

Translation

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**Summary of Non-Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

April 30, 2021

Company name: Fundely Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3137 URL <https://www.fundely.co.jp/>
 Representative: President, Founder Kosuke Abe
 Director and General Manager of Administration Department Tomonori Kayano TEL 03-6741-5880
 Inquiries: Administration Department
 Scheduled date of ordinary general meeting of shareholders: June 22, 2021
 Scheduled date to file Securities Report: June 23, 2021
 Scheduled date to commence dividend payments: June 23, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	3,062	(8.5)	(553)	–	(559)	–	(374)	–
Year ended March 31, 2020	3,348	(1.4)	539	(24.3)	536	(23.2)	345	(21.8)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	(58.79)	–	(13.2)	(6.8)	(18.1)
Year ended March 31, 2020	53.81	53.40	11.9	8.3	16.1

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	7,732	2,613	33.6	408.82
As of March 31, 2020	8,713	3,096	35.3	477.13

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	(278)	(667)	(308)	668
Year ended March 31, 2020	205	(4,092)	3,859	1,923

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	0.00	–	3.00	3.00	19	5.6	0.7
Year ended March 31, 2021	–	0.00	–	3.00	3.00	19	–	0.7
Year ending March 31, 2022 (Forecast)	–	0.00	–	3.00	3.00		27.7	

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	1,885	24.6	(39)	–	(43)	–	(32)	–	(5.06)
Full year	3,874	26.5	100	–	92	–	68	–	10.83

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2021	∴	6,457,500 shares	As of March 31, 2020	∴	6,455,100 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	∴	100,000 shares	As of March 31, 2020	∴	– shares
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Average number of shares during the period

Year ended March 31, 2021	∴	6,372,440 shares	Year ended March 31, 2020	∴	6,418,238 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	1,923,057	668,474
Accounts receivable - trade	209,669	187,692
Merchandise and finished goods	196,889	327,850
Work in process	1,621	147
Raw materials and supplies	7,072	95,475
Prepaid expenses	52,175	39,964
Other	291,990	396,810
Allowance for doubtful accounts	(60)	(90)
Total current assets	2,682,416	1,716,325
Non-current assets		
Property, plant and equipment		
Buildings	16,248	2,538,445
Accumulated depreciation	(11,954)	(147,279)
Buildings, net	4,293	2,391,165
Structures	–	528,839
Accumulated depreciation	–	(41,530)
Structures, net	–	487,308
Tools, furniture and fixtures	27,776	99,136
Accumulated depreciation	(16,545)	(48,632)
Tools, furniture and fixtures, net	11,230	50,504
Machinery, equipment and vehicles	–	2,688,660
Accumulated depreciation	–	(233,775)
Machinery, equipment and vehicles, net	–	2,454,884
Land	516,725	516,725
Construction in progress	5,434,045	–
Total property, plant and equipment	5,966,295	5,900,588
Intangible assets		
Trademark right	2,506	2,639
Software	1,350	73,426
Total intangible assets	3,856	76,065
Investments and other assets		
Leasehold deposits	30,850	30,832
Guarantee deposits	6,617	8,685
Deferred tax assets	23,267	–
Other	–	95
Total investments and other assets	60,734	39,613
Total non-current assets	6,030,887	6,016,267
Total assets	8,713,303	7,732,592

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	112,137	136,917
Short-term borrowings	5,000,000	–
Current portion of long-term borrowings	–	270,360
Accounts payable - other	384,454	127,931
Accrued expenses	20,661	21,637
Income taxes payable	62,733	3,426
Deposits received	7,644	7,949
Provision for bonuses	23,526	18,975
Total current liabilities	5,611,158	587,197
Non-current liabilities		
Long-term borrowings	–	4,526,870
Asset retirement obligations	5,465	5,472
Total non-current liabilities	5,465	4,532,342
Total liabilities	5,616,624	5,119,540
Net assets		
Shareholders' equity		
Share capital	279,703	279,864
Capital surplus		
Legal capital surplus	229,703	229,864
Total capital surplus	229,703	229,864
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,570,529	2,176,501
Total retained earnings	2,570,529	2,176,501
Treasury shares	–	(87,143)
Total shareholders' equity	3,079,936	2,599,086
Share acquisition rights	16,743	13,966
Total net assets	3,096,679	2,613,052
Total liabilities and net assets	8,713,303	7,732,592

