

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 2024

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
 Inquiries: Tomonori Kayano TEL 03(6741)5880
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: –
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	2,646	(5.8)	58	–	55	–	66	–
Year ended March 31, 2023	2,810	(10.0)	(285)	–	(284)	–	(284)	–

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	10.49	10.47	17.9	1.2	2.2
Year ended March 31, 2023	(44.79)	–	(58.7)	(5.5)	(10.1)

(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, 2024	4,629	405	8.8	64.00
As of March 31, 2023	4,935	349	6.8	53.37

(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, 2024	71	3	(268)	781
Year ended March 31, 2023	189	(0)	(279)	975

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, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	1,430	5.0	(11)	–	(33)	–	(34)	–	(5.38)
Full year	3,072	16.1	62	6.9	20	(63.1)	19	(71.2)	3.01

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, 2024	6,470,100 shares	As of March 31, 2023	6,457,500 shares
----------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2024	132,600 shares	As of March 31, 2023	132,600 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2024	6,326,093 shares	Year ended March 31, 2023	6,347,784 shares
---------------------------	------------------	---------------------------	------------------

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	975,782	781,536
Accounts receivable - trade	131,738	203,922
Merchandise and finished goods	254,206	330,396
Work in process	1,918	664
Raw materials and supplies	12,931	13,917
Prepaid expenses	44,336	40,179
Other	13,552	1,784
Allowance for doubtful accounts	(71)	(123)
Total current assets	1,434,395	1,372,278
Non-current assets		
Property, plant and equipment		
Buildings	2,538,445	2,538,030
Accumulated depreciation	(419,028)	(554,469)
Buildings, net	2,119,416	1,983,561
Structures	528,839	528,839
Accumulated depreciation	(125,093)	(166,791)
Structures, net	403,746	362,048
Tools, furniture and fixtures	99,136	85,992
Accumulated depreciation	(88,425)	(80,336)
Tools, furniture and fixtures, net	10,710	5,655
Machinery, equipment and vehicles	966,430	965,330
Accumulated depreciation	(560,803)	(617,865)
Machinery, equipment and vehicles, net	405,626	347,464
Land	516,725	516,725
Total property, plant and equipment	3,456,225	3,215,455
Intangible assets		
Patent right	700	605
Trademark right	2,393	1,930
Software	259	185
Total intangible assets	3,353	2,720
Investments and other assets		
Leasehold deposits	33,086	33,086
Guarantee deposits	8,731	5,755
Other	46	22
Total investments and other assets	41,865	38,864
Total non-current assets	3,501,444	3,257,040
Total assets	4,935,839	4,629,318

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	97,468	102,057
Current portion of long-term borrowings	270,360	270,360
Accounts payable - other	182,982	58,381
Accrued expenses	20,252	18,105
Income taxes payable	1,481	5,984
Deposits received	6,734	8,837
Provision for bonuses	14,731	14,496
Other	534	24,238
Total current liabilities	594,546	502,460
Non-current liabilities		
Long-term borrowings	3,986,150	3,715,790
Asset retirement obligations	5,487	5,494
Total non-current liabilities	3,991,637	3,721,284
Total liabilities	4,586,183	4,223,745
Net assets		
Shareholders' equity		
Share capital	279,864	280,708
Capital surplus		
Legal capital surplus	229,864	230,708
Total capital surplus	229,864	230,708
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(75,877)	(9,543)
Total retained earnings	(75,877)	(9,543)
Treasury shares	(96,299)	(96,299)
Total shareholders' equity	337,550	405,573
Share acquisition rights	12,105	–
Total net assets	349,656	405,573
Total liabilities and net assets	4,935,839	4,629,318

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	2,810,524	2,646,721
Cost of sales		
Beginning inventory of merchandise and finished goods	1,033,873	987,421
Cost of purchased goods	966,649	959,462
Cost of products manufactured	579,815	494,642
Total	2,580,337	2,441,526
Transfer to other account	52,292	30,804
Ending inventory of merchandise and finished goods	987,421	1,004,886
Valuation loss on goods	–	5,923
Valuation loss on finished goods	73,556	(64,648)
Cost of merchandise and finished goods sold	1,614,180	1,347,110
Gross profit	1,196,343	1,299,610
Selling, general and administrative expenses		
Freight costs	348,375	310,459
Advertising expenses	375,312	182,515
Storage expenses	124,043	120,090
Provision of allowance for doubtful accounts	84	117
Remuneration for directors (and other officers)	101,558	105,849
Salaries and allowances	149,707	160,274
Provision for bonuses	11,555	11,506
Rent expenses on land and buildings	47,813	49,364
Depreciation	2,019	1,337
Commission expenses	99,405	87,023
Other	221,483	212,360
Total selling, general and administrative expenses	1,481,359	1,240,900
Operating profit (loss)	(285,016)	58,710
Non-operating income		
Commission income	595	807
Bounty income	47,436	39,966
Miscellaneous income	1,162	1,063
Total non-operating income	49,194	41,836
Non-operating expenses		
Interest expenses	47,486	44,644
Miscellaneous losses	730	1
Total non-operating expenses	48,217	44,645
Ordinary profit (loss)	(284,039)	55,900
Extraordinary income		
Gain on reversal of share acquisition rights	1,232	12,105
Total extraordinary income	1,232	12,105
Extraordinary losses		
Loss on sale of non-current assets	–	118
Loss on retirement of non-current assets	–	23
Total extraordinary losses	–	141
Profit (loss) before income taxes	(282,806)	67,864
Income taxes - current	1,481	1,530
Total income taxes	1,481	1,530
Profit (loss)	(284,288)	66,334

