



## Financial Results of Fiscal Year, Ending Sep. 2021 [IFRS] (Consolidated)

November 12, 2021

Listed Company Name SHARINGTECHNOLOGY INC. Listed exchange TSE  
 Code number 3989 URL <http://www.sharing-tech.co.jp>  
 Representative (Title) Representative Director CEO (Name) Nobuhiro Moriyoshi  
 Contact person (Title) Head of Control Center (Name) Satoru Yano (TEL) 052 (414) 6025  
 Scheduled date for ordinary general meeting of shareholder December 22, 2021 Start of distribution of dividends (scheduled)  
 Scheduled date for submission of quarterly report December 22, 2021  
 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 2021 (Oct. 1, 2020 – Sep. 30, 2021)

(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 2021	3,531	(11.4)	(1,130)	—	(1,151)	—	(1,119)	—	(1,119)	—	(1,120)	—
FY ending September 2020	3,987	2.4	364	—	329	—	(1,156)	—	(1,181)	—	(1,330)	—

	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 2021	(51.83)		(51.83)		(172.05)	(26.01)	(32.02)
FY ending September 2020	(61.76)		(61.07)		(91.54)	4.48	9.15

(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 2021	3,080	190	190	6.20	11.05
FY ending September 2020	5,776	1,110	1,110	19.22	55.04

(3) Consolidated Cash Flow

	Net cash provided by operating activities	Net cash provided by investing activities	Net cash provided by financing activities	Cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
FY ending September 2021	449	427	(1,324)	1,742
FY ending September 2020	1,298	(515)	(709)	2,190

## 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 2020	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending September 2022 (forecast)	—	0.00	—	0.00	0.00		—	

## 3. Consolidated earnings forecast for the period ending September 2022

(October 1, 2021 - September 30, 2022)

(Percentages represent change compared to the last year)

	Sales revenue		Operating profit	
	million yen	%	million yen	%
FY ending September 2022	3,800- 4,000	8- 13	30	—

### ※ Note

(1) Changes in significant subsidiaries during the quarter : No

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

New - , Excluded - (company name) -

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

- ① Changes in accounting Guideline required by IFRS : No
- 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 2021	21,818,800 shares	FY ending September 2020	21,258,800 shares
② Number of treasury shares at the end of the fiscal year	FY ending September 2021	219,592 shares	FY ending September 2020	219,592 shares
③ Average number of shares outstanding	FY ending September 2021	21,595,975 shares	FY ending September 2020	19,133,502 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

(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.

(Significant Events relating to Going concern Assumption)

The Group recorded 1,130,795 thousand yen operating loss, 1,119,229 thousand yen net loss, and 6.20% of capital ratio (ratio of equity attributable to the owner of the parent company to total assets) in the previous fiscal year, due to recognition of impairment loss of goodwill and intangible non-current assets, etc. As a result, there are events or circumstances that raise significant doubt about the Group's ability to continue as a going concern.

To resolve this situation, the Group will implement mid-term business & cash flow plan for enhancement of financial

position. In business, the Group will increase sales revenue and normalize advertisement cost ratio to sales, resulting from increase of “Number of inquiries” by enhancing customer inflow through organic search in addition to main traditional customer inflow through paid listing advertisement, and from increase of “Unit price per inquiry” by providing the most appropriate matching. Also, thanks to recognition of impairment loss of intangible non-current assets, etc. in the previous fiscal year, the Group’s annual depreciation cost will decrease by approx. 200,000 thousand yen. This will also contribute to the achievement of earnings forecast published on November 12, 2021.

Since the Group had cash and cash equivalents of 1,742,387 thousand yen at the end of the previous fiscal year, and will have sufficient funds to continue operations for foreseeable future, the Group does not have significant uncertainties regarding cash flow. Also, for financial position, 6.20% capital ratio (ratio of equity attributable to the owner of the parent company) at the end of the previous fiscal year will improve in the next fiscal year, thanks to repayment of debts and Corporate bonds, in addition to the increase of capital by achievement of above-mentioned earnings forecast. And, there exists no risk of financial covenant.

In case of failure to secure sales revenue and operating profit due to worsening of business environment, we prepare back-up plan of prioritizing secure of operating profit. Concretely, we shall discuss profitability of each genre of “Household problems” business, and optimize the cost by winding down of certain genres. If back-up plan should fail to secure operating profit, and capital ratio (ratio of equity attributable to the owner of the parent company) should deteriorate further, we will strive to increase capital, and stabilize funds and financial position, by choosing appropriate finance plans such as third-party share issuance, public offering, etc.

Consequently, the Group believes that there are no significant uncertainties regarding the going concern assumption, hence, Note regarding the going concern assumption is not described.

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

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

	Previous fiscal year (September 30, 2020)	Current fiscal year (September 30, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	2,190,375	1,742,387
Trade receivables and other receivables	387,604	369,077
Inventory	1,648	3,526
Other current assets	363,600	121,564
Sub-Total current assets	2,943,229	2,236,555
Assets held for sale	20,792	—
Total current assets	2,964,021	2,236,555
Non-current asset		
Property, plant and equipment	598,941	40,981
Right-Of-Use asset	595,741	291,795
Goodwill	519,223	—
Intangible asset	749,836	236,359
Other financial assets	332,730	261,016
Deferred tax asset	—	6,009
Other non-current assets	15,642	7,707
Total non-current assets	2,812,117	843,869
Total assets	5,776,138	3,080,425

