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Consolidated Financial Results for the Six Months Ended October 31, 2024 [Japanese GAAP]

December 11, 2024

Company name: gumi Inc.
Listing: Tokyo
Securities code: 3903
URL: https://gu3.co.jp/
Representative: Hiroyuki Kawamoto Chief Executive Officer
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Scheduled date to file semi-annual securities report: December 11, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended October 31, 2024 (May 1, 2024 to October 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2024	5,494	(6.1)	179	-	990	-	599	-
October 31, 2023	5,848	(29.6)	(1,971)	-	(2,127)	-	(1,430)	-

(Note) Comprehensive income: Six months ended October 31, 2024: ¥ 554 million [-%]
Six months ended October 31, 2023: ¥ (1,239) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
October 31, 2024	13.21	13.12
October 31, 2023	(36.19)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
October 31, 2024	22,711	15,956	68.4
April 30, 2024	19,332	12,242	61.8

(Reference) Equity: As of October 31, 2024: ¥ 15,525 million
As of April 30, 2024: ¥ 11,947 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 April 30, 2024	-	0.00	-	0.00	0.00
Fiscal year ending April 30, 2025		0.00			
Fiscal year ending April 30, 2025 (Forecast)					

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2025(May 1, 2024 to April 30, 2025)

Due to volatility of our business environmental changes, it is difficult to calculate and predict our accurate financial results. Therefore, we do not publish forecast of our business.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

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

October 31, 2024: 49,491,234 shares
April 30, 2024: 39,581,734 shares

2) Number of treasury shares at the end of the period:

October 31, 2024: - shares
April 30, 2024: - shares

3) Average number of shares outstanding during the period:

Six months ended October 31, 2024: 45,400,696 shares
Six months ended October 31, 2023: 39,527,446 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of April 30, 2024	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	4,778,622	7,395,555
Accounts receivable - trade and contract assets	2,183,320	783,257
Crypto assets	2,635,062	4,381,849
Other	2,348,308	1,604,870
Total current assets	11,945,314	14,165,533
Non-current assets		
Property, plant and equipment	164,113	137,950
Intangible assets		
Software	14,175	9,470
Software in progress	486,021	1,238,455
Other	500	450
Total intangible assets	500,696	1,248,375
Investments and other assets		
Investment securities	2,754,074	2,460,273
Investments in other securities of subsidiaries and associates	3,062,511	3,614,937
Other	955,863	1,134,663
Allowance for doubtful accounts	(49,999)	(49,999)
Total investments and other assets	6,722,448	7,159,875
Total non-current assets	7,387,258	8,546,201
Total assets	19,332,572	22,711,734

(Thousands of yen)

	As of April 30, 2024	As of October 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	290,944	199,689
Short-term borrowings	1,000,000	2,000,000
Current portion of bonds payable	480,000	500,000
Current portion of long-term borrowings	1,506,124	1,711,450
Income taxes payable	459,029	125,660
Provision for bonuses	46,502	40,432
Other	1,539,114	1,104,406
Total current liabilities	5,321,715	5,681,638
Non-current liabilities		
Bonds payable	620,000	360,000
Long-term borrowings	633,783	250,021
Asset retirement obligations	90,290	87,253
Other	424,162	376,518
Total non-current liabilities	1,768,235	1,073,792
Total liabilities	7,089,951	6,755,430
Net assets		
Shareholders' equity		
Share capital	13,119,471	14,617,238
Capital surplus	323,727	1,821,840
Retained earnings	(3,158,534)	(2,558,647)
Total shareholders' equity	10,284,663	13,880,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	174,308	140,247
Foreign currency translation adjustment	1,488,494	1,504,985
Total accumulated other comprehensive income	1,662,802	1,645,232
Share acquisition rights	294,634	266,186
Non-controlling interests	519	164,452
Total net assets	12,242,620	15,956,303
Total liabilities and net assets	19,332,572	22,711,734

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Net sales	5,848,306	5,494,123
Cost of sales	5,996,401	4,408,063
Gross profit (loss)	(148,095)	1,086,059
Selling, general and administrative expenses	1,823,435	906,228
Operating profit (loss)	(1,971,530)	179,831
Non-operating income		
Interest and dividend income	3,539	17,598
Subsidy income	33	-
Foreign exchange gains	-	23,664
Gain on valuation of crypto assets	-	979,869
Share of profit of entities accounted for using equity method	52,557	52,540
Other	8,754	1,628
Total non-operating income	64,885	1,075,301
Non-operating expenses		
Interest expenses	34,505	29,122
Foreign exchange losses	49,062	-
Share issuance costs	-	60,416
Donations	240	-
Loss on valuation of crypto assets	55,392	-
Loss on sales of crypto assets	34,255	150,640
Loss on investments in investment partnerships	42,392	11,506
Other	4,560	12,981
Total non-operating expenses	220,408	264,666
Ordinary profit (loss)	(2,127,053)	990,465
Extraordinary income		
Gain on sale of investment securities	1,275,467	-
Gain on reversal of share acquisition rights	7,872	9,074
Total extraordinary income	1,283,339	9,074
Extraordinary losses		
Impairment losses	53,718	4,447
Loss on retirement of non-current assets	-	2,037
Loss on valuation of investment securities	259,369	-
Loss on valuation of shares of subsidiaries and associates	48,291	20,897
Business restructuring cost	22,617	227,635
Loss on liquidation of subsidiaries and associates	12,109	-
Total extraordinary losses	396,106	255,017
Profit (loss) before income taxes	(1,239,820)	744,521
Income taxes - current	215,679	17,956
Income taxes - deferred	75,800	154,897
Total income taxes	291,480	172,854
Profit (loss)	(1,531,300)	571,667
Loss attributable to non-controlling interests	(100,996)	(28,219)
Profit (loss) attributable to owners of parent	(1,430,303)	599,886