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	3,348,269	3,062,696
Cost of sales		
Beginning inventory of merchandise and finished goods	282,497	196,889
Cost of purchased goods	1,258,011	1,265,677
Cost of products manufactured	–	1,097,001
Total	1,540,508	2,559,568
Transfer to other account	11,290	131,022
Ending inventory of merchandise and finished goods	196,889	992,599
Valuation loss on finished goods	–	664,748
Cost of merchandise and finished goods sold	1,332,328	2,100,695
Gross profit	2,015,940	962,000
Selling, general and administrative expenses		
Freight costs	411,481	385,737
Advertising expenses	144,605	352,297
Storage expenses	159,953	140,914
Provision of allowance for doubtful accounts	54	74
Remuneration for directors (and other officers)	93,545	106,198
Salaries and allowances	263,418	194,060
Provision for bonuses	23,526	13,941
Rent expenses on land and buildings	44,553	44,015
Depreciation	7,093	5,549
Commission expenses	111,024	130,136
Other	216,799	142,267
Total selling, general and administrative expenses	1,476,056	1,515,193
Operating profit (loss)	539,883	(553,192)
Non-operating income		
Commission income	882	708
Interest on tax refund	584	1,170
Miscellaneous income	367	860
Total non-operating income	1,834	2,739
Non-operating expenses		
Interest expenses	4,960	8,412
Commission expenses	–	312
Miscellaneous losses	8	679
Total non-operating expenses	4,968	9,403
Ordinary profit (loss)	536,749	(559,856)
Extraordinary income		
Subsidy income	–	84,653
Gain on reversal of share acquisition rights	–	2,962
Total extraordinary income	–	87,616
Profit (loss) before income taxes	536,749	(472,239)
Income taxes - current	188,276	(120,844)
Income taxes - deferred	3,098	23,267
Total income taxes	191,374	(97,576)
Profit (loss)	345,375	(374,663)

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	274,939	224,939	224,939	2,225,154	2,225,154	–	2,725,033
Changes during period							
Issuance of new shares - exercise of share acquisition rights	4,763	4,763	4,763				9,527
Dividends of surplus				–	–		–
Profit (loss)				345,375	345,375		345,375
Purchase of treasury shares						–	–
Net changes in items other than shareholders' equity							
Total changes during period	4,763	4,763	4,763	345,375	345,375	–	354,902
Balance at end of period	279,703	229,703	229,703	2,570,529	2,570,529	–	3,079,936

	Share acquisition rights	Total net assets
Balance at beginning of period	9,343	2,734,376
Changes during period		
Issuance of new shares - exercise of share acquisition rights		9,527
Dividends of surplus		–
Profit (loss)		345,375
Purchase of treasury shares		–
Net changes in items other than shareholders' equity	7,400	7,400
Total changes during period	7,400	362,302
Balance at end of period	16,743	3,096,679

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	279,703	229,703	229,703	2,570,529	2,570,529	–	3,079,936
Changes during period							
Issuance of new shares - exercise of share acquisition rights	160	160	160				321
Dividends of surplus				(19,365)	(19,365)		(19,365)
Profit (loss)				(374,663)	(374,663)		(374,663)
Purchase of treasury shares						(87,143)	(87,143)
Net changes in items other than shareholders' equity							
Total changes during period	160	160	160	(394,028)	(394,028)	(87,143)	(480,850)
Balance at end of period	279,864	229,864	229,864	2,176,501	2,176,501	(87,143)	2,599,085

	Share acquisition rights	Total net assets
Balance at beginning of period	16,743	3,096,679
Changes during period		
Issuance of new shares - exercise of share acquisition rights		321
Dividends of surplus		(19,365)
Profit (loss)		(374,663)
Purchase of treasury shares		(87,143)
Net changes in items other than shareholders' equity	(2,777)	(2,777)
Total changes during period	(2,777)	(483,627)
Balance at end of period	13,966	2,613,052

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	536,749	(472,239)
Depreciation	7,093	461,994
Increase (decrease) in allowance for doubtful accounts	(14)	29
Increase (decrease) in provision for bonuses	(306)	(4,550)
Interest and dividend income	(35)	(32)
Interest expenses	4,960	8,412
Share-based payment expenses	7,400	185
Gain on reversal of share acquisition rights	–	(2,962)
Decrease (increase) in trade receivables	38,843	21,976
Decrease (increase) in inventories	80,555	(217,890)
Increase (decrease) in trade payables	6,938	24,779
Decrease/increase in consumption taxes receivable/payable	(193,546)	168,658
Subsidy income	–	(84,653)
Other, net	(84)	(34,731)
Subtotal	488,552	(131,021)
Interest and dividends received	22	32
Interest paid	(5,601)	(8,341)
Income taxes paid	(277,080)	(139,388)
Net cash provided by (used in) operating activities	205,892	(278,719)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,091,878)	(636,134)
Purchase of intangible assets	(806)	(30,890)
Proceeds from refund of leasehold and guarantee deposits	228	18
Net cash provided by (used in) investing activities	(4,092,457)	(667,007)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,850,000	–
Repayments of long-term borrowings	–	(202,770)
Proceeds from exercise of employee share options	9,527	321
Purchase of treasury shares	–	(87,143)
Dividends paid	–	(19,263)
Net cash provided by (used in) financing activities	3,859,527	(308,855)
Net increase (decrease) in cash and cash equivalents	(27,036)	(1,254,582)
Cash and cash equivalents at beginning of period	1,950,093	1,923,057
Cash and cash equivalents at end of period	1,923,057	668,474