Note:This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Non-consolidated Financial Results for the Three Months Ended October 31, 2020 [Japanese GAAP]

December 14, 2020

Company name: TSUKURUBA Inc.
Stock exchange listing: Tokyo
Code number: 2978
URL: https://tsukuruba.com/
Representative: Hiroki Murakami Representative Director, CEO
Contact: Ryohei Koike Director, CFO
Phone: 03-4400-2946
Scheduled date of filing quarterly securities report: December 14, 2020
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Three Months Ended October 31, 2020 (August 01, 2020 to October 31, 2020)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2020	371	(18.1)	(45)	-	(44)	-	(53)	-
October 31, 2019	453	-	24	-	24	-	18	-

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
October 31, 2020	(5.62)	-
October 31, 2019	2.01	1.78

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
October 31, 2020	3,178	1,023	32.2
July 31, 2020	2,162	1,074	49.6

(Reference) Equity: As of October 31, 2020: ¥ 1,023 million
As of July 31, 2020: ¥ 1,073 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2020	-	0.00	-	0.00	0.00
Fiscal year ending July 31, 2021	-				
Fiscal year ending July 31, 2021 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending July 31, 2021 :

Commemorative dividend - yen

Special dividend - yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending July 31, 2021(August 01, 2020 to July 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,472	(14.3)	(563)	-	(573)	-	(587)	-	(62.0)

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

October 31, 2020: 9,821,200 shares

July 31, 2020: 9,799,700 shares

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

October 31, 2020: 335,600 shares

July 31, 2020: 335,600 shares

3) Average number of shares during the period:

Three months ended October 31, 2020: 9,485,133 shares

Three months ended October 31, 2019: 8,996,100 shares

*This quarterly report of financial results is out of scope from quarterly review procedures conducted by independent auditors.

*Explanation about appropriate usage of business forecasts and other special notes

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

Quarterly Non-consolidated Financial Statements

Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of July 31,2020	As of October 31,2020
Assets		
Current assets		
Cash and deposits	1,613,625	2,585,881
Accounts receivable - trade	20,847	28,409
Work in process	3,161	-
Other	22,754	29,826
Allowance for doubtful accounts	(300)	(300)
Total current assets	1,660,089	2,643,818
Non-current assets		
Property, plant and equipment	380,880	399,022
Intangible assets		
Software	-	27,740
Total intangible assets	-	27,740
Investments and other assets		
Leasehold and guarantee deposits	101,916	88,929
Other	19,485	19,239
Total investments and other assets	121,401	108,168
Total non-current assets	502,281	534,932
Total assets	2,162,370	3,178,750

(Thousand yen)

	As of July 31,2020	As of October 31,2020
Liabilities		
Current liabilities		
Current portion of bonds payable	40,000	80,000
Current portion of long-term borrowings	115,407	119,370
Accounts payable - other	83,371	106,054
Income taxes payable	7,788	-
Provision for bonuses	-	17,700
Other	58,998	82,446
Total current liabilities	305,565	405,571
Non-current liabilities		
Bonds payable	160,000	300,000
Convertible bond-type bonds with share acquisition rights	-	700,000
Long-term borrowings	602,799	730,198
Other	19,198	19,458
Total non-current liabilities	781,997	1,749,656
Total liabilities	1,087,562	2,155,227
Net assets		
Shareholders' equity		
Share capital	610,183	611,848
Capital surplus	1,322,777	1,324,442
Retained earnings	(797,006)	(850,346)
Treasury shares	(62,421)	(62,421)
Total shareholders' equity	1,073,531	1,023,522
Share acquisition rights	1,276	-
Total net assets	1,074,807	1,023,522
Total liabilities and net assets	2,162,370	3,178,750

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended October 31,2019	For the three months ended October 31,2020
Net sales	453,237	371,031
Cost of sales	86,318	68,296
Gross profit	366,919	302,735
Selling, general and administrative expenses	341,952	348,216
Operating profit (loss)	24,966	(45,480)
Non-operating income		
Interest income	1	7
Foreign exchange gains	37	-
Subsidy income	-	13,614
Other	122	87
Total non-operating income	162	13,709
Non-operating expenses		
Interest expenses	476	1,659
Interest on bonds	-	133
Bond issuance costs	-	10,017
Commission expenses	-	579
Other	47	46
Total non-operating expenses	523	12,435
Ordinary profit (loss)	24,605	(44,207)
Extraordinary income		
Gain on reversal of share acquisition rights	-	1,276
Gain on sales of non-current assets	-	961
Total extraordinary income	-	2,237
Extraordinary losses		
Loss on liquidation of investments	-	3,095
Office transfer related expenses	-	8,100
Total extraordinary losses	-	11,195
Profit (loss) before income taxes	24,605	(53,166)
Income taxes - current	2,690	173
Income taxes - deferred	3,831	-
Total income taxes	6,522	173
Profit (loss)	18,083	(53,339)