



# 1<sup>st</sup> Quarter (Oct.-Dec.'21) Financial Results, Ending Sep. 2022 [IFRS] (Consolidated)

February 14, 2022

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  
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 Scheduled date for submission February 14, 2022 Start of distribution of dividends (scheduled)  
 of quarterly report  
 Supplementary explanation of financial results : Yes  
 Financial results briefing : No (for institutional investors and analysts)

(Rounded down to the nearest million yen)

## 1. Consolidated results for 1Q of the year ending September 2022 (Oct. 1, 2021 – Dec. 31, 2021)

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

	Sales revenue		Operating profit		Pre-tax profit		Quarterly profit		Quarterly profit attributable to the owner of the parent company		Quarterly Comprehensive profit Total amount	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
1 <sup>st</sup> Quarter of FY ending Sep. 2022	1,019	19.2	70	203.4	66	288.4	66	-	66	-	66	-
1 <sup>st</sup> Quarter of FY ending Sep. 2021	854	(13.7)	23	(77.7)	17	(81.8)	(6)	-	(6)	-	(6)	-

	Quarterly earnings per share		Quarterly diluted earnings per share	
	Yen	Sen	Yen	Sen
1 <sup>st</sup> Quarter of FY ending Sep. 2022	3.08		-	
1 <sup>st</sup> Quarter of FY ending Sep. 2021	(0.31)		(0.31)	

## (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
	million yen	million yen	million yen	%
1 <sup>st</sup> Quarter of FY ending Sep. 2022	2,633	257	257	9.78
End of Sep. 2021	3,080	190	190	6.20

## 2. Cash Dividends

	Annual dividend									
	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
Fiscal year ending Sep. 2021		-		0.00		-		0.00		0.00
Fiscal year ending Sep. 2022		-								
Fiscal year ending Sep. 2022 (forecast)				0.00		-		0.00		0.00

Note: Revisions to the forecasts most recently announced: None

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

(Oct. 1, 2021 – Sep. 30, 2022)

(Percentages represent change compared to the last year)

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

Note: Revisions to the forecasts most recently announced: None

#### ※ Note

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

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

New - (company name), 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 quarter (including treasury shares)

② Number of treasury shares at the end of the quarter

③ Average number of shares outstanding (Quarter-to-Date)

1Q of FY Sep. 2022	21,818,800 shares	Fiscal year Sep. 2021	21,818,800 shares
1Q of FY Sep. 2022	219,592 shares	Fiscal year Sep. 2021	219,592 shares
1Q of FY Sep. 2022	21,599,208 shares	1Q of FY Sep. 2021	21,586,382 shares

※ Quarterly financial results are not covered by quarterly reviews of 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)

Meanwhile the Group recorded 70,889 thousand yen operating profit and 66,549 thousand yen quarterly profit in the current 1<sup>st</sup> quarter YTD, recovering from the previous consolidated fiscal year, capital ratio (ratio of equity attributable to the owner of the parent company to total assets) ended 9.78%. 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 ration 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 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 1,268,354 thousand yen at the end of the current 1<sup>st</sup> quarter, and will have sufficient funds to continue operations for foreseeable future, after investigating future cash flow of the current fiscal year, the Group does not have significant uncertainties regarding cash flow. Also, for financial position, 9.78% capital ratio (ratio of equity attributable to the owner of the parent company) at the end of the current 1<sup>st</sup> quarter will

improve further, thanks to the decrease of total assets by repayment of debts and Corporate bonds, in addition to the increase of capital by achievement of above-mentioned earnings forecast. Also, there exists no risk of financial covenant.

In case of failure to secure sales revenue and operating profit due to worsening 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

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

	Previous fiscal year (Sep. 30, 2021)	1 <sup>st</sup> Quarter consolidated accounting period (Dec. 31, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	1,742,387	1,268,354
Trade receivables and other receivables	369,077	450,883
Inventory	3,526	6,976
Other financial assets	97,300	71,981
Other current assets	59,214	73,048
Total current assets	2,271,506	1,871,244
Non-current asset		
Property, plant and equipment	40,981	37,809
Right-Of-Use asset	291,795	238,016
Intangible asset	236,359	238,138
Other financial assets	226,065	226,465
Deferred tax asset	6,009	6,009
Other non-current assets	7,707	16,223
Total non-current assets	808,919	762,662
Total assets	3,080,425	2,633,907