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(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	279,864	229,864	229,864	208,410	208,410	(87,143)	630,995
Changes during period							
Issuance of new shares - exercise of share acquisition rights							
Dividends of surplus							-
Profit (loss)				(284,288)	(284,288)		(284,288)
Purchase of treasury shares						(9,155)	(9,155)
Net changes in items other than shareholders' equity							-
Total changes during period	-	-	-	(284,288)	(284,288)	(9,155)	(293,444)
Balance at end of period	279,864	229,864	229,864	(75,877)	(75,877)	(96,299)	337,550

	Share acquisition rights	Total net assets
Balance at beginning of period	12,177	643,173
Changes during period		
Issuance of new shares - exercise of share acquisition rights		
Dividends of surplus		-
Profit (loss)		(284,288)
Purchase of treasury shares		(9,155)
Net changes in items other than shareholders' equity	(72)	(72)
Total changes during period	(72)	(293,516)
Balance at end of period	12,105	349,656

Fiscal year ended March 31, 2024

(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	279,864	229,864	229,864	(75,877)	(75,877)	(96,299)	337,550
Changes during period							
Issuance of new shares - exercise of share acquisition rights	844	844	844				1,688
Dividends of surplus							-
Profit (loss)				66,334	66,334		66,334
Purchase of treasury shares							-
Net changes in items other than shareholders' equity							-
Total changes during period	844	844	844	66,334	66,334	-	68,022
Balance at end of period	280,708	230,708	230,708	(9,543)	(9,543)	(96,299)	405,573

	Share acquisition rights	Total net assets
Balance at beginning of period	12,105	349,656
Changes during period		
Issuance of new shares - exercise of share acquisition rights		1,688
Dividends of surplus		-
Profit (loss)		66,334
Purchase of treasury shares		-
Net changes in items other than shareholders' equity	(12,105)	(12,105)
Total changes during period	(12,105)	55,917
Balance at end of period	-	405,573

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(282,806)	67,864
Depreciation	244,166	241,219
Increase (decrease) in allowance for doubtful accounts	6	51
Increase (decrease) in provision for bonuses	1,362	(235)
Interest and dividend income	(34)	(32)
Interest expenses	47,486	44,644
Share-based payment expenses	1,160	–
Gain on reversal of share acquisition rights	(1,232)	(12,105)
Loss (gain) on sale of non-current assets	–	118
Loss on retirement of non-current assets	–	23
Decrease (increase) in trade receivables	55,771	(72,184)
Decrease (increase) in inventories	151,935	(75,921)
Increase (decrease) in trade payables	(14,570)	4,588
Increase (decrease) in accounts payable - other	113,207	(124,592)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(72,865)	34,727
Bounty income	(47,436)	(39,966)
Other, net	(6,283)	9,808
Subtotal	189,866	78,007
Interest and dividends received	34	32
Bounty income received	47,436	39,966
Interest paid	(47,262)	(45,277)
Income taxes refund (paid)	(920)	(1,386)
Net cash provided by (used in) operating activities	189,153	71,343
Cash flows from investing activities		
Purchase of property, plant and equipment	(502)	–
Proceeds from sale of property, plant and equipment	–	91
Purchase of intangible assets	(210)	–
Payments of leasehold and guarantee deposits	–	–
Proceeds from refund of leasehold and guarantee deposits	18	3,000
Net cash provided by (used in) investing activities	(694)	3,091
Cash flows from financing activities		
Repayments of long-term borrowings	(270,360)	(270,360)
Proceeds from exercise of employee share options	–	1,688
Purchase of treasury shares	(9,155)	–
Dividends paid	–	(8)
Net cash provided by (used in) financing activities	(279,515)	(268,680)
Net increase (decrease) in cash and cash equivalents	(91,056)	(194,246)
Cash and cash equivalents at beginning of period	1,066,839	975,782
Cash and cash equivalents at end of period	975,782	781,536