(Thousands of yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Profit (loss)	(1,531,300)	571,667
Other comprehensive income		
Valuation difference on available-for-sale securities	(240,664)	(34,061)
Foreign currency translation adjustment	439,889	(195,071)
Share of other comprehensive income of entities accounted for using equity method	92,496	211,562
Total other comprehensive income	291,721	(17,570)
Comprehensive income	(1,239,579)	554,097
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,138,582)	582,316
Comprehensive income attributable to non-controlling interests	(100,996)	(28,219)

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(1,239,820)	744,521
Depreciation	438,638	31,743
Impairment losses	53,718	4,447
Share-based payment expenses	7,246	-
Increase (decrease) in provision for bonuses	(13,601)	(5,883)
Interest and dividend income	(3,539)	(17,598)
Interest expenses	34,505	29,122
Foreign exchange losses (gains)	158,148	(37,762)
Subsidy income	(33)	-
Share of loss (profit) of entities accounted for using equity method	(52,557)	(52,540)
Donations	240	-
Loss (gain) on investments in investment partnerships	42,392	11,506
Loss (gain) on valuation of crypto assets	55,392	(979,869)
Loss (gain) on sales of crypto assets	34,255	150,640
Gain on reversal of share acquisition rights	(7,872)	(9,074)
Loss on valuation of shares of subsidiaries and associates	48,291	20,897
Loss (gain) on sale of investment securities	(1,275,467)	-
Loss (gain) on valuation of investment securities	259,369	-
Decrease (increase) in accounts receivable - trade, and contract assets	41,304	1,395,280
Increase (decrease) in trade payables	(97,721)	(91,206)
Share issuance costs	-	60,416
Increase (decrease) in accounts payable - other	95,067	(293,851)
Increase (decrease) in accrued consumption taxes	(359,115)	(11,314)
Decrease (increase) in accounts receivable - other	(237,835)	116,411
Decrease (increase) in prepaid expenses	231,689	359,913
Decrease (increase) in long-term prepaid expenses	(49,148)	(89,291)
Decrease (increase) in consumption taxes refund receivable	(21,850)	166,247
Decrease (increase) in Crypto assets	(353,862)	(799,564)
Other, net	250,472	(148,648)
Subtotal	(1,961,692)	554,543
Interest and dividends received	5,475	17,598
Interest paid	(33,270)	(28,839)
Subsidies received	33	-
Payments of donations	(240)	-
Income taxes refund (paid)	(101,937)	(372,651)
Net cash provided by (used in) operating activities	(2,091,631)	170,650

(Thousands of yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,608)	(1,611)
Purchase of intangible assets	(930,745)	(753,052)
Proceeds from sale of investment securities	1,276,998	-
Purchase of investment securities	(1,000,339)	-
Purchase of investments in other securities of subsidiaries and affiliates	(449,250)	(460,792)
Purchase of crypto assets	(544,825)	(299,499)
Proceeds from sales of crypto assets	119,954	-
Proceeds from distributions from investment partnerships	162,820	209,009
Payments of leasehold and guarantee deposits	(1,179)	(444)
Proceeds from repayment of lease and guarantee deposits	1,046	3,213
Proceeds from Joint development investment received	946,400	-
Other payments	-	(30,805)
Net cash provided by (used in) investing activities	(452,728)	(1,333,984)

(Thousands of yen)

	For the six months ended October 31, 2023	For the six months ended October 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500,000	1,000,000
Proceeds from long-term borrowings	1,000,000	1,000,000
Repayments of long-term borrowings	(2,235,323)	(1,178,436)
Proceeds from issuance of bonds	1,000,000	-
Redemption of bonds	(80,000)	(240,000)
Proceeds from issuance of shares	85	2,915,743
Dividends paid	(197,400)	-
Proceeds from share issuance to non-controlling shareholders	-	192,574
Net cash provided by (used in) financing activities	987,361	3,689,881
Effect of exchange rate change on cash and cash equivalents	(4,713)	90,386
Net increase (decrease) in cash and cash equivalents	(1,561,712)	2,616,933
Cash and cash equivalents at beginning of period	10,564,225	4,778,622
Cash and cash equivalents at end of period	9,002,512	7,395,556