary loss	△ 618,421	△ 612,157
Extraordinary losses		
Impairment losses	—	53,718
Loss on valuation of investment securities	171,623	67,700
Loss on liquidation of subsidiaries and associates	—	12,109
Total extraordinary losses	171,623	133,528
Loss before income taxes	△ 790,045	△ 745,685
Income taxes - current	9,644	36,154
Income taxes - deferred	△ 129,280	41,372
Total income taxes	△ 119,635	77,527
Loss	△ 670,409	△ 823,212
Loss attributable to non-controlling interests	△ 100,256	△ 57,841
Loss attributable to owners of parent	△ 570,153	△ 765,370

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended July 31, 2022	Three months ended July 31, 2023
Loss	△ 670,409	△ 823,212
Other comprehensive income	—	—
Valuation difference on available-for-sale securities	7,160	574,368
Foreign currency translation adjustment	178,999	223,902
Share of other comprehensive income of entities accounted for using equity method	△ 46,017	△ 63,415
Total other comprehensive income	140,143	734,855
Comprehensive income	△ 530,266	△ 88,356
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△ 430,010	△ 30,514
Comprehensive income attributable to non-controlling interests	△ 100,256	△ 57,841