



2nd Quarter (Jan.- Mar.'22) Financial Results, Ending Sep. 2022 [IFRS] (Consolidated)

May 12, 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
 Contact person (Title) Head of Control Center (Name) Satoru Yano (TEL) 052 (414) 6025
 Scheduled date for submission May 12, 2022 Start of distribution of dividends (scheduled)
 of quarterly report
 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 2Q of the year ending September 2022 (Oct. 1, 2021 – Mar. 31, 2022)

(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	%
2 nd Quarter of FY ending Sep. 2022	1,944	21.7	125	-	118	-	118	-	118	-	118	-
2 nd Quarter of FY ending Sep. 2021	1,598	(12.2)	(18)	-	(29)	-	(49)	-	(49)	-	(49)	-

	Quarterly earnings per share		Quarterly diluted earnings per share	
	Yen	Sen	Yen	Sen
2 nd Quarter of FY ending Sep. 2022	5.50		-	
2 nd Quarter of FY ending Sep. 2021	(2.28)		(2.28)	

(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	%
2 nd Quarter of FY ending Sep. 2022	2,401	309	309	12.90
End of Sep. 2021	3,080	190	190	6.20

2. Cash Dividends

	Annual dividend									
	End of 1 st quarter		End of 2 nd quarter		End of 3 rd 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		-	0.00			-	0.00		0.00	
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	4,000- 4,200	13- 19	250	-

Note: Revisions to the forecasts most recently announced: Yes

※ 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)

2Q of FY Sep. 2022	21,818,800 shares	Fiscal year Sep. 2021	21,818,800 shares
2Q of FY Sep. 2022	219,592 shares	Fiscal year Sep. 2021	219,592 shares
2Q of FY Sep. 2022	21,599,208 shares	2Q of FY Sep. 2021	21,592,724 shares

② Number of treasury shares at the end of the quarter

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

※ 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)

At the end of the previous consolidated fiscal year, Impairment loss of goodwill and non-current asset brought operating loss, net loss, and deteriorating capital ratio (ratio of equity attributed to the owner of the parent company to total assets). As a result, there existed events or circumstances that raise significant doubt about the Group's ability to continue as a going concern.

To resolve this situation, the Group has implemented mid-term business & cash flow plan, and has increased sales revenue and has normalized advertisement cost ratio to sales toward stabilization of financial position.

As a result, in the current 2nd quarter YTD, the Group recorded 125,141 thousand yen operating profit and 118,849 thousand yen net income. And, at the end of the current 2nd quarter, capital ratio (ratio of equity attributed to the owner of the parent company to total assets) ended in 12.90%. After incoming 3rd quarter also, the Group continuously expects to improve profitability and capital ratio (ratio of equity attributed to the owner of the parent company to total assets).

The Group had cash and cash equivalents of 1,041,234 thousand yen at the end of the current 2nd quarter, and will have sufficient funds to continue operations for foreseeable future. The Group does not have significant uncertainties regarding cash flow.

Consequently, the Group believes that Significant Events relating to Going concern Assumption have been resolved at the end of the current 2nd quarter.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	Previous fiscal year (Sep. 30, 2021)	2 nd Quarter consolidated accounting period (Mar. 31, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	1,742,387	1,041,234
Trade receivables and other receivables	369,077	479,715
Inventory	3,526	16,469
Other financial assets	97,300	121,181
Other current assets	59,214	53,882
Total current assets	2,271,506	1,712,483
Non-current asset		
Property, plant and equipment	40,981	36,021
Right-Of-Use asset	291,795	187,012
Intangible asset	236,359	220,194
Other financial assets	226,065	226,465
Deferred tax asset	6,009	6,009
Other non-current assets	7,707	12,815
Total non-current assets	808,919	688,519
Total assets	3,080,425	2,401,002

