

## Summary of Consolidated Financial Results for the Six months Ended October 31, 2023 (Based on Japanese GAAP)



December 8, 2023

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 8, 2023  
 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, 2023 (from May 1, 2023, to October 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                         | % |
| Six months ended October 31, 2023 | 5,848           | △29.6 | △1,971           | — | △2,127          | — | △1,430                                  | — |
| Six months ended October 31, 2022 | 8,308           | △3.2  | 423              | — | △37             | — | △55                                     | — |

Note. Comprehensive income: 2nd quarter of FYE April 30, 2024: △1,239 millions of yen ( - %) 2nd quarter of FYE April 30, 2023: 379 millions of yen ( - %)

|                        | Earnings per share | Diluted earnings per share |
|------------------------|--------------------|----------------------------|
|                        | Yen                | Yen                        |
| As of October 31, 2023 | △36.19             | —                          |
| As of October 31, 2022 | △1.89              | —                          |

Notes: 1. Due to net loss, the diluted earnings per share in 2nd quarter of FYE April 30, 2023, and 2nd 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 October 31, 2023 | 26,182          | 17,228          | 64.4         |
| As of April 30, 2023   | 26,550          | 18,664          | 68.3         |

(Reference) Equity capital : 2nd quarter of FYE April 30, 2024 16,866 millions of yen FYE April 30, 2023 18,137 millions of yen

### 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            | —                          | 0.00            | —               | —               | —     |
| 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 October 31, 2023 | 39,566,734 shares | As of April 30, 2023 | 39,481,234 shares |
| 2) Total number of treasury shares at the end of the period                           | As of October 31, 2023 | — shares          | As of April 30, 2023 | — shares          |
| 3) Average number of shares during the period (cumulative)                            | As of October 31, 2023 | 39,527,446 shares | As of October, 2022  | 29,192,348 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, 2023 | As of October 31, 2023 |
|--|----------------------|------------------------|
| <b>Assets</b>  |                      |                        |
| Current assets   |                      |                        |
| Cash and deposits  | 10,464,169           | 7,718,810              |
| Accounts receivable - trade and contract assets                | 1,696,053            | 1,635,902              |
| Other current assets   | 3,239,800            | 5,176,635              |
| Total current assets   | <u>15,400,024</u>    | <u>14,531,348</u>      |
| Non-current assets   |                      |                        |
| Property, plant and equipment                                  | 166,091              | 172,709                |
| Intangible assets  |                      |                        |
| Software   | 122,844              | 3,668,459              |
| Software in progress   | 4,284,682            | 250,932                |
| Other intangible assets  | 600                  | 550                    |
| Total intangible assets  | <u>4,408,127</u>     | <u>3,919,941</u>       |
| Investment and other assets                                    |                      |                        |
| Investment securities  | 3,127,451            | 3,462,628              |
| Investments in other securities of subsidiaries and associates | 2,565,378            | 3,206,789              |
| Other investments  | 883,407              | 888,872                |
| Total investment and other assets                              | <u>6,576,237</u>     | <u>7,558,291</u>       |
| Total non-current assets                                       | <u>11,150,456</u>    | <u>11,650,942</u>      |
| Total assets   | <u>26,550,480</u>    | <u>26,182,291</u>      |

(Thousands of yen)