	Previous fiscal year (September 30, 2020)	Current fiscal year (September 30, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	358,900	342,304
Bonds and borrowings	1,285,404	1,308,710
Lease obligations	238,093	210,246
Corporate income tax payable etc.	7,767	39,317
Allowance	—	11,500
Other current liabilities	237,843	161,522
Total current liabilities	2,128,008	2,073,601
Non-current liabilities		
Bonds and borrowings	1,998,020	672,409
Lease obligations	362,479	84,997
Allowance	133,000	58,500
Deferred tax liabilities	44,510	—
Total non-current liabilities	2,538,009	815,907
Total liabilities	4,666,018	2,889,508
Capital		
Capital	1,195,679	1,308,067
Capital surplus	1,208,504	1,297,142
Treasury stock	(290,364)	(290,364)
Retained earnings	(808,433)	(1,913,926)
Components of other capital	(195,265)	(210,001)
Total equity attributable to owners of the parent	1,110,120	190,917
Total equity	1,110,120	190,917
Total liabilities and equity	5,776,138	3,080,425

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

## Condensed Consolidated Statement of Income

	Previous fiscal year (From October 1, 2019 to September 30, 2020)	Current fiscal year (From October 1, 2020 to September 30, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Continuing operations		
Sales revenue	3,987,105	3,531,670
Cost of sales	30,595	85,782
Gross profit	3,956,510	3,445,888
Selling, general and administrative expenses	3,581,949	3,712,121
Other income	40,649	199,477
Other expenses	50,415	1,064,039
Operating profit (loss)	364,793	(1,130,795)
Financial revenue	12	17
Financial expenses	35,505	20,892
Profit (loss) before income taxes	329,301	(1,151,669)
Income tax expense	(31,556)	(32,440)
Net income (loss) from continuing operations	360,857	(1,119,229)
Discontinued operations		
Net income (loss) from discontinued operations	(1,516,874)	—
Net income (loss)	(1,156,016)	(1,119,229)
Attribution of Net income (loss)		
Owner of the parent company	(1,181,673)	(1,119,229)
Non-controlling interest	25,656	—
Total	(1,156,016)	(1,119,229)
Earnings per share		
Basic earnings per share (loss) (yen)		
Continuing operations	17.52	(51.83)
Discontinued operations	(79.28)	—
Total	(61.76)	(51.83)
Earnings per diluted share (loss) (Yen)		
Continuing operations	17.32	(51.83)
Discontinued operations	(78.39)	—
Total	(61.07)	(51.83)

Condensed Consolidated Statement of Comprehensive Income

	Previous fiscal year (From October 1, 2019 to September 30, 2020)	Current fiscal year (From October 1, 2020 to September 30, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Net income (loss)	(1,156,016)	(1,119,229)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(174,395)	(999)
Other comprehensive income Total	(174,395)	(999)
Total other comprehensive income	(1,330,412)	(1,120,229)
Attribution of comprehensive income		
Owner of the parent company	(1,356,068)	(1,120,229)
Non-controlling interest	25,656	—
Total	(1,330,412)	(1,120,229)

## (3) Condensed Consolidated Statement of Cash Flows

	Previous fiscal year (From October 1, 2019 to September 30, 2020)	Current fiscal year (From October 1, 2020 to September 30, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes from Continuing operations	329,301	(1,151,669)
Net income (loss) before income taxes from Discontinued operations	(1,515,869)	—
Net income (loss) before income taxes	(1,186,568)	(1,151,669)
Depreciation and Amortization	617,893	502,637
Impairment loss	25,710	918,894
Reversal of obligations on disposal of assets	—	(57,845)
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	(1,344)	(17)
Interest expense and corporate bond interest	39,489	12,943
Gain on valuation of investment securities	39,500	71,704
Gain on sale of fixed assets)	(136,323)	(72,045)
Loss on disposal of fixed assets	—	64,302
Increase (decrease) in trade receivables and other receivables (negative is increase)	246,032	18,526
Increase (decrease) in inventory assets	193,007	(1,877)
Increase (decrease) in other current assets	(74,607)	(46,420)
Increase (decrease) in operating liabilities and other obligations (negative is decrease)	385,168	(8,975)
Increase (decrease) of consumption tax payable etc.	58,685	(57,347)
Increase (decrease) in other current liabilities	128,688	(36,992)
Other assets and liabilities	9,225	—
Others	(720)	8,724
Subtotal	1,695,805	164,539
Interest and dividend received	1,344	17
Interest paid	(40,383)	(13,013)
Income taxes (paid) refund	(358,267)	297,534
Net cash provided by (used in) operating activities	1,298,498	449,077
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(423,073)	(2,359)
Revenue from sale of fixed assets	410,886	503,800
Purchase of intangible assets	(110,110)	(94,864)
Revenue from collection of guarantee deposit	10,514	—
Net (increase) decrease in time deposits	448,196	—
Revenue from sale of securities	85,022	20,802
Payment for disposal of shares of subsidiaries with the change of scope of consolidation	(921,435)	—
Others	(15,342)	—
Net cash provided by (used in) investing activities	(515,342)	427,378
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(185,716)	—
Proceeds from issuance of bonds and long-term loans payable	549,716	—
Repayment of long-term loan payable and redemption of bonds	(1,727,409)	(1,310,254)
Proceeds from issuance of stock options	9,594	—
Proceeds from exercise of stock option	1,038,665	224,120
Repayment of lease obligations	(401,506)	(238,311)
Others	6,919	—
Net cash provided by (used in) financing activities	(709,736)	(1,324,445)
Increase (decrease) in cash and cash equivalents	73,420	(447,988)



Beginning balance of cash and cash equivalents	2,116,954	2,190,375
Cash and cash equivalents at the end of the fiscal year	2,190,375	1,742,387