March 16, 2021

Company Name: TSUKURUBA Inc.
Representative: Hiroki Murakami
Representative Director, CEO
(Code number:2978, TSE Mothers Market)
Contact: Ryohei Koike Director, CFO
（TEL:03-4400-2946）

(Updated) Partial Corrections of the "Non-consolidated Financial Results for the Six Months Ended January 31, 2021 (Japanese GAAP)"

TSUKURUBA Inc. announces that there are matters that should be corrected in the "Non-consolidated Financial Results for the Six Months Ended January 31, 2021 (Japanese GAAP)", which was released on March 15, 2021.

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 Six Months Ended January 31, 2021 [Japanese GAAP]

March 15, 2021

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: March 15, 2021
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 Six Months Ended January 31, 2021 (August 01, 2020 to January 31, 2021)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2021	760	(23.37)	(118)	-	(112)	-	(119)	-
January 31, 2020	992	-	36	-	36	-	28	-

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
January 31, 2021	(12.62)	-
January 31, 2020	3.20	2.83

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
January 31, 2021	3,205	992	30.3
July 31, 2020	2,162	1,074	49.6

(Reference) Equity: As of January 31, 2021: ¥ 971 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	-	0.00			
Fiscal year ending July 31, 2021 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd 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):

January 31, 2021: 9,869,700 shares

July 31, 2020: 9,799,700 shares

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

January 31, 2021: 335,600 shares

July 31, 2020: 335,600 shares

3) Average number of shares during the period:

Six months ended January 31, 2021: 9,507,244 shares

Six months ended January 31, 2020: 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 January 31,2021
Assets		
Current assets		
Cash and deposits	1,613,625	2,632,568
Accounts receivable - trade	20,847	21,036
Work in process	3,161	3,759
Other	22,754	22,884
Allowance for doubtful accounts	(300)	(300)
Total current assets	1,660,089	2,679,949
Non-current assets		
Property, plant and equipment	380,880	394,525
Intangible assets		
Software	-	57,521
Total intangible assets	-	57,521
Investments and other assets		
Leasehold and guarantee deposits	101,916	54,631
Other	19,485	18,506
Total investments and other assets	121,401	73,138
Total non-current assets	502,281	525,185
Total assets	2,162,370	3,205,134

(Thousand yen)

	As of July 31,2020	As of January 31,2021
Liabilities		
Current liabilities		
Current portion of bonds payable	40,000	80,000
Current portion of long-term borrowings	115,407	119,125
Accounts payable - other	83,371	79,251
Income taxes payable	7,788	345
Provision for bonuses	-	34,411
Other	58,998	82,635
Total current liabilities	305,565	395,768
Non-current liabilities		
Bonds payable	160,000	300,000
Convertible bond-type bonds with share acquisition rights	-	700,000
Long-term borrowings	602,799	798,961
Other	19,198	17,792
Total non-current liabilities	781,997	1,816,753
Total liabilities	1,087,562	2,212,522
Net assets		
Shareholders' equity		
Share capital	610,183	17,275
Capital surplus	1,322,777	1,136,558
Retained earnings	(797,006)	(119,949)
Treasury shares	(62,421)	(62,421)
Total shareholders' equity	1,073,531	971,462
Share acquisition rights	1,276	21,150
Total net assets	1,074,807	992,612
Total liabilities and net assets	2,162,370	3,205,134

Quarterly Non-consolidated Statements of Income

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

(Thousand yen)

	For the six months ended January 31,2020	For the six months ended January 31,2021
Net sales	992,667	760,725
Cost of sales	267,737	167,625
Gross profit	724,930	593,099
Selling, general and administrative expenses	688,433	711,496
Operating profit (loss)	36,496	(118,396)
Non-operating income		
Interest income	656	7
Subsidy income	-	21,142
Other	310	227
Total non-operating income	966	21,378
Non-operating expenses		
Interest expenses	894	3,492
Interest on bonds	-	694
Bond issuance costs	-	10,017
Other	95	887
Total non-operating expenses	990	15,090
Ordinary profit (loss)	36,472	(112,109)
Extraordinary income		
Gain on reversal of share acquisition rights	-	1,276
Gain on sales of non-current assets	-	961
Gain on reversal of asset retirement obligations	-	1,895
Total extraordinary income	-	4,133
Extraordinary losses		
Loss on liquidation of investments	-	3,095
Office transfer related expenses	-	8,531
Total extraordinary losses	-	11,627
Profit (loss) before income taxes	36,472	(119,603)
Income taxes - current	6,727	346
Income taxes - deferred	987	-
Total income taxes	7,714	346
Profit (loss)	28,757	(119,949)

Quarterly Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended January 31,2020	For the six months ended January 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	36,472	(119,603)
Depreciation	28,406	11,847
Increase (decrease) in allowance for doubtful accounts	200	-
Increase (decrease) in provision for bonuses	-	34,411
Interest and dividend income	(656)	(7)
Subsidy income	-	(21,142)
Gain on sales of non-current assets	-	(961)
Interest expenses	894	3,492
Interest expenses on bonds	-	694
Bond issuance costs	-	10,017
Gain on reversal of share acquisition rights	-	(1,276)
Share-based remuneration expenses	-	11,523
Commission expenses	-	579
Gain on reversal of asset retirement obligations	-	(1,895)
Office transfer related	-	8,531
Loss on liquidation of investments	-	3,095
Decrease (increase) in trade receivables	818	(188)
Decrease (increase) in inventories	(2,521)	(705)
Increase (decrease) in accrued consumption taxes	(50,718)	12,320
Increase (decrease) in accounts payable - other	(18,714)	(6,110)
Increase (decrease) in advances received	9,771	4,125
Other, net	(10,030)	1,942
Subtotal	(6,076)	(49,311)
Interest and dividends received	128	7
Interest paid	(881)	(3,263)
Proceeds from subsidy income	-	21,142
Income taxes (paid) refund	(6,194)	507
Net cash provided by (used in) operating activities	(13,024)	(30,916)

(Thousand yen)

	For the six months ended January 31,2020	For the six months ended January 31,2021
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,000	46,730
Purchase of property, plant and equipment	(86,336)	(25,175)
Proceeds from sales of property, plant and equipment	-	1,099
Purchase of intangible assets	(46,969)	(57,521)
Purchase of investment securities	(9,900)	-
Payments for asset retirement obligations	-	(8,100)
Payments of leasehold and guarantee deposits	(15,171)	-
Proceeds from refund of leasehold and guarantee deposits	-	44,220
Collection of loans receivable	3,972	-
Net cash provided by (used in) investing activities	(153,405)	1,252
Cash flows from financing activities		
Proceeds from long-term borrowings	-	260,000
Repayments of long-term borrowings	(33,930)	(60,120)
Proceeds from issuance of bonds	-	189,982
Redemption of bonds	-	(20,000)
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	-	698,548
Proceeds from exercise of employee share options	-	17,880
Proceeds from issuance of share acquisition rights	-	9,627
Payment of commission	(4,359)	(579)
Other, net	(2,831)	-
Net cash provided by (used in) financing activities	(41,120)	1,095,338
Net increase (decrease) in cash and cash equivalents	(207,549)	1,065,673
Cash and cash equivalents at beginning of period	1,371,971	1,519,889
Cash and cash equivalents at end of period	1,164,422	2,585,562