



## Financial Results of Fiscal Year, Ending September 2020 [IFRS] (Consolidated)

November 13, 2020

Listed Company Name SHARINGTECHNOLOGY INC. Listed exchange TSE  
 Code number 3989 URL <http://www.sharing-tech.jp>  
 Representative (Title) Representative Director CEO (Name) Nobuhiro Moriyoshi  
 Contact person (Title) Director of Finance and Accounting (Name) Yasuyoshi Arai (TEL) 052 (414) 6025  
 Scheduled date for ordinary general meeting of shareholder December 22, 2020 Start of distribution of dividends (scheduled)  
 Scheduled date for submission of quarterly report December 22, 2020  
 Supplementary explanation of financial results : Yes  
 Financial results briefing : Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

### 1. Consolidated results for the fiscal year ending September 2020 (October 1, 2019 – Sep. 30, 2020)

(1) Consolidated Business Results (Percentages represent change compared to the last year)

	Sales revenue		Operating profit		Pre-tax profit		Net income		Net income attributable to the owner of the parent company		Total Comprehensive income for the current term	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
FY ending September 2020	3,987	2.4	364	—	329	—	(1,156)	—	(1,181)	—	(1,330)	—
FY ending September 2019	3,891	—	(268)	—	(304)	—	(576)	—	(559)	—	(598)	—

	Basic earnings per share		Diluted earnings per share		Profit margin of attributable to the owner of the parent company	Profit margin of Total assets (before tax)	Operating profit margin to sales revenue
	Yen	Sen	Yen	Sen	%	%	%
FY ending September 2020	(61.76)		(61.07)		(91.54)	4.48	9.15
FY ending September 2019	(30.77)		(30.77)		(31.87)	(3.19)	(6.89)

(Note) From the current fiscal year, MEISHI Consultant INC., Denshi Print Kogyo Co., Ltd, Shiotani Glass Co., Ltd., Re-abroad Inc. and Hotel business were classified under discontinued operations. Profit from discontinued operations in the consolidated statements of income is presented separately from the profit from continuing operations. Sales revenue, operating profit, pre-tax profit in the above table are amounts related to continuing operations only. Since the corresponding business units of the year ending September 2019 were reclassified by the same way, the year-on-year change is not stated.

### (2) Consolidated Financial Status

	Total assets	Total equity	Equity attributable to the owner of the parent company	Ratio of equity attributable to the owner of the parent company to total assets	Equity attributable to the owner of the parent company per share
	million yen	million yen	million yen	%	Yen Sen
FY ending September 2020	5,776	1,110	1,110	19.22	55.04
FY ending September 2019	8,910	1,449	1,471	16.51	69.22

## 2. Cash Dividends

	Annual dividend					Total dividends	Payout ratio (Consolidated)	Dividend ratio attributable to owners of parent company (Consolidated)
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of Period	Total			
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	million yen	%	%
Fiscal year ending September 2019	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 2020	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 2021 (forecast)	—	0.00	—	0.00	0.00		—	

(Note) Revisions to the cash dividends forecasts most recently announced: None

## 3. Consolidated earnings forecast for the period ending September 2021

(October 1, 2020 - September 30, 2021)

Sales revenue of the fiscal year ending September 30, 2021, is forecasted to be 4,400 – 4,800 million yen. The operating profit is not stated because it may fluctuate according to strategic investment in “Household problems” business at the phase of investment. Meanwhile, the Company expects to secure increase of operating profit, compared to 364,793 thousand yen of the fiscal year ending September 30, 2020.

### ※ Note

(1) Changes in significant subsidiaries during the quarter : Yes

(changes in specified subsidiaries accompanying changes in scope of consolidation)

New - , Excluded 4 (company name) MEISHI Consultant INC., Denshi Print Kogyo Co.,Ltd.  
Re-abroad INC., Shiotani Glass Co.,Ltd.

