

Translation

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Summary of Consolidated Financial Results for the Three Months Ended February 29, 2024 (Based on Japanese GAAP)

April 12, 2024

Company name: GRCS Inc.
 Stock exchange listing: Tokyo
 Stock code: 9250 URL <https://www.grcs.co.jp/>
 Representative: President&Representative Director Yoshikazu Sasaki
 Inquiries: Director Ikue Tanaka TEL 03(6272)9191
 Scheduled date to file Quarterly Securities Report: April 12, 2024
 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 February 29, 2024 (from December 1, 2023 to February 29, 2024)

(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 February 29, 2024	868	28.6	87	–	83	–	66	–
Three months ended February 28, 2023	675	–	(96)	–	(93)	–	(106)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 29, 2024	51.94		–	
Three months ended February 28, 2023	(82.95)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2024	1,725	226	13.1
As of November 30, 2023	1,434	218	12.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended November 30, 2023	–	0.00	–	0.00	0.00
Year ending November 30, 2024	–	–	–	–	–
Year ending November 30, 2024 (Forecast)	–	0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,315	19.1	53	–	34	–	17	–	13.34

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 29, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 29, 2024	1,314,130 shares	As of November 30, 2023	1,314,130 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	29,800 shares	As of November 30, 2023	29,800 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 29, 2024	1,284,330 shares	Three months ended February 28, 2023	1,280,000 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	611,459	515,301
Accounts receivable - trade and contract assets	339,090	508,832
Work in process	1,737	7,573
Advance payments to suppliers	59,410	107,351
Prepaid expenses	51,295	56,710
Other	5,721	1,889
Total current assets	1,068,715	1,197,659
Non-current assets		
Property, plant and equipment		
Buildings, net	61,492	58,905
Tools, furniture and fixtures, net	4,517	7,431
Total property, plant and equipment	66,009	66,336
Intangible assets		
Software	13,331	12,264
Goodwill	246,020	403,033
Total intangible assets	259,351	415,298
Investments and other assets		
Long-term prepaid expenses	990	907
Deferred tax assets	–	3,701
Guarantee deposits	37,155	37,817
Other	250	1,750
Total investments and other assets	38,395	44,176
Total non-current assets	363,756	525,811
Deferred assets		
Bond issuance costs	1,957	1,755
Total deferred assets	1,957	1,755
Total assets	1,434,430	1,725,225

(Thousands of yen)

	As of November 30, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	84,708	132,137
Short-term borrowings	100,000	100,000
Current portion of bonds payable	20,000	20,000
Current portion of long-term borrowings	154,476	164,484
Accrued expenses	187,172	130,215
Accounts payable - other	–	150,000
Income taxes payable	4,697	23,152
Accrued consumption taxes	24,507	59,192
Contract liabilities	116,895	139,017
Deposits received	9,461	9,176
Provision for bonuses	748	59,525
Total current liabilities	702,668	986,900
Non-current liabilities		
Bonds payable	70,000	70,000
Long-term borrowings	321,899	320,770
Deferred tax liabilities	4,158	3,941
Asset retirement obligations	17,586	17,592
Long-term accounts payable - other	100,000	100,000
Total non-current liabilities	513,643	512,303
Total liabilities	1,216,311	1,499,204
Net assets		
Shareholders' equity		
Share capital	303,530	303,530
Capital surplus	267,999	254,412
Retained earnings	(298,910)	(232,207)
Treasury shares	(99,713)	(99,713)
Total shareholders' equity	172,905	226,021
Non-controlling interests	45,213	–
Total net assets	218,118	226,021
Total liabilities and net assets	1,434,430	1,725,225

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2023	Three months ended February 29, 2024
Net sales	675,065	868,386
Cost of sales	535,955	508,624
Gross profit	139,110	359,761
Selling, general and administrative expenses	236,075	272,707
Operating profit (loss)	(96,964)	87,054
Non-operating income		
Interest income	3	2
Foreign exchange gains	4,640	–
Commission income	181	181
Other	430	0
Total non-operating income	5,256	184
Non-operating expenses		
Interest expenses	1,858	1,718
Foreign exchange losses	–	1,747
Other	92	352
Total non-operating expenses	1,951	3,819
Ordinary profit (loss)	(93,659)	83,419
Profit (loss) before income taxes	(93,659)	83,419
Income taxes - current	3,683	20,634
Income taxes - deferred	6,887	(3,918)
Total income taxes	10,570	16,716
Profit (loss)	(104,230)	66,702
Profit attributable to non-controlling interests	1,942	–
Profit (loss) attributable to owners of parent	(106,173)	66,702

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2023	Three months ended February 29, 2024
Profit (loss)	(104,230)	66,702
Comprehensive income	(104,230)	66,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(106,173)	66,702
Comprehensive income attributable to non-controlling interests	1,942	–