



3rd Quarter (Apr.- Jun.'22) Financial Results, Ending Sep. 2022 [IFRS] (Consolidated)

Aug. 15, 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 of quarterly report Aug. 15, 2022 Start of distribution of dividends (scheduled)
 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 3Q of the year ending September 2022 (Oct. 1, 2021 – Jun. 30, 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	%
3 rd Quarter of FY ending Sep. 2022	3,119	24.9	234	-	225	-	220	-	220	-	220	-
3 rd Quarter of FY ending Sep. 2021	2,497	(12.6)	(132)	-	(149)	-	(170)	-	(170)	-	(170)	-

	Quarterly earnings per share		Quarterly diluted earnings per share	
	Yen	Sen	Yen	Sen
3 rd Quarter of FY ending Sep. 2022	10.22		-	
3 rd Quarter of FY ending Sep. 2021	(7.90)		(7.90)	

(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	%
3 rd Quarter of FY ending Sep. 2022	2,151	412	412	19.16
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		-					
Fiscal year ending Sep. 2022 (forecast)							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	4,350	23	350	-

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)

② Number of treasury shares at the end of the quarter

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

3Q of FY Sep. 2022	21,818,800 shares	Fiscal year Sep. 2021	21,818,800 shares
3Q of FY Sep. 2022	219,592 shares	Fiscal year Sep. 2021	219,592 shares
3Q of FY Sep. 2022	21,599,208 shares	3Q of FY Sep. 2021	21,594,886 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)

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 3rd quarter YTD, the Group recorded 234,458 thousand yen operating profit and 220,651 thousand yen net income. And, at the end of the current 3rd quarter, capital ratio (ratio of equity attributed to the owner of the parent company to total assets) ended in 19.16%. After incoming 4th quarter also, the Group continuously expects black ink, and capital ratio (ratio of equity attributed to the owner of the parent company to total assets) will improve further.

The Group had cash and cash equivalents of 818,462 thousand yen at the end of the current 3rd 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 do not exist at the end of the current 3rd quarter.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	Previous fiscal year (Sep. 30, 2021)	3 rd Quarter consolidated accounting period (Jun. 30, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
(Assets)		
Current assets		
Cash and cash equivalents	1,742,387	818,462
Trade receivables and other receivables	369,077	550,284
Inventory	3,526	6,394
Other financial assets	97,300	125,673
Other current assets	59,214	77,476
Total current assets	2,271,506	1,578,291
Non-current asset		
Property, plant and equipment	40,981	32,073
Right-Of-Use asset	291,795	136,009
Intangible asset	236,359	202,250
Other financial assets	226,065	180,010
Deferred tax asset	6,009	6,009
Other non-current assets	7,707	16,900
Total non-current assets	808,919	573,253
Total assets	3,080,425	2,151,545

	Previous fiscal year (Sep. 30, 2021)	3 rd Quarter consolidated accounting period (Jun. 30, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
(Liabilities and Capital)		
Current Liabilities		
Operating payables and other payables	342,304	439,327
Bonds and borrowings	1,308,710	792,522
Lease obligations	210,246	137,946
Corporate income tax payable etc.	39,317	-
Allowance	11,500	26,000
Other current liabilities	161,522	233,842
Total current liabilities	2,073,601	1,629,639
Non-current liabilities		
Bonds and borrowings	672,409	77,269
Lease obligations	84,997	-
Allowance	58,500	32,500
Total non-current liabilities	815,907	109,769
Total liabilities	2,889,508	1,739,408
Capital		
Capital	1,308,067	1,308,067
Capital surplus	1,297,142	1,297,709
Treasury stock	(290,364)	(290,364)
Retained earnings	(1,913,926)	(1,693,274)
Components of other capital	(210,001)	(210,001)
Total equity attributable to owners of the parent	190,917	412,136
Total equity	190,917	412,136
Total liabilities and equity	3,080,425	2,151,545

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

Condensed Consolidated Statement of Income
3rd Quarter YTD Consolidated Period

	3 rd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Jun. 30, 2021)	3 rd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Jun. 30, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Sales revenue	2,497,581	3,119,061
Cost of sales	57,981	110,513
Gross profit	2,439,600	3,008,548
Selling, general and administrative expenses	2,687,518	2,785,497
Other income	197,582	13,959
Other expenses	82,453	2,552
Operating profit (loss)	(132,789)	234,458
Financial revenue	10	6
Financial expenses	16,647	8,943
Profit (loss) before income taxes	(149,426)	225,521
Income tax expense	21,261	4,869
Quarterly profit (loss)	(170,687)	220,651
Attribution of Quarterly profit (loss)		
Owner of the parent company	(170,687)	220,651
Non-controlling interest	-	-
Total	(170,687)	220,651
Quarterly Earnings per share		
Basic earnings per share (loss) (yen)	(7.90)	10.22
Earnings per diluted share (loss) (Yen)	(7.90)	-

Condensed Consolidated Statement of Comprehensive Income
3rd Quarter YTD Consolidated Period

	3 rd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Jun. 30, 2021)	3 rd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Jun. 30, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Quarterly profit (loss)	(170,687)	220,651
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	(170,687)	220,651
Attribution of comprehensive income		
Owner of the parent company	(170,687)	220,651
Non-controlling interest	-	-
Total	(170,687)	220,651

(3) Condensed Consolidated Statement of Cash Flows

	3 rd Quarter YTD of previous fiscal year (From Oct. 1, 2020 to Jun. 30, 2021)	3 rd Quarter YTD of current fiscal year (From Oct. 1, 2021 to Jun. 30, 2022)
Category	Amount (thousand yen)	Amount (thousand yen)
Net cash provided by (used in) operating activities		
Net income (loss) before income taxes	(149,426)	225,521
Depreciation and Amortization	375,936	224,669
Reversal of obligations on disposal of assets	(57,845)	-
Interest income and dividends received	(10)	(6)
Interest expense and corporate bond interest	10,425	4,998
Appraisal gains/losses of investment securities	70,704	-
Gain on sale of fixed assets	(71,046)	(4,700)
Increase (decrease) in trade receivables and other receivables (negative is increase)	41,857	(181,863)
Increase (decrease) in inventory assets	(392)	(2,868)
Increase (decrease) in other current assets	(13,401)	38,498
Increase (decrease) in other financial assets	-	(44,800)
Increase (decrease) in operating liabilities and other obligations (negative is decrease)	8,108	97,023
Increase (decrease) of consumption tax payable etc.	(49,987)	16,272
Increase (decrease) in other current liabilities	(30,787)	36,800
Increase (decrease) in allowance (negative is decrease)	-	(11,500)
Others	4,395	(36,949)
Subtotal	138,530	361,096
Interest and dividend received	10	6
Interest paid	(10,834)	(5,355)
Income taxes (paid) refund	298,779	(22,477)
Net cash provided by (used in) operating activities	426,486	333,270
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,359)	(6,403)
Revenue from sale of fixed assets	502,800	1,000
Purchase of intangible assets	(78,918)	(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	20,802	-
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	442,324	15,375
Net cash provided by (used in) financing activities		
Repayment of long-term loan payable and redemption of bonds	(1,100,163)	(1,115,273)
Proceeds from exercise of stock option	224,120	-
Repayment of lease obligations	(178,533)	(157,297)
Net cash provided by (used in) financing activities	(1,054,576)	(1,272,570)
Increase (decrease) in cash and cash equivalents	(185,765)	(923,924)
Beginning balance of cash and cash equivalents	2,190,375	1,742,387
Cash and cash equivalents at the end of the quarter	2,004,610	818,462