	Previous fiscal year (Sep. 30, 2021)	2 nd Quarter consolidated accounting period (Mar. 31, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	342,304	326,567
Bonds and borrowings	1,308,710	1,078,427
Lease obligations	210,246	189,522
Corporate income tax payable etc.	39,317	83
Allowance	11,500	-
Other current liabilities	161,522	195,219
Total current liabilities	2,073,601	1,789,820
Non-current liabilities		
Bonds and borrowings	672,409	242,915
Lease obligations	84,997	-
Allowance	58,500	58,500
Total non-current liabilities	815,907	301,415
Total liabilities	2,889,508	2,091,235
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)	(1,795,077)
Components of other capital	(210,001)	(210,001)
Total equity attributable to owners of the parent	190,917	309,766
Total equity	190,917	309,766
Total liabilities and equity	3,080,425	2,401,002

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

Condensed Consolidated Statement of Income

2nd Quarter YTD Consolidated Period

	2 nd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Mar. 31, 2021)	2 nd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Mar. 31, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Sales revenue	1,598,776	1,944,984
Cost of sales	34,501	65,714
Gross profit	1,564,274	1,879,269
Selling, general and administrative expenses	1,708,036	1,765,213
Other income	127,086	11,916
Other expenses	1,381	831
Operating profit (loss)	(18,057)	125,141
Financial revenue	9	4
Financial expenses	11,863	6,650
Profit (loss) before income taxes	(29,911)	118,496
Income tax expense	19,239	(353)
Quarterly profit (loss)	(49,151)	118,849
Attribution of Quarterly profit (loss)		
Owner of the parent company	(49,151)	118,849
Non-controlling interest	-	-
Total	(49,151)	118,849
Quarterly Earnings per share		
Basic earnings per share (loss) (yen)	(2.28)	5.50
Earnings per diluted share (loss) (Yen)	(2.28)	-

Condensed Consolidated Statement of Comprehensive Income

2nd Quarter YTD Consolidated Period

	2 nd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Mar. 31, 2021)	2 nd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Mar. 31, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Quarterly profit (loss)	(49,151)	118,849
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	(49,151)	118,849
Attribution of comprehensive income		
Owner of the parent company	(49,151)	118,849
Non-controlling interest	-	-
Total	(49,151)	118,849

(3) Condensed Consolidated Statement of Cash Flows

	2 nd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Mar. 31, 2021)	2 nd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Mar. 31, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes	(29,911)	118,496
Depreciation and Amortization	252,136	150,699
Reversal of obligations on disposal of assets	(57,845)	-
Interest income and dividends received	(9)	(4)
Interest expense and corporate bond interest	7,469	3,745
Gain on sale of fixed assets	(2,800)	(4,700)
Increase (decrease) in trade receivables and other receivables (negative is increase)	86,264	(111,294)
Increase (decrease) in inventory assets	406	(12,942)
Increase (decrease) in other current assets	(26,863)	(53,627)
Increase (decrease) in operating liabilities and other obligations (negative is decrease)	(50,199)	(15,736)
Increase (decrease) of consumption tax payable etc.	(38,271)	1,692
Increase (decrease) in other current liabilities	(49,307)	12,400
Increase (decrease) in allowance (negative is decrease)	-	(11,500)
Others	(13,216)	(25,164)
Subtotal	77,853	52,063
Interest and dividend received	9	4
Interest paid	(7,493)	(3,809)
Income taxes (paid) refund	300,124	2,541
Net cash provided by (used in) operating activities	370,493	50,800
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(960)	(5,329)
Revenue from sale of fixed assets	2,800	1,000
Purchase of intangible assets	(50,800)	(3,701)
Revenue from sale of intangible assets	-	4,500
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	(28,169)	16,450
Net cash provided by (used in) financing activities		
Repayment of long-term loan payable and redemption of bonds	(647,572)	(662,682)
Proceeds from exercise of stock option	224,120	-
Repayment of lease obligations	(118,853)	(105,721)
Others	4,393	-
Net cash provided by (used in) financing activities	(537,911)	(768,403)
Increase (decrease) in cash and cash equivalents	(195,586)	(701,152)
Beginning balance of cash and cash equivalents	2,190,375	1,742,387
Cash and cash equivalents at the end of the quarter	1,994,789	1,041,234