(2) Changes in accounting Guideline · Changes in accounting estimates

- ① Changes in accounting Guideline required by IFRS : Yes  
 ② Change of accounting Guideline other than ① : No  
 ③ Changes in accounting estimates : No

(3) Number of issued shares (common stock)

① Number of issued shares at the end of the fiscal year (including treasury shares)	FY ending September 2020	21,258,800 shares	FY ending September 2019	18,407,400 shares
② Number of treasury shares at the end of the fiscal year	FY ending September 2020	219,592 shares	FY ending September 2019	219,592 shares
③ Average number of shares outstanding	FY ending September 2020	19,133,502 shares	FY ending September 2019	18,177,984 shares

※ Financial report is not covered by audits by certified public accountants or auditing firms.

※ Explanation of the Proper Use of Performance Forecasts and Other Special Instructions

The Group's consolidated financial statements have adopted International Accounting standards ("IFRS") from the third quarter of FY ended September 2018 consolidated accounting period. Also, summarized consolidated financial statements for the previous year are also presented in accordance with IFRS.

(Concerning the forward-looking statements)

Consolidated forecasts and other statements regarding the future contained in this document are based on information currently available to the Company and, are not intended to promise to achieve such achievement as our company. Actual results may differ depending on various factors.

#### 4. Condensed Consolidated Financial Statements and Notes

##### (1) Condensed Consolidated Statement of Financial Position

	Previous fiscal year (September 30, 2019)	Current fiscal year (September 30, 2020)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	2,116,954	2,190,375
Trade receivables and other receivables	784,403	387,604
Inventory	901,387	1,648
Other financial assets	615,786	—
Other current assets	232,455	363,600
Total current assets	4,650,987	2,943,229
Assets held for sale	—	20,792
Non-current asset		
Property, plant and equipment	1,392,555	598,941
Right-Of-Use asset	—	595,741
Investment property	452,942	—
Goodwill	597,127	519,223
Intangible asset	918,933	749,836
Other financial assets	823,027	332,730
Deferred tax asset	46,456	—
Other non-current assets	28,795	15,642
Total non-current assets	4,259,840	2,812,117
Total assets	8,910,827	5,776,138

	Previous fiscal year (September 30, 2019)	Current fiscal year (September 30, 2020)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	599,990	358,900
Contract liability	205,443	—
Bonds and borrowings	1,792,712	1,285,404
Lease obligations	—	238,093
Corporate income tax payable etc.	37,591	7,767
Other current liabilities	351,045	237,843
Total current liabilities	2,986,783	2,128,008
Non-current liabilities		
Bonds and borrowings	4,195,106	1,998,020
Lease obligations	11,457	362,479
Allowance	108,746	133,000
Deferred tax liabilities	143,756	44,510
Other non-current liabilities	15,185	—
Total non-current liabilities	4,474,253	2,538,009
Total liabilities	7,461,036	4,666,018
Capital		
Capital	674,685	1,195,679
Capital surplus	677,705	1,208,504
Treasury stock	(290,364)	(290,364)
Retained earnings	430,412	(808,433)
Components of other capital	(20,870)	(195,265)
Total equity attributable to owners of the parent	1,471,568	1,110,120
Non-controlling interest	(21,778)	—
Total equity	1,449,790	1,110,120
Total liabilities and equity	8,910,827	5,776,138

## (2) Condensed Consolidated Statement of Income and Comprehensive Income

## Condensed Consolidated Statement of Income

	Previous fiscal year (From October 1, 2018 to Sep. 30, 2019)	Current fiscal year (From October 1, 2019 to Sep. 30, 2020)
Category	Amount (thousand yen)	Amount (thousand yen)
Continuing operations		
Sales revenue	3,891,995	3,987,105
Cost of sales	50,562	30,595
Gross profit	3,841,433	3,956,510
Selling, general and administrative expenses	4,172,627	3,581,949
Other income	64,286	40,649
Other expenses	1,228	50,415
Operating profit (loss)	(268,136)	364,793
Financial revenue	105	12
Financial expenses	36,887	35,505
Profit (loss) before income taxes	(304,917)	329,301
Income tax expense	53,121	(31,556)
Net income (loss) from continuing operations	(358,038)	360,857
Discontinued operations		
Net income (loss) from discontinued operations	(218,689)	(1,516,874)
Net income (loss)	(576,728)	(1,156,016)
Attribution of Net income (loss)		
Owner of the parent company	(559,377)	(1,181,673)
Non-controlling interest	(17,350)	25,656
Total	(576,728)	(1,156,016)
Earnings per share		
Basic earnings per share (loss) (yen)		
Continuing operations	(18.74)	17.52
Discontinued operations	(12.03)	(79.28)
Total	(30.77)	(61.76)
Earnings per diluted share (loss) (Yen)		
Continuing operations	(18.74)	17.32
Discontinued operations	(12.03)	(78.39)
Total	(30.77)	(61.07)