	Previous fiscal year (Sep. 30, 2021)	1 <sup>st</sup> Quarter consolidated accounting period (Dec. 31, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	342,304	344,354
Bonds and borrowings	1,308,710	1,261,019
Lease obligations	210,246	207,873
Corporate income tax payable etc.	39,317	118
Allowance	11,500	-
Other current liabilities	161,522	202,333
Total current liabilities	2,073,601	2,015,698
Non-current liabilities		
Bonds and borrowings	672,409	269,100
Lease obligations	84,997	33,141
Allowance	58,500	58,500
Total non-current liabilities	815,907	360,742
Total liabilities	2,889,508	2,376,440
Capital		
Capital	1,308,067	1,308,067
Capital surplus	1,297,142	1,297,142
Treasury stock	(290,364)	(290,364)
Retained earnings	(1,913,926)	(1,847,377)
Components of other capital	(210,001)	(210,001)
Total equity attributable to owners of the parent	190,917	257,466
Total equity	190,917	257,466
Total liabilities and equity	3,080,425	2,633,907

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

## Condensed Consolidated Statement of Income

1<sup>st</sup> Quarter YTD Consolidated Period

	1 <sup>st</sup> Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Dec. 31, 2020)	1 <sup>st</sup> Quarter YTD of current fiscal year (From Oct. 1, 2021 to Dec. 31, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Sales revenue	854,971	1,019,097
Cost of sales	11,598	29,989
Gross profit	843,372	989,108
Selling, general and administrative expenses	885,100	921,426
Other income	65,677	4,038
Other expenses	581	829
Operating profit (loss)	23,368	70,889
Financial expenses	6,315	4,659
Profit (loss) before income taxes	17,052	66,230
Income tax expense	23,647	(318)
Quarterly profit (loss)	(6,594)	66,549
Attribution of Quarterly profit (loss)		
Owner of the parent company	(6,594)	66,549
Non-controlling interest	-	-
Total	(6,594)	66,549
Quarterly Earnings per share		
Basic earnings per share (loss) (yen)	(0.31)	3.08
Earnings per diluted share (loss) (Yen)	(0.31)	-

Condensed Consolidated Statement of Comprehensive Income

1<sup>st</sup> Quarter YTD Consolidated Period

	1 <sup>st</sup> Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Dec. 31, 2020)	1 <sup>st</sup> Quarter YTD of current fiscal year (From Oct. 1, 2021 to Dec. 31, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Quarterly profit (loss)	(6,594)	66,549
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-	-
Other comprehensive income after tax	-	-
Total quarterly comprehensive income	(6,594)	66,549
Attribution of comprehensive income		
Owner of the parent company	(6,594)	66,549
Non-controlling interest	-	-
Total	(6,594)	66,549

## (3) Condensed Consolidated Statement of Cash Flows

	1 <sup>st</sup> Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Dec. 31, 2020)	1 <sup>st</sup> Quarter YTD of current fiscal year (From Oct. 1, 2021 to Dec. 31, 2021)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes	17,052	66,230
Depreciation and Amortization	125,062	76,734
Interest expense and corporate bond interest	3,981	2,096
Gain on sale of fixed assets	(2,800)	(200)
Increase (decrease) in trade receivables and other receivables (negative is increase)	61,757	(82,462)
Increase (decrease) in inventory assets	830	(3,449)
Increase (decrease) in other current assets	(12,838)	(23,529)
Increase (decrease) in operating liabilities and other obligations (negative is decrease)	(57,663)	2,049
Increase (decrease) of consumption tax payable etc.	5,027	22,566
Increase (decrease) in other current liabilities	(24,382)	17,296
Increase (decrease) in allowance (negative is decrease)	-	(11,500)
Others	(6,585)	(29,886)
Subtotal	109,441	35,946
Interest paid	(4,535)	(2,500)
Income taxes (paid) refund	(11,818)	(15,838)
Net cash provided by (used in) operating activities	93,087	17,608
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(960)	(2,100)
Revenue from sale of fixed assets	2,800	1,000
Purchase of intangible assets	(31,816)	(3,701)
Revenue from sale/collection of other financial assets	-	34,950
Revenue from sale of securities	20,792	-
Payment from sale of shares of subsidiaries accompanying changes in scope of consolidation	-	(14,570)
Others	-	(400)
Net cash provided by (used in) investing activities	(9,184)	15,179
Net cash provided by (used in) financing activities		
Repayment of long-term loan payable and redemption of bonds	(397,601)	(452,591)
Proceeds from exercise of stock option	224,120	-
Repayment of lease obligations	(59,378)	(54,229)
Others	2,334	-
Net cash provided by (used in) financing activities	(230,524)	(506,820)
Increase (decrease) in cash and cash equivalents	(146,621)	(474,032)
Beginning balance of cash and cash equivalents	2,190,375	1,742,387
Cash and cash equivalents at the end of the 1 <sup>st</sup> quarter	2,043,754	1,268,354