|   | As of April 30, 2023 | As of October 31, 2023 |
|---|----------------------|------------------------|
| <b>Liabilities</b>                                    |                      |                        |
| Current liabilities                                   |                      |                        |
| Accounts payable - trade                              | 401,116              | 283,299                |
| Short-term borrowings                                 | —                    | 1,500,000              |
| Current portion of bonds payable                      | 160,000              | 480,000                |
| Current portion of long-term borrowings               | 2,126,817            | 2,269,196              |
| Income taxes payable                                  | 170,692              | 209,195                |
| Provision for bonuses                                 | 74,394               | 63,044                 |
| Other current liabilities                             | 1,995,681            | 1,758,648              |
| Total current liabilities                             | <u>4,928,702</u>     | <u>6,563,383</u>       |
| Non-current liabilities                               |                      |                        |
| Bonds payable   | 260,000              | 860,000                |
| Long-term borrowings                                  | 2,394,726            | 1,017,025              |
| Asset retirement obligations-NCL                      | 87,154               | 89,038                 |
| Other non-current liabilities                         | 215,753              | 424,548                |
| Total non-current liabilities                         | <u>2,957,634</u>     | <u>2,390,611</u>       |
| Total liabilities                                     | <u>7,886,337</u>     | <u>8,953,994</u>       |
| <b>Net assets</b>                                     |                      |                        |
| Shareholders' equity                                  |                      |                        |
| Share capital   | 13,080,578           | 13,113,210             |
| Capital surplus                                       | 5,029,958            | 317,466                |
| Retained earnings                                     | △ 1,772,230          | 1,345,188              |
| Total shareholders' equity                            | <u>16,338,306</u>    | <u>14,775,864</u>      |
| Accumulated other comprehensive income                |                      |                        |
| Valuation difference on available-for-sale securities | 1,058,092            | 817,428                |
| Foreign currency translation adjustment               | 741,125              | 1,273,511              |
| Total accumulated other comprehensive income          | <u>1,799,217</u>     | <u>2,090,939</u>       |
| Share acquisition rights                              | 371,271              | 307,141                |
| Non-controlling interests                             | 155,347              | 54,350                 |
| Total net assets                                      | <u>18,664,143</u>    | <u>17,228,296</u>      |
| Total liabilities and net assets                      | <u>26,550,480</u>    | <u>26,182,291</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<br>31, 2022 | Six months ended October<br>31, 2023 |
| Net sales   | 8,308,151                            | 5,848,306                            |
| Cost of Sales   | 6,306,210                            | 5,996,401                            |
| Gross profit (loss)   | 2,001,941                            | △ 148,095                            |
| Selling, general and administrative expenses                  | 1,578,647                            | 1,823,435                            |
| Operating profit (loss)                                       | 423,293                              | △ 1,971,530                          |
| Non-operating income  |                                      |                                      |
| Interest and dividend income                                  | 352                                  | 3,539                                |
| Subsidy income  | 73                                   | 33                                   |
| Share of profit of entities accounted for using equity method | 124,416                              | 52,557                               |
| Gain on investments in investment partnerships                | 25,164                               | —                                    |
| Other non-operating income                                    | 4,662                                | 8,754                                |
| Total non-operating income                                    | 154,670                              | 64,885                               |
| Non-operating expenses  |                                      |                                      |
| Interest expenses   | 25,825                               | 34,505                               |
| Foreign exchange losses                                       | 216,283                              | 49,062                               |
| Donations   | —                                    | 240                                  |
| Loss on valuation of Crypto Assets                            | 350,033                              | 55,392                               |
| Loss on sales of Crypto Assets                                | —                                    | 34,255                               |
| Loss on investments in investment partnerships                | —                                    | 42,392                               |
| Other non-operating expenses                                  | 23,086                               | 4,560                                |
| Total non-operating expenses                                  | 615,229                              | 220,408                              |
| Ordinary loss   | △ 37,265                             | △ 2,127,053                          |
| Extraordinary income  |                                      |                                      |
| Gain on sales of investment securities                        | —                                    | 1,275,467                            |
| Gain on reversal of share acquisition rights                  | 2,072                                | 7,872                                |
| Total extraordinary income                                    | 2,072                                | 1,283,339                            |
| Extraordinary losses  |                                      |                                      |
| Impairment losses   | —                                    | 53,718                               |
| Loss on valuation of investment securities                    | 171,623                              | 259,369                              |
| Loss on valuation of shares of subsidiaries and associates    | 57,999                               | 48,291                               |
| Business restructuring expenses                               | —                                    | 22,617                               |
| Loss on liquidation of subsidiaries and associates            | —                                    | 12,109                               |
| Total extraordinary losses                                    | 229,623                              | 396,106                              |
| Loss before income taxes                                      | △ 264,816                            | △ 1,239,820                          |
| Income taxes - current  | 101,019                              | 215,679                              |
| Income taxes - deferred                                       | △ 172,265                            | 75,800                               |
| Total income taxes  | △ 71,246                             | 291,480                              |
| Loss  | △ 193,570                            | △ 1,531,300                          |
| Loss attributable to non-controlling interests                | △ 138,355                            | △ 100,996                            |
| Loss attributable to owners of parent                         | △ 55,215                             | △ 1,430,303                          |

## Consolidated statements of comprehensive income (cumulative)

|   | (Thousands of yen)                   |                                      |
|---|--------------------------------------|--------------------------------------|
|   | Six months ended October<br>31, 2022 | Six months ended October<br>31, 2023 |
| Loss  | △ 193,570                            | △ 1,531,300                          |
| Other comprehensive income  | —                                    | —                                    |
| Valuation difference on available-for-sale securities                             | 17,130                               | △ 240,664                            |
| Foreign currency translation adjustment   | 622,874                              | 439,889                              |
| Share of other comprehensive income of entities accounted for using equity method | △ 66,752                             | 92,496                               |
| Total other comprehensive income  | 573,252                              | 291,721                              |
| Comprehensive income  | 379,681                              | △ 1,239,579                          |
| Comprehensive income attributable to  |                                      |                                      |
| Comprehensive income attributable to owners of parent                             | 518,036                              | △ 1,138,582                          |
| Comprehensive income attributable to non-controlling interests                    | △ 138,355                            | △ 100,996                            |