Condensed Consolidated Statement of Comprehensive Income

	Previous fiscal year (From October 1, 2018 to Sep. 30, 2019)	Current fiscal year (From October 1, 2019 to Sep. 30, 2020)
Category	Amount (thousand yen)	Amount (thousand yen)
Net income (loss)	(576,728)	(1,156,016)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(21,825)	(174,395)
Other comprehensive income Total	(21,825)	(174,395)
Total other comprehensive income	(598,554)	(1,330,412)
Attribution of comprehensive income		
Owner of the parent company	(581,203)	(1,356,068)
Non-controlling interest	(17,350)	25,656
Total	(598,554)	(1,330,412)

## (3) Condensed Consolidated Statement of Cash Flows

	Previous fiscal year (From October 1, 2018 to Sep. 30, 2019)	Current fiscal year (From October 1, 2019 to Sep. 30, 2020)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes	(480,184)	(1,186,568)
Net income (loss) before income taxes from Continuing operations	(304,917)	329,301
Net income (loss) before income taxes from Discontinued operations	(175,266)	(1,515,869)
Depreciation and Amortization	189,571	617,893
Impairment loss	22,422	25,710
Loss on disposal of shares of subsidiaries	—	998,239
Gain on disposal of shares of subsidiaries	—	(31,110)
Loss on business liquidation	—	384,839
Interest income and dividends received	(2,572)	(1,344)
Interest expense and corporate bond interest	34,057	39,489
Foreign exchange gains / losses (negative is profit)	7	—
Gain on valuation of investment securities	(58,426)	39,500
Gain on sale of fixed assets)	(49,589)	(136,323)
Increase (decrease) in trade receivables and other receivables (negative is increase)	(93,744)	246,032
Increase (decrease) in inventory assets	(56,173)	193,007
Increase (decrease) in other current assets	35,553	(74,607)
Increase (decrease) in operating liabilities and other obligations (negative is decrease)	(185,238)	385,168
Increase (decrease) of consumption tax payable etc.	51,841	58,685
Increase (decrease) in other current liabilities	(7,193)	128,688
Other assets and liabilities	38,608	9,225
Others	(26,357)	(720)
Subtotal	(587,419)	1,695,805
Interest and dividend received	2,572	1,344
Interest paid	(33,153)	(40,383)
Income taxes (paid) refund	(77,045)	(358,267)
Net cash provided by (used in) operating activities	(695,046)	1,298,498
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(48,580)	(423,073)
Revenue from sale of fixed assets	255,885	410,886
Purchase of intangible assets	(415,895)	(110,110)
Revenue from cancellation of insurance fund	125,186	—
Payment for insertion of guarantee deposit	(36,724)	—
Revenue from collection of guarantee deposit	—	10,514
Net (increase) decrease in time deposits	282,683	448,196
Payment for acquisition of securities	(200,001)	—
Revenue from sale of securities	156,082	85,022
Payment for disposal of shares of subsidiaries with the change of scope of consolidation	—	(921,435)
Others	22,180	(15,342)
Net cash provided by (used in) investing activities	140,817	(515,342)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(314,000)	(185,716)
Proceeds from issuance of bonds and long-term loans payable	1,550,000	549,716
Repayment of long-term loan payable and redemption of bonds	(1,868,006)	(1,727,409)
Proceeds from issuance of stock options	7,405	9,594
Proceeds from exercise of stock option	—	1,038,665
Purchase of treasury stock	(68)	—
Repayment of lease obligations	—	(401,506)

Others	(1,096)	6,919
Net cash provided by (used in) financing activities	(625,766)	(709,736)
Increase (decrease) in cash and cash equivalents	(1,179,995)	73,420
Beginning balance of cash and cash equivalents	3,296,957	2,116,954
Impact of foreign exchange fluctuation on cash and cash equivalents	(7)	—
Cash and cash equivalents at the end of the fiscal year	2,116,954	2,190,375