## Consolidated statements of cash flows

(Thousands of yen)

|  | Six months ended October<br>31, 2022 | Six months ended October<br>31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities                                       |                                      |                                      |
| Loss before income taxes   | △ 264,816                            | △ 1,239,820                          |
| Depreciation   | 181,906                              | 438,638                              |
| Impairment losses  | —                                    | 53,718                               |
| Share-based payment expenses   | 27,184                               | 7,246                                |
| Increase (decrease) in provision for bonuses                               | △ 38,795                             | △ 13,601                             |
| Interest and dividend income   | △ 352                                | △ 3,539                              |
| Interest expenses  | 25,825                               | 34,505                               |
| Foreign exchange losses (gains)  | 137,162                              | 158,148                              |
| Subsidy income   | △ 73                                 | △ 33                                 |
| Share of loss (profit) of entities accounted for using equity method       | △ 124,416                            | △ 52,557                             |
| Donations  | —                                    | 240                                  |
| Loss (gain) on investments in investment partnerships                      | △ 25,164                             | 42,392                               |
| Loss (gain) on valuation of crypto assets                                  | 350,033                              | 55,392                               |
| Loss (gain) on sales of crypto assets                                      | —                                    | 34,255                               |
| Loss on valuation of shares of subsidiaries and associates                 | 57,999                               | 48,291                               |
| Loss (gain) on sales of investment securities                              | —                                    | △ 1,275,467                          |
| Loss (gain) on valuation of investment securities                          | 171,623                              | 259,369                              |
| Decrease (increase) in trade receivables and contract assets               | 219,184                              | 41,304                               |
| Increase (decrease) in trade payables                                      | △ 45,005                             | △ 97,721                             |
| Increase (decrease) in accounts payable - other                            | △ 132,555                            | 95,067                               |
| Increase (decrease) in accrued consumption taxes                           | 196,636                              | △ 359,115                            |
| Decrease (increase) in accounts receivable - other                         | △ 847,281                            | △ 237,835                            |
| Decrease (increase) in prepaid expenses                                    | 257,927                              | 231,689                              |
| Decrease (increase) in consumption taxes refund receivable                 | 90,090                               | —                                    |
| Other, net   | 74,852                               | △ 182,260                            |
| Subtotal   | 311,964                              | △ 1,961,692                          |
| Interest and dividend received   | 352                                  | 5,475                                |
| Interest paid  | △ 26,460                             | △ 33,270                             |
| Subsidies received   | 73                                   | 33                                   |
| Payments of Donations  | —                                    | △ 240                                |
| Income taxes refund (paid)   | △ 123,867                            | △ 101,937                            |
| Net cash provided by (used in) operating activities                        | 162,062                              | △ 2,091,631                          |
| Cash flows from investing activities                                       |                                      |                                      |
| Proceeds from sales of property, plant and equipment                       | 2                                    | —                                    |
| Purchase of property, plant and equipment                                  | △ 61,306                             | △ 33,608                             |
| Purchase of intangible assets  | △ 801,297                            | △ 930,745                            |
| Proceeds from sales of investment securities                               | —                                    | 1,276,998                            |
| Purchase of investment securities  | △ 5,198                              | △ 1,000,339                          |
| Purchase of investments in other securities of subsidiaries and affiliates | △ 407,910                            | △ 449,250                            |
| Purchase of crypto assets  | △ 25,000                             | △ 544,825                            |
| Proceeds from sales of crypto assets                                       | —                                    | 119,954                              |
| Proceeds from distributions from investment partnerships                   | 537,943                              | 162,820                              |
| Payments of leasehold and guarantee deposits                               | △ 20,223                             | △ 1,179                              |
| Proceeds from repayment of lease and guarantee deposits                    | 310                                  | 1,046                                |
| Proceeds from Joint development investment received                        | —                                    | 946,400                              |
| Net cash provided by (used in) investing activities                        | △ 782,679                            | △ 452,728                            |
| Cash flows from financing activities                                       |                                      |                                      |
| Net increase (decrease) in short-term borrowings                           | —                                    | 1,500,000                            |
| Proceeds from long-term borrowings   | 3,888,000                            | 1,000,000                            |
| Repayments of long-term borrowings   | △ 3,154,604                          | △ 2,235,323                          |
| Proceeds from issuance of bonds  | 493,710                              | 1,000,000                            |
| Redemption of bonds  | —                                    | △ 80,000                             |
| Proceeds from issuance of shares   | 47                                   | 85                                   |
| Purchase of treasury share   | △ 29                                 | —                                    |
| Dividends paid   | —                                    | △ 197,400                            |
| Net cash provided by (used in) financing activities                        | 1,227,124                            | 987,361                              |
| Effect of exchange rate change on cash and cash equivalents                | 118,029                              | △ 4,713                              |
| Net increase (decrease) in cash and cash equivalents                       | 724,536                              | △ 1,561,712                          |
| Cash and cash equivalents at beginning of period                           | 6,302,742                            | 10,564,225                           |
| Cash and cash equivalents at end of period                                 | 7,027,278                            | 9,002,512                            |